

The logo features the word "AJINOMOTO" in a red, sans-serif font. A stylized red swirl is positioned to the left of the letter "A". A registered trademark symbol (®) is located at the end of the word.

AJINOMOTO®

2008 Annual Report

AJINOMOTO® Group CSR Vision

As a truly global company, we are committed to social and environmental sustainability. We will contribute toward 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.

Food

With the global expansion of the Ajinomoto Group's food business, we will contribute towards a reliable and high-quality dietary life for people around the world by promoting the development, proposal and provision of new products that suit the regional food cultures of the world while also making the most of the special characteristics of Japanese food, as a global company with roots in Japan.

Food resources and the environment

We will contribute to a sustainable global environment by supporting agriculture, fisheries and live-stock farming and establishing a recycling-based business model that minimises the use of exhaustible resources and energy and the production of waste, with the goal of securing safe and sustainable food resources.

**Ajinomoto Group
Vision for CSR
Achievements by 2020**
Five Paths in Realising the CSR Vision

Amino Acids

We will create new value and contribute to the lives and health of people worldwide by further improving and expanding our proprietary technologies as a leading company in the field of amino acids.

Partnerships

In lines with the Ajinomoto Group Principles, we will contribute to the building of sound and vibrant societies by proactively disclosing a variety of information about our business activities to all stakeholders and by forging honest, fair and open partnerships with them through dialogue undertaken as a sincere corporate citizen.

Human resources development

We will contribute to the building of better societies by fostering the high-caliber human resources needed around the world, by ensuring that our employees can make most of their unique traits and abilities, without regard to characteristics such as nationality, ethnicity, sex, religion and cultural background.

Contents

02 «	Corporate Information
03 «	Chairman's Statement
04 - 09 «	Directors' Profile
10 - 16 «	Statement on Corporate Governance
17 «	Additional Compliance Information
18 «	Statement of Directors' Responsibility in Relation to the Financial Statements
19 - 20 «	Statement on Internal Control
21 - 25 «	Audit Committee Report
26 «	AJI-NO-MOTO® Campaign
27 «	About <i>Umami</i>
28 - 29 «	Company Activities
30 «	Corporate Social Responsibilities (CSR) Highlights
31 - 32 «	Analysis of Shareholdings
33 «	Financial Highlights
34 - 78 «	Financial Statements
79 «	List of Properties
80 - 82 «	Notice of Annual General Meeting
83 «	Statement Accompanying the Notice of Annual General Meeting
	Form of Proxy
	VONO® and SERI-AJI® New Variants

Corporate Information

DIRECTORS

Gen Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) (Chairman)
Mitsunobu Suzumi (Chief Executive Officer/Managing Director)
Makoto Tatsumi
Hitoshi Sasaki
Adinan bin Husin
Dato' Professor (Dr.) Teo Chiang Liang
Dr. Goh Chin Siew
Dato' Hj. Shahrudin Bin Hj. Haron
Gew Ah Lek
Mazlan bin Ab. Rahman
Koay Kah Ee
Tee Ju Mian

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: 798 06958 Fax: 798 11731

SHARE REGISTRAR

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

STOCK EXCHANGE LISTING

Main Board of the Bursa Malaysia Securities Berhad

On behalf of the Board of Directors, it is my pleasure to present the Annual Report of Ajinomoto (Malaysia) Berhad for the financial year ended 31 March 2008.

RESULTS/PERFORMANCE

The Business environment for the Company remained challenging in 2007. Raw and packaging materials increased further and fuel prices remained high. Competition in the domestic market continued aggressive. Stronger currency reduced our earnings from export market, however, it eased costs of imported raw materials. We deployed effective communication to the market through promotional activities based on the reinforced sales organization and product lines, communication to the customers through the Company website's, i.e. "UMAMI ZONE" and communication to the shareholders and opinion leaders through circulations. We launched new variants of "SERI AJI" – the nasi goreng seasoning, and renewed package designs of all "SERI AJI" product line – the various menu seasonings. We continuously enhance further our market position and profitability.

Revenue grew by 13 per cent or RM25 million for the year under review to RM215 million. The increase in revenue was primarily attributed to growth of sales volume in both domestic and export markets. Our efforts to control factory expenses together with achievement of higher productivity have contributed to our bottom line. The Company posted a higher Profit at RM31.9 million.

PROSPECT

Given a continuously challenging business environment coupled with pressure from increasing raw and packaging material costs and growing competition, we promote our consumer brand "AJI-NO-MOTO", featuring 100th year anniversary of "Discovery of UMAMI" in 2008 and 100th year anniversary of foundation of AJINOMOTO GROUP in 2009. Our activities are not limited to the domestic market but also developed in Asia and Middle East countries.

DIVIDENDS

In view of our performance in 2007, the Board of Directors recommends a first and final dividend of 8 sen per share less tax and a special dividend of 7 sen tax exempt per share. The above dividends are subject to shareholders' approval.

APPRECIATION

Since the last Annual General Meeting, Mr. Hiroyuki Furusawa has resigned from the Board. The Board wishes to record its appreciation to him for his invaluable contributions and guidance to the Company.

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

Chairman of the Board
**Gen Tan Sri (Dr.) Dato'
Paduka Mohamed Hashim Bin Mohd. Ali (Rtd)**



Directors' Profile

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

Chairman, Independent Non-Executive Director

73 years of age – Malaysian.

Gen 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.

Gen 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 also the Chairman of Country Height Holdings Berhad Group and sits on the Boards of Delloyd Ventures Berhad, Hong Leong Financial Group Berhad, Mines Resort Berhad, Pioneer Oscar Berhad, Borneo Highlands Hornbill Golf & Jungle Club 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.



Mitsunobu Suzumi

Chief Executive Officer/Managing Director – Executive Director

50 years of age – Japanese.

Mr. Suzumi was appointed as Chief Executive Officer/ Managing Director on 1 July 2007. He is a member of the Remuneration Committee. He attended four Board meetings held in the financial year.

He holds a Bachelor of Liberal Arts in Asian studies degree from the College of Arts And Sciences, the University of Tokyo, Japan 1981.

He joined Ajinomoto Co., Inc Japan in 1981 and began his career with the International Department in Head Quarter 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.

Adinan Bin Husin

Non-Independent Non-Executive Director

62 years of age – Malaysian.

En. Adinan was appointed to the Board of Ajinomoto (Malaysia) Berhad on 26 July 1991. He is a member of the Audit Committee and the Remuneration Committee. He is the Chairman of the Nomination Committee. He attended all six Board meetings held in the financial year.

He is a food technologist by training and holds a Master Degree in Food Science from University Hawaii, USA.

He was Director of Food Technology Centre, MARDI for 10 years and was subsequently appointed Director of Technical Services Centre in 1996. Whilst at the post, he was appointed as member of International and National committees which include FAO Expert/Consultative Group for Pacific Region Processing, Network for Education and Curriculum Development in Agro-Industries, National Coordinator of Small Scale Food Industries Asia, various Food/Agriculture related committees. He was an Expert Panel Member for the Intensification Research Priority Areas (IRPA) in food processing for the Ministry of Science Technology and Environment for more than 5 years. With his experience, involvement and active contribution to the local food industry, Malaysian Institute of Food Technology (MIFT) has bestowed on him Fellow MIFT in 1999.

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



Dato' Professor (Dr.) Teo Chiang Liang

Independent Non-Executive Director

58 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 five Board meetings held in the financial year.

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

Since 1975, he joined and served the See Hoy Chan Holdings Group, a well diversified group of companies, in different levels of management. He was Secretary General of the Malaysian Association of Private Colleges & Universities from 1997 to March 2003 and is currently its Vice President. 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.

He sits on the Board of Malaysia Ve-Tsin Manufacturing Co. Berhad. (In members' voluntary winding up).

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.

Directors' Profile (Contd.)

Dr. Goh Chin Siew

Independent Non-Executive Director

71 years of age – Malaysian.

Dr. Goh was appointed to the Board of Ajinomoto (Malaysia) Berhad on 28 June 2001. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee. He attended all six Board meetings held in the financial year.

Dr. Goh is a medical consultant by profession. He graduated from University of Hong Kong, Medical Faculty in 1964, and was a Chan Weng Scholar. He is a fellow of the Royal Australasian College of Physicians (Occupational Medicine) and a member of the Academy of Medicine Malaysia. He was the medical director for Hamburg Re-Insurance Company, Germany, and medical director/advisor for several local and international insurance companies, besides being a practicing Occupational Health Physician, and family physician. He was previously the president of Rotary Club of Shah Alam and Rotary Club of Bukit Bintang.

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



Dato' Hj. Shaharuddin Bin Hj. Haron

Independent Non-Executive Director

70 years of age – Malaysian.

Dato' Hj. Shaharuddin was appointed to the Board of Ajinomoto (Malaysia) Berhad on 31 October 2002 and has attended all six Board meetings held in the financial year. He also serves as member of the Audit Committee. He holds a Bachelor of Arts (Hons) degree from University Malaya and a Masters in Economics from University of Pittsburgh, USA.

He had served the Malaysian Government for thirty years. He began his civil service career in the Prime Minister's Department from 1963 to 1979, holding various positions in the Economic Planning Unit, including the position of the Secretary to the Foreign Investment Committee. He held the position of Director General of Insurance in 1979 to 1983 and was Secretary of the Finance Division of the Federal Treasury. He then served as Director General of the National Rice and Padi Board.

Prior to retirement, he was the Secretary General of the Ministry of Domestic Trade and Consumer Affairs from 1992. Before that, he was also the Secretary General for the Ministry of International Trade and Industry (MITI) from 1990 and the Secretary General of the Ministry of Public Enterprise in 1986.

Currently, he serves as the Chairman of Latitude Tree Holding Berhad and sits on the Board of Malayan Flour Mills Berhad, Gopeng Berhad and various non-listed 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.

Hitoshi Sasaki

Executive Director
45 years of age – Japanese.

Mr. Sasaki was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2007. He attended four Board meetings held in the financial year.

He holds a Master's degree from Department of Food Science & technology, the School of Agriculture, Kyusyu University of Japan in 1987.

He joined Ajinomoto Co., Inc., Japan in 1987 and began his career in Central Research Laboratories and has held various positions in head office until his posting in 2007, to Ajinomoto (Malaysia) Berhad to assume the role of Chief Research and Development Officer of the Company.

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



Makoto Tatsumi

Executive Director
45 years of age – Japanese.

Mr. Tatsumi was appointed to the Board of Ajinomoto (Malaysia) Berhad on 6 July 2005 and assumed the role of Executive Director, Finance of the Company. He is a member of the Remuneration Committee. He attended all six Board meetings held in the financial year.

Mr. Tatsumi graduated from the Faculty of Law, University of Tokyo, Japan in 1986.

He joined Ajinomoto Co. Inc., Japan in 1986 and began his career with the Fukuoka Branch, Sales Department and had served in various management capacities with the sales and purchasing departments in head office.

He currently also, sits on the Board of Malaysia Ve-Tsin Manufacturing Co. Berhad. (In members' voluntary winding up).

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.

Directors' Profile (Contd.)

Mazlan Bin Ab. Rahman

Executive Director

56 years of age – Malaysian.

Tn. Hj. Mazlan was appointed to the Board of Ajinomoto (Malaysia) Berhad on 10 July 2000. He attended all six Board meetings held in the financial year.

Graduated with a Bachelor of Science (Hons) in Food Science from Universiti Kebangsaan Malaysia in 1976, he has attended a series of high level technical and management courses both in Malaysia and overseas, particularly in Japan. He is also a qualified Internal Auditor for the Environmental Management System.

He joined the Technical Department of Ajinomoto (Malaysia) Berhad in 1976. Over the years he moved up the corporate ladder and served under various capacities. In 2000, he was appointed as the first local Factory Manager in 36 years history of the Company. He is also the Managing Director of Malaysia Ve-Tsin Manufacturing Co. Bhd. (In members' voluntary winding up).

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.



Gew Ah Lek

Executive Director

58 years of age – Malaysian.

Mr. Gew was appointed to the Board of Ajinomoto (Malaysia) Berhad on 10 July 2000. He attended five Board meetings held in the financial year.

Graduated with Bachelor of Commerce (Accountancy) from Nanyang University, Singapore in 1972. He is a Fellow of Institute of Certified Public Accountants, Singapore, Fellow of the Australian Society of Certified Practicing Accountants and Chartered Accountant of the Malaysia Institute of Accountants.

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

Tee Ju Mian

Executive Director

55 years of age – Malaysian.

Mr. Tee was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 April 2008.

Graduated with a Degree in Engineering from University of Malaya in 1978.

He joined the Engineering Department of Ajinomoto (Malaysia) Berhad in 1978. Over the years he moved up the corporate ladder and served under various capacities.

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



Koay Kah Ee

Independent Non-Executive Director

48 years of age – Malaysian.

Mr. Koay was appointed to the Board of Ajinomoto (Malaysia) Berhad on 15 November 2007. He is a member of the Audit Committee and Nomination Committee. He attended one Board meeting held in the financial year.

Graduated with a Master in Business Administration from University of Strathclyde, UK. He is a Fellow of Chartered Institute of Management Accountants (FCMA), UK, Fellow of the Australian Society of Certified Practising Accountants and Chartered Accountant of the Malaysia Institute of Accountants.

He also sits on the Board of Fotronics Corporation Berhad and JF Technology Berhad, both listed on the MESDAQ market of Bursa Malaysia Securities Berhad.

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

Statement on Corporate Governance

The Board of Directors (“the Board”) recognizes the importance of maintaining high standards of corporate governance within the Company as this would serve to protect shareholders’ value as well as enhance the financial performance of the Company. In achieving this, the Board is pleased to state that the Company has applied the Principles and Best Practices of the Malaysian Code on Corporate Governance (“the Code”) throughout the financial year ended 31 March 2008.

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

The application of the Code and the extent of compliance with the best practices of corporate governance are reported hereunder.

THE BOARD OF DIRECTORS

The Board’s overall responsibility for Corporate Governance amongst others includes setting out strategic policies and overseeing the investments and business of the Company. In fulfilling its fiduciary duties, the Board ensures that there are appropriate systems and procedures in place to manage the Company’s significant risks. Key matters such as approval of annual and interim results, acquisitions and disposals, as well as material agreements are reserved for the Board. In addition, the Board also has in place a capable and experienced management team to oversee the day-to-day operations of the Company.

Composition of the Board

The Board currently comprises six (6) Executive Directors, one (1) Non-Independent Non-Executive Director and five (5) Independent Non-Executive Directors. The composition of the Board complies with paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). Therefore the Board is of the view that the current composition of the Board facilitates effective and independent decision making and judgement.

The current composition of the Board fairly reflects the investment in the Company by shareholders other than the significant shareholders including the minority shareholders.

The Board comprises highly respectable and professional persons and represents a diverse background of knowledge, expertise and experience. With their combined experience and knowledge they provide sound advice and judgement for the benefit of the Company and its shareholders. The mixed skills and experience are vital for the successful performance of the Company. A brief profile of each Director is presented on pages 4 to 9 of this Annual Report.

