AJINOMOTO®

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

Annual Report 2013

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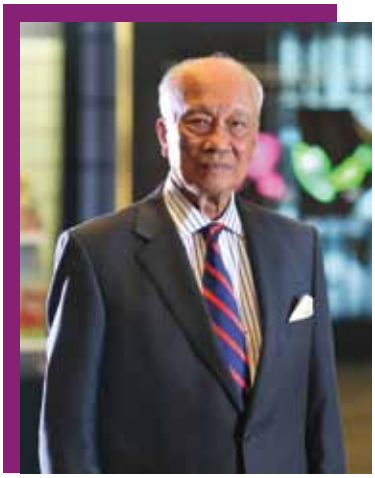
New Product Packaging:	TUMIX® Chicken Stock Seasoning and SERI-AJI® Tepung Goreng Seasoned Flour

Eat Well, Live Well.
AJINOMOTO®

Corporate Information

DIRECTORS	General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) (Chairman) Dato' (Dr.) Teo Chiang Liang Ryoichi Ebata (Chief Executive Officer/Managing Director) Katsuhide Shirai Koay Kah Ee Daisuke Kon Dominic Aw Kian-Wee Dato' Setia Ramli Bin Mahmud Ryuji Ito Kamarudin Bin Rasid Azharudin Bin Ab. Ghani
BANKERS	Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad Citibank Berhad Malayan Banking Berhad Standard Chartered Bank Malaysia Berhad
AUDITORS	Hanafiah Raslan & Mohamad
SOLICITORS	Lee, Ling & Partners
SECRETARY	Chua Siew Chuan (F) (MAICSA 0777689)
REGISTERED OFFICE	Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur Tel: 603-7980 6958 Fax: 603-7981 1731
SHARE REGISTRAR	Securities Services (Holdings) Sdn Bhd Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur Tel: 603-2084 9000 Fax: 603-2094 9940
STOCK EXCHANGE LISTING	Main Market of Bursa Malaysia Securities Berhad

Chairman's Statement



On behalf of the Board of Directors, I have great pleasure in presenting the Annual Report of Ajinomoto (Malaysia) Berhad for the financial year ended 31 March 2013.

RESULTS/PERFORMANCE

During the financial year, the Company was faced with a very challenging business environment, as raw material prices remained high and the continuing aggressive competition in the domestic market. The Company's effort to increase efficiency and reduce waste contributed to mitigating the effects of high production cost, whilst continuous marketing efforts countered the effects of the heightened competition.

Despite the difficult circumstances, the Company managed to record sales of RM332.9 million for the year ended 31 March 2013, a 2.5% increase over the RM324.7 million achieved in the preceding financial year. Profit before tax was however lower at RM28.1 million compared with RM33.5 million in the preceding year, due mainly to higher production cost.

During the financial year, the Company revived its television commercial for "AJI-NO-MOTO®" with the aim of promoting the quality and deliciousness of the product. The Company also continued with its promotional activities to increase customer awareness of "TUMIX®" in the market. In addition, a range of Corporate Social Responsibility (CSR) activities were organised to promote food & nutrition, social contribution, human development and environmental protection. Some of these activities include sponsorship of the "16 Navigators" charitable fundraiser under Yayasan Nanyang Press for the poor, the healthy living education programs for general public and students from universities , continuous training & development program for our staff and the 'Smile Earth' campaign which is parts of our environmental conservation awareness activities.

PROSPECTS

The domestic economic environment is expected to remain stable and continue to grow at the same pace as last year. The outlook for the Middle East and other Asian economies is also expected to be stable. Under such business environment, the Company will continue with its emphasis on the "Eat Well, Live Well" concept to promote our consumer products. Additionally, we will concentrate to expand sales of "TUMIX®" through effective marketing activities. At the same time, we will continue our efforts to expand sales in the Middle East and other Asian export markets.

DIVIDENDS

The Board of Directors aims to maintain a policy of stable dividend payout to shareholders. The Directors have proposed a first and final dividend of 11% less 25% tax and 9% tax exempt per ordinary share of RM1.00 each. This dividend is subject to approval by shareholders at the forthcoming Annual General Meeting.

APPRECIATION

Since the last Annual General Meeting, Encik Adinan Bin Husin, Mr. Tee Ju Mian and Mr. Hiroshi Amnano have resigned from the Board. The Board wishes to record its appreciation to them for their invaluable contributions and guidance to the Company.

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

Director's Profile

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

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

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

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

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

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

Director's Profile
(cont'd.)

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

Dato' Teo was appointed to the Board of Ajinomoto (Malaysia) Berhad on 28 June 2001. He was appointed as the Chairman of the Audit Committee on 1 November 2002. He is also a member of the Nomination Committee and the Remuneration Committee. He attended all six Board meetings held in the financial year.

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

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

Dato' Teo's other directorships in public companies include RHB Capital Berhad and RHB Insurance Berhad.

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

Ryoichi Ebata
Managing Director, Chief Executive Officer
50 years of age – Japanese

Mr. Ebata was appointed as Managing Director/ Chief Executive Officer on 1 July 2013. He is a member of the Remuneration Committee.

Mr. Ebata graduated with a Master in Business Administration, International Institute of Management Development (MID), Switzerland.

He joined Ajinomoto Co., Inc Japan in 1987 and began his career with the Osaka Branch and has held various positions in Japan and overseas within the Ajinomoto Group of Companies.

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

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

Director's Profile
(cont'd.)

Katsuhide Shirai
Executive Director
41 years of age – Japanese

Mr. Shirai was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2011. He attended all six Board meetings held in the financial year.

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

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

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

Koay Kah Ee
Senior Independent Non-Executive Director
54 years of age - Malaysian

Mr. Koay was appointed to the Board of Ajinomoto (Malaysia) Berhad on 15 November 2007. He is a member of the Audit Committee. He was appointed as Chairman of the Nomination Committee and Senior Independent Non-Executive Director on 28 May 2013. He attended all six Board meetings held in the financial year.

He graduated with a Master in Business Administration from University of Strathclyde, UK. He is a Fellow of Chartered Institute of Management Accountants (FCMA), UK, Fellow of the Australian Society of Certified Practicing Accountants (FCPA), Chartered Accountant (CA) of the Malaysia Institute of Accountants, member of the CIMA (UK) Global Panel of Membership Assessors and member of the Employer panel of Industrial Court Malaysia.

He is currently the Group Finance Director of Prestar Resources Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). He also sits on the Board of JF Technology Berhad, a company listed on the ACE 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 also not been convicted for any offences within the past ten years other than for traffic offences, if any.

Director's Profile
(cont'd.)

Daisuke Kon
Executive Director
48 years of age – Japanese

Mr. Kon was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2010. He attended five Board meetings held in the financial year.

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

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

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

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

Mr. Aw was appointed to the Board of Ajinomoto (Malaysia) Berhad on 10 August 2010. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee. He attended five 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 is a partner of Mazlan & Associates since 2003 and has over 17 years of working experience as an advocate and solicitor.

He also sits on the Board of Dolomite Corporation Berhad.

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

Director's Profile
(cont'd.)

Dato' Setia Ramli Bin Mahmud
Independent Non-Executive Director
59 years of age – Malaysian

Dato' Setia Ramli was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 April 2011. He is a member of the Audit Committee and Nomination Committee. He attended five Board meetings held in the financial year.

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

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

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

Ryuji Ito
Executive Director
48 years of age – Japanese

Mr. Ito was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2011. He attended five Board meetings held in the financial year.

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

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

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

Director's Profile
(cont'd.)

Kamarudin Bin Rasid
Executive Director
52 years of age - Malaysian

En Kamarudin Bin Rasid was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 June 2012. He attended all five Board meetings held since his appointment to Board.

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

Azharudin Bin Ab Ghani
Executive Director
49 years of age - Malaysian

En Azharudin Bin Ab Ghani was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 Jun 2013.

En Azharudin graduated from the National University of Malaysia with a Bachelor of Science (Microbiology) in 1985.

He joined the Production Department of Ajinomoto (Malaysia) Berhad in 1985. Over the years he moved up the corporate ladder and served under various capacities.

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

Statement on Corporate Governance

The Board of Directors ("the Board") recognises the importance of maintaining high standards of corporate governance within the Company as this would serve to protect shareholders' value as well as enhance the financial performance of the Company. In achieving this, the Board is pleased to state that the Company has substantially applied the Principles set out in the Malaysian Code on Corporate Governance 2012 ("the Code") to its particular circumstances, having regard to the Recommendations stated under each Principle, since the Code took effect on 31 December 2012.

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

The application of the Code and the extent of compliance with the Principles set out in the Code are reported hereunder. Where the Company has not followed any Recommendation or intends to take steps or has taken steps to follow such Recommendation or intends to establish or has established an alternative approach, a statement to that effect, together with the reasons, where applicable, is disclosed in this Statement.

THE BOARD OF DIRECTORS

The Board has established clear functions reserved for the Board and those delegated to Management. The respective roles and responsibilities of the Board and Management are clearly set out in the Board Charter and understood to ensure accountability of both parties. This allocation of responsibilities reflects the dynamic nature of the relationship necessary for the Company to adapt to changing circumstances. Key matters such as approval of annual and interim results, acquisitions and disposals, as well as material agreements are reserved for the Board, while a capable and experienced management team is put in charge to oversee the day-to-day operations of the Company.

The descriptions for the respective functions of the Board and the Managing Director/Chief Executive Officer are developed by the Board together with the Managing Director/Chief Executive Officer. The Board will conduct a regular review of the division of responsibilities as stated in the Board Charter to ensure that the needs of the Company are consistently met. In fulfilling its fiduciary and leadership functions, the Board ensures that there are appropriate systems and procedures in place to manage the Company's strategic plans, business conduct, significant risks, succession planning, shareholder communications policy and management information and internal controls system.

The Board Charter will be periodically reviewed and published on the Company's website in due course.

Composition of the Board

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

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

The Board has identified Mr. Koay Kah Ee to be the Senior Independent Non-Executive Director to whom concerns may be conveyed by shareholders and the general public. In line with the commentary set out in Recommendation 2.1 of the Code, Mr. Koay Kah Ee is also the Chairman of the Nomination Committee ("NC").

The roles of the Chairman and Managing Director/Chief Executive Officer are separate and each has a clear accepted division of responsibilities to ensure that there is a balance of power and authority and promote accountability. The Chairman is responsible for ensuring Board effectiveness and conduct, leading the Board in the oversight of Management, whilst the Managing Director/Chief Executive Officer has the overall responsibilities over the Company's operating units, organisational effectiveness and implementation of Board policies and decisions on a day-to-day basis. As the Chairman is independent, the Chairman can provide strong leadership by being able to marshal the Board's priorities more objectively.

Responsibility is vested in the Non-Executive Directors of the Company to ensure that the policies and strategies proposed by Management are fully discussed and critically examined, not only against the best long-term interests of shareholders, but also to ensure that they take proper account of the interests of employees, customers, suppliers and the communities within which it

Statement on Corporate Governance (cont'd)

is represented. The presence of the Independent Non-Executive Directors is essential to provide unbiased and independent view, advice and judgement as well as to safeguard the interest of other parties such as minority interest and the community.

The Board is taking steps to develop a formal policy on its boardroom and gender diversity through the NC and will ensure that women candidates are sought as part of its recruitment exercise. To-date, the NC and the Board are still looking for suitable women candidates to be considered for appointment to the Board to reach 30% of board composition.

Board Roles and Responsibilities

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

1. Periodic review and adoption of the Company's business policies and strategies;
2. Overseeing the conduct of the Company's business to ensure that the business is properly managed and that measures are in place against which Management's performance can be assessed;
3. Identifying principal risks and ensuring the implementation of appropriate systems to manage and mitigate these risks;
4. Senior management succession planning;
5. Maintaining an effective investors' and shareholders' communication policy;
6. Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board is committed in maintaining a corporate culture which engenders ethical conduct. Ethical standards are formalised through the Company's Code of Conduct, which summarises what the Company must endeavour to do proactively in order to increase corporate value and describes the areas in daily activities that require caution in order to minimise any risks that may occur. A summary of the said Code of Conduct will be published on the Company's website in due course.

The Board also has a separate Whistleblowing Policy stating the appropriate communication and feedback channels to facilitate whistleblowing.

Independence of Directors

The Board is committed in undertaking an assessment of its independent directors annually and assesses the independence of its independent directors based on the criteria developed by the NC, which focuses beyond the independent director's background, economic and family relationships, and applies these criteria upon admission, annually and when any new interest or relationship develops.

The Board is aware that the tenure of an independent director should not exceed a cumulative term of nine (9) years as recommended in Recommendation 3.2 of the Code. Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a non-independent director. In the event the Board wishes to retain such director as an independent director, the Board will justify and seek shareholders' approval.

General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) and Dato' (Dr) Teo Chiang Liang are the two (2) Independent Non-Executive Directors who had served on the Board for more than nine (9) years and accordingly, the Board had sought shareholders' approval at the preceding Annual General Meeting held on 10 September 2012 to retain them as Independent Non-Executive Directors. The shareholders had approved the retention.

The Company intends to seek shareholders' approval again at the forthcoming Annual General Meeting to retain General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) and Dato' (Dr) Teo Chiang Liang as Indepednent Non-Executive Directors for the ensuing year.

