

AJINOMOTO®

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

Annual Report 2015

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CORPORATE INFORMATION

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



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I have great pleasure to present the Annual Report of Ajinomoto (Malaysia) Berhad for the financial year ended 31 March 2015.

RESULTS/PERFORMANCE

The business environment for the Company remained challenging during the year in view of increasing competitive pressure and uncertainties over the implementation of Goods and Services Tax in Malaysia. The sales revenue for the year ended 31 March 2015 was RM340.4 million, slightly lower by 1.4% against the RM345.4 million generated in the preceding year. The Umami segment underperformed in the lack of a one-off sale in the preceding year and deferment of purchasing activities from customers prior to the implementation of Goods and Services Tax. However, the decrease was mitigated by sustainable sales in the Food and Seasoning segment and additional revenue from the provision of services related to food industry. In spite of the lower revenue, the Company managed to achieve better profit before tax of RM40.6 million, 8.0% higher than the RM37.6 million in the preceding year mainly due to price stability in a key raw material and savings in production costs.

During the financial year, the Company continued the advertising and promotions on its new flavour seasoning product "TUMIX Penambah Rasa Kuah" which was launched in the first quarter to create product awareness amongst consumers in addition to in-store promotions and sales campaigns in food service outlets for sales creation. The Company has participated in a range of Corporate Social Responsibility (CSR) activities which are in line with "Ajinomoto Shared Value" of the Ajinomoto Group in 2014, including the new collaboration with Ministry of Health, Malaysia on Low Sodium Diet Education Activity, Umami Workshop for professional chefs to further promote the strength of Umami Seasonings and Living Skill Development Program aiming to develop the cooking skill of target orphans for their future career development through a series of Ajinomoto products' application classes.

PROSPECTS

The domestic economic growth is expected to be slower in the year ahead looking at the volatility in global economy, depreciation of Ringgit Malaysia against US Dollar and the concerns arising from the Goods and Services Tax in Malaysia. The Company is anticipated to encounter the pressures from rising raw material costs and keen market competition due to slower consumer spending. The Company will focus on expanding the number of new retail outlets in domestic market and strengthening sales force to generate stable sales growth in addition to the cost saving efforts to mitigate the increasing production costs.

DIVIDENDS

The Board of Directors aims to maintain a policy of stable dividend payout to shareholders. The Directors have proposed a first and final single-tier dividend of 20.0 sen per ordinary share. This dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

APPRECIATION

Since the last Annual General Meeting, Mr. Ryoichi Ebata and Mr. Ryuji Ito have resigned from the Board. The Board wishes to record its appreciation to them for their invaluable contributions and guidance to the Company.

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

DIRECTOR'S PROFILE



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

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

He holds a Diploma In Advance Business Management from the Harvard Business School. He was conferred the Honorary Doctorate by the University of Salford, United Kingdom in January 1999 and the Honorary Doctorate by the Malaysian National Defence University in October 2012. He is also a member of the Selangor Royal Court (Ahli Dewan DiRaja Selangor) since 1 January 2005.

Prior to his entry into the corporate world, General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd) was the Chief of the Defence Forces in the Malaysian Armed Forces where he chalked up 40 years of dedicated service. During his tenure in the Malaysian Armed Forces, he had initiated the re-organisation and modernization of the Army.

He is the Chairman of Country Heights Holdings Berhad and Datasonic Group Berhad. He is currently the Chairman of the Southeast Asian Association of Glutamate Science ("SEAAGS"). The member countries are Thailand, Indonesia, Philippines, Vietnam and Malaysia. He also sits on the Board of Institute of Strategic and International Studies (ISIS Malaysia), Borneo Highlands Hornbill Golf & Jungle Club Berhad, Mines Resort Berhad, Mines Excellence Golf Resort Berhad as well as some other private companies.

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

Director's Profile (cont'd.)



Tan Sri Dato' (Dr.) Teo Chiang Liang
Independent Non-Executive Director
64 years of age – Malaysian

Tan Sri Teo was appointed to the Board of Ajinomoto (Malaysia) Berhad on 28 June 2001. He was appointed as the Chairman of the Audit Committee on 1 November 2002. He is also a member of the Nomination Committee and the Remuneration Committee. He attended all 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, Tan Sri 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. In 1990 he was awarded the Certificate in General Insurance by The Malaysian Insurance Institute.

Tan Sri Teo was elected Secretary General of the Malaysian Association of Private Colleges & Universities from 1997 to March 2003 and is currently its Vice President.

He was appointed a member of the MSC Education Advisory Panel in 1998. He is also a Life Member of the Malaysian Red Crescent Society. In 1998, The Nottingham Trent University in UK appointed Tan Sri Teo as Visiting Professor of the University and awarded an honorary degree of Doctor of Business Administration to him in 2001. In 2006, Tan Sri Teo was elected as an Exco member of the Malaysian Crime Prevention Foundation. Tan Sri Teo's other directorships in public companies include RHB Capital Berhad and RHB Insurance Berhad.

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



Keiji Kaneko
Managing Director/Chief Executive Officer
52 years of age – Japanese

Mr. Kaneko was appointed as Managing Director/ Chief Executive Officer on 1 July 2015. He is a member of the Remuneration Committee.