The roles of the Chairman and Managing Director are separate and each has a clear accepted division of responsibilities to ensure that there is a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Managing Director has the overall responsibilities over the Company’s operating units, organisational effectiveness and implementation of Board policies and decisions.

Responsibility is vested on the Non-Executive Directors of the Company to ensure that the policies and strategies proposed by Management are fully discussed and critically examined, not only against the best long-term interests of shareholders, but also to ensure that they take proper account of the interests of employees, customers, suppliers and the communities within which it is represented. The presence of the Independent Non-Executive Directors is essential to provide unbiased and independent view, advice and judgement as well as to safeguard the interest of other parties such as minority interest and the community.

Statement on Corporate Governance (Contd.)

Board Responsibilities

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

1. Periodic review and adoption of the Company's business policies and strategies;
2. Management and staff succession planning;
3. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
4. Maintaining effective investors' and shareholders' communication policy;
5. Ensuring that the Company complies with applicable laws, regulations, rules, directives and guidelines of relevant authorities; and
6. Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Board Meetings

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

The number of Board meetings held during the financial year ended 31 March 2008 and each Director's attendance at the meetings were as follows:-

Directors

**No. of Meetings Attended
by the Directors in respect of the
Financial Year Ended
31 March 2008***

**Attendance
(%)**

Executive Directors

Mitsunobu Suzumi** (Chief Executive Officer / Managing Director)	4/4	100
Shunichi Komatsu**	2/2	100
Mazlan Bin Ab Rahman	6/6	100
Gew Ah Lek	5/6	83
Makoto Tatsumi	6/6	100
Hitoshi Sasaki **	4/4	100
Hiroyuki Furusawa***	6/6	100
Kenji Fukami**	2/2	100

Non-Executive Directors

General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) (Chairman)	6/6	100
Adinan Bin Husin	6/6	100
Dato' Professor (Dr.) Teo Chiang Liang	5/6	83
Dr. Goh Chin Siew	6/6	100
Dato' Hj. Shahrudin Bin Hj. Haron	6/6	100
Koay Kah Ee***	1/1	100

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

Notes

- * There were six (6) Board meetings held during the financial year ended 31 March 2008. The meetings were held on 23 May 2007, 22 June 2007, 7 August 2007, 21 August 2007, 15 November 2007 and 27 February 2008.
- ** Mitsunobu Suzumi and Hitoshi Sasaki were appointed as Executive Directors of the Company on 1 July 2007 to replace Shunichi Komatsu and Kenji Fukami.
- *** Koay Kah Ee was appointed as Independent Non-Executive Director on 15 November 2007.
- **** Hiroyuki Furusawa resigned as Executive Director of the Company on 27 June 2008.

Statement on Corporate Governance (Contd.)

Supply of Information

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

The Board sets corporate objectives, which are guided by the parent company's corporate objectives and Management is delegated with the responsibility of meeting the objectives.

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

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

Appointments to the Board

The Board has established a Nomination Committee ("NC"), consisting six (6) Directors who are Non-Executive Directors of the Company. This Committee is responsible for making recommendations to the Board on the optimum size of the Board and proposing new nominees to the Board. The Committee also assesses the performance of the Directors of the Company by annually reviewing the profile of the required skills to ensure that the Board has an appropriate balance of expertise and ability.

During the year, the NC reviewed the profiles of Koay Kah Ee and Tee Ju Mian and recommended them to the Board of Directors' for appointment as Independent Non-Executive Director and Executive Director of the Company respectively.

Directors' Training and Education

The Directors who were appointed during the financial year namely, Mitsunobu Suzumi, Hitoshi Sasaki, Koay Kah Ee and Tee Ju Mian have attended and completed the Mandatory Accreditation Programme conducted by Bursatra Sdn. Bhd. The Directors will continue to attend relevant Continuing Education Programme (CEP) and other training to keep themselves updated on the expectations of their roles and other market developments where appropriate.

During the financial year ended 31 March 2008, the Company had organised the following in-house Directors' trainings and all the Directors had attended the same:-

1. The impact of amendments to the Companies Act, 1965 on Directors' duties and corporate governance via Companies (Amendment) Act 2007;
2. The impact of amendments to the Malaysian Code on Corporate Governance;
3. Sniffing out Fraud; and
4. Amendments to the Companies Act and Revisions to the Malaysian Code on Corporate Governance that took place during the financial year.

Apart from the aforesaid in-house Directors' training, the following Directors also attended the following training held during the financial year:-

- (a) Dato' Hj. Shaharuddin Bin Hj. Haron attended training entitled "Improving Board of Directors' Performance, Leadership and Governance" on 31 May 2007.
- (b) Mr. Makoto Tatsumi attended Bursa Malaysia – MAICSA Roadshow – 2007 "Updates on Listing Requirements: Issues and Changes" on 5 June 2007, and also attended transfer pricing seminar on 10 March 2008.

Statement on Corporate Governance (Contd.)

- (c) General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) attended the following training programmes held on 28 June 2007 and 14 April 2008 respectively: -
- Financial Reporting Standard 2 (Share-based Payment) and Financial Reporting Standard 3 (Business Combination);
 - The Anatomy of Court Decisions : The 3 Factors;
 - Highlights of the amendments to the Companies Act, 1965; and
 - Governance and Board Effectiveness.
- (d) Mr. Koay Kah Ee attended the following training programmes held on 27-28 July 2007, 10 August 2007 and 13 August 2007 respectively: -
- BURSA Malaysia - MAICSA Roadshow 2007;
 - “ Updates on Listing Requirements; Issue and Challenges “ and
 - Leadership : Great Leaders, Great Teams, Great Results.

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

Upon the revised Bursa Securities' Listing Requirements, the Board has assumed the onus of determining or overseeing the training needs of their Directors from year 2005 onwards. The members of the Board will attend various external professional programmes necessary to ensure that they are kept abreast on various issues facing the changing business environment within which the Company operates.

However, 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 their appointment. The Company's Articles of Association also provides that all Directors who are appointed by the Board are subject to retirement at the first AGM of the Company subsequent to their appointment. One third (1/3) of all the other 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.

The Directors to retire from office at the forthcoming Forty-Seventh AGM are Adinan Bin Husin, Mazlan Bin Ab Rahman, Dato' Hj. Shahrudin Bin Hj. Haron, Koay Kah Ee and Tee Ju Mian.

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

The relevant information on the retiring Directors is disclosed in the Statement Accompanying the Notice of the AGM.

Statement on Corporate Governance (Contd.)

COMMITTEES

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

1. Nomination Committee

The Nomination Committee was established with clearly defined terms of reference, comprising exclusively six (6) Non-Executive Directors. The majority of the members are Independent Directors.

- Adinan Bin Husin (Chairman, Non-Independent Non- Executive Director)
- General Tan Sri (Dr.) Dato' Paduka (Independent Non-Executive Director)
Mohamed Hashim Bin Mohd.Ali (Rtd)
- Dato' Professor (Dr.) Teo Chiang Liang (Independent Non-Executive Director)
- Dr. Goh Chin Siew (Independent Non-Executive Director)
- Dato' Hj. Shaharuddin Bin Hj. Haron (Independent Non-Executive Director)
- Koay Kah Ee (Independent Non-Executive Director)

The Committee had four (4) meetings during the financial year.

The main responsibilities of this Committee are to propose and recommend new candidates to the Board of Directors, if necessary, and to review the structure, size and composition of the Board of Directors.

2. Remuneration Committee

The Remuneration Committee was set up with clearly defined terms of reference, comprising two (2) Executive Directors, and five (5) Non-Executive Directors. The majority of the members are Independent Directors.

- General Tan Sri (Dr.) Dato' Paduka (Chairman, Independent Non-Executive Director)
Mohamed Hashim Bin Mohd.Ali (Rtd)
- Adinan Bin Husin (Non-Independent Non-Executive Director)
- Dato' Professor (Dr.) Teo Chiang Liang (Independent Non-Executive Director)
- Dr. Goh Chin Siew (Independent Non-Executive Director)
- Dato' Hj. Shaharuddin Bin Hj. Haron (Independent Non-Executive Director)
- Mitsunobu Suzumi (Managing Director)
- Makoto Tatsumi (Executive Director)

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

The Remuneration Committee may meet at least once a year or more frequently as deemed necessary. During the financial year ended 31 March 2008, the Committee had one (1) meeting.

Statement on Corporate Governance (Contd.)

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

	Executive Directors RM'000	Non-Executive Directors RM'000
Salaries and other emoluments	2,202	107
Fees	120	163
Bonus	111	-
Gratuity	48	65
Defined contribution plan	56	-
Benefit In Kind	319	-

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

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	4
RM50,001 – RM100,000	-	1
RM100,001 – RM150,000	1	1
RM200,001 – RM250,000	1	-
RM250,001 – RM300,000	2	-
RM350,001 – RM400,000	1	-
RM450,001 – RM500,000	1	-
RM500,001 – RM550,000	1	-
RM550,001 – RM600,000	1	-

The only area of non-compliance with the Code is the disclosure of details of the remuneration of each Director. The Board believes that this information will not add significantly to the understanding and evaluation of the Company's governance.

3. The Audit Committee

The composition, responsibilities, terms of reference and activities during the financial year of the Audit Committee are set out under the Audit Committee Report on pages 21 to 25.

3.1 Financial Reporting

The Board is responsible for ensuring that the quarterly and annual audited financial statements of the Company present a fair and balance view and assessment of the Company's financial position, performance and prospects. The Audit Committee assists the Board in reviewing and scrutinising the information in terms of accuracy, adequacy and completeness for disclosure. The composition, summary of activities and terms of reference of the Audit Committee can be found in the Audit Committee Report on pages 21 to 25.

The Statement of Directors' Responsibility in respect of the Audited Financial Statements pursuant to paragraph 15.27(a) of the Listing Requirements and pursuant to the Statement of Directors' responsibility of the Companies Act, 1965 is set out on page 18 of this Annual Report.

3.2 Internal Control

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

Information on the Company's internal control is presented in the Statement on Internal Control on pages 19 to 20.

Statement on Corporate Governance (Contd.)

3.3 Relationship with Auditors

The roles of the Audit Committee, the internal and external auditors of the Company are described in the Audit Committee Report set out on pages 21 to 25 of this Annual Report. The Board and the Audit Committee have always maintained a professional and transparent relationship with the Company's auditors.

3.4 External Audit

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

The external auditors have an obligation to bring any significant defects in the Company's system of control and compliance that come to their attention in the course of the audit to the attention of the Management; and if necessary, to the Audit Committee and the Board.

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 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 www.bursamalaysia.com.my.

Annual General Meeting ("AGM")

The AGM and Extraordinary General Meeting remain the principal forum for dialogue with shareholders where they may seek clarifications on the Company's businesses. 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 Statement Accompanying the Notice of the AGM and 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 interesting public at large.

Corporate Social Responsibility ("CSR")

The CSR activities of the Company are described on page 30 of this Annual Report.

Additional Compliance Information

1. Utilisation of Proceeds

Not Applicable

2. Share Buy-Back

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

3. Options, Warrants or Convertible Securities

The Company has not granted any options nor issued any warrants or convertible securities during the financial year.

4. American Depository Receipt (“ADR”) or Global Depository Receipt (“GDR”)

The Company did not sponsor any ADR or GDR programme during the financial year.

5. Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company, its subsidiaries, 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 RM34,000/- (Net of amount of fees recovered from Holding Company of RM33,000).

7. Variation in Results

There were no material variations between the audited results for the financial year ended 31 March 2008 against the unaudited results for the year ended 31 March 2008 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 other 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, entered into since the end of the previous financial year.

10. Revaluation Policy on Landed Properties

The Company has not adopted a policy of regular revaluation on its landed properties. As at 31 March 2008, the Company did not carry out any revaluation exercise on its landed properties.

11. Recurrent Related Party Transactions of Revenue or Trading Nature

The details of the transactions with related parties undertaken by the Company during the financial year are disclosed in Note 25 on pages 74 to 75 of this Annual Report.

Statement Of Directors' Responsibility In Relation To The Financial Statements

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

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

The Directors consider that in preparing the financial statements,

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

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

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

INTRODUCTION

Pursuant to paragraph 15.27 (b) of the Listing Requirements (“LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and as guided by the Bursa Malaysia’s Statement on Internal Control: Guidance for Directors of Public Listed Companies (“the Guidance”), the Board of Directors (“the Board”) of Ajinomoto (Malaysia) Berhad is pleased to include a statement on the state of the Company’s internal controls in the annual report.

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.

However, as there are inherent limitations in any system of internal controls, such systems 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.

- **Periodical and/or Annual Budget**

Budgetary control for every operations of the Company, where actual performance is closely monitored against budgets to identify and to address significant variances. Forecasts are revised on a semi-annual basis and monthly operational meetings and regular weekly meetings are conducted among senior management to evaluate and monitor the progress of the business operations.

- **Company Policies and Procedures**

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

- **Human Resource Policy**

Comprehensive and rigorous guidelines on the employment, performance appraisal and training program and retention of employees are in place, to ensure that the Company has a team of employees who 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 ensure quality assurance and control are strictly adhered to via regular internal and external quality audits.

2. Risk Management Framework

The Board acknowledges that the Company’s business activities involve some degree of risk and key management staff and Heads of Department are delegated the responsibility to manage identified risks within defined parameters and standards.

Statement On Internal Control (Contd.)

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

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

3. Internal Audit Function

The Company's internal audit function is outsourced to external consultants. The outsourced internal auditors assist the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Company's internal control systems. They report 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 Company's internal auditors table the results of their review of the business processes of different operating units to the Audit Committee at their scheduled meetings. The status of the implementation of corrective actions to address control weaknesses are also followed up by the internal auditors to ensure that these actions have been satisfactorily implemented.

During the financial year under review, identified weaknesses in internal controls have been appropriately addressed and Senior Management will continue to ensure that appropriate action is taken to enhance and strengthen the internal control environment.

- **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. MONITORING AND REVIEW

Scheduled management meetings are held to discuss and review the business planning, budgeting, financial and operational performances.

- **Financial and Operational Review**

The monthly management accounts and the quarterly financial statements containing key financial results, operational performance results and comparisons of performance against budget are presented to the Management Committee comprising of Key Management personnel for their review, consideration and approval.

- **Business Planning and Budgeting Review**

The Management Committee plays an active role in discussing and reviewing the business plans, strategies, performance and risks faced by the Company.

CONCLUSION

The Board is of the view that the Company's system of internal controls is adequate to safeguard shareholders' investments and the Company's assets. However, the Board is also cognizant of the fact that the Company's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal controls.

This statement was approved by the Board of Directors on 28 May 2008.

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 2008.