Board Meetings

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

The number of Board meetings held during the financial year ended 31 March 2013 and each Director's attendance at the meetings were as follows:-

Statement on Corporate Governance (cont'd)

Directors	No. of Meetings Attended by the Directors in respect of the Financial Year Ended 31 March 2013*	Attendance (%)
Executive Directors		
Hiroshi Amano (Managing Director/Chief Executive Officer) *(Resigned w.e.f. 30 June 2013)*	6/6	100
Katsuhide Shirai (Chief Finance Officer)	6/6	100
Tee Ju Mian (Resigned w.e.f. 12 May 2013)	5/6	83
Daisuke Kon	5/6	83
Ryuji Ito	5/6	83
Kamarudin Bin Rasid	5/5	100
Azharudin Bin Ab Ghani *(Appointed w.e.f. 1 June 2013)*	N/A	N/A
Ryoichi Ebata (Managing Director/Chief Executive Officer) *(Appointed w.e.f. 1 July 2013)*	N/A	N/A
Non-Executive Directors		
General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd) (Chairman)	6/6	100
Dato' (Dr) Teo Chiang Liang	6/6	100
Adinan Bin Husin *(Resigned w.e.f. 1 April 2013)*	5/6	83
Koay Kah Ee	6/6	100
Dominic Aw Kian-Wee	5/6	83
Dato' Setia Ramli Bin Mahmud	5/6	83

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

Note

* There were six (6) Board meetings held during the financial year ended 31 March 2013. The meetings were held on 24 May 2012, 29 June 2012, 23 July 2012, 27 August 2012, 22 November 2012 and 27 February 2013.

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

Supply of Information and Advice

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

The Board sets corporate objectives, which are guided by the parent company's corporate objectives with the Managing Director/Chief Executive Officer. The corporate objectives include performance targets and long-term goals of the business to be met and agreed by the Managing Director/Chief Executive Officer.

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

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

Statement on Corporate Governance (cont'd)

Appointments to the Board

This NC is responsible for assessing board composition periodically and recommending new members to the Board. The Committee also assesses the performance of the Directors of the Company by annually reviewing the profile of the required skills to ensure that the Board has an appropriate balance of expertise and ability.

Commitment to the Board

Each member of the Board is expected to devote sufficient time and attention to the affairs of the Company. Any Director is, while holding office, at liberty to accept other Board appointment(s) in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his duty as a Director of the Company. Each Board member is expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year with appropriate leave of absence be notified to the Chairman of the Board and/or Company Secretary, where applicable.

Prior the acceptance of new Board appointment(s) in other companies, the Directors are to notify the Chairman of the Board and/or the Company Secretary in writing. The said notification should include an indication of time that will be spent on the new appointment.

Directors' Training and Education

All the Directors of the Company have all attended the Mandatory Accreditation Programme prescribed by Bursa Securities for directors of public listed companies. In addition, all the Directors as at 31 March 2013 have attended trainings during the financial year ended 31 March 2013 as part of their continuous training in compliance with Paragraph 15.08 of the Bursa Securities Main LR. The training attended by the directors for the financial year ended 31 March 2013 is as follows:-

- Advocacy Sessions on Corporate Disclosure for CEOs and CFOs
- Real Estate Investment Forum - 2012
- Updates on Listing Requirements of Bursa Malaysia Securities Berhad MCCG 2012
- Achieving and Increasing Boardroom Effectiveness Performance: Directors' Roles, Duties and Responsibilities
- CIMB – Economic & Treasury Market Seminar
- Budget 2013 and Recent Tax Developments
- Transfer Pricing Developments in Malaysia
- MFRS 13 Fair Value Accounting
- FIDE Programme by the ICLIF Leadership and Governance Centre – Insurance Insights
- FIDE Programme by the ICLIF Leadership and Governance Centre – The Nomination / Remuneration Committee Programme
- FIDE Programme by the ICLIF Leadership and Governance Centre – ICLIF Strategic Development Programme and Brainstorming Session
- Bursa Malaysia Half Day Programme – Governors' Risk Management Compliance: What Directors Should Know
- Business Sustainability "Making a Difference in Performance"

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

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

Statement on Corporate Governance (cont'd)

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

Re-election and re-appointment of Directors

Any Director appointed during the year is required under the Company's Articles of Association, to retire and seek re-election by shareholders at the following Annual General Meeting ("AGM") immediately after his appointment. As Encik Azharudin Bin Ab Ghani and Mr. Ryoichi Ebata were appointed after the preceding year's AGM, they will be retiring from office at the forthcoming Fifty-Second AGM.

The Company's Articles of Association also provides that one third (1/3) of the Directors shall retire by rotation at each AGM provided always that all Directors shall retire from office at least once in every three (3) years. The Directors retiring from office shall be eligible for re-election by the shareholders. In this respect, the Directors to retire by rotation from office at the forthcoming Fifty-Second AGM are Mr. Daisuke Kon, Mr. Dominic Aw Kian-Wee and Dato' Setia Ramli Bin Mahmud.

In addition, in accordance with Section 129 of the Companies Act, 1965 and Recommendation 3.3 of the Code, General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd) who is over the age of 70 years will be seeking for re-appointment as Independent Director of the Company at the forthcoming AGM. Also, in accordance with Recommendation 3.3 of the Code, Dato' (Dr) Teo Chiang Liang will be seeking for re-appointment as Independent Director of the Company.

COMMITTEES

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

(1) NC

The NC was established with clearly defined terms of reference, comprising six (6) Non-Executive Directors, a majority of whom are independent, during the financial year ended 31 March 2013 as follows:-.

• Adinan Bin Husin	(Chairman, Non-Independent Non-Executive Director)
• General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd)	(Independent Non-Executive Director)
• Dato' (Dr) Teo Chiang Liang	(Independent Non-Executive Director)
• Koay Kah Ee	(Senior Independent Non-Executive Director)
• Dominic Aw Kian-Wee	(Independent Non-Executive Director)
• Dato' Setia Ramli Bin Mahmud	(Independent Non-Executive Director)

On 1 April 2013, Encik Adinan Bin Husin has resigned as a Director of the Company and hence, the NC currently comprises five (5) Independent Non-Executive Directors. Mr. Koay Kah Ee was appointed Chairman of the NC on 28 May 2013 with his redesignation as Senior Independent Non-Executive Director on the same date.

The Committee had two (2) meetings during the financial year ended 31 March 2013.

The main responsibilities of the Committee are to assess and recommend new candidates to the Board of Directors, if necessary, and to review the structure, size and composition of the Board of Directors and Board succession plans. The Committee also assesses the performance of the Board, the Committees of the Board and the Directors of the Company on an on-going basis as well as the training needs of the Board and each Director. The assessments are based on criteria developed, maintained and periodically reviewed by the NC.

All new members to the Board are nominated and elected based on the profile and curriculum vitae and the matching of skills and expertise against the needs of the Company. All new members appointed will be given an induction and the appropriate orientation and training necessary for the discharge of his duties.

The Committee is satisfied with the size of the Company's Board and that there is appropriate mix of knowledge, skills, attributes and core competencies in the composition of the Board. Nonetheless, the Committee will seek women candidates in its recommendation of new Board members.

Statement on Corporate Governance (cont'd)

(2) RC

The RC was set up with clearly defined terms of reference, and comprised one (1) Executive Director and three (3) Non-Executive Directors during the financial year ended 31 March 2013, as follows:-

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

Encik Adinan Bin Husin has resigned as a Director of the Company on 1 April 2013 and Mr. Hiroshi Amano has resigned as a Director of the Company on 30 June 2013 while Mr. Dominic Aw Kian-Wee was appointed as member of the RC on 28 May 2013 and Mr. Ryoichi Ebata was appointed as member of the RC on 1 July 2013. The RC currently comprises one (1) Executive Director and three (3) Independent Non-Executive Directors.

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

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

The RC may meet at least once a year or more frequently as deemed necessary.

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

	Executive Directors RM'000	Non-Executive Directors RM'000
Salaries and other emoluments	2,582	143
Fees	150	210
Bonus	114	-
Gratuity	60	84
Defined contribution plan	68	-
Benefit In Kind	358	-

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

Band of Remuneration	Executive Directors	Non-Executive Directors
RM50,001 - RM100,000	1	5
RM100,001 – RM150,000	-	1
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	1	-
RM250,001 – RM300,000	-	-
RM300,001 – RM350,000	1	-
RM350,001 – RM400,000	-	-
RM400,001 – RM450,000	-	-
RM450,001 – RM500,000	-	-
RM500,001 – RM550,000	-	-
RM550,001 – RM600,000	1	-
RM600,001 – RM650,000	1	-
RM650,001 – RM700,000	-	-
RM700,001 – RM750,000	2	-

Statement on Corporate Governance (cont'd)

(3) AC

The composition, responsibilities, terms of reference and activities during the financial year of the AC are set out under the section of AC Report of this Annual Report.

3.1 Financial Reporting

The Board is responsible for ensuring that the quarterly and annual audited financial statements of the Company present a fair and balance view and assessment of the Company's financial position, performance and prospects and comply with applicable financial reporting standards. The AC assists the Board in reviewing and scrutinising the information in terms of accuracy, adequacy and completeness for disclosure.

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

3.2 Risk Management and Internal Control

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

Information on the Company's risk management framework and internal control system is presented in the Statement on Risk Management and Internal Control of this Annual Report.

3.3 Relationship with Auditors

The roles of the AC, the internal and external auditors of the Company are described in the AC Report of this Annual Report. The Board and the AC have always maintained a professional and transparent relationship with the Company's auditors.

Policies governing the circumstances under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by the external auditors are established by the AC. The AC also monitors the independence and qualification of external auditors and obtains 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.

3.4 External Audit

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

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

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

Statement on Corporate Governance (cont'd)

3.5 Related Party Transactions

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

SHAREHOLDERS' COMMUNICATION AND INVESTOR RELATIONS

Relationship with Shareholders

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

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

All Notices of general meetings are served within the prescribed notice period as the Board is of the view that serving of such notices earlier than the minimum notice period does not tantamount to encouragement of shareholder participation. Also, the Board is of the view that given the circumstances and technology surrounding electronic voting at current, the adoption of electronic voting may not facilitate greater shareholder participation. Nonetheless, the Board is committed to disclose all relevant information to shareholders in the Notices and during the meetings to enable them to exercise their rights. Also, the Chairman will inform shareholders of their right to demand a poll vote at the commencement of meetings.

AGM

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

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

Timely announcements are also made to the public with regard to the Company's quarterly results, corporate proposals and other required announcements to ensure effective dissemination of information relating to the Company and that accurate information are provided to the public at large. A dedicated section for corporate governance will be established on the Company's website.

Corporate Responsibility ("CR")

The Board ensures that the Company's strategies promote sustainability with attention given particularly to environmental, social and governance ("ESG") aspects of business which underpin sustainability. The Board understands that balancing ESG aspects with the interests of various stakeholders is essential to enhancing investor perception and public trust. Disclosures on corporate responsibility are presented in the section of "Corporate Responsibilities Activities" of this Annual Report and also published on the Company's website.

Additional Compliance Information

1. **Utilisation of Proceeds**

   Not Applicable

2. **Share Buy-Back**

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

3. **Options or Convertible Securities**

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

4. **Depository Receipt Programme**

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

5. **Imposition of Sanctions and/or Penalties**

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

6. **Non-Audit Fees**

   During the financial year, the amount of non-audit fees paid by the Company to the external auditors amounted to RM62,000.

7. **Variation in Results**

   There were no material variations between the audited results for the financial year ended 31 March 2013 against the unaudited results for the year ended 31 March 2013 released by the Company previously.

8. **Profit Guarantee**

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

9. **Material Contracts**

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

10. **Recurrent Related Party Transactions of Revenue or Trading Nature**

    The details of the transactions with related parties undertaken by the Company during the financial year are disclosed in the Related Party Disclosures of the Financial Statements.

11. **Profit Estimate, Forecast of Projection**

    The Company did not make any release on the profit estimate, forecast or projections for the financial year ended 31 March 2013.

12. **Conflict of Interest**

    None of the Directors or major shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as the Company or its subsidiaries and which is not quoted on a stock exchange. There is no conflict between the Company and its Adviser, Reporting Accountants and Solicitors. The Adviser, Reporting Accountants and Solicitors are paid a fee for their services.

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 judgments and estimates have been made; and
- all applicable approved accounting standards in Malaysia have been followed.

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

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

Statement on Risk Management and Internal Control

For The Financial Year Ended 31 March 2013

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 2013, 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 Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").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 and management.

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

KEY FEATURES OF THE COMPANY'S INTERNAL CONTROL SYSTEM

1. CONTROL ENVIRONMENT

- **Organisation Structure & Authorisation Procedures**

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

- **Periodic and Annual Budget**

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

- **Company Policies and Procedures**

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

- **Human Resource Policy**

  Comprehensive and rigorous guidelines on 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 ISO9001:2000 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.

- **Regular Operational and Management Meetings**

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

Statement on Risk Management and Internal Control

For The Financial Year Ended 31 March 2013 (cont'd.)

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 Chief Administration Officer and includes other key management staff. Identifying, evaluating and managing the significant risks faced by the Company is an ongoing process which is undertaken at each department. During the year under review, this process was carried out through periodic management meetings held to communicate and deliberate key issues and risks amongst Management team members and where appropriate, controls are devised and implemented. Significant risks identified are escalated to the Board for their attention by the Chief Administration Officer.

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

3. INTERNAL AUDIT FUNCTION

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

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

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

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2013 amounted to RM65,810.10 (financial year ended 31 March 2012: RM70,857.10).

4. INFORMATION AND COMMUNICATION

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

5. REVIEW OF THIS STATEMENT

Pursuant to Paragraph 15.23 of the Main LR, the External Auditors have reviewed this Statement for inclusion in the 2013 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.

6. CONCLUSION

The Board is pleased to report that the Managing Director/Chief Executive Officer and Chief Finance Officer have given their assurance to the Board 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. 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 28 May 2013.

Audit Committee Report

INTRODUCTION

The Board of Directors of the Company is pleased to present the report of the Audit Committee for the financial year ended 31 March 2013.