Mr. Kaneko graduated from Kansai Gaidai University with a Bachelor Degree in English Language in September 1986 and obtained a Master Degree in Business Administration (MBA) at the University of Wisconsin at Eau Claire in December 1998.

He joined Ajinomoto Co., Inc Japan in 1989, began his career with the Tokyo Branch and has held various positions in Japan and overseas within the Ajinomoto Group of Companies.

Mr. Kaneko also sits on the Board of Malaysia Packaging Industry Berhad.

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

Director's Profile (cont'd.)



Katsuhide Shirai
Executive Director
43 years of age – Japanese

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

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

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

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



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

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

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

He is currently the Group Finance Director of Prestar Resources Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). He also sits on the Board of JF Technology Berhad, a company listed on the ACE Market of Bursa Securities.

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

Director's Profile (cont'd.)



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

Mr. Aw was appointed to the Board of Ajinomoto (Malaysia) Berhad on 10 August 2010. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee. He attended all five Board meetings held in the financial year.

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

He is a partner of Mazlan & Associates since 2003 and has over 18 years of working experience as an advocate and solicitor.

He also sits on the Board of Dolomite Corporation Berhad.

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



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

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

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

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

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

Director's Profile (cont'd.)



Kamarudin Bin Rasid
Executive Director
54 years of age - Malaysian

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

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

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

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



Azharudin Bin Ab Ghani
Executive Director
51 years of age – Malaysian

En. Azharudin Bin Ab Ghani was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 Jun 2013. He attended all five Board meetings held in the financial year.

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

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

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

Director's Profile (cont'd.)



Motohiro Komase
Executive Director
44 years of age – Japanese.

Mr. Komase was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2014. He attended all three Board meetings held since his appointment to the board.

Mr. Komase graduated from the Department of Economics, Nagoya University, Japan in 1993.

He joined Ajinomoto Co., Inc Japan in 1993 and began his career in Head Quarters, International Department and has held various positions in Japan and overseas within the Ajinomoto Group of Companies.

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



Dr. Masata Mitsuiki
Executive Director
52 years of age – Japanese

Dr. Mitsuiki was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2015.

He graduated from the School of Agriculture, Japan in 1986 and obtained M.S. and Ph.D. in agriculture from Kyushu University, Japan in year 1988 and 1999 respectively.

He joined Ajinomoto Co., Inc. Japan in 1988 and began his career in Research & Development Centre of Food Sciences & Technologies and has held various positions in Japan and overseas within the Ajinomoto Group of Companies. He then joined Ajinomoto (Malaysia) Berhad from 1 July 2014 as one of the Chief Officers.

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.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of the Company ("**the Board**") recognises the importance of maintaining high standards of corporate governance within the Company as this would serve to protect shareholders' value as well as enhance the financial performance of the Company.

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 governance practices is in place and thus discharging its responsibility towards protecting and enhancing long-term shareholders' value and investors' interest.

The application of the Malaysian Code on Corporate Governance 2012 ("**MCCG 2012**") to the Company's particular circumstances, having regard to the Recommendations stated under each Principle of the MCCG 2012, is reported hereunder. Where the Company has not followed any Recommendation, intends to take steps or has taken steps to follow such Recommendation, or intends to establish or has established an alternative approach, a statement to that effect, together with the reasons, where applicable, is also reported hereunder.

1. Establish clear roles and responsibilities

1.1 Establish clear functions reserved for the Board and those delegated to management

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

The descriptions for the respective functions of the Board and the Managing Director/Chief Executive Officer, as well as the Company's corporate objectives to be met by the Managing Director/Chief Executive Officer, are developed by the Board together with the Managing Director/Chief Executive Officer. The Board had adopted a formal Board Charter, which is available for reference at the Company Secretary's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur during normal business hours, and will conduct a regular review of the division of responsibilities as stated in the Board Charter as and when required to ensure that the needs of the Company are consistently met, and to reflect the dynamic nature of the relationship necessary for the Company to adapt to changing circumstances.

1.2 Establish clear roles and responsibilities in discharging the Board's fiduciary and leadership functions

- **Review and adopt a strategic plan for the Company**

The Board undertakes to play an active role in reviewing and adopting the Company's strategic plans by reviewing, discussing at length, and approving any of the management's proposal on a strategic plan for the Company when the same is presented by the management.

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.

In addition, as the non-executive board members are not involved in the day-to-day management of the Company's business, the Board as a whole is able to bring about objective judgements and advice drawing from their respective knowledge, expertise and experience, and ensure that the management has taken into account all appropriate considerations in establishing any strategic plans for the Company.

Responsibility is vested in the non-executive directors of the Company to ensure that the policies and strategies proposed by management are fully discussed and critically examined, not only against the best long-term interests of shareholders, but also to ensure that management takes proper account of the interests of employees, customers, suppliers and the communities within which the Company is represented. The presence of the non-executive directors is essential to provide unbiased and independent views, advice and judgement, as well as to safeguard the interest of all stakeholders.

In February of every year, the Board will discuss and approve the budget for the ensuing financial year at a Board Meeting.

Corporate Governance Statement (cont'd.)