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 the Bursa Malaysia and shareholders, 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 and Meetings

The members of the Audit Committee, attendance at each Audit Committee Meeting during the financial year ended 31 March 2008 are as follows:

Names		Status	Attendance*
Dato' Professor (Dr.) Teo Chiang Liang	Chairman	Independent Non-Executive Director	4/5
Gen Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd.Ali (Rtd)	Member	Independent Non-Executive Director	5/5
Adinan Bin Husin	Member	Non-Independent Non-Executive Director	5/5
Dato' Hj. Shaharuddin Bin Hj. Haron	Member	Independent Non-Executive Director	5/5
Dr. Goh Chin Siew	Member	Independent Non-Executive Director	5/5
Koay Kah Ee**	Member	Independent Non-Executive Director	1/1
Mitsunobu Suzumi***	Member	Executive Director	2/2
Gew Ah Lek***	Member	Executive Director	3/4

* The meetings were held on 23 May 2007, 22 June 2007, 21 August 2007, 15 November 2007 and 27 February 2008

** Koay Kah Ee was appointed to the Audit Committee on 15 November 2007

*** Mitsunobu Suzumi and Gew Ah Lek have resigned from the Audit Committee on 15 November 2007

TERMS OF REFERENCE

1. Composition of members

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

In this respect, the Board adopts the definition of "independent director" as defined under the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

Audit Committee Report (Contd.)

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

- (a) 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) fulfils such other requirements as prescribed or approved by Bursa Securities.

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

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

Retirement and resignation

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member resulting in non-compliance to the composition criteria as stated in paragraph 1 above, the Board shall within three (3) months of the event appoint such number of the 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 number who shall be an independent director.

In the absence of the Chairman of the Audit Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman who must be independent director to chair the meeting.

3. Secretary

The Company Secretary shall be the Secretary of the Audit Committee and as a reporting procedure, the Minutes shall be circulated to all members of the Board.

4. Meetings

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

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

Notice of Audit Committee meetings shall be given to all the Audit Committee members unless the Audit Committee waives such requirement.

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

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

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

5. Minutes

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

The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

6. Quorum

The quorum for the Audit Committee meeting shall be the majority of members present whom 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.

8. Authority

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

- (a) have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee.
- (b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company.
- (c) obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary.
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).
- (e) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.

Audit Committee Report (Contd.)

9. Duties and Responsibilities

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

- (a) To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;
- (b) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- (c) To review with the external auditor his evaluation of the system of internal controls and his audit report;
- (d) To review the quarterly and year-end financial statements of the Board, focusing particularly on –
 - any change in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.
- (e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);
- (f) To review the external auditor's management letter and management's response;
- (g) To do the following, in relation to the internal audit function:-
 - review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - approve any appointment or termination of senior staff members of the internal audit function; and
 - take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (h) To consider any related party transactions and conflict of interest situation that may arise within the Company including any transaction, procedure or course of conduct that raises questions of management integrity;
- (i) To report its findings on the financial and management performance, and other material matters to the Board;
- (j) To consider the major findings of internal investigations and management's response;
- (k) To verify the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;
- (l) To determine the remit of the internal audit function;
- (m) To consider other topics as defined by the Board; and
- (n) To consider and examine such other matters as the Audit Committee considers appropriate.

Summary of Activities

During the financial year ended 31 March 2008, the Audit Committee carried out its duties as set out in the terms of reference.

The Audit Committee has also met up with the External Auditors without the presence of all the Executive Board members in line with the revised Malaysian Code of Corporate Governance twice during the financial year to encourage a greater exchange of free and honest views between both parties.

Other main activities carried out by the Audit Committee during the financial year includes the following:-

1. Financial Results

- a) Review 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 Malaysia Securities Berhad;
- b) Review the reports and the audited financial statements of the Company and the Economic Entity together with the external auditors prior to tabling to the Board for approval. The review was, inter alia, to ensure compliance with :-
 - Provision of the Companies Act, 1965
 - Listing Requirements of Bursa Securities
 - Applicable Financial Reporting Standards in Malaysia
 - Other legal and regulatory requirements

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

2. External Audit

- a) Review the external auditors' scope of work and audit plan for the year and made recommendations to the Board on their appointment and remuneration;
- b) Review and discuss 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) Discuss significant accounting and auditing issues, impact of new or proposed changes in accounting standards and regulatory requirements.

3. Internal Audit

- a) Review the internal audit plan, resources planning requirements for the financial year and assessed the performance of the Internal Auditors;
- b) Review the internal audit issues, recommendations and the management responses and to rectify and improve the system of internal control; and
- c) Monitor the implementation programme recommended by Internal Auditors arising from its audits in order to obtain assurance that all key risks and controls have been fully dealt with.

AJI-NO-MOTO® Campaign

► Print Advertisement



▼ TV Infomercial Program



AJI-NO-MOTO® “Goodness of DASHI” Campaign

Moving forward from its 'Discover the Secret of DASHI' campaign in 2006, Ajinomoto (Malaysia) Berhad launched another campaign to further enhance AJI-NO-MOTO® as a form of DASHI. The campaign entitled, 'Goodness of DASHI'.

The thematic campaign focused on highlighting the benefits of AJI-NO-MOTO® as a form of DASHI. Based on scientific research, MSG helps to reduce salt intake in daily consumption. MSG contains only 1/3 the amount of sodium compared to salt. By using a small amount of MSG, salt intake can be reduced by as much as 20% – 30% without compromising on taste. With this as one of the main messages, the 'Goodness of DASHI' campaign promoted better living through better eating.

A range of promotional activities have been arranged such as consumer contest, print advertisement and TV infomercial program to further promote the campaign.

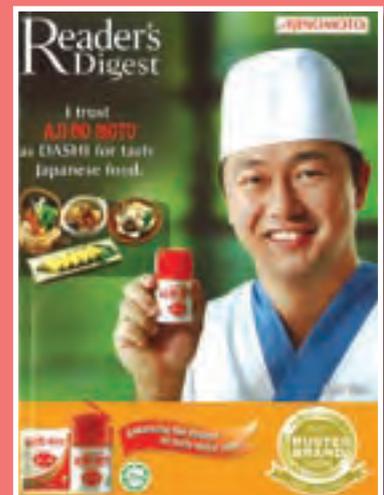
► Consumer Contest



► Prize Giving Ceremony



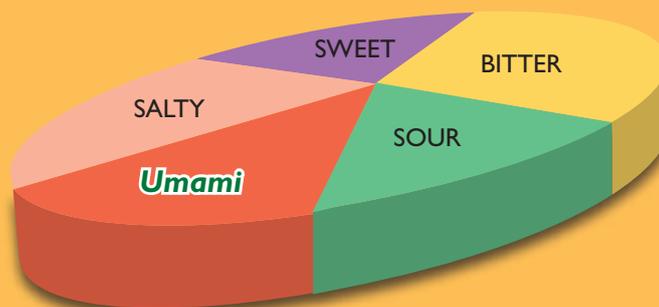
AJI-NO-MOTO®
awarded the Reader's
Digest Gold Award for
“The Most
Trusted Brand
of 2008”



100th Anniversary of The Discovery of **Umami**



► Konbu



Umami is the taste of glutamate, one of the most abundant amino acids which is produced in our bodies and found in almost all natural foods such as seaweed (*konbu*), tomato, cheese, mushroom, meat and etc. *Umami* is recognised as the fifth basic taste along with sweet, sour, bitter and salty.

In 1908, Professor Kikunae Ikeda from the Tokyo Imperial University in Japan discovered that glutamate was the key component to the delicious taste of Japanese soup stock (*dashi*). It is made from seaweed called *konbu*. He named this distinctive taste of glutamate as *Umami*.

After discovering *Umami*, Professor Ikeda succeeded in developing Monosodium Glutamate (MSG) as the ideal flavour enhancer that produced the strong *Umami* taste. As such, AJI-NO-MOTO® as the "**Umami Seasoning**" was launched in 1909.

Throughout the 100 years after the discovery of *Umami*, people from all over the world are accustomed in enjoying the delicious foods through *Umami* sensation.

Company Activities

Consumer Promotions

In 2007, Ajinomoto (Malaysia) Berhad organised various consumer promotions for VONO® and TUMIX®. The VONO® promotions were held to announce the new variations available, with the message that emphasises VONO® as a new way of enjoying breakfast in a nutritious and wholesome manner. Promotional activities include television, newspapers and magazine advertisements besides free sampling at universities/colleges, LRT stations, office buildings, medical centers, areas within the vicinity of shopping centers etc.



As for TUMIX®, Ajinomoto (Malaysia) Berhad launched “Ronda Roda TUMIX®” Mobile Kitchen in September 2007. This campaign was held from 11 September to 8 December, and covered 53 housing estates, fresh markets and the Ramadhan Bazaar in the Klang Valley. The Mobile Kitchen drive was to increase the awareness of TUMIX® amongst housewives and also to encourage customers to try and buy the products. It was also aimed to establish a close rapport with customers through cooking activities, promoting sales at attractive prices and premiums and TUMIX® Chicken Stock exchanges. The profits earned from sales were donated to the “Rumah Bakti” and The Ex-Police Organisation Malaysia.



“Jom, Heboh!” Carnival 2007

On 8 and 9 December 2007, Ajinomoto (Malaysia) Berhad took part in the “Jom, Heboh!” Carnival 2007 at the Shah Alam Stadium, Selangor. The main objective of this carnival was to further enhance the image of AJINOMOTO® as a company marketing various quality products. At the carnival, AJINOMOTO® organised promotional sales at attractive prices with gifts, “Buy & Win” lucky draws, cooking demonstrations by renowned chefs etc. There were an estimated 200,000 visitors at the carnival.



Culinary Activities

Effective from the month of May 2007, Ajinomoto (Malaysia) Berhad had organised cooking classes for the members of “Umami Zone” to promote membership in the Company’s website (www.ajinomoto.com.my). The attendees learned various kinds of mouth-watering recipes and health tips with AJINOMOTO® products. They were also given the chance to cook in the classes. The cooking classes were also offered to the company staff.

In addition, Ajinomoto (Malaysia) Berhad also arranged cooking demonstrations in charity organisations, health associations and etc.



“Exploring Umami :The Fifth Basic Taste” Seminar

Ajinomoto (Malaysia) Berhad in collaboration with the Faculty of Food Science & Technology, Universiti Putra Malaysia (UPM), organised a seminar on 24 August 2007. The main objective of this seminar was to introduce and increase the awareness of the taste of *Umami*, which is the fifth basic taste. 220 students from Universiti Putra Malaysia (UPM), Universiti Kebangsaan Malaysia (UKM) and Universiti Teknologi MARA (UITM) attended the seminar. Various kinds of activities were carried out in the seminar such as explanation information about *Umami* by the President of the *Umami* Information Centre of Tokyo, Japan, presentation regarding *Umami* sources in Malaysia such as ‘belacan’ (shrimp paste) by a university lecturer, soup tasting, cooking demonstration, quiz and Q & A session.



The 40th Southeast Asian Association of Glutamate Science (SEAAGS) Meeting

The meeting was held in Kuching, Sarawak on 22-23 May 2008. This is a gathering for MSG manufacturers in the Southeast Asian countries to discuss update information on media activities, scientific and regulatory issues of MSG.



Corporate Social Responsibilities (CSR) Highlights

Statement on 2007 Environment Performance

In 2007/8 Ajinomoto (Malaysia) Berhad had managed to successfully continue its ISO 14001:2004 certification, the globally recognised environment management system which was acquired in February 2006. Ajinomoto (Malaysia) Berhad continue to ensure full compliance with Malaysian environmental legislation. We had removed 2 chillers that had been operating using ozone-depleting refrigerant gases with 2 new chillers which operated using environment friendly refrigerant substances.

We also continue to uphold our commitment to the environment protection and preservation by further reducing environment burden derived from our business activities. The total nitrogen in the final discharge water was reduced from 30 ppm to 20 ppm by further improving the treatment efficiency. We also increased the solid waste recovery ratio from 75% to 85% through proper segregation and recycling activities.

The increase in global fuel oil price had significantly increased our operation cost, therefore drove some energy saving projects focusing on reduction of electricity, water and steam consumptions. We successfully achieved significant reduction of unit consumption against the 2006 performance data. A reduction of 7.3% for water, and 5.3% for electricity was achieved through the energy saving activities.

“Smile Earth” Project

This is the Ajinomoto Group’s 2007 global citizenship activities for the future with the slogan of “What Can You Do For The Earth?”. The project provide members of The Ajinomoto Group with the opportunity to contribute to their local communities and the global environment.



Global Warming Education Campaign

The impact of global warming is beginning to be felt around the world. As the members of the societies, the Ajinomoto Group must actively participate. This campaign gave an opportunity for the members of the Ajinomoto Group to think about the environment, identified changes that can be made and began to take action. Various activities were arranged to increase the awareness of the Company staff on global warming such as sharing of information in internal newsletter and video presentation of “An Inconvenient Truth” by the former vice president of USA, Al Gore.



“Recycle Papers Into Lives” Campaign

Ajinomoto (Malaysia) Berhad, National Kidney Foundation of Malaysia (NKF) and Malaysia Newsprint Industries (MNI) have embarked on a recycling campaign to collect used paper products (such as newspapers, magazines, exercise books, telephone books, carton boxes, computer papers etc), to enhance its fundraising efforts in providing subsidies to the underprivileged kidney failure patients. All proceeds from the collection were donated to the NKF.



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	149	7.25	3,493	0.01
100 – 1,000	445	21.64	269,739	0.44
1,001 – 10,000	1,224	59.53	4,141,738	6.81
10,001 – 100,000	212	10.31	5,233,631	8.61
100,001 – 3,039,925 (*)	23	1.12	7,428,485	12.22
3,039,926 and above (**)	3	0.15	43,721,448	71.91
TOTAL	2,056	100.00	60,798,534	100.00

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

Substantial Shareholders

The substantial shareholders of Ajinomoto (Malaysia) Berhad based on the Register of Substantial Shareholders of the Company and their respective shareholdings as at 30 June 2008 are as follows:-

Substantial Shareholders	No. of Shares			
	Direct	%	Indirect	%
Ajinomoto Co., Inc.	30,445,445	50.08	-	-
Amanah Raya Nominees (Tempatan) Sdn. Bhd. - Skim Amanah Saham Bumiputera	8,856,870	14.57	-	-
Tam Chi Kok Gabriel	4,419,133	7.27	-	-

Directors' Shareholdings

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:-

Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Adinan Bin Husin	-	-	-	-
General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd)	-	-	-	-
Gew Ah Lek	6,000	0.01	-	-
Tuan Hj. Mazlan Bin Ab Rahman	-	-	-	-
Dato' Professor (Dr.) Teo Chiang Liang	-	-	150,000 ⁽¹⁾	0.25
Dr. Goh Chin Siew	5,000	0.01	3,000 ⁽²⁾	*
Mitsunobu Suzumi	2,398	*	-	-
Dato' Hj. Shaharuddin Bin Hj. Haron	-	-	-	-
Makoto Tatsumi	-	-	-	-
Hitoshi Sasaki	-	-	-	-
Koay Kah Ee	-	-	-	-
Tee Ju Mian	-	-	-	-

* Negligible

(1) 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.

(2) Deemed interested by virtue of his daughter.