PURPOSE

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

COMPOSITION OF THE AUDIT COMMITTEE AND ATTENDANCE OF MEMBERS AT MEETINGS

The composition of the Audit Committee and the attendance of the respective members at each Audit Committee Meeting during the financial year ended 31 March 2013 are as follows:-

Names	Designation	Directorship	Attendance*
Dato' (Dr) Teo Chiang Liang	Chairman	Independent Non-Executive Director	5/5
General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd)	Member	Independent Non-Executive Director	5/5
Adinan Bin Husin (resigned w.e.f. 1 April 2013)	Member	Non-Independent Non-Executive Director	5/5
Koay Kah Ee	Member	Senior Independent Non-Executive Director	5/5
Dominic Aw Kian-Wee	Member	Independent Non-Executive Director	5/5
Dato' Setia Ramli Bin Mahmud	Member	Independent Non-Executive Director	5/5

* There were five (5) Audit Committee Meetings held during the financial year ended 31 March 2013. The meetings were held on 24 May 2012, 29 June 2012, 27 August 2012, 22 November 2012 and 27 February 2013.

TERMS OF REFERENCE

1. Composition of members

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

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

(a) must be a member of the Malaysian Institute of Accountant ("MIA"); or

(b) if he is not a member of MIA, he must have at least three (3) years of working experience and:

i. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or

ii. he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

(c) must fulfil such other requirements as prescribed or approved by Bursa Securities.

Audit Committee Report
(cont'd.)

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

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

2. Chairman

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

3. Secretary

The Company Secretary shall be the Secretary of the Audit Committee.

4. Meetings

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities.

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

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

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

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

5. Minutes

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

6. Quorum

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

7. Objectives

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

(a) evaluate the quality of the audits performed by the internal and external auditors;

(b) provide assurance that the financial information presented by management is relevant, reliable and timely;

(c) oversee compliance with laws and regulations and observance of a proper code of conduct; and

(d) determine the quality, adequacy and effectiveness of the Company's control environment.

Audit Committee Report
(cont'd.)

8. Authority

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

(a) investigate any matter within its terms of reference;

(b) have full and unlimited/unrestricted access to all information and documents/resources;

(c) obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary;

(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any); and

(e) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Malaysia Securities Berhad.

9. Duties and Responsibilities

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

(a) To consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;

(b) To establish policies governing the circumstances under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by the external auditors;

(c) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

(d) To review with the external auditors the evaluation of the system of internal controls and the audit report;

(e) To review the quarterly and year-end financial statements of the Company before submission to the Board, focusing particularly on –

- any change in accounting policies and practices
- significant adjustments arising from the audit
- the going concern assumption
- compliance with applicable financial reporting standards and other legal requirements

(f) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);

(g) To review the external auditors' management letter and management's response;

(h) To do the following, in relation to the internal audit function:-

- review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work
- review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function
- review the internal audit plan, consider the internal audit reports and findings of the internal auditors, fraud investigations and actions and steps taken by Management in response to audit findings
- review any appraisal or assessment of the performance of members of the internal audit function

- approve any appointment or termination of the internal auditors;

(i) To consider any related party transactions and conflict of interest situation that may arise within the Company including any transaction, procedure or course of conduct that raises questions of management integrity;

(j) To report its findings on the financial and management performance, and other material matters to the Board;

(k) To consider the major findings of internal investigations and management's response;

(l) To verify the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;

(m) To monitor the integrity of the Company's financial statements;

(n) To monitor the independence and qualification of the Company's external auditors;

(o) To monitor the performance of the Company's internal audit function;

(p) To monitor the Company's compliance with relevant laws, regulations and code of conduct;

(q) To review the adequacy and effectiveness of risk management, internal control and governance systems;

(r) To consider and examine such other matters as the Audit Committee considers appropriate; and

(s) To consider other matters as defined by the Board.

Summary of Activities

During the financial year ended 31 March 2013, 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 in line with Paragraph 15.17 of Bursa Malaysia Securities Berhad ("Bursa Securities")'s Main Market Listing Requirements twice during the financial year to encourage a greater exchange of free and honest views between both parties.

A summary of the activities carried out by the Audit Committee during the financial year included the following:-

1. Financial Results

a) Reviewed the quarterly financial results of the Company focusing particularly on overall performance of the Company before recommending them for approval by the Board of Directors for announcement to Bursa Securities;

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

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

Audit Committee Report
(cont'd.)

2. External Audit

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

b) Reviewed and discussed the External Auditors' audit report and areas for concern highlighted in the management letter, including management's response to the concerns raised by the external auditors; and

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

3. Internal Audit

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

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

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

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 the activities of the internal audit function for the financial year ended 31 March 2013 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 in accordance with the approved audit plan;

(c) Based on the audit reviews carried out, reported the results of the audit reviews to the Audit Committee at their scheduled quarterly meetings. The reports highlighted internal control weaknesses identified and corresponding recommendations for improvements; and

(d) Follow up reviews on the status of implementation of management action plans were also carried out and reported to the Audit Committee.

The internal audit reviews carried out during the financial year ended 31 March 2013 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 12 AUGUST 2013

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

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	230	7.22	4,421	0.01
100 – 1,000	769	24.14	551,919	0.91
1,001 – 10,000	1,789	56.17	6,703,481	11.03
10,001 – 100,000	348	10.93	9,212,942	15.15
100,001 – 3,039,925 (*)	48	1.51	13,880,326	22.82
3,039,926 and above (**)	1	0.03	30,445,445	50.08
TOTAL	3,185	100.00	60,798,534	100.00

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

SUBSTANTIAL SHAREHOLDERS

The substantial shareholder of Ajinomoto (Malaysia) Berhad and its respective shareholdings based on the Register of Substantial Shareholders of the Company as at 12 August 2013 is as follows:-

Substantial Shareholders	No. of Shares			
	Direct	%	Indirect	%
Ajinomoto Co., Inc.	30,445,445	50.08	-	-

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company as at 12 August 2013 are as follows:-

Directors	Direct Interest		Indirect Interest	
	No. of Share Held	%	No. of Share Held	%
General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd)	10,000	0.02	10,000(1)	0.02
Dato' (Dr) Teo Chiang Liang	-	-	150,000(2)	0.25
Ryoichi Ebata	-	-	-	-
Katsuhide Shirai	-	-	-	-
Koay Kah Ee	-	-	-	-
Daisuke Kon	-	-	-	-
Dominic Aw Kian-Wee	-	-	-	-
Dato' Setia Ramli Bin Mahmud	-	-	-	-
Ryuji Ito	-	-	-	-
Kamarudin Bin Rasid	-	-	-	-
Azharudin Bin Ab Ghani	-	-	-	-

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

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

Statistics Of Shareholdings

AS AT 12 AUGUST 2013 (cont'd)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

No.	Shareholders	No. of Shares	%
1.	Ajinomoto Co., Inc.	30,445,445	50.08
2.	Lonpac Insurance Bhd	1,307,454	2.15
3.	Chinchoo Investment Sdn. Berhad	1,210,800	1.99
4.	Maybank Nominees (Asing) Sdn. Bhd. *Bank of East Asia (Nominees) Pte Ltd for The Bank of East Asia Ltd Singapore (A/C 2-970510)*	1,131,030	1.86
5.	HSBC Nominees (Asing) Sdn. Bhd. *Exempt AN for Credit Suisse (SG BR-TST-ASING)*	600,000	0.99
6.	Tee Teh Sdn. Berhad	564,508	0.93
7.	JF Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Teo Kwee Hock (Margin)*	506,200	0.83
8.	Cartaban Nominees (Asing) Sdn. Bhd. *BBH And Co. Boston for Fidelity Puritan Trust: Fidelity Series Intrinsic Opportunities Fund*	500,000	0.82
9.	Seah Mok Khoon	455,000	0.75
10.	Lim Kuan Gin	450,000	0.74
11.	Amanahraya Trustees Berhad *Public Far-East Balanced Fund*	403,300	0.66
12.	See Hoy Chan Agencies Sendirian Berhad	394,700	0.65
13.	JF Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Teo Siew Lai (Margin)*	343,300	0.56
14.	Tay How Seng	306,259	0.50
15.	Maybank Securities Nominees (Asing) Sdn. Bhd. *Maybank Kim Eng Securities Pte Ltd for Tan Pheck Gee*	283,538	0.47
16.	Yee Fook Leong	234,000	0.38
17.	Yong Siew Lee	230,000	0.38
18.	Chong Yean Fong	228,521	0.38
19.	Chong Kok Fah	223,300	0.37
20.	M'sian Vermicelli Manufacturers (M) Sdn. Bhd.	205,000	0.34
21.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lee Lak Chye@Li Choy Hin (E-IMO)*	205,000	0.34
22.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lee Kin Kheong (E-IMO)*	204,000	0.34
23.	Key Development Sdn. Berhad	200,000	0.33
24.	Oh Siew Heong	200,000	0.33
25.	Seah Heng Lye	200,000	0.33
26.	Amanahraya Trustees Berhad *Public Strategic Smallcap Fund*	190,400	0.31
27.	Tan Kok	187,800	0.31
28.	Goh Beng Choo	185,800	0.31
29.	Leong Kok Tai	182,900	0.30
30.	Cartaban Nominees (Asing) Sdn. Bhd. *DBS Vickers (Hong Kong) Limited for Ng Fung Yee*	178,362	0.29
	TOTAL	41,956,617	69.02

Financial Highlights

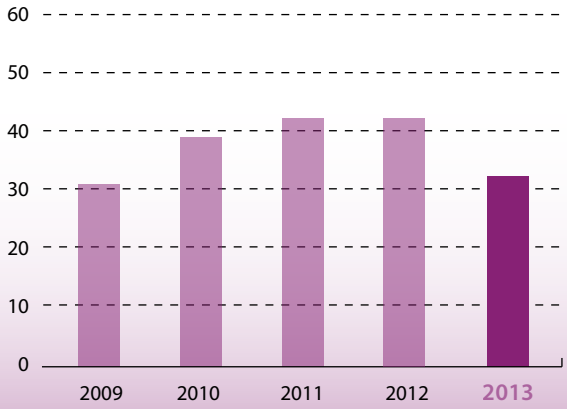
	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000
REVENUE	243,839	284,617	316,165	324,652	332,908
PROFIT BEFORE TAXATION	25,678	30,876	31,942	33,521	28,085
PROFIT NET OF TAX	19,072	23,939	25,870	25,601	19,404
SHAREHOLDERS FUNDS	189,297	204,116	220,189	235,323	244,344
PER SHARE					
o GROSS EARNINGS (Sen)	42.2	50.8	52.5	55.1	46.2
o NET EARNINGS (Sen)	31.4	39.4	42.6	42.1	31.9
o NET ASSET (RM)	3.1	3.4	3.6	3.9	4.0
FINANCIAL RATIOS					
Return on Asset (%)	8.57%	9.99%	9.58%	9.35%	6.59%
Return on Equity (%)	10.08%	11.73%	11.75%	10.88%	7.94%
Dividend Payout Ratio (%)	47.82%	40.00%	40.54%	40.97%	54.05%*
Net Dividend per share (sen)	15.00	15.75	17.25	17.25	17.25

* Subject to shareholders' approval at the Annual General Meeting

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 2013.

PRINCIPAL ACTIVITIES

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

RESULTS

	RM
Profit net of tax	19,403,596

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

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

DIVIDENDS

The amount of dividends paid by the Company since 31 March 2012 were as follows:

	RM
In respect of the financial year ended 31 March 2012 as reported in the directors' report of that year	
First and final dividend of 11% less 25% taxation and 9% tax exempt, declared on 10 September 2012 and paid on 2 October 2012	10,487,747

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 March 2013, of 11% less 25% taxation and 9% tax exempt on 60,798,534 ordinary shares, amounting to a dividend payable of RM10,487,747 (17.25 sen net per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2014.

Directors' Report
(cont'd.)

DIRECTORS

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

General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd)
Dato' (Dr.) Teo Chiang Liang
Hiroshi Amano
Koay Kah Ee
Daisuke Kon
Dominic Aw Kian-Wee
Dato' Setia Ramli Bin Mahmud
Katsuhide Shirai
Ryuji Ito
Kamarudin Bin Rasid
Azharuddin Bin Abdul Ghani (appointed effective 1 June 2013)
Adinan Bin Husin (resigned effective 1 April 2013)
Tee Ju Mian (resigned effective 31 May 2013)

DIRECTORS' BENEFITS

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

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

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM1 each			
	At 1.4.2012	Acquired	Sold	At 31.3.2013
The Company				
Direct interest:				
General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd Ali (Rtd)	10,000	-	-	10,000
Hiroshi Amano	2,398	-	-	2,398
Indirect interest:				
General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd Ali (Rtd)	10,000	-	-	10,000
Dato' (Dr.) Teo Chiang Liang	150,000	-	-	150,000

Directors' Report
(cont'd.)

DIRECTORS' INTERESTS (CONT'D.)

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 shares			
	At 1.4.2012	Acquired	Sold	At 31.3.2013
Holding company - Ajinomoto Co. Inc.				
Direct interest:				
Hiroshi Amano	4,858	64	-	4,922
Daisuke Kon	4,501	141	-	4,642
Ryuji Ito	1,106	293	-	1,399

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

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

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

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

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

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

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

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

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

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

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

Directors' Report
(cont'd.)

OTHER STATUTORY INFORMATION (CONT'D.)

(f) In the opinion of the directors:

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

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

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 June 2013.

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

Hiroshi Amano

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd Ali (Rtd) and Hiroshi Amano, being two of the directors of Ajinomoto (Malaysia) Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 36 to 76 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2013 and of the results and the cash flows of the Company for the year then ended.

The information set out in Note 34 on page 76 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 June 2013.