1. Establish clear roles and responsibilities (continued)

1.2 Establish clear roles and responsibilities in discharging the Board's fiduciary and leadership functions (continued)

- **Oversee the conduct of the Company's business**

The Board ensures it oversees the performance of management to determine whether the business is being properly managed. The Managing Director/Chief Executive Officer is tasked with the responsibility to keep the Board informed on all matters which may materially affect the Company and its business. As the Managing Director/Chief Executive Officer is accountable to the Board for the achievement of the Company's goals and the observance of management's limitations, the Managing Director/Chief Executive Officer periodically reports to the Board on all operational matters necessary.

- **Identify principal risks and ensure implementation of appropriate internal controls and mitigation measures**

The Board recognises the importance of managing risks and maintaining a sound system of internal controls which cover risk management, financial, organisational, operational and compliance controls. The Board has delegated the implementation and monitoring of the internal control system to the management and has appointed independent consultants to carry out the internal audit functions. The Audit Committee ("AC") assists the Board in overseeing this function.

- **Succession planning**

The Nomination Committee ("NC") is delegated with the responsibility to review Board and senior management succession plans. With this, the NC assesses and recommends to the Board candidates for directorships and nominees to fill the seats on Board Committees in line with the Terms of Reference ("TOR") of the NC. Where there are key management positions to be filled, the Board will also discuss on the same to ensure that the candidates appointed or employed are of sufficient calibre.

Some of the candidates for key senior management / Executive director positions are nominated by Ajinomoto Co. Inc. ("AjiCo") being the major shareholder and head office, and hence, there is an orderly succession of most key senior management positions. Although AjiCo nominates candidates to hold such positions on a rotational basis every few years, the NC and the Board will also review and discuss to ensure that the candidates are of sufficient calibre, providing advice and suggestions, if required.

- **Oversee development and implementation of a shareholder communication policy for the Company**

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

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

- **Review adequacy and integrity of the management information and internal controls system of the Company**

The Board acknowledges its responsibility and accountability for reviewing the adequacy and integrity of the management information and internal controls systems. Information on the Company's internal control system is presented in the Statement on Risk Management and Internal Control of this Annual Report.

Corporate Governance Statement (cont'd.)

1. Establish clear roles and responsibilities (continued)

1.3 Formalise ethical standards through a code of conduct and ensure its compliance

The Board is committed in maintaining a corporate culture which engenders ethical conduct. Ethical standards are formalised through the Company's Code of Conduct, which summarises what the Company must endeavour to do proactively in order to increase corporate value, and which describes the areas in daily activities that require caution in order to minimise any risks that may occur. The summarised Code of Conduct is available for reference at the Company Secretary's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur during normal business hours.

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

1.4 Ensure that the Company's strategies promote sustainability

The Board ensures that the Company's strategies promote sustainability with attention given particularly to environmental, social and governance ("ESG") aspects of business which underpin sustainability. The Board understands that balancing ESG aspects with the interests of various stakeholders is essential to enhancing investor perception and public trust. Disclosures on corporate responsibility are presented under 'Corporate Responsibility' of this Annual Report and also published on the Company's website at <http://www.ajinomoto.com.my>.

1.5 Have procedures to allow Board members access to information and advice

The Board has unrestricted access to all information within the Company, whether as a full Board or in their individual capacity, as supplied by the management in a timely manner in order for the Board to discharge its responsibilities. The agenda for the Board meetings, together with appropriate reports and information on the Company's business operations, and proposal papers for the Board's consideration are circulated to all the Directors prior to the meetings in sufficient time. During the meetings, the management provides further detailed information and clarification on issues raised by members of the Board.

The Board may also obtain independent professional advice at the Company's expense in furtherance of its duties. Wherever necessary, consultants and experts are invited to brief the Board on their areas of expertise or their reports.

1.6 Ensure the Board is supported by a suitably qualified and competent company secretary

The Board has access to the advice and services of the Company Secretary who is suitably qualified under Section 139A of the Companies Act 1965 ("the Act"), and competent. The Board is satisfied with the performance and support rendered by the Company Secretary, who plays a vital role in advising the Board concerning all corporate governance matters. The Company Secretary is also responsible to ensure that Board meeting procedures are followed, and the applicable statutory and regulatory requirements are complied with.

The Company Secretary ensures that all Board and Board Committee deliberations and resolutions are properly and accurately minuted and will update the Board regularly on any regulatory changes and developments in corporate governance.

1.7 Formalise, periodically review and make public the Board Charter

The Board Charter adopted by the Board sets out the Board's strategic intent and outlines the Board's roles and responsibilities, providing insights and guidance to the Board and the management concerning their division of responsibilities, and processes and procedures for convening Board meetings.

The Board will periodically review the Board Charter to ensure its relevance.

Corporate Governance Statement (cont'd.)

2. Strengthen composition

2.1 Establish a NC which should comprise exclusively of non-executive directors, a majority of whom must be independent

The NC was established with clearly defined TOR, and comprised five (5) non-executive directors, all of whom are independent, during the financial year ended 31 March 2015 as follows:-

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

The NC had two (2) meetings during the financial year ended 31 March 2015.

The NC is charged with the responsibility to assess new candidates to the Board, if necessary, and to review the structure, size and composition of the Board. The NC is satisfied with the size of the Company's Board and that there is appropriate mix of knowledge, skills, attributes and core competencies in the composition of the Board during the financial year ended 31 March 2015.