Analysis Of Shareholdings

As At 30 June 2008

Thirty Largest Securities Account Holders As At 30 June 2008

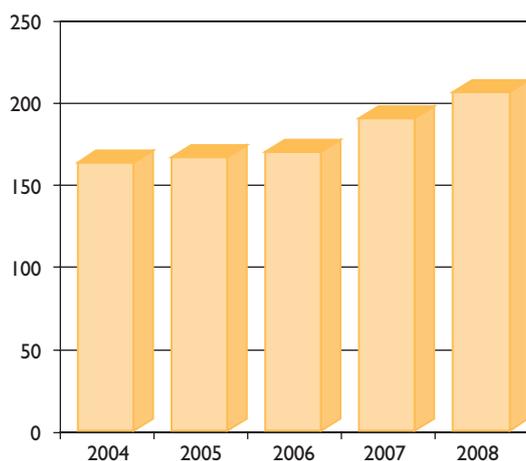
No.	Shareholders	No. of Shares	%
1.	Ajinomoto Co., Inc.	30,445,445	50.08
2.	Amanah Raya Nominees (Tempatan) Sdn. Bhd. <i>Skim Amanah Saham Bumiputera</i>	8,856,870	14.57
3.	Tam Chi Kok Gabriel	4,419,133	7.27
4.	Lonpac Insurance Bhd	1,307,454	2.15
5.	Mayban Nominees (Asing) Sdn. Bhd. <i>Bank of East Asia (Nominees) Pte Ltd for the Bank of East Asia Ltd Singapore</i>	1,131,030	1.86
6.	See Hoy Chan Agencies Sendirian Berhad	775,500	1.28
7.	Tee Teh Sdn. Berhad	564,508	0.93
8.	Public Nominees (Tempatan) Sdn. Bhd.	400,000	0.66
9.	Cartaban Nominees (Asing) Sdn. Bhd. <i>DBS Vickers (Hong Kong) Limited For Ng Fung Yee</i>	382,562	0.63
10.	JF Apex Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teo Siew Lai (Margin)</i>	354,900	0.58
11.	JF Apex Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teo Kwee Hock (Margin)</i>	330,800	0.54
12.	Tay How Seng	304,859	0.50
13.	Inter-Pacific Equity Nominees (Asing) Sdn. Bhd. <i>Kim Eng Securities Pte Ltd for Tan Pheck Gee</i>	283,538	0.47
14.	Eu Lee Chuan Enterprise Sdn. Berhad	160,000	0.26
15.	Leong Kok Tai	154,100	0.25
16.	Wong Lok Jee @ Ong Lok Jee	135,600	0.22
17.	Cimsec Nominees (Asing) Sdn. Bhd. <i>Exempt An For CIMB-GK Securities Pte Ltd (Retail Clients)</i>	134,200	0.22
18.	Teo Soo Cheng Sdn Bhd.	120,000	0.20
19.	Lai Khee Sin @ Joseph Lai	119,536	0.20
20.	Malaysia Nominees (Tempatan) Sendirian Bhd. <i>Oriental Realty Sdn. Bhd.</i>	119,536	0.20
21.	Tee Keng Sing	113,662	0.19
22.	M'sian Vermicelli Manufacturers (M) Sdn. Bhd.	111,000	0.18
23.	OSK Nominees (Tempatan) Sdn. Berhad <i>Pledged Securities Account for Tan Gaik Suan</i>	109,200	0.18
24.	Chan Heng Koon	108,000	0.18
25.	Chong Kok Fah	104,500	0.17
26.	LKK Realty Sdn. Bhd.	104,000	0.17
27.	Yong Siew Lee	100,000	0.16
28.	Poseidon Sendirian Berhad	99,600	0.16
29.	EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account for Chee Sai Mun</i>	97,400	0.16
30.	Neong Kok Hooi	96,500	0.16
	TOTAL	51,543,433	84.78

COMPANY'S FINANCIAL HIGHLIGHTS

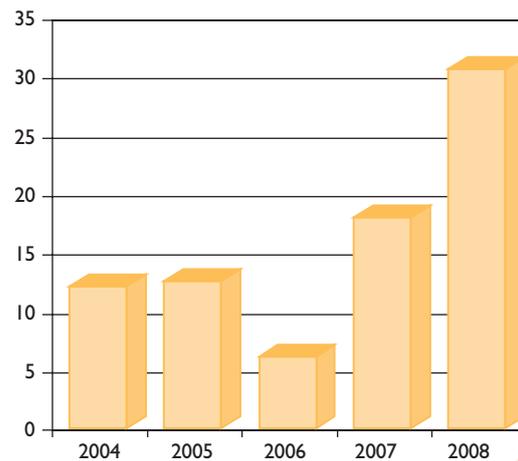
Figures are based on company level results

	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000
Revenue	164,126	166,869	170,593	190,629	215,462
Profit Before Taxation	14,146	12,589	6,851	21,030	40,381
Net Profit	12,059	12,519	6,010	18,670	31,984
Shareholders Funds	128,693	136,421	137,640	151,519	178,080
Per Share					
• Gross Earnings	23.3	20.7	11.3	34.6	66.4
• Net Earnings	19.8	20.6	9.9	30.7	52.6
• Net Tangible Asset	211.7	224.4	226.4	249.2	292.9

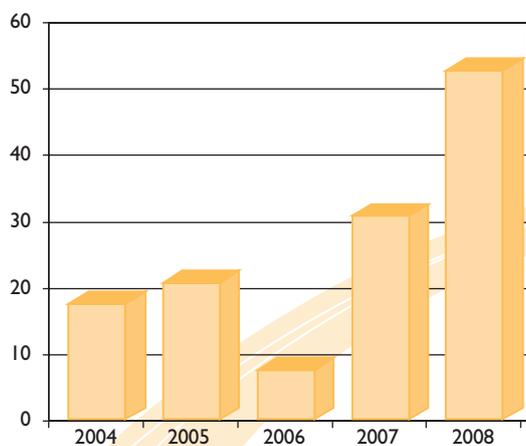
REVENUE (RM Millions)



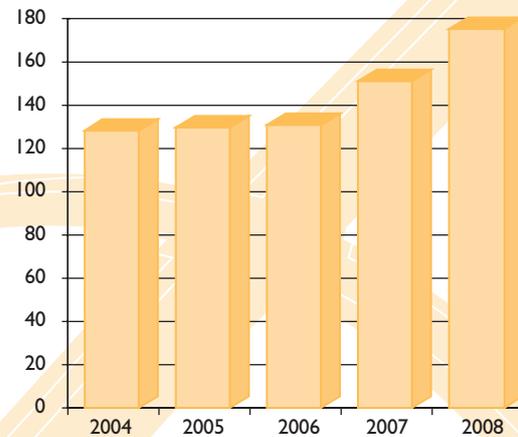
NET PROFIT (RM Millions)



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 Economic Entity (comprising the Company and the equity accounted associate) and of the Company for the financial year ended 31 March 2008.

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.

During the year in May 2007, the associate company ceased its business operation.

RESULTS

	Economic Entity RM	Company RM
Profit for the year	<u>20,940,045</u>	<u>31,984,464</u>

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

DIVIDENDS

The amount of dividends paid by the Company since 31 March 2007 were as follows:

	RM
In respect of the financial year ended 31 March 2007 as reported in the directors' report of that year	
First and final dividend of 4% less 27% taxation and 6% tax exempt, declared on 21 August 2007 and paid on 21 September 2007	<u>5,423,231</u>

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 March 2008, of 8% less 26% taxation and a special dividend of 7% tax exempt on 60,798,534 ordinary shares, amounting to a dividend payable of RM7,855,171 (12.92 sen net per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2009.

DIRECTORS

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

Gen Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd)	
Mitsunobu Suzumi	(appointed on 1 July 2007)
Hitoshi Sasaki	(appointed on 1 July 2007)
Koay Kah Ee	(appointed on 15 November 2007)
Tee Ju Mian	(appointed on 1 April 2008)
Makoto Tatsumi	
Dato' Professor (Dr.) Teo Chiang Liang	
Adinan bin Husin	
Dr. Goh Chin Siew	
Mazlan bin Ab. Rahman	
Gew Ah Lek	
Dato' Hj. Shaharuddin Bin Hj. Haron	
Hiroyuki Furusawa	
Kenji Fukami	(resigned on 1 July 2007)
Shunichi Komatsu	(resigned on 1 July 2007)

DIRECTORS' BENEFITS

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

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

DIRECTORS' 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 1.04.2007/ date of appointment	Acquired	Sold	At 31.03.2008
The Company				
Direct Interest				
Mitsunobu Suzumi	2,398*	-	-	2,398
Gew Ah Lek	6,000	-	-	6,000
Indirect Interest				
Dato' Professor (Dr.) Teo Chiang Liang	150,000	-	-	150,000

Directors' Report (Contd.)

	Number of Shares of Japanese Yen 50 Each			
	At 1.04.2007/ date of appointment	Acquired	Sold	At 31.03.2008
Holding Company				
- Ajinomoto Co. Inc.				
Direct Interest				
Mitsunobu Suzumi	577*	-	-	577
Hitoshi Sasaki	3,927*	-	-	3,972
Makoto Tatsumi	304	44	-	348
Hiroyuki Furusawa	2,706	100	-	2,806

* Appointed on 1 July 2007

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

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Economic Entity and of the Company were made out, the directors took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - 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:
- the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
 - the values attributed to the current assets in the financial statements of the Economic Entity and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Economic Entity and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Economic Entity and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- any charge on the assets of the Economic Entity or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

- (ii) any contingent liability of the Economic Entity or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Economic Entity or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Economic Entity and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 28 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 June 2008.

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

Mitsunobu Suzumi

Statement By Directors

Pursuant To Section 169 (15) Of The Companies Act, 1965

We, Gen Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd) and Mitsunobu Suzumi, 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 40 to 78 are drawn up in accordance with applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Economic Entity and the Company as at 31 March 2008 and of the results and the cash flows of the Economic Entity and the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 June 2008.

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

Mitsunobu Suzumi

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

I, Gew Ah Lek, being the Director primarily responsible for the financial management of Ajinomoto (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 40 to 78 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Gew Ah Lek at
Kuala Lumpur in the Federal Territory
on 25 June 2008

Gew Ah Lek

Before me,

Soh Ah Kau
(W315)
Commissioner for Oaths
Kuala Lumpur

Report of the Auditors to the Members of Ajinomoto (Malaysia) Berhad

We have audited the accompanying financial statements set out on pages 40 to 78. These financial statements are the responsibility of the Company's directors.

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

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

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Economic Entity and of the Company as at 31 March 2008 and of the results and the cash flows of the Economic Entity and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Hanafiah Raslan & Mohamad
AF: 0002
Chartered Accountants

Wong Kang Hwee
No. 1116/01/10 (J)
Partner

Kuala Lumpur, Malaysia
25 June 2008

Income Statements

For The Year Ended 31 March 2008

	Note	Economic Entity		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Revenue	3	215,462,459	190,628,976	215,462,459	190,628,976
Other income	4	3,493,689	2,413,547	17,205,836	8,044,056
Changes in inventories of finished goods, work in progress and goods-in-transit		(321,473)	(448,494)	(321,473)	(448,494)
Raw materials and packaging materials consumed		(114,201,038)	(103,743,602)	(114,201,038)	(103,743,602)
Finished goods purchased		(5,025,774)	(4,871,823)	(5,025,774)	(4,871,823)
Staff costs		(27,344,651)	(25,633,738)	(27,344,651)	(25,633,738)
Depreciation and amortisation		(8,740,933)	(8,661,427)	(8,740,933)	(8,661,427)
Impairment of assets		164,220	(850,543)	164,220	(850,543)
Other operating expenses		(36,817,675)	(33,433,642)	(36,817,675)	(33,433,642)
Operating profit	5	26,668,824	15,399,254	40,380,971	21,029,763
Share of profit of associates		604,007	1,953,343	-	-
Profit before tax		27,272,831	17,352,597	40,380,971	21,029,763
Income tax expense	8	(6,332,786)	(2,359,750)	(8,396,507)	(2,359,750)
Profit for the year		20,940,045	14,992,847	31,984,464	18,670,013

Earnings per share attributable to equity holders of the Company (sen)

- Basic	9	<u>34.4</u>	<u>24.7</u>
---------	---	-------------	-------------

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

Balance Sheets
As At 31 March 2008

	Note	Economic Entity		Company	
		2008 RM	2007 RM (Restated)	2008 RM	2007 RM (Restated)
ASSETS					
Non-current assets					
Property, plant and equipment	11	46,402,364	46,324,751	47,657,260	46,324,751
Prepaid land lease payments	12	35,866,381	23,081,794	40,207,748	23,081,794
Investment in associate	13	3,220,448	8,668,604	1,348,751	1,348,751
Other investments	14	1,252,063	1,134,441	1,252,063	1,134,441
		<u>86,741,256</u>	<u>79,209,590</u>	<u>90,465,822</u>	<u>71,889,737</u>
Current assets					
Inventories	15	32,383,255	25,104,026	32,383,255	25,104,026
Trade and other receivables	16	27,863,680	24,590,686	27,863,680	24,590,686
Cash and cash equivalents	17	66,193,647	64,193,072	66,193,647	64,193,072
		<u>126,440,582</u>	<u>113,887,784</u>	<u>126,440,582</u>	<u>113,887,784</u>
TOTAL ASSETS		<u>213,181,838</u>	<u>193,097,374</u>	<u>216,906,404</u>	<u>185,777,521</u>
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	21	60,798,534	60,798,534	60,798,534	60,798,534
Share premium	21	4,303,700	4,303,700	4,303,700	4,303,700
Reserves		109,253,156	93,736,342	112,977,722	86,416,489
Total equity		<u>174,355,390</u>	<u>158,838,576</u>	<u>178,079,956</u>	<u>151,518,723</u>
Non-current liabilities					
Retirement benefit obligations	18	4,461,628	3,822,256	4,461,628	3,822,256
Deferred tax liabilities	20	4,088,518	3,878,168	4,088,518	3,878,168
		<u>8,550,146</u>	<u>7,700,424</u>	<u>8,550,146</u>	<u>7,700,424</u>
EQUITY AND LIABILITIES					
Current liabilities					
Retirement benefit obligations	18	296,972	711,923	296,972	711,923
Trade and other payables	19	28,230,809	25,619,622	28,230,809	25,619,622
Current tax payable		1,748,521	226,829	1,748,521	226,829
		<u>30,276,302</u>	<u>26,558,374</u>	<u>30,276,302</u>	<u>26,558,374</u>
Total liabilities		<u>38,826,448</u>	<u>34,258,798</u>	<u>38,826,448</u>	<u>34,258,798</u>
TOTAL EQUITY AND LIABILITIES		<u>213,181,838</u>	<u>193,097,374</u>	<u>216,906,404</u>	<u>185,777,521</u>