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

Hiroshi Amano

Statutory declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Kam Jin Leong, 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 36 to 76 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Kam Jin Leong at 25 June 2013
Kuala Lumpur in the Federal
Territory on 25 June 2013

Kam Jin Leong

Before me,

Lee Choon Hei
(W549)
Commissioner for Oaths
Kuala Lumpur

Independent Auditors' Report

to the members of Ajinomoto (Malaysia) Berhad
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Ajinomoto (Malaysia) Berhad, which comprise the statement of financial position as at 31 March 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 36 to 76.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2013 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, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

As stated in Note 2.2 to the financial statements, Ajinomoto (Malaysia) Berhad adopted Malaysian Financial Reporting Standards on 1 April 2012 with a transition date of 1 April 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statement of financial position as at 31 March 2012 and 1 April 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 March 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 31 March 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2012 do not contain misstatements that materially affect the financial position as of 31 March 2013 and financial performance and cash flows for the year then ended.

The supplementary information set out in Note 34 on page 76 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

Hanafiah Raslan & Mohamad
AF: 0002
Chartered Accountants

Teoh Soo Hock
No. 2477/10/13(J)
Chartered Accountant

Kuala Lumpur, Malaysia
25 June 2013

Statement of Comprehensive Income

For the financial year ended 31 March 2013

	Note	2013 RM	2012 RM (Restated)
Revenue	4	332,908,276	324,651,542
Other items of income	5	2,667,165	2,777,160
Items of expenses			
Changes in inventories of finished goods, work in progress and goods-in-transit		4,656,307	(1,377,834)
Raw materials and packaging materials consumed		(200,188,515)	(186,303,796)
Finished goods purchased		(2,797,271)	(1,150,208)
Employee benefits expense	6	(36,462,520)	(35,505,621)
Depreciation and amortisation		(13,445,231)	(13,728,750)
Other operating expenses		(59,252,746)	(55,841,794)
Profit before tax	8	28,085,465	33,520,699
Income tax expense	9	(8,681,869)	(7,919,823)
Profit net of tax		19,403,596	25,600,876
Other comprehensive income			
Fair value gain on investment securities		105,107	21,021
Total comprehensive income for the year		19,508,703	25,621,897
Earnings per share attributable to equity holders of the Company (sen)			
- Basic	10	31.9	42.1
Net dividend per share (sen)	11	17.25	17.25

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

Statement of Financial Position

As at 31 March 2013

	Note	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Assets				
Non-current assets				
Property, plant and equipment	12	102,306,204	106,900,078	104,358,059
Other receivables	16	1,248,000	995,079	843,561
Investment securities	13	798,813	693,706	672,685
Other investments	14	271,000	284,064	281,000
		104,624,017	108,872,927	106,155,305
Current assets				
Inventories	15	70,907,069	63,212,136	62,802,628
Trade and other receivables	16	39,370,912	34,641,189	32,410,933
Derivatives assets	17	1,800	25,033	36,263
Cash and cash equivalents	18	79,499,805	67,100,425	68,767,151
		189,779,586	164,978,783	164,016,975
Total assets		294,403,603	273,851,710	270,172,280
Equity and liabilities				
Current liabilities				
Retirement benefit obligations	19	12,796	417,462	345,271
Trade and other payables	20	39,738,152	27,612,397	38,238,679
Derivatives liabilities	17	61,848	51,806	2,397
Current tax payable		162,023	942,023	1,589,523
		39,974,819	29,023,688	40,175,870
Non-current liabilities				
Retirement benefit obligations	19	6,515,134	6,113,724	5,756,631
Deferred tax liabilities	21	3,569,804	3,391,408	4,051,039
		10,084,938	9,505,132	9,807,670
Total liabilities		50,059,757	38,528,820	49,983,540
Net assets		244,343,846	235,322,890	220,188,740
Equity attributable to equity holders of the Company				
Share capital	22	60,798,534	60,798,534	60,798,534
Share premium	22	4,303,700	4,303,700	4,303,700
Retained earnings	23	179,115,484	170,199,635	155,086,506
Other reserves	24	126,128	21,021	-
Total equity		244,343,846	235,322,890	220,188,740
Total equity and liabilities		294,403,603	273,851,710	270,172,280

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 2013

	Note	← Non-distributable → Share capital RM (Note 22)	Share premium RM (Note 22)	Other reserves RM (Note 24)	Distributable Retained earnings RM (Note 23)	Total equity RM
At 1 April 2011		60,798,534	4,303,700	-	155,086,506	220,188,740
Total comprehensive income		-	-	21,021	25,600,876	25,621,897
Transaction with owners						
Dividends	11	-	-	-	(10,487,747)	(10,487,747)
At 31 March 2012		60,798,534	4,303,700	21,021	170,199,635	235,322,890
At 1 April 2012		60,798,534	4,303,700	21,021	170,199,635	235,322,890
Total comprehensive income		-	-	105,107	19,403,596	19,508,703
Transaction with owners						
Dividends	11	-	-	-	(10,487,747)	(10,487,747)
At 31 March 2013		60,798,534	4,303,700	126,128	179,115,484	244,343,846

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 2013

	Note	2013 RM	2012 RM
Cash flows from operating activities			
Profit before tax		28,085,465	33,520,699
Adjustments for:			
Short-term accumulating compensated absences	6	(72,790)	55,678
Interest income	5	(1,880,849)	(1,568,020)
Depreciation of property, plant and equipment	8	13,445,231	13,728,750
Impairment loss on trade receivables	8	72,522	55,619
Inventories written off	8	149,786	433,674
Property, plant and equipment written off	8	86,072	43,638
Impairment loss/(reversal of impairment loss) in other investments	8	13,064	(3,064)
Reversal of impairment loss in other receivables	8	(5,736)	(24,902)
Gain on disposal of property, plant and equipment	5	(9,990)	(99,781)
Provision for post-employment benefits	6	1,307,750	1,309,364
Unrealised foreign exchange loss/(gain)	8	288,236	(79,396)
Net fair value loss on derivatives	17	33,275	60,639
Operating profit before working capital changes		41,512,036	47,432,898
Increase in inventories		(7,844,719)	(843,182)
Increase in trade and other receivables		(5,105,701)	(2,224,794)
Increase/(decrease) in trade and other payables		12,215,179	(10,675,213)
Cash generated from operations		40,776,795	33,689,709
Taxes paid		(9,283,473)	(9,226,954)
Payments of post-employment benefits	19	(1,311,006)	(880,080)
Net cash generated from operating activities		30,182,316	23,582,675
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(9,126,239)	(16,515,909)
Proceeds from disposal of property, plant and equipment		198,800	301,283
Interest received		1,805,289	1,395,900
Net cash used in investing activities		(7,122,150)	(14,818,726)
Cash flows from financing activities			
Dividends paid, representing net cash used in financing activities	11	(10,487,747)	(10,487,747)
Net increase/(decrease) in cash and cash equivalents		12,572,419	(1,723,798)
Effect of exchange rate changes on cash and cash equivalents		(173,039)	57,072
Cash and cash equivalents at beginning of the financial year		67,100,425	68,767,151
Cash and cash equivalents at end of the financial year	18	79,499,805	67,100,425

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 2013

1. CORPORATE INFORMATION

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company comply with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

At the beginning of the current financial year, the Company adopted the new MFRS and IC ("Interpretations Committee") Interpretations that are mandatory for the financial periods beginning on or after 1 January 2012.

The financial statements of the Company have been prepared on a historical cost basis unless otherwise indicated in the accounting policies below.

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

2.2 First time adoption of Malaysian Financial Reporting Standards ("MFRS")

These are the Company's first financial statements prepared in accordance with MFRS, and MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards has been applied.

Previously, the financial statements of the Company had been prepared in accordance with Financial Reporting Standards ("FRS") in Malaysia. Except for certain differences, the requirements under FRS and MFRS are similar.

In preparing its opening MFRS Statements of Financial Position as at 1 April 2011 (which is also the date of transition), the Company has adjusted the amounts previously reported in the financial statements prepared in accordance with FRS. Accordingly, notes related to the Statements of Financial Position as at the date of transition to MFRSs are only presented for the adjusted items. An explanation of how the transition from FRS to MFRS has affected the Company's financial position, financial performance and cash flows is set out in Note 31.

2.3 Summary significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and in preparing the opening MFRS statement of financial position of the Company as at 1 April 2011 (date of transition to MFRS framework), unless otherwise stated.

(a) Foreign currency

(i) Functional and presentation currency

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary significant accounting policies (cont'd.)

(a) Foreign currency (cont'd.)

(i) Foreign currency transactions

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

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.

(b) 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 plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary significant accounting policies (cont'd.)

(c) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

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 reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

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

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

(d) Impairment of non-financial assets

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

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

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.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary significant accounting policies (cont'd.)

(e) Financial assets

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

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

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

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

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

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

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

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investments

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary significant accounting policies (cont'd.)

(e) Financial assets (cont'd.)

(iv) Available-for-sale financial assets

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

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

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

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

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

(f) Impairment of financial assets

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary significant accounting policies (cont'd.)

(f) Impairment of financial assets (cont'd.)

(ii) Available-for-sale financial assets

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

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

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

(g) 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.

(h) 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.

(i) 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.

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary significant accounting policies (cont'd.)

(j) Financial liabilities

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

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

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

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

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

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

(ii) Other financial liabilities

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

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

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

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

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

(k) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary significant accounting policies (cont'd.)

(k) Employee benefits (cont'd.)

(ii) 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 statement of comprehensive income as incurred.

(iii) 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.

(l) Leases

(i) As lessee

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

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

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

(ii) As lessor

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

(m) Revenue

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

(i) Sale of goods

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

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary significant accounting policies (cont'd.)

(m) Revenue (cont'd.)

(ii) Interest income

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

(iii) Rental income

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

(iv) Other income

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

(n) Income taxes

(i) Current tax

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

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

(ii) Deferred tax

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

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

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary significant accounting policies (cont'd.)

(n) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

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

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

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

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

(o) 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.

(p) Contingencies

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

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

2.4 Standards issued but not yet effective

The standards 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, if applicable, when they become effective.

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012:

- MFRS 101: Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013:

- Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
- MFRS 119: Employee Benefits
- Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013:

- Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014:

- Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015:

- MFRS 9: Financial Instruments

The Company plans to adopt the above pronouncements when they become effective in the respective period or earlier if deemed necessary. These pronouncements are expected to have no significant impact on the financial statements of the Company upon initial application.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgements made in applying accounting policies

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

3.2 Key sources of estimation uncertainty

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

(a) Depreciation of plant and machinery

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

(b) Deferred tax

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances, unused reinvestment allowances and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances, unused reinvestment allowances and other temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details of the recognised deferred tax assets are disclosed in Note 21.

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

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

3.2 Key sources of estimation uncertainty (cont'd.)

(c) Tax provisions

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

(d) Impairment of loans and receivables

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Company's loans and receivable at the reporting date is disclosed in Note 16.

4. REVENUE

	2013 RM	2012 RM
Sale of goods	332,908,276	324,651,542

5. OTHER ITEMS OF INCOME

	2013 RM	2012 RM
Miscellaneous income	189,237	522,270
Rental income	587,089	587,089
Interest income	1,880,849	1,568,020
Gain on disposal of property, plant and equipment	9,990	99,781
	2,667,165	2,777,160

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

6. EMPLOYEE BENEFITS EXPENSES

	2013 RM	2012 RM
Wages and salaries	29,171,802	28,691,985
Gratuity	60,000	67,500
Pension costs - defined contribution plans	2,988,987	2,533,927
Pension costs - defined contribution plans maintained by the Company (Note 19)	1,307,750	1,309,364
Social security costs	235,049	224,359
Short term accumulating compensated absences	(72,790)	55,678
Other staff related expenses	2,771,722	2,622,808
	36,462,520	35,505,621

Included in employee benefits expense of the Company are executive directors' remuneration amounting to RM2,973,587 (2012: RM2,683,722) 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:

	2013 RM	2012 RM
Executive:		
Salaries and other emoluments	2,581,814	2,253,324
Fees	150,000	168,750
Bonus	113,640	127,020
Gratuity	60,000	67,500
Defined contribution plan	68,133	67,128
Total executive directors' remuneration (excluding benefits-in-kind) (Note 6)	2,973,587	2,683,722
Estimated money value of benefit-in-kind	358,341	349,933
Total executive directors' remuneration (including benefits-in-kind)	3,331,928	3,033,655
Non-Executive:		
Fees	210,000	210,000
Gratuity	84,000	84,000
Other emoluments	142,600	135,500
Total non-executive directors' remuneration (Note 8)	436,600	429,500
Total directors' remuneration	3,768,528	3,463,155

7. DIRECTORS' REMUNERATION (CONT'D.)

The number of directors, which included one director who had resigned as at last reporting date, of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of directors	
	2013	2012
Executive directors:		
RM50,001- RM100,000	1	-
RM100,001- RM150,000	-	1
RM150,001 - RM200,000	-	1
RM200,001 - RM250,000	1	-
RM300,001 - RM350,000	1	1
RM350,000 - RM400,000	-	2
RM450,001 - RM500,000	-	1
RM550,001 - RM600,000	1	1
RM600,001 - RM650,000	1	1
RM700,001 - RM750,000	2	-
Non-executive directors:		
RM50,001 - RM100,000	5	5
RM100,001 - RM150,000	1	1

8. PROFIT BEFORE TAX

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

	2013 RM	2012 RM
Employee benefits expenses (Note 6)	36,462,520	35,505,621
Non-executive directors' remuneration excluding benefits-in-kind (Note 7)	436,600	429,500
Auditors' remuneration:		
- Statutory	66,700	58,000
- Other services	62,000	14,000
Depreciation of property, plant and equipment (Note 12)	13,445,231	13,728,750
Inventories written off	149,786	433,674
Impairment loss/(reversal of impairment loss) on financial assets:		
- Trade receivables, net (Note 16)	72,522	55,619
- Other receivables (Note 16)	(5,736)	(24,902)
Impairment loss/ (reversal of impairment loss) of other investments (Note 14)	13,064	(3,064)
Foreign exchange loss/(gain):		
- Realised	361,385	265,288
- Unrealised	288,236	(79,396)
Net fair value loss on derivatives	33,275	60,639
Property, plant and equipment written off	86,072	43,638

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

9. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2013 and 2012 are:

	2013 RM	2012 RM
Current income tax:		
Malaysian income tax	8,035,000	8,959,000
Foreign withholding taxes	-	37
	8,035,000	8,959,037
Under/(over) provision in prior years:		
Malaysian income tax	468,473	(379,583)
	8,503,473	8,579,454
Deferred tax (Note 21):		
Relating to origination and reversal to temporary differences	(310,997)	(292,126)
Under/(over) provision in prior years	489,393	(367,505)
	178,396	(659,631)
Total income tax expense	8,681,869	7,919,823

Domestic current income tax is calculated at the statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year.