The Chairman of the NC is Mr. Koay Kah Ee, who is also the Senior Independent Non-Executive Director identified by the Board to whom concerns may be conveyed by shareholders and the general public.

The activities of the NC in the discharge of its duties during the financial year ended 31 March 2015 are as follows:-

- a. Reviewed the profile and nomination of new Board member;
- b. Assessed the independence of independent directors;
- c. Reviewed the contribution and performance of each individual director, the Board as a whole and Board Committees;
- d. Reviewed and recommended the re-election and re-appointment of directors to the Board for recommendation to the shareholders for approval;
- e. Reviewed and recommended the retention of independent directors to the Board for recommendation to the shareholders for approval; and
- f. Reviewed the procedures and forms on annual assessments.

2.2 Develop, maintain and review the criteria for recruitment and annual assessment of Directors

The NC also assesses the performance of the Board, the Committees of the Board and the Directors of the Company, as well as the training needs of the Board and each Director annually. The assessments are based on criteria developed, maintained and periodically reviewed by the NC.

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

Any director appointed during the year is required under the Company's Articles of Association ("AA") to retire and seek re-election by shareholders at the following Annual General Meeting ("AGM") immediately after his appointment. As Mr. Keiji Kaneko and Dr. Masata Mitsuiki were appointed after the preceding year's AGM, they will be retiring from office at the forthcoming Fifty-Fourth AGM.

The AA also provides that one third (1/3) of the Directors shall retire by rotation at each AGM provided always that all Directors shall retire from office at least once in every three (3) years. The Directors retiring from office shall be eligible for re-election by the shareholders. In this respect, the Directors to retire by rotation from office at the forthcoming Fifty-Fourth AGM are Tan Sri Dato' (Dr) Teo Chiang Liang, Encik Kamarudin Bin Rasid and Mr. Dominic Aw Kian-Wee.

Corporate Governance Statement (cont'd.)

2. Strengthen composition (continued)

2.2 Develop, maintain and review the criteria for recruitment and annual assessment of Directors

In addition, in accordance with Section 129 of the Act, General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd) who is over the age of 70 years will be seeking for re-appointment at the forthcoming Fifty-Fourth AGM.

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

2.3 Establish formal and transparent remuneration policies and procedures to attract and retain directors

The RC was set up with clearly defined TOR, and comprised one (1) executive director and three (3) non-executive directors during the financial year ended 31 March 2015, as follows:-

- General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd) (Chairman, Independent Non-Executive Director)
- Tan Sri Dato' (Dr) Teo Chiang Liang (Independent Non-Executive Director)
- Mr. Dominic Aw Kian-Wee (Independent Non-Executive Director)

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

The primary function of the RC is to set up the policy framework and to recommend to the Board the remuneration of the executive directors to ensure the remuneration is sufficiently attractive to retain and motivate the executive directors to run the Company successfully. 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 all deliberations and voting in respect of his individual remuneration.

The RC may meet at least once a year or more frequently as deemed necessary. The RC had two (2) meetings during the financial year ended 31 March 2015.

The aggregate remuneration of the Directors for the financial year ended 31 March 2015 is as follows:-

	Executive Directors RM'000	Non-Executive Directors RM'000
Salaries and other emoluments	2,462	118
Fees	150	210
Bonus	337	-
Gratuity	60	84
Defined contribution plan	68	-
Benefit-in-kind	376	-

Corporate Governance Statement (cont'd.)

2. Strengthen composition (continued)

2.3 Establish formal and transparent remuneration policies and procedures to attract and retain directors (continued)

The number of directors of the Company whose total remuneration during the financial year ended 31 March 2015 fall within the following bands are as follows:-

Band of Remuneration	Executive Directors	Non-Executive Directors
RM50,001 - RM100,000	-	4
RM100,001 - RM150,000	-	1
RM150,001 - RM200,000	1	-
RM200,001 - RM250,000	-	-
RM250,001 - RM300,000	-	-
RM300,001 - RM350,000	2	-
RM350,001 - RM400,000	-	-
RM400,001 - RM450,000	-	-
RM450,001 - RM500,000	-	-
RM500,001 - RM550,000	1	-
RM550,001 - RM600,000	-	-
RM600,001 - RM650,000	1	-
RM650,001 - RM700,000	1	-
RM700,001 - RM750,000	-	-
RM750,001 - RM800,000	1	-

3. Reinforce independence

3.1 Undertake and assessment of independent directors annually

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

3.2 Re-designate an independent director of more than nine (9) years as a non-independent director

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

3.3 Justify and seek shareholders' approval to retain an independent director of more than nine (9) years in the same capacity

General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) and Tan Sri Dato' (Dr) Teo Chiang Liang are the two (2) independent directors who had served on the Board for more than nine (9) years and accordingly, the Board had sought shareholders' approval at the preceding AGM held on 29 September 2014 to retain them as independent directors. The shareholders had approved the retention.

The Board, with the assessment of the NC, is recommending to the shareholders again at the forthcoming Fifty-Fourth AGM to approve the retention of General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) and Tan Sri Dato' (Dr) Teo Chiang Liang as independent directors for the ensuing year. Details of the assessment are disclosed in the Notice of the Fifty-Fourth AGM enclosed in this Annual Report.