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

Economic Entity's Statements of Changes in Equity

For The Year Ended 31 March 2008

	Attributable to Equity Holders of the Company						Total RM
	<----- Non-Distributable Reserves ----->				Distributable Reserves		
	Share Capital RM	Share Premium RM	Revaluation Reserves RM	Other Reserves RM	Retained Earnings RM		
Note	(Note 21)	(Note 21)	(Note 22)	(Note 23)			
Economic Entity							
At 1 April 2006		60,798,534	4,303,700	7,142,490	2,093,595	74,344,415	148,682,734
Transfer from revaluation reserves to retained profits		-	-	(121,871)	-	121,871	-
Associate:							
Transfer from revaluation reserves to retained profits		-	-	-	(63,588)	63,588	-
Foreign currency translation		-	-	-	-	(46,078)	(46,078)
Profit for the year		-	-	-	-	14,992,847	14,992,847
Dividends	10	-	-	-	-	(4,790,927)	(4,790,927)
At 31 March 2007		<u>60,798,534</u>	<u>4,303,700</u>	<u>7,020,619</u>	<u>2,030,007</u>	<u>84,685,716</u>	<u>158,838,576</u>
At 1 April 2007		60,798,534	4,303,700	7,020,619	2,030,007	84,685,716	158,838,576
Transfer from revaluation reserves to retained profits		-	-	(121,871)	-	121,871	-
Associate:							
Realisation of reserve on disposal of assets		-	-	-	(2,030,007)	2,030,007	-
Profit for the year		-	-	-	-	20,940,045	20,940,045
Dividends	10	-	-	-	-	(5,423,231)	(5,423,231)
At 31 March 2008		<u>60,798,534</u>	<u>4,303,700</u>	<u>6,898,748</u>	<u>-</u>	<u>102,354,408</u>	<u>174,355,390</u>

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

Statement of Changes in Equity

For The Year Ended 31 March 2008

	<----- Non-Distributable ----->			Distributable	
	Share Capital RM	Share Premium RM	Revaluation Reserves RM	Retained Earnings RM	Total Equity RM
Note	(Note 21)	(Note 21)		(Note 23)	
Company					
At 1 April 2006	60,798,534	4,303,700	7,142,490	65,394,913	137,639,637
Transfer from revaluation reserves to retained profits	-	-	(121,871)	121,871	-
Profit for the year, representing total recognised income and expense for the year	-	-	-	18,670,013	18,670,013
Dividends	-	-	-	(4,790,927)	(4,790,927)
10					
At 31 March 2007	<u>60,798,534</u>	<u>4,303,700</u>	<u>7,020,619</u>	<u>79,395,870</u>	<u>151,518,723</u>
At 1 April 2007	60,798,534	4,303,700	7,020,619	79,395,870	151,518,723
Transfer from revaluation reserves to retained profits	-	-	(121,871)	121,871	-
Profit for the year, representing total recognised income and expense for the year	-	-	-	31,984,464	31,984,464
Dividends	-	-	-	(5,423,231)	(5,423,231)
10					
At 31 March 2008	<u>60,798,534</u>	<u>4,303,700</u>	<u>6,898,748</u>	<u>106,078,974</u>	<u>178,079,956</u>

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

Cash Flow Statements

For The Year Ended 31 March 2008

	Note	Economic Entity		Company	
		2008 RM	2007 RM (Restated)	2008 RM	2007 RM (Restated)
Cash Flows From Operating Activities					
Profit before tax		27,272,831	17,352,597	40,380,971	21,029,763
Adjustments for:					
Short-term accumulating compensated absences	6	100,492	(41,015)	100,492	(41,015)
Interest income	4	(1,851,388)	(1,349,453)	(1,851,388)	(1,349,453)
Dividend income	4	-	(129,360)	(13,712,147)	(129,360)
Depreciation of property, plant and equipment	5	8,242,387	8,261,996	8,242,387	8,261,996
Amortisation of prepaid land lease payment	5	498,546	399,431	498,546	399,431
Provision for doubtful debts	5	130,646	191,708	130,646	191,708
Inventories written off	5	985,460	918,005	985,460	918,005
Property, plant and equipment written off	5	355,350	196,854	355,350	196,854
Impairment (gain)/losses	5	(164,220)	850,543	(164,220)	850,543
Gain on disposal of property, plant and equipment	5	(602,296)	(66,648)	(602,296)	(66,648)
Provision for post-employment benefits	6	907,398	1,281,001	907,398	1,281,001
Loss/(gain) on disposal of associated companies	5	-	31,849	-	(5,598,660)
Share of profit of associated companies		(604,007)	(1,953,343)	-	-
Operating profit before working capital changes carried forward		35,271,199	25,944,165	35,271,199	25,944,165
(Increase)/decrease in inventories		(8,264,690)	3,489,872	(8,264,690)	3,489,872
(Increase)/decrease in trade and other receivables		(3,403,640)	603,425	(3,403,640)	603,425
Increase in trade and other payables		2,510,695	10,112,188	2,510,695	10,112,188
Cash generated from operations		26,113,564	40,149,650	26,113,564	40,149,650
Taxes paid		(4,600,744)	(2,401,318)	(4,600,744)	(2,401,318)
Payments of post-employment benefits		(682,977)	(854,827)	(682,977)	(854,827)
Net cash generated from operating activities		20,829,843	36,893,505	20,829,843	36,893,505
Cash Flows From Investing Activities					
Purchase of property, plant and equipment	11	(9,883,647)	(6,236,432)	(9,883,647)	(6,236,432)
Purchase of prepaid land lease payments	12	(17,624,500)	-	(17,624,500)	-
Proceeds from disposal of property, plant and equipment		602,296	693,278	602,296	693,278
Proceeds from disposal of investment in associates (net)		-	5,928,660	-	5,928,660
Interest received		1,851,388	1,160,905	1,851,388	1,160,905
Dividend received		11,648,426	93,139	11,648,426	93,139
Net cash generated from/(used in) investing activities		(13,406,037)	1,639,550	(13,406,037)	1,639,550

Cash Flow Statements
For The Year Ended 31 March 2008

	Note	Economic Entity		Company	
		2008 RM	2007 RM (Restated)	2008 RM	2007 RM (Restated)
Cash Flows From Financing Activities					
Dividends paid	10	<u>(5,423,231)</u>	<u>(4,790,927)</u>	<u>(5,423,231)</u>	<u>(4,790,927)</u>
Net cash used in financing activities		<u>(5,423,231)</u>	<u>(4,790,927)</u>	<u>(5,423,231)</u>	<u>(4,790,927)</u>
Net increase in cash and cash equivalents		2,000,575	33,742,128	2,000,575	33,742,128
Cash and cash equivalents at beginning of year		<u>64,193,072</u>	<u>30,450,944</u>	<u>64,193,072</u>	<u>30,450,944</u>
Cash and cash equivalents at end of year	17	<u>66,193,647</u>	<u>64,193,072</u>	<u>66,193,647</u>	<u>64,193,072</u>

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

Notes to the Financial Statements

31 March 2008

1. CORPORATE INFORMATION

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

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

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

During the year in May 2007, the associated company ceased its business operation.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 June 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

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

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

2.2 Summary of Significant Accounting Policies

(a) Associate

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(a) Associate (Contd.)

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

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

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

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

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

(b) Property, Plant and Equipment and Depreciation

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

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

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

Capital work-in-progress is not depreciated. Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land is depreciated over the period of the respective leases which range from 58 years to 82 years.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(c) Impairment of Non-Financial Assets

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(c) Impairment of Non-Financial Assets (Contd.)

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

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

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

(d) Inventories

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

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

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

(e) Financial Instruments

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(e) Financial Instruments (Contd.)

(i) Cash and Cash Equivalents

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

(ii) Other Non-Current Equivalents

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

(iii) Marketable Securities

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

(iv) Trade And Other Receivables

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

(v) Trade And Other Payables

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

(vi) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

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

(f) Income Tax

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(f) Income Tax (Contd.)

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

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the income statement for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(g) Provision for Liabilities

Provisions are recognised when the Economic Entity or Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(h) Employee Benefits

(i) Short Term Benefits

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

(ii) Defined Contribution Plans

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

Notes to the Financial Statements

31 March 2008

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(h) Employee Benefits (Contd.)

(ii) Defined Contribution Plans (Contd.)

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

(i) Foreign Currencies

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the dates of the transactions. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are not translated. Non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange rate differences are recognised in profit or loss.

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

	2008	2007
	RM	RM
United States Dollar	3.22	3.48
Singapore Dollar	2.34	2.30
Brunei Dollar	2.34	2.30
Japanese Yen	0.03	0.03
Thai Baht	-	0.11

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(j) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Economic Entity all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases except for land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Finance leases - the Company as lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(b).

(iii) Operating Leases - the Company as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. 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.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(k) Affiliated Companies

Affiliated companies refer to associated companies of the holding company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(l) Revenue Recognition

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

(i) Sale of Goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Revenue from Services

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

(iii) Interest income

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

(iv) Dividend income

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

(v) Management Fees

Management fees are recognised when services are rendered.

(vi) Other Income

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

2.3 CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS

The Economic Entity adopted the following new and revised FRSs effective on 1 April 2007.

FRS 6 *Exploration for and Evaluation of Mineral Resources*

FRS 117 *Leases*

FRS 124 *Related Party Disclosures*

Amendment to FRS 119₂₀₀₄ *Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures*

The adoption of the revised FRS 119 and FRS 124 has not resulted in significant changes in accounting policies of the Economic Entity except for disclosures presented in the financial statements. FRS 6 is not applicable to the Economic Entity. The principal changes in accounting policies and their effects resulting from the adoption of FRS 117 are disclosed below.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS (Contd.)

(a) Leasehold land held for own use

Prior to 1 April 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

The Economic Entity has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 April 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and as disclosed in Note 2.3(c), certain comparatives have been restated. The effects on the Economic Entity and the Company balance sheet as at 31 March 2008 are set out in Note 2.3(b). There were no effects on the Economic Entity income statement for the year ended 31 March 2008 and the Company's financial statements.

(b) Summary of effects of adopting revised FRS 117 on the current year's financial statements

The following table provides estimates of the extent to which each of the line items in the balance sheets as at 31 March 2008 is higher or lower than it would have been had the previous policies been applied in the current year.

Effects on balance sheet as at 31 March 2008

Description of Change	Increase/(Decrease) FRS 117	
	Economic Entity RM	Company RM
Property, plant and equipment	(35,866,381)	(40,207,748)
Prepaid land lease payments	35,866,381	40,207,748

Notes to the Financial Statements

31 March 2008

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS (Contd.)

(c) Restatement of comparatives

The following comparative amounts of the Economic Entity and the Company have been restated as a result of adopting the new and revised FRS:

	Increase/(Decrease)		
	Previously stated RM	FRS 117 RM	Restated RM
Economic Entity and Company			
Description of Change			
At 31 March 2007			
Property, plant and equipment	69,406,545	(23,081,794)	46,324,751
Prepaid land lease payments	-	23,081,794	23,081,794

2.4 Standards And Interpretations Issued But Not Yet Effective

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

<u>Standard / Interpretation</u>	<u>Effective Date</u>
FRS 139 <i>Financial Instruments: Recognition and Measurement</i>	To be announced
Amendment to FRS 121 <i>The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation</i>	1 July 2007
IC Interpretation 1 <i>Changes in Existing Decommissioning Resources and Similar Liabilities</i>	1 July 2007
IC Interpretation 2 <i>Members' Share in Co-operative Entities and Similar Instruments</i>	1 July 2007
IC Interpretation 5 <i>Rights to Interests arising from Decommissioning, Restoration and Environment Rehabilitation Funds</i>	1 July 2007
IC Interpretation 6 <i>Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment</i>	1 July 2007
IC Interpretation 7 <i>Applying the Restatement Approach under FRS 129²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies</i>	1 July 2007
IC Interpretation 8 <i>Scope of FRS 2 Share-based Payment</i>	1 July 2007
FRS 107 <i>Cash Flow Statements</i>	1 July 2007
FRS 111 <i>Construction Contracts</i>	1 July 2007
FRS 112 <i>Income Taxes</i>	1 July 2007
FRS 120 <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	1 July 2007
FRS 134 <i>Interim Financial Reporting</i>	1 July 2007
FRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 July 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Standards And Interpretations Issued But Not Yet Effective (Contd.)

The MASB has issued FRS 139, Financial Instruments: Recognition and Measurement but the MASB has yet to announce the effective date of this standard. This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Economic Entity will apply this standard when effective.

The initial application of the other standards and interpretations are not expected to have any material impact on the financial statements.

2.5 Significant Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

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

Depreciation of plant and machinery

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

3. REVENUE

	Economic Entity and Company	
	2008	2007
	RM	RM
Sale of goods	215,462,459	190,628,976

4. OTHER INCOME

	Economic Entity		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Miscellaneous income	1,013,005	791,935	1,013,005	791,935
Interest income	1,851,388	1,349,453	1,851,388	1,349,453
Gain on disposal of property, plant and equipment	602,296	66,648	602,296	66,648
Dividends received	-	129,360	13,712,147	129,360
Management fee	27,000	108,000	27,000	108,000
(Loss)/gain on disposal of associate companies	-	(31,849)	-	5,598,660
	<u>3,493,689</u>	<u>2,413,547</u>	<u>17,205,836</u>	<u>8,044,056</u>

Notes to the Financial Statements

31 March 2008

5. PROFIT BEFORE TAXATION

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

	Economic Entity		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
		(Restated)		(Restated)
Employee benefits expenses (Note 6)	27,344,651	25,633,738	27,344,651	25,633,738
Non-executive directors' remuneration excluding benefits-in-kind (Note 7)	334,333	320,500	334,333	320,500
Auditors' remuneration:				
- statutory	45,000	42,500	45,000	42,500
- other services	34,000	5,000	34,000	5,000
Depreciation of property, plant and equipment (Note 11)	8,242,387	8,261,996	8,242,387	8,261,996
Amortisation of prepaid land lease payment (Note 12)	498,546	399,431	498,546	399,431
Gain on disposal of property, plant and equipment	(602,296)	(66,648)	(602,296)	(66,648)
Provision for doubtful debts	130,646	191,708	130,646	191,708
Inventories written off	985,460	918,005	985,460	918,005
Impairment (gain)/loss of marketable securities	(161,621)	42,043	(161,621)	42,043
Impairment (gain)/loss of property, plant and equipment	(46,599)	750,000	(46,599)	750,000
Impairment loss on club membership	44,000	58,500	44,000	58,500
Foreign exchange loss				
- Realised	803,551	610,607	803,551	610,607
- Unrealised	33,950	104,933	33,950	104,933
Property, plant and equipment written off	355,350	196,854	355,350	196,854
Loss/(gain) on disposal of an associate company	-	31,849	-	(5,598,660)

6. EMPLOYEE BENEFITS EXPENSES

	Economic Entity and Company	
	2008	2007
	RM	RM
Wages and salaries	23,227,453	21,475,338
Gratuity	113,000	111,999
Pension costs - defined contribution plans	1,876,341	1,613,077
Pension costs - defined contribution plans maintained by the Company (Note 18)	907,398	1,281,001
Social security costs	183,519	161,918
Short term accumulating compensated absences	100,492	(41,015)
Other staff related expenses	936,448	1,031,420
	<u>27,344,651</u>	<u>25,633,738</u>

Included in employee benefits expense of the Economic Entity and of the Company are executive directors' remuneration amounting to RM2,537,030 (2007: RM2,513,269) as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