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:

	2013 RM	2012 RM
Profit before tax	28,085,465	33,520,699
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	7,021,366	8,380,175
Expenses not deductible for tax purposes	702,637	286,736
Under/(over) provision of deferred tax in prior years	489,393	(367,505)
Under/(over) provision of income tax expense in prior years	468,473	(379,583)
Income tax expense	8,681,869	7,919,823

10. EARNINGS PER SHARE

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

	2013 sen	2012 sen
Basic earnings per share	31.9	42.1

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

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

11. DIVIDENDS

	Amount		Net dividend per share	
	2013 RM	2012 RM	2013 Sen	2012 Sen
Recognised during the year:				
First and final dividend of 9% less 25% taxation and 9% tax exempt, a special dividend of 2% less 25% taxation	-	10,487,747	-	17.25
First and final dividend of 11% less 25% taxation and 9% tax exempt	10,487,747	-	17.25	-

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 March 2013, of 11% less 25% taxation and 9% tax exempt on 60,798,534 ordinary shares, amounting to a dividend payable of RM10,487,747 (17.25 sen net per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2014.

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

12. PROPERTY, PLANT AND EQUIPMENT

	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 2013								
Cost								
At 1 April 2012	71,525	41,386,462	49,780,065	7,672,627	144,877,990	5,129,499	3,836,567	252,754,735
Additions	-	-	1,330,226	857,145	6,301,495	637,373	-	9,126,239
Disposals	-	-	-	(618,029)	(91,548)	-	-	(709,577)
Written off	-	-	(139,061)	(3,682)	(1,947,116)	(17,832)	-	(2,107,691)
Transfer to/(from)	-	-	1,741,862	-	2,021,548	73,157	(3,836,567)	-
At 31 March 2013	71,525	41,386,462	52,713,092	7,908,061	151,162,369	5,822,197	-	259,063,706
Accumulated depreciation								
At 1 April 2012	-	1,870,259	33,518,026	3,163,796	105,062,810	2,239,766	-	145,854,657
Depreciation charge for the year	-	558,969	3,015,757	659,516	8,758,968	452,021	-	13,445,231
Disposals	-	-	-	(439,029)	(81,738)	-	-	(520,767)
Written off	-	-	(118,057)	(3,182)	(1,888,322)	(12,058)	-	(2,021,619)
At 31 March 2013	-	2,429,228	36,415,726	3,381,101	111,851,718	2,679,729	-	156,757,502
Net carrying amount	71,525	38,957,234	16,297,366	4,526,960	39,310,651	3,142,468	-	102,306,204
At 31 March 2012								
Cost								
At 1 April 2011	71,525	41,386,462	44,691,684	7,494,713	142,072,133	4,546,672	1,603,728	241,866,917
Additions	-	-	3,622,253	1,082,574	7,337,726	639,993	3,836,567	16,519,113
Disposals	-	-	-	(904,660)	(1,426,375)	-	-	(2,331,035)
Written off	-	-	-	-	(3,214,594)	(85,666)	-	(3,300,260)
Transfer to/(from)	-	-	1,466,128	-	109,100	28,500	(1,603,728)	-
At 31 March 2012	71,525	41,386,462	49,780,065	7,672,627	144,877,990	5,129,499	3,836,567	252,754,735
Accumulated depreciation								
At 1 April 2011	-	1,870,259	30,035,526	3,160,904	100,553,472	1,888,697	-	137,508,858
Depreciation charge for the year	-	558,969	2,923,531	717,715	9,101,908	426,627	-	13,728,750
Disposals	-	-	-	(714,823)	(1,411,506)	-	-	(2,126,329)
Written off	-	-	-	-	(3,181,064)	(75,558)	-	(3,256,622)
At 31 March 2012	-	2,429,228	32,959,057	3,163,796	105,062,810	2,239,766	-	145,854,657
Net carrying amount	71,525	38,957,234	16,821,008	4,508,831	39,815,180	2,889,733	3,836,567	106,900,078

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

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

	2013 RM	2012 RM
At cost:		
Buildings	20,484,952	20,048,294
Motor vehicles	75,779	75,779
Plant, machinery and equipment	71,761,200	65,298,256
Furniture, fixtures and fittings	988,165	918,585
	93,310,096	86,340,914

The Company acquire property, plant and equipment amounting to RM9,126,239 (2012: RM16,519,113) via cash.

13. INVESTMENT SECURITIES

	2013 RM	2012 RM
Non-current		
Available-for-sale financial assets:		
Quoted shares in a Malaysian corporation, at fair value	798,813	693,706

14. OTHER INVESTMENTS

	2013 RM	2012 RM
Transferable club memberships	344,000	344,000
Less: Impairment loss	(73,000)	(59,936)
	271,000	284,064

15. INVENTORIES

	2013 RM	2012 RM (Restated)
Cost		
Raw materials	41,544,956	33,850,871
Consumables	2,263,573	6,919,032
Work-in-progress	893,694	1,669,115
Finished goods	26,204,846	20,773,118
	70,907,069	63,212,136

The cost of inventories recognised as an expense during the financial year amounted to RM237,066,609 (2012: RM227,132,925).

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

16. TRADE AND OTHER RECEIVABLES

	2013 RM	2012 RM
Current		
Trade receivables		
Third parties	27,877,918	24,765,069
Amounts due from related companies	9,095,266	7,885,125
	36,973,184	32,650,194
Less: Allowance for impairment - Third parties	(147,878)	(91,501)
Trade receivables, net	36,825,306	32,558,693
Other receivables		
Deposits	381,516	416,923
Prepayments	566,306	659,906
Staff loans	493,943	661,650
Sundry receivables	1,103,841	344,017
	2,545,606	2,082,496
	39,370,912	34,641,189
Non-current		
Other receivables		
Staff loans	1,256,373	1,009,188
Less: Allowance for impairment	(8,373)	(14,109)
	1,248,000	995,079
Total trade and other receivables (current and non-current)	40,618,912	35,636,268
Add: Cash and bank balances (Note 18)	79,499,805	67,100,425
Less: Prepayments	(566,306)	(659,906)
Total loans and receivables carried at amortised cost	119,552,411	102,076,787

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

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2012: 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:

	2013 RM	2012 RM
Neither past due nor impaired	25,247,582	21,222,785
1 to 30 days past due not impaired	8,703,633	8,221,249
31 to 60 days past due not impaired	1,664,334	1,089,898
61 to 90 days past due not impaired	654,870	508,181
91to 120 days past due not impaired	158,588	136,439
More than 120 days past due not impaired	396,299	1,380,141
	11,577,724	11,335,908
Impaired	147,878	91,501
	36,973,184	32,650,194

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 RM11,577,724 (2012: RM11,335,908) that are past due at the reporting date but not impaired.

At the reporting date, trade receivables arising from export sales amounting to RM770,842 (2012: RM211,452) 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 RM764,292 (2012: RM442,148) at the reporting date. The remaining balance of receivables that are past due but not impaired are unsecured in nature.

Receivables that are impaired

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

	Individually impaired	
	2013 RM	2012 RM
Trade receivables - nominal amounts	147,878	91,501
Less: Allowance for impairment	(147,878)	(91,501)
	-	-

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

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

(a) Trade receivables (cont'd.)

Movement in allowance accounts:

	2013 RM	2012 RM
At 1 April	91,501	106,644
Impairment loss (Note 8)	72,522	110,364
Written off	(16,145)	(70,762)
Reversal of impairment loss (Note 8)	-	(54,745)
At 31 March	147,878	91,501

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

(b) Staff loans

Other receivables that are impaired

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

	Individually impaired	
	2013 RM	2012 RM
Other receivables - nominal amounts	8,373	14,109
Less: Allowance for impairment	(8,373)	(14,109)
	-	-

Movement in allowance accounts:

	2013 RM	2012 RM
At 1 April	14,109	39,011
Reversal of impairment loss (Note 8)	(5,736)	(24,902)
At 31 March	8,373	14,109

At the reporting date, the Company has provided an allowance of RM8,373 (2012: RM14,109) for impairment of the unsecured staff loan with a nominal amount of RM8,373 (2012: RM14,109).

Staff loans are unsecured, bear interest at 2.5% p.a. (2012: 2.5% p.a.) or non-interest bearing. Non-current amounts have an average maturity of 1.95 years (2012: 3.05 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) Related party balances

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

17. 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.

	Assets RM	Liabilities RM	Amount RM
As at 31 March 2013:			
Derivative held-for-trading :			
- Forward foreign exchange contracts	1,800	61,848	8,939,403
As at 31 March 2012:			
Derivative held-for-trading :			
- Forward foreign exchange contracts	25,033	51,806	12,441,021

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

Forward currency contracts are used to hedge the Company's sales and purchases of raw materials denominated in United States Dollar ("USD") for which firm commitments existed at the reporting date, extending to June 2013.

During the financial year, the Company recognised a loss of RM33,275 (2012: loss of RM60,639) arising from fair value changes of derivative liabilities. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

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

18. CASH AND CASH EQUIVALENTS

	2013 RM	2012 RM
Cash at banks and on hand	11,423,383	7,451,849
Deposits with licensed banks	68,076,422	59,648,576
Cash and bank balances	79,499,805	67,100,425

The interest rates relating to deposits with licensed banks at the reporting date vary from 2.04% to 3.00% (2012: 2.05% to 3.00%) per annum.

The maturities of the deposits with licensed banks as at the the reporting date vary from 4 days to 90 days (2012: 4 days to 90 days).

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

19. 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% (2012: 6% and 10%) on aggregate basic salaries of eligible staff and the number of completed years of service. Interest is accrued at 6% (2012: 6%) per annum on these benefits.

	2013 RM	2012 RM
At 1 April	6,531,186	6,101,902
Recognised in statement of comprehensive income (Note 6)	1,307,750	1,309,364
Less: Contributions paid	(1,311,006)	(880,080)
At 31 March	6,527,930	6,531,186
The amounts recognised in the statement of financial position are determined as follows:		
Present value of defined contribution obligation recognised as liabilities in the statement of financial position	6,527,930	6,531,186
Analysed as:		
Current	12,796	417,462
Non-current	6,515,134	6,113,724
	6,527,930	6,531,186
The amounts recognised in the statement of comprehensive income are as follows:		
Current service cost	875,552	942,735
Interest cost	432,198	366,629
	1,307,750	1,309,364

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

20. TRADE AND OTHER PAYABLES

	2013 RM	2012 RM
Trade payables		
Third parties	18,744,387	10,804,854
Amounts due to related companies	13,074,678	5,341,793
	31,819,065	16,146,647
Other payables		
Accrued operating expenses	4,703,217	4,628,866
Sundry payables	3,215,870	4,856,715
Amounts due to related companies	-	1,980,169
	7,919,087	11,465,750
Total trade and other payables	39,738,152	27,612,397
Total financial liabilities carried at amortised cost	39,738,152	27,612,397

(a) Trade payables

These amounts are non-interest bearing. The normal trade credit terms granted to the Company ranges from 30 to 60 days (2012: 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 (2012: average term of 3 months).

(c) Amounts due to related companies

These amounts are unsecured, non-interest bearing and have credit terms of 30 days (2012: 30 days).

21. DEFERRED TAXATION

	2013 RM	2012 RM
At 1 April	3,391,408	4,051,039
Recognised in statement of comprehensive income (Note 9)	178,396	(659,631)
At 31 March	3,569,804	3,391,408
Presented after appropriate offsetting as follows:		
Deferred tax assets	(1,832,277)	(1,657,089)
Deferred tax liabilities	5,402,081	5,048,497
	3,569,804	3,391,408

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

21. DEFERRED TAXATION (CONT'D.)

Deferred tax assets of the Company:

	Post-employment benefit obligations RM	Provision for liabilities RM	Total RM
At 1 April 2012	1,632,796	24,293	1,657,089
Recognised in the statement of comprehensive income	(813)	176,001	175,188
At 31 March 2013	1,631,983	200,294	1,832,277
At 1 April 2011	1,525,475	88,480	1,613,955
Recognised in the income of comprehensive income	107,321	(64,187)	43,134
At 31 March 2012	1,632,796	24,293	1,657,089

Deferred tax liabilities of the Company:

	Revaluation reserves RM	Accelerated capital allowances RM	Total RM
At 1 April 2012	2,207,474	2,841,023	5,048,497
Recognised in the statement of comprehensive income	(42,317)	395,901	353,584
At 31 March 2013	2,165,157	3,236,924	5,402,081
At 1 April 2011	2,246,264	3,418,730	5,664,994
Recognised in the statement of comprehensive income	(38,790)	(577,707)	(616,497)
At 31 March 2012	2,207,474	2,841,023	5,048,497

22. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares of RM1 each		Amount	
	2013	2012	2013 RM	2012 RM
Authorised:				
At 1 April/31 March	80,000,000	80,000,000	80,000,000	80,000,000
Issued and fully paid:				
At 1 April/31 March	60,798,534	60,798,534	60,798,534	60,798,534

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

23. RETAINED EARNINGS

As at 31 March 2013, the Company has tax exempt profits available for distribution of approximately RM59,226,126 (2012: RM64,697,994), subject to the agreement of the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax exempt income account to frank the payment of dividends amounting to RM101,962,981 (2012: RM112,450,729) out of its retained profits as at 31 March 2013. If the balance of the retained earnings of RM77,152,503 (2012: RM57,748,906) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

24. OTHER RESERVES

	Fair value reserve RM
At 1 April 2011	-
Other comprehensive income:	
Fair value gain on investment securities	21,021
At 31 March 2012	21,021
At 1 April 2012	21,021
Other comprehensive income:	
Fair value gain on investment securities	105,107
At 31 March 2013	126,128

The fair value reserve represent the cumulative fair value changes of available for sale financial assets until they are disposed of or impaired.