Corporate Governance Statement (cont'd.)

3. Reinforce independence (continued)

3.4 Positions of the Chairman of the Board and Managing Director/Chief Executive Officer should be held by different individuals

The roles of the Chairman of the Board and Managing Director/Chief Executive Officer are separate and each has a clear accepted division of responsibilities to ensure that there is a balance of power and authority to promote accountability. The Chairman is responsible for ensuring Board effectiveness and conduct, leading the Board in the oversight of management, whilst the Managing Director/Chief Executive Officer has overall responsibilities over the Company's operating units, organisational effectiveness and implementation of Board policies and decisions on a day-to-day basis.

3.5 Board Composition

The Board currently comprises six (6) Executive Directors and five (5) Independent Non-Executive Directors. The composition of the Board complies with Paragraph 15.02 of Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**MainLR**"), which stipulates that the Company must ensure that at least two (2) directors or 1/3 of the Board, whichever is the higher, are independent directors. Further, as the Chairman of the Board is independent, the Chairman can provide strong leadership by being able to marshal the Board's priorities more objectively.

4. Foster commitment

4.1 Set out expectations on time commitment and protocols for accepting new directorships

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

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

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 2015 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 2015*	Attendance (%)
Executive Directors		
Mr. Ryoichi Ebata (<i>Managing Director/Chief Executive Officer</i>) (<i>Resigned w.e.f. 30 June 2015</i>)	5/5	100
Mr. Katsuhide Shirai (<i>Chief Finance Officer</i>)	5/5	100
Encik Kamarudin Bin Rasid	5/5	100
Encik Azharudin Bin Ab Ghani	5/5	100
Mr. Daisuke Kon (<i>Resigned w.e.f 30 June 2014</i>)	2/2	100
Mr. Motohiro Komase (<i>Appointed w.e.f 1 July 2014</i>)	3/3	100
Mr. Ryuji Ito (<i>Resigned w.e.f. 30 June 2015</i>)	5/5	100
Mr. Keiji Kaneko (<i>Managing Director/Chief Executive Officer</i>) (<i>Appointed w.e.f 1 July 2015</i>)	N/A	N/A
Dr. Masata Mitsuiki (<i>Appointed w.e.f 1 July 2015</i>)	N/A	N/A

Corporate Governance Statement (cont'd.)

4. Foster commitment (continued)

4.1 Set out expectations on time commitment and protocols for accepting new directorships (continued)

Directors	No. of Meetings Attended by the Directors in respect of the Financial Year Ended 31 March 2015*	Attendance (%)
Non-Executive Directors		
General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd) (<i>Chairman</i>)	5/5	100
Tan Sri Dato' (Dr) Teo Chiang Liang	5/5	100
Mr. Koay Kah Ee	5/5	100
Mr. Dominic Aw Kian-Wee	5/5	100
Dato' Setia Ramli Bin Mahmud	5/5	100

Note

* There were five (5) Board meetings held during the financial year ended 31 March 2015. The meetings were held on 28 May 2014, 25 June 2014, 25 August 2014, 17 November 2014 and 16 February 2015.

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

4.2 Ensure Board members have access to appropriate continuing education programmes

All the Directors of the Company as at 31 March 2015 have attended the Mandatory Accreditation Programme prescribed by Bursa Securities for directors of public listed companies. In addition, all the Directors as at 31 March 2015 have attended trainings during the financial year ended 31 March 2015 as part of their continuous training in compliance with Paragraph 15.08 of the MainLR.

The trainings/programmes include:-

- Land Related Laws in Property Development, 15 April 2014
- Goods and Services Tax ("**GST**") Training, 5 May 2014
- GST Implementation workshop, 14 May 2014
- Advocacy Session on Corporate Disclosure for Directors, 2 July 2014
- Financial Year 2015 Malaysian Budget Seminar, 20 October 2014
- Budget 2015 – Tax Seminar, 28 October 2014
- ASEAN Economic Community 2015 and The Transformation from Local to Regional Corporate Governance Champion, 5 November 2014
- Transfer Pricing Seminar, 10 December 2014
- Price Control & Anti-profiteering Seminar, 23 March 2015
- GST : Costly Mistakes to avoid, 24 March 2015
- How To Read Non-Verbal Gestures, Detect Deception & Analyse The Truth, 25 March 2015

In addition, the Board is briefed at every Board meeting on any significant changes in laws and regulations that are relevant by the Company Secretary.

The members of the Board will attend various professional programmes necessary to ensure that they are kept abreast on various issues on the changing business environment within which the Company operates. In addition, the Board encourages its Directors to attend talks, workshops, seminars and conferences to update and enhance their skills and to assist them in discharging their responsibilities towards corporate governance, operational and regulatory issues.

Corporate Governance Statement (cont'd.)

5. Uphold integrity in financial reporting

5.1 Ensure financial statements comply with applicable financial reporting standards

The Board is responsible for ensuring that the quarterly and annual audited financial statements of the Company present a fair and balance view and assessment of the Company's financial position, performance and prospects and comply with applicable financial reporting standards.

The AC assists the Board in reviewing and scrutinising the information in terms of accuracy, adequacy and completeness for disclosure to ensure reliability and compliance with applicable financial reporting standards. Mr. Koay Kah Ee, who is a member of the Malaysian Institute of Accountants, together with the other AC members, reviewed the quarterly and annual audited financial statements of the Company prior to recommendation of the same to the Board for approval and submission to Bursa Securities and/or shareholders.