	Economic Entity/ Company	
	2008 RM	2007 RM
Executive directors' remuneration (Note 6):		
Fees	120,000	125,000
Other emoluments	2,417,030	2,388,269
Estimated money value of benefit-in-kind	318,600	346,933
	<u>2,855,630</u>	<u>2,860,202</u>
Non-executive directors' remuneration (Note 6):		
Fees	162,500	155,000
Other emoluments	171,833	165,500
	<u>334,333</u>	<u>320,500</u>
Total directors' remuneration including benefit-in-kind	<u>3,189,963</u>	<u>3,180,702</u>

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

	Economic Entity/ Company	
	2008 RM	2007 RM
Executive:		
Salaries and other emolument	2,202,314	2,233,305
Fees	120,000	125,000
Bonus	110,700	53,400
Gratuity	48,000	50,000
Defined contribution plan	56,016	51,564
Estimated money value of benefit-in-kind	318,600	346,933
	<u>2,855,630</u>	<u>2,860,202</u>
Non-Executive:		
Fees	162,500	155,000
Gratuity	65,000	62,000
Other emolument	106,833	103,500
	<u>334,333</u>	<u>320,500</u>
	<u>3,189,963</u>	<u>3,180,702</u>

Notes to the Financial Statements

31 March 2008

7. DIRECTORS' REMUNERATION (CONTD.)

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

	Number of Directors	
	2008	2007
Executive Directors:		
RM50,001 - RM100,000	-	2
RM100,001 - RM150,000	1	-
RM150,001 - RM200,000	-	-
RM200,001 - RM250,000	1	-
RM250,001 - RM300,000	2	2
RM300,001 - RM350,000	-	-
RM350,001 - RM400,000	1	2
RM400,001 - RM450,000	-	1
RM450,001 - RM500,000	1	-
RM500,001 - RM550,000	1	-
RM550,001 - RM600,000	1	1
Non-Executive Directors:		
Below RM50,000	4	3
RM50,001 - RM100,000	1	1
RM100,001 - RM150,000	1	1

8. INCOME TAX EXPENSE

	Economic Entity		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Current income tax:				
Malaysian income tax	6,244,279	2,487,000	8,308,000	2,487,000
Foreign withholding tax	27,620	21,908	27,620	21,908
	<u>6,271,899</u>	<u>2,508,908</u>	<u>8,335,620</u>	<u>2,508,908</u>
(Over)/under provision in prior years				
Malaysian income tax	(149,463)	21,531	(149,463)	21,531
	<u>6,122,436</u>	<u>2,530,439</u>	<u>8,186,157</u>	<u>2,530,439</u>
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	461,935	(33,940)	461,935	(33,940)
Relating to changes in tax rates	(139,484)	(80,024)	(139,484)	(80,024)
Overprovision in prior years	(112,101)	(56,725)	(112,101)	(56,725)
	<u>210,350</u>	<u>(170,689)</u>	<u>210,350</u>	<u>(170,689)</u>
Total income tax expense	<u>6,332,786</u>	<u>2,359,750</u>	<u>8,396,507</u>	<u>2,359,750</u>

Domestic current income tax is calculated at the statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. The domestic statutory tax rate has been reduced to 26% from the prior year's rate of 27%, effective year of assessment 2008 and to 25% effective year of assessment 2009. The computation of deferred tax as at 31 March 2008 has reflected these changes.

8. INCOME TAX EXPENSE (CONTD.)

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

	2008 RM	2007 RM
Economic Entity		
Profit before taxation	27,272,831	17,352,597
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	7,090,936	4,685,201
Effect of changes in tax rates on opening balance of deferred tax	(139,484)	(80,024)
Income not subject to tax	(12,072)	(73,592)
Expenses not deductible for tax purposes	489,175	609,533
Utilisation of current year's reinvestment allowances	(704,782)	(534,822)
Utilisation of previously unrecognised unutilised reinvestment allowances	-	(1,705,858)
Overprovision of deferred tax in prior years	(112,101)	(56,725)
(Over)/under provision of income tax expense in prior years	(149,463)	21,531
Foreign withholding taxes	27,620	21,908
Net share of results of associates	(157,043)	(527,402)
Income tax expense for the year	<u>6,332,786</u>	<u>2,359,750</u>
Company		
Profit before taxation	40,380,971	21,029,763
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	10,499,052	5,678,036
Effect of changes in tax rates on opening balance of deferred tax	(139,484)	(80,024)
Income not subject to tax	(1,513,510)	(1,593,829)
Expenses not deductible for tax purposes	489,175	609,533
Utilisation of current year's reinvestment allowances	(704,782)	(534,822)
Utilisation of previously unrecognised unutilised reinvestment allowances	-	(1,705,858)
Overprovision of deferred tax in prior years	(112,101)	(56,725)
(Over)/under provision of income tax expense in prior years	(149,463)	21,531
Foreign withholding taxes	27,620	21,908
Income tax expense for the year	<u>8,396,507</u>	<u>2,359,750</u>

9. EARNINGS PER SHARE

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

	Economic Entity	
	2008 RM	2007 RM
Profit attributable to ordinary equity holders of the Company	20,940,045	14,992,847
	<u>2008</u>	<u>2007</u>
Weighted average number of ordinary shares in issue	60,798,534	60,798,534
	<u>sen</u>	<u>sen</u>
Basic earnings per share	<u>34.4</u>	<u>24.7</u>

Notes to the Financial Statements

31 March 2008

10. DIVIDENDS

	Dividends in respect of Year		Dividends Recognised in Year	
	2007	2006	2008	2007
	RM	RM	RM	RM

Recognised during the year:

First and final dividend of 4%

less 27% taxation and 6 % tax exempt	<u>5,423,231</u>	<u>4,790,927</u>	<u>5,423,231</u>	<u>4,790,927</u>
--------------------------------------	------------------	------------------	------------------	------------------

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 March 2008, of 8% less 26% taxation and a special dividend of 7% tax exempt on 60,798,534 ordinary shares, amounting to a dividend payable of RM7,855,171 (12.92 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2009.

11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings* RM	Motor vehicles RM	Plant, machinery and equipment RM	Furniture, fixtures and fittings RM	Total RM
--	------------------------------	-------------------------	---	---	-------------

Economic Entity

At 31 March 2008

Cost/Valuation

At 1 April 2007 (Restated)	32,835,111	7,092,061	128,092,128	2,102,617	170,121,917
Additions	1,737,494	517,440	6,075,547	298,270	8,628,751
Disposals	-	(1,379,111)	(4,209,101)	-	(5,588,212)
Written off	(32,360)	-	(4,303,110)	(142,538)	(4,478,008)
At 31 March 2008	<u>34,540,245</u>	<u>6,230,390</u>	<u>125,655,464</u>	<u>2,258,349</u>	<u>168,684,448</u>

Representing:

At cost	26,877,209	6,230,390	125,655,464	2,258,349	161,021,412
At valuation	<u>7,663,036</u>	-	-	-	<u>7,663,036</u>
	<u>34,540,245</u>	<u>6,230,390</u>	<u>125,655,464</u>	<u>2,258,349</u>	<u>168,684,448</u>

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Land and buildings* RM	Motor vehicles RM	Plant, machinery and equipment RM	Furniture, fixtures and fittings RM	Total RM
Economic Entity (Contd.)					
Accumulated Depreciation and impairment					
At 1 April 2007 (Restated)					
Accumulated depreciation	21,840,433	4,682,508	94,794,514	1,674,994	122,992,449
Impairment losses	-	-	804,717	-	804,717
	<u>21,840,433</u>	<u>4,682,508</u>	<u>95,599,231</u>	<u>1,674,994</u>	<u>123,797,166</u>
Depreciation charge for the year	1,618,024	423,163	6,081,242	119,958	8,242,387
Reversal of impairment loss recognised in profit or loss	-	-	(46,599)	-	(46,599)
Disposals	-	(1,379,111)	(4,209,101)	-	(5,588,212)
Written off	(10,787)	-	(3,983,922)	(127,949)	(4,122,658)
At 31 March 2008	<u>23,447,670</u>	<u>3,726,560</u>	<u>93,440,851</u>	<u>1,667,003</u>	<u>122,282,084</u>
Analysed as:					
Accumulated Depreciation	23,447,670	3,726,560	92,806,948	1,667,003	121,648,181
Impairment losses	-	-	633,903	-	633,903
	<u>23,447,670</u>	<u>3,726,560</u>	<u>93,440,851</u>	<u>1,667,003</u>	<u>122,282,084</u>
Net carrying amount	<u>11,092,575</u>	<u>2,503,830</u>	<u>32,214,613</u>	<u>591,346</u>	<u>46,402,364</u>
Company					
At 31 March 2008					
Cost/Valuation					
At 1 April 2007 (Restated)	32,835,111	7,092,061	128,092,128	2,102,617	170,121,917
Additions	2,992,390	517,440	6,075,547	298,270	9,883,647
Disposals	-	(1,379,111)	(4,209,101)	-	(5,588,212)
Written off	(32,360)	-	(4,303,110)	(142,538)	(4,478,008)
At 31 March 2008	<u>35,795,141</u>	<u>6,230,390</u>	<u>125,655,464</u>	<u>2,258,349</u>	<u>169,939,344</u>
Representing:					
At cost	28,132,105	6,230,390	125,655,464	2,258,349	162,276,308
At valuation	7,663,036	-	-	-	7,663,036
	<u>35,795,141</u>	<u>6,230,390</u>	<u>125,655,464</u>	<u>2,258,349</u>	<u>169,939,344</u>

Notes to the Financial Statements

31 March 2008

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Land and buildings* RM	Motor vehicles RM	Plant, machinery and equipment RM	Furniture, fixtures and fittings RM	Total RM
Company (Contd.)					
Accumulated Depreciation and impairment					
At 1 April 2007 (Restated)					
Accumulated depreciation	21,840,433	4,682,508	94,794,514	1,674,994	122,992,449
Impairment losses	-	-	804,717	-	804,717
	<u>21,840,433</u>	<u>4,682,508</u>	<u>95,599,231</u>	<u>1,674,994</u>	<u>123,797,166</u>
Depreciation charge for the year	1,618,024	423,163	6,081,242	119,958	8,242,387
Impairment loss recognised in profit or loss	-	-	(46,599)	-	(46,599)
Disposals	-	(1,379,111)	(4,209,101)	-	(5,588,212)
Written off	(10,787)	-	(3,983,922)	(127,949)	(4,122,658)
At 31 March 2008	<u>23,447,670</u>	<u>3,726,560</u>	<u>93,440,851</u>	<u>1,667,003</u>	<u>122,282,084</u>
Analysed as:					
Accumulated Depreciation	23,447,670	3,726,560	92,806,948	1,667,003	121,648,181
Impairment losses	-	-	633,903	-	633,903
	<u>23,447,670</u>	<u>3,726,560</u>	<u>93,440,851</u>	<u>1,667,003</u>	<u>122,282,084</u>
Net carrying amount	<u>12,347,471</u>	<u>2,503,830</u>	<u>32,214,613</u>	<u>591,346</u>	<u>47,657,260</u>
Economic Entity and Company					
At 31 March 2007					
Cost/Valuation					
At 1 April 2006 (Restated)	32,398,368	6,171,473	150,922,942	2,136,728	191,629,511
Additions	436,743	1,774,402	3,996,904	28,383	6,236,432
Disposals	-	(812,041)	(3,481,180)	(110)	(4,293,331)
Written off	-	(41,773)	(23,346,538)	(62,384)	(23,450,695)
At 31 March 2007	<u>32,835,111</u>	<u>7,092,061</u>	<u>128,092,128</u>	<u>2,102,617</u>	<u>170,121,917</u>
Representing:					
At cost	25,172,075	7,092,061	128,092,128	2,102,617	162,458,881
At valuation	7,663,036	-	-	-	7,663,036
	<u>32,835,111</u>	<u>7,092,061</u>	<u>128,092,128</u>	<u>2,102,617</u>	<u>170,121,917</u>
Accumulated Depreciation					
At 1 April 2006 (Restated)					
Accumulated depreciation	20,538,374	5,095,856	113,441,972	1,603,310	140,679,512
Impairment losses	-	-	1,026,200	-	1,026,200
	<u>20,538,374</u>	<u>5,095,856</u>	<u>114,468,172</u>	<u>1,603,310</u>	<u>141,705,712</u>
Depreciation charge for the year	1,302,059	350,925	6,487,888	121,124	8,261,996
Impairment loss recognised in profit or loss	-	-	750,000	-	750,000
Disposals	-	(722,500)	(2,944,091)	(110)	(3,666,701)
Written off	-	(41,773)	(23,162,738)	(49,330)	(23,253,841)
At 31 March 2007	<u>21,840,433</u>	<u>4,682,508</u>	<u>95,599,231</u>	<u>1,674,994</u>	<u>123,797,166</u>

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Land and buildings* RM	Motor vehicles RM	Plant, machinery and equipment RM	Furniture, fixtures and fittings RM	Total RM
Economic Entity and Company (contd.)					
Analysed as:					
Accumulated Depreciation	21,840,433	4,682,508	94,794,514	1,674,994	122,992,449
Impairment losses	-	-	804,717	-	804,717
	<u>21,840,433</u>	<u>4,682,508</u>	<u>95,599,231</u>	<u>1,674,994</u>	<u>123,797,166</u>
Net carrying amount	<u>10,994,678</u>	<u>2,409,553</u>	<u>32,492,897</u>	<u>427,623</u>	<u>46,324,751</u>

* Land and buildings

	Freehold land RM	Buildings RM	Total RM
Economic Entity			
Cost/Valuation			
At 1 April 2007 (Restated)	71,525	32,763,586	32,835,111
Additions	-	1,737,494	1,737,494
Written off	-	(32,360)	(32,360)
At 31 March 2008	<u>71,525</u>	<u>34,468,720</u>	<u>34,540,245</u>
Representing:			
At cost	-	26,877,209	26,877,209
At valuation	<u>71,525</u>	<u>7,591,511</u>	<u>7,663,036</u>
	<u>71,525</u>	<u>34,468,720</u>	<u>34,540,245</u>
Accumulated Depreciation			
At 1 April 2007 (Restated)	-	21,840,433	21,840,433
Charge for the year	-	1,618,024	1,618,024
Written off	-	(10,787)	(10,787)
At 31 March 2008	-	<u>23,447,670</u>	<u>23,447,670</u>
Net Book Value			
At 31 March 2008			
At cost	-	11,021,050	11,021,050
At valuation	<u>71,525</u>	-	<u>71,525</u>
	<u>71,525</u>	<u>11,021,050</u>	<u>11,092,575</u>
At 31 March 2007			
At cost	-	10,923,153	10,923,153
At valuation	<u>71,525</u>	-	<u>71,525</u>
	<u>71,525</u>	<u>10,923,153</u>	<u>10,994,678</u>
Depreciation charge for 2007	-	<u>1,302,059</u>	<u>1,302,059</u>