25. COMMITMENTS

	2013 RM	2012 RM
(a) Capital commitments		
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	-	1,532,718
Approved but not contracted for:		
Property, plant and equipment	16,631,000	16,131,782
	16,631,000	17,664,500

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

25. COMMITMENTS (CONT'D.)

(b) Operating lease commitments – as lessor

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

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

	2013 RM	2012 RM
Not later than 1 year	390,992	586,489
Later than 1 year but not later than 5 years	-	390,992
	390,992	977,481

26. 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:

	2013 RM	2012 RM
Transactions with related companies:		
Commission income	62,970	405,450
Royalties payable	(8,000,311)	(7,734,674)
Sales	57,993,991	56,449,737
Purchases	(139,108,109)	(129,124,374)
Purchases of assets	(1,305,922)	(2,758,980)
Promotional expenses	(155,333)	(400,040)
Other expenses	(449,121)	(413,560)
Shared information technology services	(2,224,090)	-

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

(b) Compensation of key management personnel

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

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of fair value

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

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

	Note
Trade and other receivables (excluding prepayments) (current)	16
Trade and other payables (current)	20

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

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

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

Quoted equity instruments

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

Derivatives

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

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 that are based on observable market data, 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 assets and liabilities that are measured at fair value:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
As at 31 March 2013:				
Financial assets				
Available-for-sale financial assets - Investment securities	798,813	-	-	798,813
Derivatives	-	1,800	-	1,800
	798,813	1,800	-	800,613
Financial liabilities				
Derivatives	-	61,848	-	61,848

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
As at 31 March 2012:				
Financial assets				
Available-for-sale financial assets - Investment securities	693,706	-	-	693,706
Derivatives	-	25,033	-	25,033
	693,706	25,033	-	718,739
Financial liabilities				
Derivatives	-	51,806	-	51,806

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

28. 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.

(a) Credit risk

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

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

Exposure to credit risk

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

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

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

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

(a) Credit risk (cont'd.)

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:

	2013		2012	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	20,241	55%	16,043	49%
Middle East	3,154	9%	3,443	11%
Thailand	1,159	3%	1,732	5%
Indonesia	4,567	13%	2,794	9%
Singapore	1,554	4%	1,176	4%
Japan	357	1%	670	2%
Brunei	882	2%	727	2%
Other countries	4,911	13%	5,974	18%
	36,825	100%	32,559	100%

At the reporting date, approximately:

- 32% (2012: 29%) of the Company's trade receivables were due from 5 major customers.
- 22% (2012: 22%) of the Company's trade and other receivables were due from related parties.

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. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

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

(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 liabilities at the reporting date based on contractual undiscounted repayment obligations.

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

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

(b) Liquidity risk (cont'd.)

	On demand or within one year	
	2013 RM	2012 RM
Financial liabilities:		
Trade and other payables	39,738,152	27,612,397

(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 6 months (2012: less than 6 months) from the reporting date.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Company's profit net of tax would have been RM68,076 higher/lower, arising mainly as a result of higher/lower interest income from deposits with licensed financial institutions. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

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

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

Approximately 32% (2012: 31%) of the Company's sales are denominated in foreign currencies whilst almost 45% (2012: 45%) 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 amount to RM3,012,145 (2012: RM3,476,718).

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

At 31 March 2013, the Company hedged 90% (2012: 87%) and 67% (2012: Nil) of its foreign currency denominated sales and purchases of raw materials respectively for which firm commitments existed at the reporting date, extending to June 2013.

Sensitivity analysis for foreign currency risk

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

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

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

Sensitivity analysis for foreign currency risk (cont'd.)

		2013 RM'000 Profit net tax	2012 RM'000 Profit net tax
USD/RM	- strengthened 4% (2012: 4%)	211	246
	- weakened 4% (2012: 4%)	(211)	(246)
JPY/RM	- strengthened 4% (2012: 4%)	(29)	(11)
	- weakened 4% (2012: 4%)	29	11
SGD/RM	- strengthened 4% (2012: 4%)	63	30
	- weakened 4% (2012: 4%)	(63)	(30)
EUR/RM	- strengthened 4% (2012: 4%)	(8)	(4)
	- weakened 4% (2012: 4%)	8	4

(e) Market price risk

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

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

Sensitivity analysis for equity price risk

At the reporting date, if the market price of the equity instruments had been 5% higher/lower, with all other variables held constant, the Company's other reserve in equity would have been RM39,941 higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments classified as available-for-sale.

29. 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 2013 and 31 March 2012.

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

30. SEGMENTAL INFORMATION

(a) Business segment:

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

	Umami segment RM	Food and seasoning segment RM	Others RM	Total RM
At 31 March 2013				
Revenue				
External customers	233,760,654	98,614,650	532,972	332,908,276
Results				
Segment profit	20,502,572	5,679,192	22,852	26,204,616
Interest income				1,880,849
Profit before tax				28,085,465
Income tax expense				(8,681,869)
Profit, net of tax				19,403,596
At 31 March 2012				
Revenue				
External customers	230,006,182	94,184,295	461,065	324,651,542
Results				
Segment profit	29,318,413	2,422,028	212,238	31,952,679
Interest income				1,568,020
Profit before tax				33,520,699
Income tax expense				(7,919,823)
Profit, net of tax				25,600,876

30. SEGMENTAL INFORMATION (CONT'D.)

(a) Business segment (cont'd.):

	Umami segment RM	Food and seasoning segment RM	Others RM	Total RM
At 31 March 2013				
Assets				
Segment assets	238,185,912	49,065,767	7,151,924	294,403,603
Total assets				294,403,603
Liabilities				
Segment liabilities	31,863,825	14,331,237	142,868	46,337,930
Provision for taxation				162,023
Deferred tax liabilities				3,569,804
Total liabilities				50,069,757
Other segment information				
Capital expenditure	4,881,924	4,244,315	-	9,126,239
Depreciation	7,905,720	5,539,511	-	13,445,231
At 31 March 2012				
Assets				
Segment assets	210,219,671	56,310,188	7,321,851	273,851,710
Total assets				273,851,710
Liabilities				
Segment liabilities	26,480,202	7,463,656	251,531	34,195,389
Provision for taxation				942,023
Deferred tax liabilities				3,391,408
Total liabilities				38,528,820
Other segment information				
Capital expenditure	11,791,823	4,727,290	-	16,519,113
Depreciation	8,646,512	5,082,238	-	13,728,750

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

30. 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					
2013	225,545,479	34,628,194	69,437,152	3,297,451	332,908,276
2012	223,891,431	29,591,333	68,113,681	3,055,097	324,651,542

31. EXPLANATION OF TRANSITION TO MFRSs

As stated in Note 2.2, these are the first financial statements of the Company prepared in accordance with MFRS.

The accounting policies set out in Note 2.3 have been applied in preparing:

- the financial statements of the Company for the year ended 31 March 2013;
- the comparative information presented in these financial statements for the year ended 31 March 2012; and
- the MFRS statements of financial position as at 1 April 2011 (the Company's date of transition to MFRS).

Exemptions applied

MFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain MFRS. The Company has applied the following exemption:

Property, plant and equipment

The Company had previously adopted the cost model to measure its plant and equipment. As for freehold and leasehold land and buildings, the Company previously adopted revaluation model under FRS. The freehold and leasehold land and buildings were last revalued in 1984 by an independent professional valuer, as approved by the relevant authorities and based on open market value on the existing use basis. The surplus arising from the revaluation has been transferred to the capital reserves account in 1985.

Upon transition to MFRS, the Company elected to maintain the measurement of property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment.

On 1 April 2011 (date of transition), the Company elected to apply the optional exemption to measure its freehold and leasehold land and buildings based on the previous revaluation in 1984 as the deemed cost.

31. EXPLANATION OF TRANSITION TO MFRSs (CONT'D)

Property, plant and equipment (cont'd.)

The adjustments made are summarised as follows:

	31.3.2012 RM	1.4.2011 RM
Statements of changes in equity		
Other reserves	(6,411,264)	(6,533,135)
Adjustments to retained earnings	6,411,264	6,533,135

The transition from FRS to MFRS has not had any material impact on the statements of cash flows.

The reconciliations of equity and total comprehensive income for comparative periods and at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

(i) Reconciliations of equity as at 1 April 2011

	FRS as at 1.4.2011 RM	Adjustments RM	MFRS as at 1.4.2011 RM
Equity attributable to equity holders of the Company			
Share capital	60,798,534	-	60,798,534
Share premium	4,303,700	-	4,303,700
Retained earnings	148,553,371	6,533,135	155,086,506
Other reserves	6,533,135	(6,533,135)	-
Total equity	220,188,740		220,188,740

(ii) Reconciliations of equity as at 31 March 2012

	FRS as at 31.3.2012 RM	Adjustments RM	MFRS as at 31.3.2012 RM
Equity attributable to equity holders of the Company			
Share capital	60,798,534	-	60,798,534
Share premium	4,303,700	-	4,303,700
Retained earnings	163,788,371	6,411,264	170,199,635
Other reserves	6,432,285	(6,411,264)	21,021
Total equity	235,322,890		235,322,890

Notes to the Financial Statements

For the financial year ended 31 March 2013 (cont'd.)

32. RESTATEMENT

Reclassifications were made to the statement of comprehensive income and notes to the financial statements for the financial year ended 31 March 2012 to conform with current year's presentation as shown below:

Statement of comprehensive income for the year ended 31 March 2012

	As previously stated RM	Adjustments RM	As restated RM
Raw materials and packaging materials consumed	(201,348,150)	15,044,354	(186,303,796)
Other operating expenses	(40,797,440)	(15,044,354)	(55,841,794)

Notes to the financial statements for the financial year ended 31 March 2012 (Note 15)

	As previously stated RM	Adjustments RM	As restated RM
Inventories:			
Cost			
Raw materials	30,776,797	3,074,074	33,850,871
Consumables	9,993,106	(3,074,074)	6,919,032
Work-in-progress	1,669,115	-	1,669,115
Finished goods	20,773,118	-	20,773,118
	63,212,136	-	63,212,136

33. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 June 2013.

34. SUPPLEMENTARY INFORMATION

The breakdown of the retained earnings of the Company as at 31 March 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2011 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	2013 RM	2012 RM
Total retained earnings of the Company		
- realised	182,973,524	173,511,647
- unrealised	(3,858,040)	(3,312,012)
Retained earnings as per financial statements	179,115,484	170,199,635

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

List of Properties

As at 31 March 2013

Properties	Existing Use/ Description of Building/Land	Land Area	Tenure	Date of Acquisition/ Revaluation	Age of Building	Net Book Value RM
Land and building 8 & 8A, Lorong 1, Jalan Shahbandar, Bandar Penggaram, Batu Pahat	1 unit double storey shophouse	1,680 sq. ft.	Freehold	1984 (Revaluation)	37 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)	48 years	20,748,850
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	174,240 sq. ft.	Leasehold expiring on 5.7.2067	1984 (Revaluation)	43 years	9,122,485
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Mining pool	304,920 sq. ft.	Leasehold expiring on 2062	1984 (Revaluation)	48 years	1,841,965
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Factory complex	85,568 sq. ft.	Leasehold expiring on 15.3.2073	1992	21 years	2,022,835
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	21 years	248,320
Land and buildings Lot 47088, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Industrial land and store	5,904 sq. mtr.	Leasehold expiring on 20.1.2074	2003	8 years	2,766,354
Land and buildings Lot 58602, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	39,400 sq. mtr.	Leasehold expiring on 26.05.2108	2008	28-46 years	18,503,791

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifty-Second (**"52nd"**) Annual General Meeting (**"AGM"**) of the Company will be held at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Monday, 30 September 2013 at 11:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2013 together with the Reports of the Directors and the Auditors thereon. (Please refer Notes to Notice of 52nd AGM N o. 7)

2. To declare a first and final dividend of 11 sen less 25% tax per ordinary share of RM1.00 each and 9 sen tax exempt per ordinary share of RM1.00 each for the financial year ended 31 March 2013. (Resolution 1)

3. To approve the payment of Directors' fees for the financial year ended 31 March 2013. (Resolution 2)

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

   "That General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) who is retiring at the conclusion of this Annual General Meeting ("AGM") pursuant to Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next AGM." (Resolution 3)

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

   (a) Encik Azharudin Bin Ab Ghani; and (Resolution 4)
   (b) Mr. Ryoichi Ebata. (Resolution 5)

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

   (a) Mr. Daisuke Kon; (Resolution 6)
   (b) Mr. Dominic Aw Kian-Wee; and (Resolution 7)
   (c) Dato' Setia Ramli Bin Mahmud. (Resolution 8)

7. To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. (Resolution 9)

   As Special Business

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

8. **ORDINARY RESOLUTION NO. 1:** (Resolution 10)
   - AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

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

Notice Of Annual General Meeting
(cont'd.)