Mr. Katsuhide Shirai, the Chief Finance Officer, had also presented to the AC and the Board detailed presentations on the financial results, including performance against targets/budget.

5.2 Have policies and procedures to assess the suitability and independence of external auditors

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

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

The AC without the presence of executive Board members and management also meets with the external auditors at least twice during each financial year to exchange free and honest views on issues which the external auditors may wish to discuss in relation to their audit and findings.

Policies governing the circumstances under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by the external auditors are established by the AC. The AC also monitors the independence and qualification of external auditors and obtains written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The suitability and independence of external auditors are assessed annually in order for the AC to recommend to the Board to recommend to the shareholders the re-appointment of the external auditors for the ensuing year.

6. Recognise and manage risks

6.1 Establish a sound framework to manage risks

The Board is committed to determine the Company's level of risk tolerance and to actively identify, assess and monitor key business risks to safeguard shareholders' investments and the Company's assets by monitoring the internal controls in place with the assistance of the AC, the external auditors and the internal auditors, who will report on the effectiveness and efficiency of the internal control processes and procedures periodically to ensure that the system is viable and robust.

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

6.2 Establish an internal audit function which reports directly to the AC

The internal audit function is outsourced to a professional firm and reports directly to the AC. The head of the internal audit function or his representative attends the AC meetings quarterly to report to the AC on their findings of the effectiveness of the governance, risk management and internal control processes within the Company.

Corporate Governance Statement (cont'd.)

7. Ensure timely and high quality disclosure

7.1 Ensure the Company has appropriate corporate disclosure policies and procedures

The Board ensures that all material information and corporate disclosures are discussed with the management prior to dissemination to ensure compliance with the MainLR. In deciding on the necessary disclosures and announcements, the Board is also guided by Bursa Malaysia's corporate disclosure guides as published by Bursa Malaysia from time to time.

7.2 Encourage the Company to leverage on information technology for effective dissemination of information

The Board acknowledges the use of information technology to communicate with its stakeholders. Timely announcements are made through Bursa Link online with regard to the Company's quarterly results, corporate proposals and other required announcements, and the same are also available on the Company's website at <http://www.ajinomoto.com.my>, to ensure effective dissemination of information relating to the Company and that accurate information are provided to the public at large.

8. Strengthen relationship between company and stakeholders

8.1 Take reasonable steps to encourage shareholder participation at general meetings

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

All Notices of general meetings are served within the minimum prescribed notice period as the Board is of the view that serving of such notices earlier than the minimum notice period does not tantamount to encouragement of shareholder participation.

Also, the Board is of the view that given the circumstances and technology surrounding electronic voting currently, the adoption of electronic voting may not facilitate greater shareholder participation as it is not user-friendly and most shareholders may not be familiar with using such a system. Nonetheless, the Board is committed to disclose all relevant information to shareholders in the Notices and during the meetings to enable them to exercise their rights.

8.2 Encourage poll voting

The Chairman informs shareholders of their right to demand a poll vote at the commencement of general meetings. However, the Board is of the view that given the circumstances and technology surrounding electronic voting currently, the adoption of electronic means of poll voting may not also facilitate greater shareholder participation as it is not user-friendly and most shareholders may not be familiar with using such a system.

8.3 Promote effective communication and proactive engagements with shareholders

The AGM remains the principal forum for dialogue with shareholders where they may seek clarifications on the Company's business and reports. During the AGM, the Managing Director/Chief Executive Officer will present the financial results and the Company's business strategy for the financial year, and the Chairman will open the floor to questions shareholders may have for the Board before receiving the annual audited financial statements. 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 questions raised during general meetings and also share with the shareholders the Company's responses to questions submitted in advance of the AGM by the Minority Shareholder Watchdog Group, if any.

This Statement is made in compliance with Paragraphs 15.25 and 15.08A of the MainLR and approved by the Board on 25 June 2015.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

Not Applicable

2. Share Buy-Back

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

3. Options or Convertible Securities

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

4. Depository Receipt Programme

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

5. Imposition of Sanctions and/or Penalties

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

6. Non-Audit Fees

During the financial year, the amount of non-audit fees paid by the Company to the external auditors amounted to RM43,700.

7. Variation in Results

There were no material variations between the audited results for the financial year ended 31 March 2015 against the unaudited results for the year ended 31 March 2015 released by the Company previously.

8. Profit Guarantee

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

9. Material Contracts

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

10. Recurrent Related Party Transactions of Revenue or Trading Nature

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

11. Profit Estimate, Forecast of Projection

The Company did not make any release on the profit estimate, forecast or projections for the financial year ended 31 March 2015.

12. Conflict of Interest

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

STATEMENT OF DIRECTORS' RESPONSIBILITY

In Relation To The Financial Statements

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

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

The Directors consider that in preparing the financial statements,

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

For The Financial Year Ended 31 March 2015

INTRODUCTION

The Board of Directors ("**the Board**") of Ajinomoto (Malaysia) Berhad is pleased to present its Statement on Risk Management And Internal Control for the financial year ended 31 March 2015, which has been prepared pursuant to paragraph 15.26(b) of Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**Main LR**") and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**the Guidelines**"). The statement below outlines the nature and scope of risk management and internal control of the Company during the financial year under review.