Notes to the Financial Statements

31 March 2008

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Freehold land RM	Buildings RM	Total RM
Company			
Cost/Valuation			
At 1 April 2007 (Restated)	71,525	32,763,586	32,835,111
Additions	-	2,992,390	2,992,390
Written off	-	(32,360)	(32,360)
At 31 March 2008	<u>71,525</u>	<u>35,723,616</u>	<u>35,795,141</u>
Representing:			
At cost	-	28,132,105	28,132,105
At valuation	<u>71,525</u>	<u>7,591,511</u>	<u>7,663,036</u>
	<u>71,525</u>	<u>35,723,616</u>	<u>35,795,141</u>
Accumulated Depreciation			
At 1 April 2007 (Restated)	-	21,840,433	21,840,433
Charge for the year	-	1,618,024	1,618,024
Written off	-	(10,787)	(10,787)
At 31 March 2008	-	<u>23,447,670</u>	<u>23,447,670</u>
Net Book Value			
At 31 March 2008			
At cost	-	12,275,946	12,275,946
At valuation	<u>71,525</u>	<u>-</u>	<u>71,525</u>
	<u>71,525</u>	<u>12,275,946</u>	<u>12,347,471</u>
At 31 March 2007			
At cost	-	10,923,153	10,923,153
At valuation	<u>71,525</u>	<u>-</u>	<u>71,525</u>
	<u>71,525</u>	<u>10,923,153</u>	<u>10,994,678</u>
Depreciation charge for 2007	-	<u>1,302,059</u>	<u>1,302,059</u>

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

	2008 RM	2007 RM
At cost:		
Land and buildings	17,477,207	16,942,284
Motor vehicles	1,887,119	3,184,648
Plant, machinery and equipment	67,929,822	61,096,273
Furniture, fixtures and fittings	<u>1,155,494</u>	<u>889,378</u>
	<u>88,449,642</u>	<u>82,112,583</u>

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

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

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

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

12. PREPAID LAND LEASE PAYMENTS

	2008 RM	2007 RM (Restated)
Economic Entity		
At 1 April	23,081,794	23,481,225
Additions	13,283,133	-
Amortisation for the year	(498,546)	(399,431)
At 31 March	<u>35,866,381</u>	<u>23,081,794</u>
Analysed as		
Long term leasehold land	35,273,782	22,682,363
Short term leasehold land	592,599	399,431
	<u>35,866,381</u>	<u>23,081,794</u>

	2008 RM	2007 RM (Restated)
Company		
At 1 April	23,081,794	23,481,225
Additions	17,624,500	-
Amortisation for the year	(498,546)	(399,431)
At 31 March	<u>40,207,748</u>	<u>23,081,794</u>
Analysed as		
Long term leasehold land	39,615,149	22,682,363
Short term leasehold land	592,599	399,431
	<u>40,207,748</u>	<u>23,081,794</u>

Notes to the Financial Statements

31 March 2008

13. INVESTMENT IN ASSOCIATE

	Economic Entity		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Unquoted shares at cost	1,348,751	1,348,751	1,348,751	1,348,751
Share of post-acquisition reserves	<u>1,871,697</u>	<u>7,319,853</u>	-	-
	<u>3,220,448</u>	<u>8,668,604</u>	<u>1,348,751</u>	<u>1,348,751</u>

The financial year end of 31 December of associate is not co-terminous with those of the Company. For the purpose of applying the equity method of accounting, the management accounts of the associate for the period ended 31 March 2008 have been used.

The summarised financial statements of the associate which is based on management accounts as at 31 March are as follows:

	2008 RM	2007 RM
Assets and liabilities		
Current assets	9,365,897	11,903,315
Non-current assets	<u>25,000</u>	<u>8,555,855</u>
Total assets	<u>9,390,897</u>	<u>20,459,170</u>
Current liabilities	2,818,555	449,588
Non-current liabilities	-	<u>2,236,685</u>
Total liabilities	<u>2,818,555</u>	<u>2,686,273</u>
Results		
Revenue	746,911	250,409,001
Profit for the year	<u>12,653,612</u>	<u>4,240,179</u>

The associated company is:

Name of Company	Country of Incorporation	Principal Activities	Effective Interests (%)	
			2008	2007
Malaysia Ve-Tsin Manufacturing Co. Bhd.	Malaysia	Ceased Business	49	49

14. OTHER INVESTMENTS

	Economic Entity and Company	
	2008 RM	2007 RM
Quoted shares in a Malaysian corporation, at cost	1,086,563	1,086,563
Transferable club memberships	268,000	268,000
Less: Impairment loss	<u>(102,500)</u>	<u>(220,122)</u>
	<u>1,252,063</u>	<u>1,134,441</u>
Market value of quoted shares in Malaysia	<u>1,219,241</u>	<u>924,942</u>

15. INVENTORIES

	Economic Entity and Company	
	2008	2007
	RM	RM
Cost		
Raw materials	16,157,202	8,726,224
Consumables	2,004,205	1,834,481
Work-in-progress	3,750,852	2,938,178
Finished goods	<u>9,301,147</u>	<u>10,700,833</u>
	31,213,406	24,199,716
Net realisable value		
Finished goods	<u>1,169,849</u>	<u>904,310</u>
	<u>32,383,255</u>	<u>25,104,026</u>

The cost of inventories recognised as an expense during the financial year amounted to RM141,088,317 (2007: RM126,140,193).

16. TRADE AND OTHER RECEIVABLES

	Economic Entity and Company	
	2008	2007
	RM	RM
Current		
Trade receivables		
Third parties	19,516,550	19,171,125
Fellow subsidiaries	5,232,900	2,327,807
Associates	<u>41,937</u>	<u>221,684</u>
	24,791,387	21,720,616
Less: Provision for doubtful debts		
- Third parties	<u>(241,705)</u>	<u>(386,708)</u>
Trade receivables, net	<u>24,549,682</u>	<u>21,333,908</u>
Other receivables		
Deposits	286,507	280,760
Prepayments	1,131,443	487,474
Other receivables	<u>1,966,397</u>	<u>2,488,544</u>
	3,384,347	3,256,778
Less: Provision for doubtful debts	<u>(70,349)</u>	<u>-</u>
Other receivables, net	<u>3,313,998</u>	<u>3,256,778</u>
Total	<u>27,863,680</u>	<u>24,590,686</u>

Notes to the Financial Statements

31 March 2008

16. TRADE AND OTHER RECEIVABLES (CONTD.)

The Company's normal trade credit term ranges from 14 days to 90 days (2007: 14 days to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

As at the balance sheet date, the Company has a significant concentration of credit risk in the form of outstanding balances from 2 (2007: 2) customers representing approximately 27% (2007: 34%) of the total trade receivables.

The amounts due from fellow subsidiaries and associates are unsecured, interest free and credit terms ranges from 30 days to 90 days (2007: 30 days to 90 days).

17. CASH AND CASH EQUIVALENTS

	Economic Entity and Company	
	2008	2007
	RM	RM
Cash on hand and at banks	5,919,907	4,378,901
Deposits with licensed banks	<u>60,273,740</u>	<u>59,814,171</u>
Cash and bank balances	<u>66,193,647</u>	<u>64,193,072</u>

The interest rates relating to deposits with licensed banks at the balance sheet date vary from 2.60% to 4.85% (2007: 2.95% to 4.85%) per annum.

The maturities of the deposits with licensed banks as at the the balance sheet date vary from 7 days to 87 days (2007: 5 days to 87 days).

18. EMPLOYEE BENEFITS

(a) Retirement benefit obligations

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

	Economic Entity and Company	
	2008	2007
	RM	RM
At 1 April	4,534,179	4,108,005
Amount recognised in the income statement (Note 6)	907,398	1,281,001
Less: Contributions paid	<u>(682,977)</u>	<u>(854,827)</u>
At 31 March	<u>4,758,600</u>	<u>4,534,179</u>

18. EMPLOYEE BENEFITS (CONTD.)

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

	Economic Entity and Company	
	2008	2007
	RM	RM
Present value of defined contribution obligation recognised as liabilities in the balance sheet	<u>4,758,600</u>	<u>4,534,179</u>
Analysed as:		
Current	296,972	711,923
Non-current	<u>4,461,628</u>	<u>3,822,256</u>
	<u>4,758,600</u>	<u>4,534,179</u>

The amounts recognised in the income statements are as follows:

Current service cost	628,615	938,677
Interest cost	<u>278,783</u>	<u>342,324</u>
	<u>907,398</u>	<u>1,281,001</u>

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

19. TRADE AND OTHER PAYABLES

	Economic Entity and Company	
	2008	2007
	RM	RM
Current		
Trade payables		
Third parties	9,952,346	8,206,973
Holding Company	135,457	68,317
Fellow subsidiaries	7,409,417	2,633,849
Affiliated companies	205,305	270,391
	<u>17,702,525</u>	<u>11,179,530</u>
Other payables		
Amounts due to related parties:		
Holding company	<u>1,292,505</u>	<u>1,144,035</u>
Accruals	3,789,052	3,827,993
Other payables	<u>5,446,727</u>	<u>9,468,064</u>
	<u>9,235,779</u>	<u>13,296,057</u>
	<u>28,230,809</u>	<u>25,619,622</u>

The normal trade credit terms granted to the Economic Entity ranges from 30 to 60 days (2007: 30 to 60 days).

The amounts due to related and affiliated companies are unsecured, interest free and have credit terms of 30 days (2007: 30 days).

Notes to the Financial Statements

31 March 2008

20. DEFERRED TAXATION

	Economic Entity and Company	
	2008 RM	2007 RM
At 1 April	3,878,168	4,048,857
Recognised in income statement	210,350	(170,689)
At 31 March	<u>4,088,518</u>	<u>3,878,168</u>
Presented after appropriate offsetting as follows:		
Deferred tax assets	(1,657,401)	(1,575,937)
Deferred tax liabilities	5,745,919	5,454,105
	<u>4,088,518</u>	<u>3,878,168</u>

Deferred Tax Liabilities of the Economic Entity and the Company:

	Revaluation Reserves RM	Accelerated Capital Allowances RM	Total RM
At 1 April 2007	2,608,771	2,845,334	5,454,105
Recognised in the income statement	(140,630)	432,444	291,814
At 31 March 2008	<u>2,468,141</u>	<u>3,277,778</u>	<u>5,745,919</u>
At 1 April 2006	2,762,564	2,817,127	5,579,691
Recognised in the income statement	(153,793)	28,207	(125,586)
At 31 March 2007	<u>2,608,771</u>	<u>2,845,334</u>	<u>5,454,105</u>

Deferred Tax Assets of the Economic Entity and the Company:

	Post-employment Benefit Obligations RM	Provision for Liabilities RM	Provision for Doubtful Debts RM	Total RM
At 1 April 2007	1,224,228	319,530	32,179	1,575,937
Recognised in the income statement	13,008	40,783	27,673	81,464
At 31 March 2008	<u>1,237,236</u>	<u>360,313</u>	<u>59,852</u>	<u>1,657,401</u>
At 1 April 2006	1,150,241	326,184	54,409	1,530,834
Recognised in the income statement	73,987	(6,654)	(22,230)	45,103
At 31 March 2007	<u>1,224,228</u>	<u>319,530</u>	<u>32,179</u>	<u>1,575,937</u>

21. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares of RM1 each		Amount	
	2008 RM	2007 RM	2008 RM	2007 RM
Authorised:				
At 1 April / 31 March	<u>80,000,000</u>	<u>80,000,000</u>	<u>80,000,000</u>	<u>80,000,000</u>
Issued and fully paid:				
At 1 April / 31 March	<u>60,798,534</u>	<u>60,798,534</u>	<u>60,798,534</u>	<u>60,798,534</u>

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

22. OTHER RESERVES

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

	Associate's Asset Revaluation Reserve RM
Economic Entity	
At 1 April 2006	2,125,986
Transfer from revaluation reserves to retained profits	(32,391)
Impairment loss on value of investment	(63,588)
At 31 March 2007	<u>2,030,007</u>
Realisation of reserve on disposal of assets	<u>(2,030,007)</u>
At 31 March 2008	<u>-</u>

23. RETAINED EARNINGS

In the past, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 March 2008 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007.

As at 31 March 2008, the Company has tax exempt profits available for distribution of approximately RM79,996,000 (2007: RM70,061,000), subject to the agreement of the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax exempt income account to frank the payment of dividends out of its entire retained profits as at 31 March 2008.

Notes to the Financial Statements

31 March 2008

24. CAPITAL COMMITMENTS

	Economic Entity and Company	
	2008 RM	2007 RM
Capital expenditure		
Approved but not contracted for:		
Property, plant and equipment	21,420,800	8,030,000

25. RELATED PARTY DISCLOSURES

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

	2008 RM	2007 RM
Economic Entity		
(a) Transactions with associated companies:		
Sales to Ajinomoto (Singapore) Pte. Ltd.	-	3,943,652
Sales to Malaysia Ve-Tsin Manufacturing Co. Bhd.	-	2,289,643
Purchases from Malaysia Ve-Tsin Manufacturing Co. Bhd.	454,363	2,047,559
Purchases from Ajinomoto (Singapore) Pte. Ltd.	-	33,167,316
Management fees received from Malaysia Ve-Tsin Manufacturing Co. Bhd.	27,000	108,000
Rental received from Malaysia Ve-Tsin Manufacturing Co. Bhd.	5,412	-
Rental paid to Malaysia Ve-Tsin Manufacturing Co. Bhd.	474,452	-
(b) Transactions with holding company and its subsidiaries:		
Commission income	611,732	623,702
Royalties payable	5,011,553	4,422,312
Sales	18,339,279	9,733,531
Purchases	66,597,110	20,382,417
Sale of an associate company	-	5,748,910

	2008 RM	2007 RM
Company		
(i) Transactions with associated companies:		
Sales to Ajinomoto (Singapore) Pte. Ltd.	-	3,943,652
Sales to Malaysia Ve-Tsin Manufacturing Co. Bhd.	-	2,289,643
Purchases from Malaysia Ve-Tsin Manufacturing Co. Bhd.	454,363	2,047,559
Purchases from Ajinomoto (Singapore) Pte. Ltd.	-	33,167,316
Management fees received from Malaysia Ve-Tsin Manufacturing Co. Bhd.	27,000	108,000
Dividend from Malaysia Ve-Tsin Manufacturing Co. Bhd.	13,712,147	129,360
Purchases of assets from Malaysia Ve-Tsin Manufacturing Co. Bhd.	19,350,000	-
Rental received from Malaysia Ve-Tsin Manufacturing Co. Bhd.	5,412	-
Rental paid to Malaysia Ve-Tsin Manufacturing Co. Bhd.	474,452	-

25. RELATED PARTY DISCLOSURES (CONTD.)

	2008 RM	2007 RM
(ii) Transactions with holding company and its subsidiaries:		
Commission income	611,732	623,702
Royalties payable	5,011,553	4,422,312
Sales	18,339,279	9,733,531
Purchases	66,597,110	20,382,417
Sale of an associate company	-	5,748,910

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

(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.

26. FINANCIAL INSTRUMENTS**(a) Financial Risk Management Objectives and Policies**

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

(b) Interest Rate Risk

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

(c) Foreign Currency Risk

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

Notes to the Financial Statements

31 March 2008

26. FINANCIAL INSTRUMENTS(CONTD.)

(c) Foreign Currency Risk (Contd.)