9. **ORDINARY RESOLUTION NO. 2:** (Resolution 11)
- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"**THAT** subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Proposed Renewal of Shareholders' Mandate as set out in Part A of the Circular to Shareholders dated 6 September 2013 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 Parties as specified in Sections 2.2 and 2.3 of Part A of the Circular to Shareholders dated 6 September 2013 provided that such transactions are:-

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

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

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

(iv) not to the detriment of minority shareholders,

(the "**Mandate**");

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

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

(ii) the expiration of the period within which the next Annual General Meeting after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders in a general meeting; whichever is the earlier;

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

10. **ORDINARY RESOLUTION NO. 3:** (Resolution 12)
- APPROVAL TO CONTINUE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"**THAT** General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) who has served the Board as the Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 5 September 1995 be and is hereby retained as the Independent Non-Executive Director of the Company."

11. **ORDINARY RESOLUTION NO. 4:** (Resolution 13)
- APPROVAL TO CONTINUE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

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

12. **ORDINARY RESOLUTION NO. 5:** (Resolution 14)
- APPROVAL FOR GRATUITY PAYMENT TO ENCIK ADINAN BIN HUSIN

"**THAT** approval be and is hereby given to the Company to grant a gratuity payment of RM153,200/- to Encik Adinan Bin Husin for his contribution as a Non-Independent Non-Executive Director, Chairman of the Nomination Committee and member of the Audit Committee and Remuneration Committee of the Company respectively."

Notice Of Annual General Meeting
(cont'd.)

13. **SPECIAL RESOLUTION:** (Resolution 15)
- PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY

"**THAT** the Proposed Amendments to the Company's Articles of Association as set out in Appendix II of Part B of the Circular to Shareholders dated 6 September 2013 be and are hereby approved and adopted **AND THAT** the Directors and Secretary of the Company be and are hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendments to the Company's Articles of Association."

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

NOTICE OF BOOK CLOSURE

NOTICE IS ALSO HEREBY GIVEN that a first and final dividend of 11 sen less 25% tax per ordinary share of RM1.00 each and 9 sen tax exempt per ordinary share of RM1.00 each for the financial year ended 31 March 2013 will be payable on 22 October 2013 to depositors whose names appear in the Record of Depositors at the close of business on 4 October 2013 if approved by the members at the 52nd AGM.

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

(a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 4 October 2013 in respect of ordinary transfers; and

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

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary

Kuala Lumpur
Dated : 6 September 2013

Explanatory Notes to Special Business: -

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

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 132D of the Companies Act, 1965 at the 52nd AGM of the Company (hereinafter referred to as the "**General Mandate**").

The Company had been granted a general mandate by its shareholders at the 51st AGM of the Company held on 10 September 2012 (hereinafter referred to as the "**Previous Mandate**").

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

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

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

Notice Of Annual General Meeting
(cont'd.)

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

The Proposed Shareholders' Mandate 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 Part A of the Circular to Shareholders dated 6 September 2013 for more information.

3. Approval to Continue in Office

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

The Board of Directors has vide the Nomination Committee conducted an annual performance evaluation and assessment of General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) ("**Tan Sri Hashim**") who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years and recommended him to continue to act as an Independent Non-Executive Director based on the following justifications:-

(a) Tan Sri Hashim has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and is therefore able to bring independent and objective judgement to the Board;
(b) Tan Sri Hashim has been with the Company for eighteen (18) years as at the date of the notice of the Annual General Meeting and therefore understands the Company's business operations which enable him to participate actively and contribute during deliberations/discussions at the Audit Committee, Nomination Committee, Remuneration Committee and Board Meetings;
(c) Tan Sri Hashim has contributed sufficient time and efforts in his capacity as Independent Non-Executive Director, the Chairman of the Board, and as member of the Audit Committee, Nomination Committee and Remuneration Committee respectively. He has attended all the meetings of the Audit Committee, Nomination Committee, Remuneration Committee as well as Board of Directors for informed and balanced decision making; and
(d) Tan Sri Hashim has exercised due care during his tenure as the Independent Non-Executive Chairman and carried out his professional duty in the interest of the Company and shareholders.

(ii) Dato' (Dr) Teo Chiang Liang

The Board of Directors has vide the Nomination Committee conducted an annual performance evaluation and assessment of Dato' (Dr) Teo Chiang Liang ("**Dato' Teo**") who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years and recommended him to continue to act as an Independent Non-Executive Director based on the following justifications:-

(a) Dato' Teo has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and is therefore able to bring independent and objective judgement to the Board;
(b) Dato' Teo has been with the Company for thirteen (13) years as at the date of the notice of the Annual General Meeting and therefore understands the Company's business operations which enable him to participate actively and contribute during deliberations/discussions at Audit Committee, Nomination Committee, Remuneration Committee and Board Meetings;
(c) Dato' Teo has contributed sufficient time and efforts in his capacity as Independent Non-Executive Director, the Chairman of the Audit Committee, and as member of the Nomination Committee and Remuneration Committee respectively. He has attended all the meetings of the Audit Committee, Nomination Committee, Remuneration Committee as well as Board of Directors for informed and balanced decision making; and
(d) Dato' Teo has exercised due care during his tenure as the Independent Non-Executive Director and carried out his professional duty in the interest of the Company and shareholders.

Notice Of Annual General Meeting
(cont'd.)

4. Approval for Gratuity Payment to Encik Adinan Bin Husin

The proposed gratuity payment is a token of appreciation to Encik Adinan Bin Husin for his contribution to the Company during his tenure as a Non-Independent Non-Executive Director, Chairman of the Nomination Committee and member of the Audit Committee and Remuneration Committee of the Company respectively.

The proposed gratuity payment is tabled for the approval of the shareholders to comply with Sections 137(1) and 137(5) of the Companies Act, 1965, which requires that any bona fide payment by way of pension or lump sum payment in respect of past services, including any superannuation or retiring allowance, superannuation, gratuity or similar payment, where the value or amount of the pension or payment exceeds the total emoluments of the director in the three (3) years immediately proceeding his retirement or death, be disclosed to the members of the company and approved in a general meeting.

5. Proposed Amendments to Articles of Association of the Company (hereinafter referred to as "the Proposed Amendments")

The Proposed Amendments are to streamline the Company's Articles of Association to be aligned with the recent amendments to the Bursa Malaysia Securities Berhad Main Market Listing Requirements which took effect on 2 January 2013.

Please refer to Part B of the Circular to Shareholders dated 6 September 2013 for more information.

Notes to Notice of 52nd AGM:-

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 23 September 2013 ("**General Meeting Record of Depositors**") shall be eligible to attend the Meeting.

2. A member/shareholder entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member/shareholder at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member/shareholder to speak at the Meeting.

3. A member/shareholder entitled to attend and vote at the Meeting is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member/shareholder of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 need not be complied with. Where a member/shareholder appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. Only one (1) of the proxies is entitled to vote on a show of hands.

4. The instrument appointing proxy shall be in print or writing under the hand of the member/shareholder or his duly constituted attorney, or in the case of a corporate member/shareholder, under its common seal or under the hand of its officer or attorney duly authorised.

5. Where a member/shareholder is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA"**) which holds ordinary shares in the Company for multiple beneficial owners in one 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.

6. The instrument appointing a proxy must be deposited at c/o Securities Services (Holdings) Sdn. Bhd. 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 fixed for holding the meeting or at any adjournment thereof.

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

CORPORATE RESPONSIBILITY

Community Activity | Food & Nutrition | Human Resource Development | Environment

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

DEDICATE TO AND CARE FOR THE LOCAL COMMUNITY

DONATION OF TIMELY AIDS, BETTER TOMORROW FOR THE NEEDY

Never forget welfare of the needy in our society, this is the key to realise how grateful we are. Ajinomoto Malaysia takes the responsibilities to look after the poor and the less fortunate with the will of shaping a better life for them while they are in despair of seeking a helping hand. Immediate donation of the supplementary stuffs was handed over in shortest pace of time to ease hardship of the needy.

In-Kind Donations

Flood donation to Malaysian Red Crescent as the immediate beneficiary for hunger battle in the flood rescue camps nationwide

Sufficient diapers were donated to the unprivileged families in respond to the news article and donation request

KITCHENWARE AND FOOD SPONSORSHIP TO THE POOR VIA 16 NAVIGATORS CHARITY DRIVE

As a caring corporate in the food industry, Ajinomoto Malaysia took an initiative to sponsor kitchenware and food products such as VONO® soup during the 1st participation in 16 Navigators Charity Drive that held by Yayasan Nanyang Press. 16 Navigators Charity Drive is a charity drive in which the foundation and the volunteers will visit poor families to spread the spirit of giving and sharing on the last Sunday of every month throughout the 16 visits. After the 1st participation, Ajinomoto Malaysia highly committed to the activity and became part of the food sponsors in every upcoming charity aid.

VONO® soup serving and sponsorship to all villagers and participants

Kitchenware were donated to the main beneficiary by En Kamarudin Rasid, Chief Administration Officer (Center)

FUND RAISING CHARITY COOKING DEMONSTRATION FOR SPASTIC CENTER

Caring for the patients with prolong illness, Ajinomoto Malaysia supported in a fund raising activity with charity cooking demonstration in Spastic Centre, Petaling Jaya on 26 May 2012. In addition, Ajinomoto Malaysia also sponsored raw materials and arranged cooking instructor to supervise around 30 participants. The collected registration fees were later donated to the spastic centre.

The cooking demonstration and recipe sharing with the participants

CONTRIBUTE HEALTHY LIVING THROUGH KNOWLEDGE OF NUTRITION

CULTIVATING THE IDEA OF HEALTHY DIET

Food has been an essential nourishment to supply nutrients that cater for our daily needs. Ajinomoto Malaysia has played a part in nurturing the community the way of enjoying delicious food while incubating healthy life. We shared the idea of maintaining healthy diet by using AJINOMOTO® products in response to the upcoming community disease through scientific exhibition.

Healthy Diet Education

Scientific Exhibition in Universiti Putra Malaysia (UPM)

Exhibited in the Scientific Conference of Nutrition Society of Malaysia (NSM)

Explanation on Umami & Glutamate fact as well as quiz and Umami soup tasting were conducted to further enhance the understanding

Sodium Reduction Education

Exhibited in the 1st NCD Conference

Sodium reduction strategy was shared to combat with Non Communicable Disease (NCD)

UMAMI TALK IN CULINARY SCHOOL

Ajinomoto Malaysia works together with professional chefs to organise talks in culinary schools such as Cilantro Culinary Academic, INTI University, Malaysia Institute of Baking and etc to reveal the importance of Umami in physiological benefits and to educate the participants on healthy diet including simple tips about the application of Umami in our daily culinary skills.

Umami information was presented to the culinary students by professional chef and with Umami tasting activities

CULINARY CLASSES FOR COOKING IN A HEALTHIER WAY

Throughout the year, there were several culinary classes conducted with the purpose to benefit people in the exploration of the knowledge on healthy cooking with AJINOMOTO® products as well as to grow the culinary skills of all participants. By gaining a great deal of cooking experiences and obtained adequate understandings on our product strengths from the point of view of culinary experts, this will further strengthen our product application and uniqueness amongst consumers.

Guidance from local renowned celebrity & academic chefs were given during the hands-on classes

EDUCATIONAL ACTIVITIES IN HIGHER LEARNING INSTITUTIONS

Healthy diet is one of the crucial factors, akin to the needs of knowledge, Ajinomoto Malaysia organised series of educational activities in higher learning institutions such as Universiti Kebangsaan Malaysia (UKM) and Management & Sciences University (MSU).

Symposia were held with the purpose to share with the existing and future opinion leaders the recent advances on Umami sensing and its physiological & nutritional benefits towards healthy living. These symposia also provide room for discussion among all the professionals.

Umami soup samplings were served to all participants as Umami sensory trial before event started

During the symposia, latest scientific discoveries about Umami were shared by the invited renowned local & international scientific researchers

Panel of discussion conducted after information sharing

OUR PEOPLE'S GROWTH, DEVELOPMENT, AND SAFETY & HEALTH, OUR RESPONSIBILITY

GREATER LIFESTYLE WITHOUT COMPROMISING ON SAFETY ISSUES

Safety has been our main concerns to the well-beings of our people. In terms of safety, we believe job-related injuries and such can be avoided if safety related trainings are frequently given to equip them with the knowledge of self-salvation and rescue. In addition, precautious measurement should also be cultivated to remind and create awareness that danger exists all the time.

Road Safety Awareness Campaign

Posters and information about road safety were shared to further increase the awareness of road safety during the festive seasons

Workplace Safety Training

The knowledge of accident prevention actions at the workplace was delivered to all employees

Food Handler Training

Provided exposure to all related employees about the importance of food safety and types of diseases in the consumption of contaminated food

Talk On Office Ergonomics

Talk on Office Ergonomics was presented to all staff to decrease the risk of injury or illness as well as to enhance worker productivity and improve quality of work life

CONCERNING PERSONAL GROWTH AS KNOWLEDGE HELPS TO ACHIEVE BETTER LIFE

Appreciating knowledge as the fundamental asset, Ajinomoto Malaysia sees development of capabilities as the key contributing factor to corporate growth and even the future of our nation. We take responsibilities on the skill and knowledge improvement of all staff that leads to a better future for the sake of staff, their families, and the corporate.

With the aims to explore and develop abilities and capabilities, coaching on the job flow is always our focus to our people. Various training workshops were designed and arranged throughout the year for our people in accordance of their field and needs.

Ajinomoto Malaysia also values talented youth who had excellent performance in academy. With a little aid in funding these bright students, we help to nurture the young talent in the country and hopefully these would bring a small change towards a better future for the society.