BOARD RESPONSIBILITY

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

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

KEY FEATURES OF THE COMPANY'S INTERNAL CONTROL SYSTEM

1. CONTROL ENVIRONMENT

- **Organisation Structure & Authorisation Procedures**

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

- **Periodic and Annual Budget**

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

- **Company Policies and Procedures**

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

- **Human Resource Policy**

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

Statement On Risk Management And Internal Control (cont'd.)

For The Financial Year Ended 31 March 2015

KEY FEATURES OF THE COMPANY'S INTERNAL CONTROL SYSTEM (continued)

1. CONTROL ENVIRONMENT (continued)

- **Quality of Product**

Quality of product is of prime importance to the Board. Compliance to procedures outlined in ISO9001:2008 and "Hazard Analysis and Critical Control Point" (HACCP) accreditation to underpin quality assurance and control are strictly adhered to via regular internal and external quality audits.

- **Regular Operational and Management Meetings**

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

2. RISK MANAGEMENT FRAMEWORK

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

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

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

3. INTERNAL AUDIT FUNCTION

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

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

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

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2015 amounted to RM65,094 (financial year ended 31 March 2014: RM65,941).

4. INFORMATION AND COMMUNICATION

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

Statement On Risk Management And Internal Control (cont'd.) For The Financial Year Ended 31 March 2015

5. REVIEW OF THIS STATEMENT

Pursuant to Paragraph 15.23 of the Main LR, the External Auditors have reviewed this Statement for inclusion in the 2015 Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

6. CONCLUSION

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

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

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

This statement was approved by the Board of Directors on 25 June 2015.

AUDIT COMMITTEE REPORT

INTRODUCTION

The Board of Directors of the Company is pleased to present the report of the Audit Committee for the financial year ended 31 March 2015.

PURPOSE

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

COMPOSITION OF THE AUDIT COMMITTEE AND ATTENDANCE OF MEMBERS AT MEETINGS

The composition of the Audit Committee and the attendance of the respective members at each Audit Committee Meeting during the financial year ended 31 March 2015 are as follows:-

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

* There were five (5) Audit Committee Meetings held during the financial year ended 31 March 2015. The meetings were held on 28 May 2014, 25 June 2014, 25 August 2014, 17 November 2014 and 16 February 2015.

TERMS OF REFERENCE

1. Composition of members

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

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

- (a) must be a member of the Malaysian Institute of Accountant ("MIA"); or
- (b) if he is not a member of MIA, he must have at least three (3) years of working experience and:
 - i. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - ii. he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- (c) must fulfil such other requirements as prescribed or approved by Bursa Securities.

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

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

Audit Committee Report

(cont'd.)

2. Chairman

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

3. Secretary

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

4. Meetings

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

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

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

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

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

5. Minutes

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

6. Quorum

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

7. Objectives

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

- (a) evaluate the quality of the audits performed by the internal and external auditors;
- (b) provide assurance that the financial information presented by management is relevant, reliable and timely;
- (c) oversee compliance with laws and regulations and observance of a proper code of conduct; and
- (d) determine the quality, adequacy and effectiveness of the Company's control environment.

Audit Committee Report

(cont'd.)

8. Authority

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

- (a) investigate any matter within its terms of reference;
- (b) have full and unlimited/unrestricted access to all information and documents/resources;
- (c) obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any); and
- (e) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Malaysia Securities Berhad.

9. Duties and Responsibilities

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

- (a) To consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;
- (b) To establish policies governing the circumstances under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by the external auditors;
- (c) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- (d) To review with the external auditors the evaluation of the system of internal controls and the audit report;
- (e) To review the quarterly and year-end financial statements of the Company before submission to the Board, focusing particularly on –
 - any change in accounting policies and practices
 - significant adjustments arising from the audit
 - the going concern assumption
 - compliance with applicable financial reporting standards and other legal requirements
- (f) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);
- (g) To review the external auditors' management letter and management's response;
- (h) To do the following, in relation to the internal audit function:-
 - review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work
 - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function
 - review the internal audit plan, consider the internal audit reports and findings of the internal auditors, fraud investigations and actions and steps taken by Management in response to audit findings
 - review any appraisal or assessment of the performance of members of the internal audit function
 - approve any appointment or termination of the internal auditors;

Audit Committee Report (cont'd.)

9. Duties and Responsibilities (continued)

- (i) To consider any related party transactions and conflict of interest situation that may arise within the Company including any transaction, procedure or course of conduct that raises questions of management integrity;
- (j) To report its findings on the financial and management performance, and other material matters to the Board;
- (k) To consider the major findings of internal investigations and management's response;
- (l) To verify the allocation of employees' share option scheme ("**ESOS**") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;
- (m) To monitor the integrity of the Company's financial statements;
- (n) To monitor the independence and qualification of the Company's external auditors;
- (o) To monitor the performance of the Company's internal audit function;
- (p) To monitor the Company's compliance with relevant laws, regulations and code of conduct;
- (q) To review the adequacy and effectiveness of risk management, internal control and governance systems;
- (r) To consider and examine such other matters as the Audit Committee considers appropriate; and
- (s) To consider other matters as defined by the Board.