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

Functional Currency of Economic Entity	Net Financial Assets/(Liabilities) Held in Non-Functional Currency					Total RM
	United States Dollar RM	Brunei Dollar RM	Singapore Dollar RM	Japanese Yen RM	Thai Baht RM	
At 31 March 2008						
Ringgit Malaysia	<u>2,539,094</u>	<u>630,030</u>	<u>1,161,121</u>	<u>(238,713)</u>	<u>-</u>	<u>4,091,532</u>
At 31 March 2007						
Ringgit Malaysia	<u>3,244,522</u>	<u>628,829</u>	<u>596,648</u>	<u>(352,552)</u>	<u>(143,438)</u>	<u>3,974,009</u>

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

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

(d) Liquidity Risk

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

(e) Credit Risk

The Economic Entity's credit risk is primarily attributable to trade receivables. The Economic Entity trades only with recognised and creditworthy third parties. It is the Economic Entity's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Economic Entity's exposure to bad debts is not significant. Since the Economic Entity trades only with recognised and creditworthy third parties, there is no requirement for collateral.

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

The Economic Entity does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets other than as disclosed in Note 16.

26. FINANCIAL INSTRUMENTS(CONTD.)

(f) Fair Values

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

	Economic Entity		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
At 31 March 2008				
Financial Assets				
Non-current unquoted shares in associate	3,220,448	*	1,348,751	*
Marketable securities	1,086,563	1,219,241	1,086,563	1,219,241
Transferable club memberships	<u>165,500</u>	<u>165,500</u>	<u>165,500</u>	<u>165,500</u>
Financial Liabilities				
Amounts due to holding company	<u>1,292,505</u>	#	<u>1,292,505</u>	#
At 31 March 2007				
Financial Assets				
Non-current unquoted shares in associate	8,668,604	*	1,348,751	*
Marketable securities	924,942	924,942	924,942	924,942
Transferable club memberships	<u>209,500</u>	<u>209,500</u>	<u>209,500</u>	<u>209,500</u>
Financial Liabilities				
Amounts due to holding company	<u>1,144,035</u>	#	<u>1,144,035</u>	#

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

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

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

(i) Marketable securities

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

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

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

Notes to the Financial Statements

31 March 2008

27. SEGMENTAL INFORMATION

(a) Business Segment:

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

(b) Geographical Segment:

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

	Malaysia RM	Middle East RM	Other Asian Countries RM	Others RM	Total RM
Revenue					
2008	<u>147,660,907</u>	<u>17,936,438</u>	<u>43,784,720</u>	<u>6,080,394</u>	<u>215,462,459</u>
2007	<u>133,939,617</u>	<u>15,832,851</u>	<u>34,823,348</u>	<u>6,033,160</u>	<u>190,628,976</u>

28. OTHER SIGNIFICANT EVENTS

During the year, the Company acquired the entire leasehold properties of its associated company, Malaysia Ve-Tsin Manufacturing Company Berhad upon the latter's cessation of business for a total purchase consideration of RM19,350,000. The acquisition was completed on 27 November 2007.

29. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with the presentation and classification of items in the current year financial statements.

List of Properties

As At 31 March 2008

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)	32 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)	43 years	11,895,502
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)	38 years	4,080,585
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Mining pool	304,920 sq. ft.	Leasehold expiring on 2062	1984 (Revaluation)	43 years	2,022,790
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Factory complex	85,568 sq. ft.	Leasehold expiring on 15.3.2073	1992	16 years	11,537,564
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	16 years	160,067
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	3 years	3,200,021
Land and buildings Lot 14300, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	10,512 sq. mtr.	Leasehold expiring on 5.5.2067	2008	1 years	12,304,364
Land and buildings Lot 23631, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	1,426 sq. mtr.	Leasehold expiring on 14.6.2071	2008	1 years	631,629
Land and buildings Lot 23630, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	27,791 sq. mtr.	Leasehold expiring on 31.7.2066	2008	1 years	6,651,172

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Seventh Annual General Meeting of the Company will be held at its Registered Office, Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur on Wednesday, 20 August 2008 at 11:00 a.m. for the following purposes :-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2008 together with the Reports of the Directors and the Auditors thereon. (Resolution 1)
2. To declare a first and final dividend of 8 sen per share less 26% income tax and a special dividend of 7 sen tax exempt per share for the financial year ended 31 March 2008. (Resolution 2)
3. To approve the payment of Directors' fees for the financial year ended 31 March 2008. (Resolution 3)
4. To re-elect the following Directors who shall retire in accordance with Article 116 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
 - (a) Encik Adinan Bin Husin (Resolution 4)
 - (b) Tn. Hj. Mazlan Bin Ab Rahman (Resolution 5)
 - (c) Dato' Hj. Shahrudin Bin Hj. Haron (Resolution 6)
5. To re-elect the following Directors who shall retire in accordance with Article 122 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
 - (a) Mr. Koay Kah Ee (Resolution 7)
 - (b) Mr. Tee Ju Mian (Resolution 8)
6. To pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965 :-
 - (a) "That General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) who is retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting." (Resolution 9)
 - (b) "That Dr. Goh Chin Siew who is retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting." (Resolution 10)
7. To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Resolution 11)

As Special Business

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

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

"That subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until conclusion of the next Annual General Meeting of the Company." (Resolution 12)

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

"That approval be and is hereby given to the Company to enter into and give effect to recurrent related party transactions of a revenue or trading nature with Ajinomoto Affiliated Companies (as specified in Sections 2.2 and 2.3 of the Circular dated 29 July 2008), and falling within the ambit of Part E, Paragraph 10.09 of Chapter 10 of the Listing Requirements of the Bursa Malaysia Securities Berhad, subject to the following:-

- (a) the transactions are carried out in the ordinary course of business of the Company, on terms not more favourable to Ajinomoto Affiliated Companies than those generally available to the public and not detrimental to minority shareholders of the Company;
- (b) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year based on the following information:-
 - (i) the types of the Recurrent Transactions made; and
 - (ii) the names of the Related Parties involved in each type of the Recurrent Transactions made and their relationship with the Company.

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

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at an AGM, whereby the mandate is renewed; or
- (b) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the said Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier date;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(Resolution 13)

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

"That the alterations, modifications, deletions and/or additions to the Articles of Association of the Company as set out under Appendix I of the Circular to Shareholders of the Company dated 29 July 2008 be and are hereby approved."

(Resolution 14)

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

NOTICE OF BOOK CLOSURE

NOTICE IS ALSO HEREBY GIVEN that a first and final dividend of 8 sen per share less 26% income tax and a Special Dividend of 7 sen tax exempt per share for the financial year ended 31 March 2008 will be payable on 19 September 2008 to depositors whose names appear in the Record of Depositors at the close of business on 4 September 2008 if approved by the members at the Forty-Seventh Annual General Meeting.

Notice Of Annual General Meeting (Contd.)

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

- (a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 4 September, 2008 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 : 29 July 2008

Explanatory Notes To Special Business: -

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

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

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

The Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature will enable the Company and its affiliated companies to enter into any of the recurrent related party transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. Please refer to Sections 2.2 and 2.3 of the Circular to Shareholders dated 29 July 2008 for more information.

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

Please refer to Circular to Shareholders dated 29 July 2008 in relation to the Proposed Amendments to Articles of Association.

Notes :-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 14 August 2008 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
3. A holder may appoint more than two (2) proxies to attend the same meeting. Where a holder appoints two or more proxies, he shall specify the proportion of his shareholding to be represented by each proxy. Only one (1) of the proxies is entitled to vote on a show of hands.
4. The instrument appointing proxy, shall be in print or writing under the hand of the appointer or his duly constituted attorney, or if such appointer is a corporation, under its common seal or under the hand of its officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur, not less than forty-eight (48) hours before the time fixed for holding the meeting or at any adjournment thereof.

Statement Accompanying Notice Of Annual General Meeting

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING PURSUANT TO PARAGRAPH 8.28 OF BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

Directors standing for re-election/re-appointment

1. Directors who are standing for re-election/re-appointment at the Forty-Seventh Annual General Meeting of the Company to be held at its Registered Office, Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur on Wednesday, 20 August 2008 at 11:00 a.m. are as follows:-
 - (a) Encik Adinan Bin Husin
 - (b) Tn. Hj. Mazlan Bin Ab Rahman
 - (c) Dato' Hj. Shaharuddin Bin Hj. Haron
 - (d) Mr. Koay Kah Ee
 - (e) Mr. Tee Ju Mian
 - (f) General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd)
 - (g) Dr. Goh Chin Siew

2. The details of the above Directors who are standing for re-election/re-appointment at the Forty-Seventh Annual General Meeting and the family relationship with any director and/or substantial shareholder of the Company are on pages 4 to 9 and their shareholdings information are listed in pages 31 to 32 of the Annual Report.

This page was intentionally left blank



AJINOMOTO (MALAYSIA) BERHAD

(Company No. 4295-W)
(Incorporated in Malaysia)

Number of shares held :

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

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

AJINOMOTO (MALAYSIA) BERHAD (“the Company”), hereby appoint (full name in capital letters)

..... NRIC No.

of (full address).....

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

..... NRIC No.

of (full address).....

or failing *him/her, the *CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us and on *my/our behalf at the Forty-Seventh Annual General Meeting of the Company to be held at its Registered Office, Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur on Wednesday, 20 August 2008 at 11:00 a.m. and at any adjournment thereof.

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

First Proxy “A”	%
Second Proxy “B”	%
	100%

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.	RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2008 together with the Reports of the Directors and the Auditors thereon.		
2.	To declare a first and final dividend of 8 sen per share less 26% income tax and a special dividend of 7 sen tax exempt per share for the financial year ended 31 March 2008.		
3.	To approve the payment of Directors’ fees for the financial year ended 31 March 2008.		
4.	To re-elect Encik Adinan Bin Husin who retires in accordance with Article 116 of the Company’s Articles of Association, and being eligible, has offered himself for re-election.		
5.	To re-elect Tn. Hj. Mazlan Bin Ab Rahman who retires in accordance with Article 116 of the Company’s Articles of Association, and being eligible, has offered himself for re-election.		
6.	To re-elect Dato’ Hj. Shaharuddin Bin Hj. Haron who retires in accordance with Article 116 of the Company’s Articles of Association, and being eligible, has offered himself for re-election.		

NO.	RESOLUTIONS	FOR	AGAINST
7.	To re-elect Mr. Koay Kah Ee who retires in accordance with Article 122 of the Company’s Articles of Association, and being eligible, has offered himself for re-election.		
8.	To re-elect Mr. Tee Ju Mian who retires in accordance with Article 122 of the Company’s Articles of Association, and being eligible, has offered himself for re-election.		
9.	To re-appoint General Tan Sri (Dr.) Dato’ Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) who is due to retire pursuant to Section 129 of the Companies Act, 1965, and being eligible, has offered himself for re-election.		
10.	To re-appoint Dr. Goh Chin Siew who is due to retire pursuant to Section 129 of the Companies Act, 1965, and being eligible, has offered himself for re-election.		
11.	To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
12.	As Special Business Ordinary Resolution No. 1 Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
13.	Ordinary Resolution No. 2 Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
14.	Special Resolution Proposed Amendments to the Articles of Association.		

* Strike out whichever not applicable

As witness my/our hand(s) this day of, 2008

.....
Signature of Member/Common Seal

Notes: -

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 14 August 2008 (“General Meeting Record of Depositors”) shall be eligible to attend the Meeting.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
- A holder may appoint more than two (2) proxies to attend the same meeting. Where a holder appoints two or more proxies, he shall specify the proportion of his shareholding to be represented by each proxy. Only one (1) of the proxies is entitled to vote on a show of hands.
- The instrument appointing proxy, shall be in print or writing under the hand of the appointer or his duly constituted attorney, or if such appointer is a corporation, under its common seal or under the hand of its officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur, not less than forty-eight (48) hours before the time fixed for holding the meeting or at any adjournment thereof.

■ *Form of Proxy* ■

Fold Here

Form of Proxy

Stamp

The Company Secretary

AJINOMOTO (MALAYSIA) BERHAD (4295-W)

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

AJINOMOTO®

Fold Here

VONO® New Variants

VONO® Potato Soup & Potato Mushroom Soup



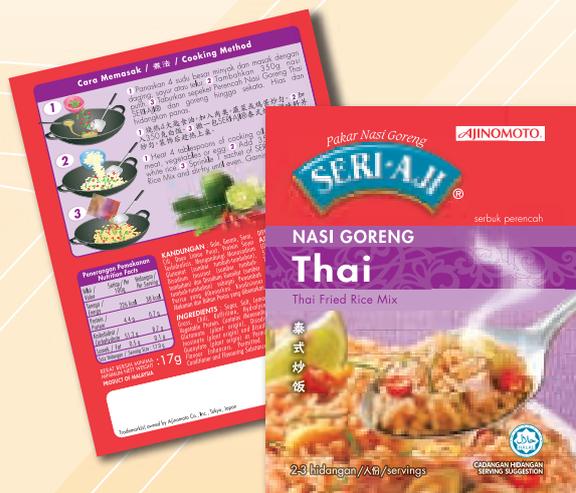
Start your new day and feel good with VONO® Potato Soup and Potato Mushroom Soup.

Made deliciously from naturally selected potatoes, mushrooms and enriched with soya for that complete, well-balanced taste. Indulge yourself with a cup of VONO® Potato Soup or Potato Mushroom Soup today!

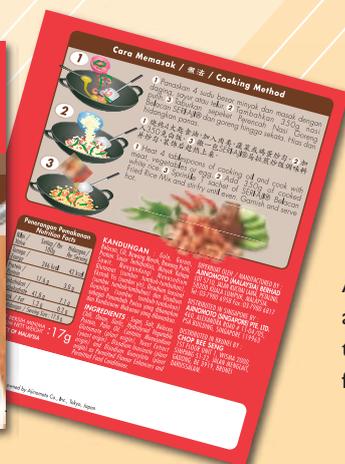
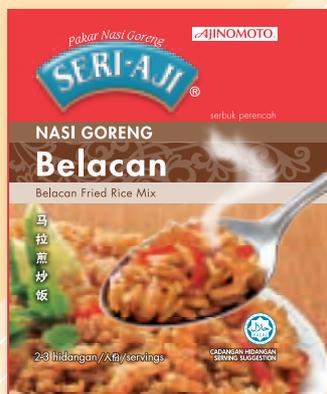
SERI-AJI® New Variants

SERI-AJI® Thai Fried Rice

An authentic Thai fried rice that is aromatic, rich with exotic spices and packed with loads of spiciness.



SERI-AJI® Belacan Fried Rice



A typical belacan fried rice that is aromatic with good balance between tasty belacan and spiciness – a Malaysian favourite.

AJINOMOTO (MALAYSIA) BERHAD (4295-W)

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

Tel : 603 7980 6958

Fax : 603 7981 1731

Website: www.ajinomoto.com.my