Supervision Skill Training

A step to further develop the staff with better supervision skill by understanding the key principles of leadership and motivation

MUDA (Waste) Elimination Workshop

A training that focused on removing the non-value added activities to achieve high customer satisfaction

AJINOMOTO® Scholarship Foundation

The recipient of the Ajinomoto Scholarship and Ajinamoto Malaysia's management staff

The foundation provides an opportunity for distinguished students to study a master's degree in the University of Tokyo, Japan

PROTECTING THE EARTH'S SUSTAINABILITY, START FROM INTERNAL

SMILE EARTH ACTIVITIES PRESERVE MOTHER NATURE WITH ECO-FRIENDLY LIFESTYLE

When the world population keeps increasing, more lands were cleared to cater for the overwhelming daily needs of all mankind. Climate change happened as a consequence that affects all of us.

As a responsible corporate citizen, Ajinomoto Malaysia takes up its corporate responsibilities to demand a drastic change in the lifestyle start from all fellow staff via actively participated in the Smile Earth campaign which is a global citizenship activity initiated by the Ajinomoto Group since year 2007. We believe we can make bigger contribution to the environment following the warm whelming response from the employees who will be the role model to other.

Clean Up Our Earth Together Day

This environment awareness activity was extended by inviting our neighbour, Malaysia Packaging Industry Berhad (MPIB) to clean up our neighbourhood together

Eco-Action: "Love Food, Hate Waste" Campaign

Awareness notices were placed around company premises to increase awareness on food waste reduction

"Food Waste Recycling Workshop" was part of the campaign to cultivate the interest of our member in food waste recycling activity

CORPORATE RESPONSIBILITY

Community Activity | Food & Nutrition | Human Resource Development | Environment

Mottainai: Be Caring, Be Eco-friendly

Beneficiary of the activity was further extended by working closely with University Malaya in donating all items that collected from the staff to underprivileged children

ENVIRONMENTAL CONSERVATION AWARENESS TRAINING TO STRENGTHEN THE IMPACTS OF IDEOLOGY

Fortifying the idea of environmental conservation, we carried out training courses among our staff to make sure the opinion leaders adapted the idea and become influential enough to lead the rest towards a better tomorrow. Ajinomoto Malaysia took another step forward to shape a better world.

"Love Food, Hate Waste" and Energy Conservation Training

Equipped employees with the knowledge on how to reduce waste especially those that is related to food waste and energy waste.

3R Seminar

A training that aimed to increase the level of awareness on 3R activities that related to industrial waste and disposal method

ENVIRONMENTAL CONSERVATION INITIATIVE TO SAVE THE EARTH

Looking back throughout the use of energy resources, we are trying to maximize the effectiveness of energy consumption while cutting down unnecessary drainage of energy. Thus the Energy Saving Project was launched to reexamine power usage with the hope to improve the entire operational process of Ajinomoto Malaysia.

Besides energy saving plan, Ajinomoto Malaysia deals with waste management too. Food Waste Decomposer Machine is introduced to decompose the organic residue in order to make sure less pollution caused to the environment. With these initiatives, Ajinamoto Malaysia hopes to build and preserve a healthy environment.

Energy Saving Project Launching Ceremony

Mr Hiroshi Amano, the former Managing Director officiated the ceremony together with all members' commitment to achieve the project goal

Food Waste Decomposer Machine Launching Ceremony

Officiated by (from left) the Chairman of Environmental Management System, Mr Ramesh Sadiappan; the former Managing Director, Mr Hiroshi Amano; the former Chief Supply Chain Management Officer, Mr Tee Ju Mian; Chief Administration Officer, En Kamarudin Rasid

The treated food waste was shown to the attendances

STATEMENT ON 2012 ENVIRONMENT PERFORMANCE

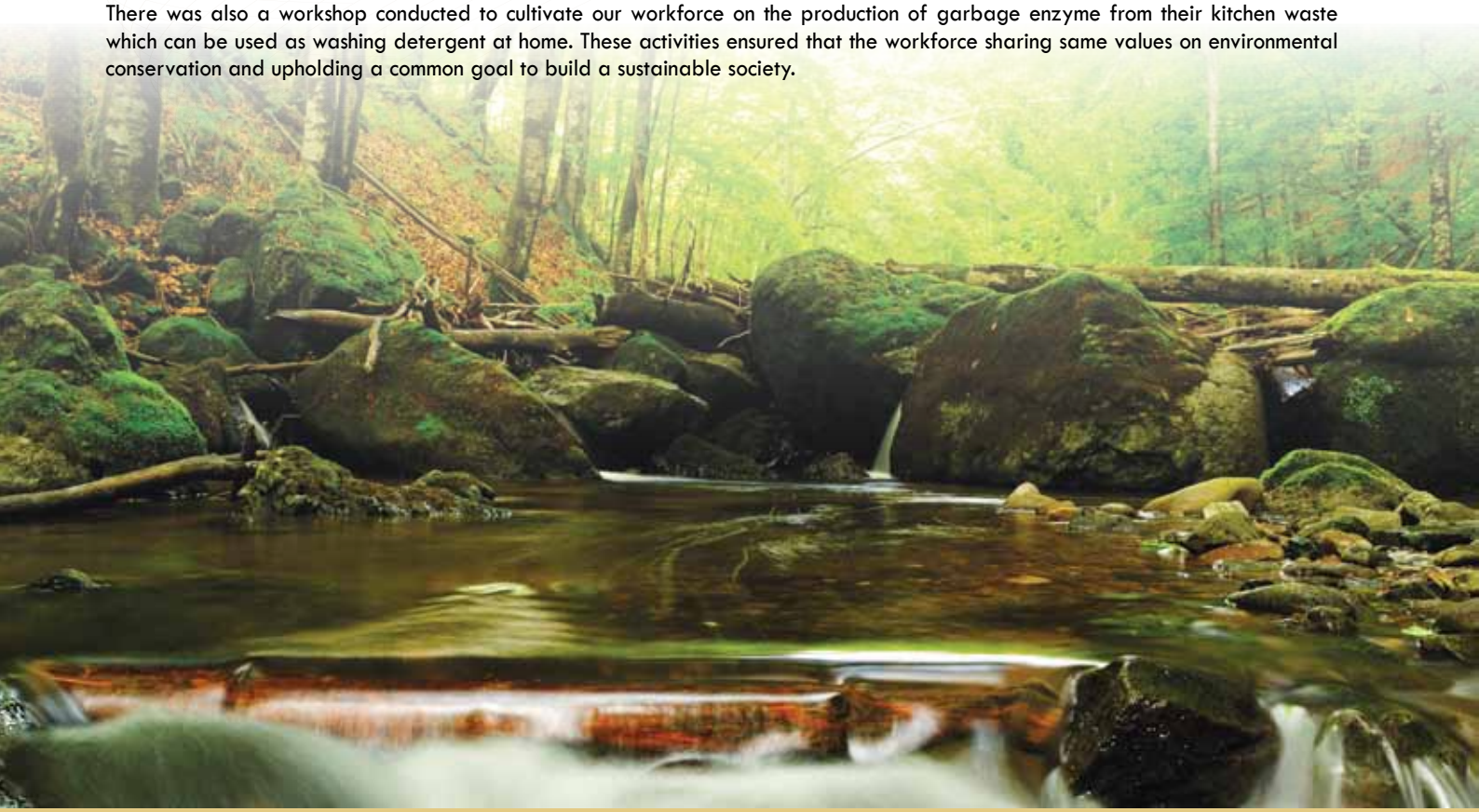
Ajinomoto (Malaysia) Berhad continues its effort towards preserving the surrounding environment of their operational plant to ensure a sustainable development in accordance of their Businesses to Nature (B2N) manifesto. Ajinomoto (Malaysia) Berhad business operation was kept align to our Group Philosophy which strictly demands on cultivating harmony in a globalised environment. The Ajinomoto Group Philosophy requires each operation site to adopt responsibility that contributes to environmental and social sustainability which assures a rich natural environment with affluent lifestyles for all the people across the globe including future generations.

In 2012, Ajinomoto (Malaysia) Berhad had fully complied with all the related requirements imposed under Malaysian Environmental Quality Act. Many efforts and programmes were implemented to enhance the compliance to the updated requirements of Malaysian Environmental Quality Act. This includes addressing the competency requirement for "Operation of Waste Water Treatment" and "Handling of Scheduled Waste".

In 2012, we continue to implement planned programmes and activities in order to attain the targets of 2011~2013 Ajinomoto Group Zero Emission Plan. The main focus was to reduce the carbon dioxide gases that are released to the environment through process optimization and improvement of burning equipment efficiency which lead to lower usage or consumption of fuel. Besides that, the Energy Saving Team had also taken efforts to reduce the unit consumption of electricity by improving the machinery performance and its control system. In overall, we managed to reduce 20% reduction on the carbon dioxide releases to safeguard environment and 20% lower electricity consumption against the total output of production for 2012.

We also continued to improve waste recycle ratio through effective 3R (Reduce, Reuse and Recycle) campaign. In 2012, Ajinomoto (Malaysia) Berhad had installed an organic decomposing machine in the Waste Management area to treat the food waste generated from the canteen and turn it into organic fertilizer. With this effort, we are able to stop deposing the waste to landfills and at the same time the fertilizer generated from the decomposing machine will be used for internal gardening activities.

Ajinomoto (Malaysia) Berhad also continues to strengthen the environmental preservation commitments through periodical education, skill enhancement and awareness programmes among our internal workforce. In 2012, we organised "Love Food, Hate Waste" campaign where our internal staff were exposed to the awareness of common food waste and the precautions to avoid such waste. There was also a workshop conducted to cultivate our workforce on the production of garbage enzyme from their kitchen waste which can be used as washing detergent at home. These activities ensured that the workforce sharing same values on environmental conservation and upholding a common goal to build a sustainable society.



Form Of Proxy

CDS Account No.

Number of ordinary shares held

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

*I/We (full name), _____

bearing *NRIC No./Passport No./Company No. _____

of (full address) _____

being a *shareholder/shareholders of Ajinomoto (Malaysia) Berhad ("the Company") hereby appoint :-

First Proxy "A"

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

and/or failing *him/her,

Second Proxy "B"

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

100%

or failing *him/her, the *Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Fifty-Second Annual General Meeting of the Company to be held at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Monday, 30 September 2013 at 11:00 a.m. and at any adjournment thereof.

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

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

No.	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2013 together with the Reports of the Directors and the Auditors thereon.			
2.	To declare a first and final dividend of 11 sen less 25% tax per ordinary share of RM1.00 each and 9 sen tax exempt per ordinary share of RM1.00 each for the financial year ended 31 March 2013.	1		
3.	To approve the payment of Directors' fees for the financial year ended 31 March 2013.	2		
4.	To re-appoint General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) who is retiring pursuant to Section 129(2) of the Companies Act, 1965, and being eligible, has offered himself for re-appointment.	3		
5.	To re-elect Encik Azharudin Bin Ab Ghani who is retiring in accordance with Article 120 of the Company's Articles of Association and being eligible, has offered himself for re-election.	4		
6.	To re-elect Mr. Ryoichi Ebata who is retiring in accordance with Article 120 of the Company's Articles of Association and being eligible, has offered himself for re-election.	5		
7.	To re-elect Mr. Daisuke Kon who is retiring in accordance with Article 114 of the Company's Articles of Association and being eligible, has offered himself for re-election.	6		
8.	To re-elect Mr. Dominic Aw Kian-Wee who is retiring in accordance with Article 114 of the Company's Articles of Association and being eligible, has offered himself for re-election.	7		
9.	To re-elect Dato' Setia Ramli Bin Mahmud who is retiring in accordance with Article 114 of the Company's Articles of Association and being eligible, has offered himself for re-election.	8		
10.	To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	9		
Special Business				
11.	**Ordinary Resolution No. 1**: Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965	10		
12.	**Ordinary Resolution No. 2**: Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	11		
13.	**Ordinary Resolution No. 3**: Approval to Continue in Office as Independent Non-Executive Director - General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd)	12		
14.	**Ordinary Resolution No. 4**: Approval to Continue in Office as Independent Non-Executive Director - Dato' (Dr) Teo Chiang Liang	13		
15.	**Ordinary Resolution No. 5**: Approval for Gratuity Payment to Encik Adinan Bin Husin	14		
16.	**Special Resolution:** Proposed Amendments to the Articles of Association of the Company	15		

As witness my/our hand(s) this day _____ of _____ 2013.

*Signature/Common Seal of Shareholder

*Strike out whichever not applicable

Notes :-

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 23 September 2013 (**"General Meeting Record of Depositors"**) shall be eligible to attend the Meeting.

2. A member/shareholder entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member/shareholder at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member/shareholder to speak at the Meeting.

3. A member/shareholder entitled to attend and vote at the Meeting is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member/shareholder of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 need not be complied with. Where a member/shareholder appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. Only one (1) of the proxies is entitled to vote on a show of hands.

4. The instrument appointing proxy shall be in print or writing under the hand of the member/shareholder or his duly constituted attorney, or in the case of a corporate member/shareholder, under its common seal or under the hand of its officer or attorney duly authorised.

5. Where a member/shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (**"SICDA"**) which holds ordinary shares in the Company for multiple beneficial owners in one 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.

6. The instrument appointing a proxy must be deposited at c/o Securities Services (Holdings) Sdn. Bhd. 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 fixed for holding the meeting or at any adjournment thereof.

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

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Form Of Proxy

Stamp

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

AJINOMOTO®

Fold Here

NEW PACKAGING

TUMIX® Chicken Stock Seasoning with perfect balance of chicken, garlic & onion tastes. It makes your every dish aromatic and tasty. It is best for all kinds of cookings including soup and stir-fry dishes. TUMIX® is also available in Anchovy flavour.

NEW PACKAGING

SERI-AJI® Tepung Goreng is seasoned flour completed mixed with varieties of quality spices so that housewives able to prepare delicious crispy fried chicken at home easily for family enjoyment!

AJINOMOTO (MALAYSIA) BERHAD (4295-W)

Lot 5710 Jalan Kuchai Lama,
Petaling, 58200 Kuala Lumpur.

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