Summary of Activities

During the financial year ended 31 March 2015, the Audit Committee had discharged its functions and carried out its duties as set out in the Terms of Reference.

The Audit Committee has also met up with the External Auditors without the presence of all the Executive Board members three times during the financial year in line with its Terms of Reference to encourage a greater exchange of free and honest views between both parties.

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

1. Financial Results

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

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

Audit Committee Report (cont'd.)

Summary of Activities (continued)

2. External Audit

- a) Reviewed the External Auditors' scope of work and audit plan for the year and made recommendations to the Board on their re-appointment and remuneration;
- b) Reviewed and discussed the External Auditors' audit report and areas for concern highlighted in the management letter, including management's response to the concerns raised by the external auditors, and evaluation of the system of internal controls;
- c) Discussed significant accounting and auditing issues, impact of new or proposed changes in accounting standards and regulatory requirements; and
- d) Inquired into the assistance given by the Management to the External Auditors.

3. Internal Audit

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

4. Related Party Transactions ("RPT")

- a) Reviewed the recurrent RPT of the Company on a quarterly basis.

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

A summary of the activities of the internal audit function for the financial year ended 31 March 2015 is as follows:-

- (a) Formulated the internal audit plan and presented the plan for the Audit Committee's review and approval;
- (b) Executed the internal audit reviews in accordance with the approved audit plan;
- (c) Based on the audit reviews carried out, reported the results of the audit reviews to the Audit Committee every quarter. The reports highlighted internal control weaknesses identified and corresponding recommendations for improvements; and
- (d) Followed up on the status of implementation of management action plans carried out and reported the same to the Audit Committee.

The internal audit reviews carried out during the financial year ended 31 March 2015 did not reveal weaknesses that have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this annual report.

STATISTIC OF SHAREHOLDINGS AS AT 31 JULY 2015

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	275	9.56	4,684	0.01
100 – 1,000	755	26.24	531,481	0.87
1,001 – 10,000	1,494	51.93	5,668,263	9.32
10,001 – 100,000	305	10.60	8,212,461	13.51
100,001 – 3,039,925 (*)	47	1.63	15,936,200	26.21
3,039,926 and above (**)	1	0.03	30,445,445	50.08
TOTAL	2,877	100.00	60,798,534	100.00

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

SUBSTANTIAL SHAREHOLDER

The substantial shareholder of Ajinomoto (Malaysia) Berhad and its respective shareholdings based on the Register of Substantial Shareholders of the Company as at 31 July 2015 is as follows:-

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

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company as at 31 July 2015 are as follows:-

Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali (Rtd)	10,000	0.02	10,000 ⁽¹⁾	0.02
Tan Sri Dato' (Dr) Teo Chiang Liang	-	-	150,000 ⁽²⁾	0.25
Keiji Kaneko	-	-	-	-
Katsuhide Shirai	-	-	-	-
Koay Kah Ee	-	-	-	-
Dominic Aw Kian-Wee	-	-	-	-
Dato' Setia Ramli Bin Mahmud	-	-	-	-
Kamarudin Bin Rasid	-	-	-	-
Azharudin Bin Ab Ghani	-	-	-	-
Motohiro Komase	-	-	-	-
Dr. Masata Mitsuki	-	-	-	-

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

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

Statistic of Shareholdings As at 31 July 2015 (cont'd.)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

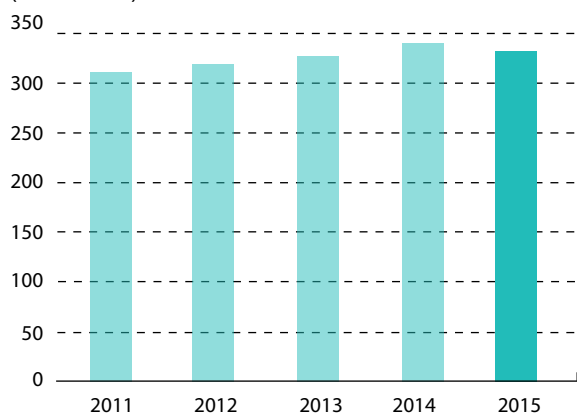
No. Shareholders	No. of Shares	%
1. Ajinomoto Co., Inc.	30,445,445	50.08
2. HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Credit Suisse (SG BR-TST-ASING)</i>	1,711,800	2.82
3. Cartaban Nominees (Asing) Sdn. Bhd. <i>BBH and Co. Boston for Fidelity Puritan Trust: Fidelity Series Intrinsic Opportunities Fund</i>	1,531,100	2.52
4. Berjaya Sampo Insurance Berhad	1,307,454	2.15
5. Chinchoo Investment Sdn. Berhad	1,210,800	1.99
6. Maybank Nominees (Asing) Sdn. Bhd. <i>Bank of East Asia (Nominees) Pte Ltd for The Bank of East Asia Ltd Singapore (A/C 2-970510)</i>	1,131,030	1.86
7. Lim Kuan Gin	567,700	0.93
8. Tee Teh Sdn. Berhad	564,508	0.93
9. Cartaban Nominees (Asing) Sdn. Bhd. <i>SSBT Fund F9EX for Fidelity Northstar Fund</i>	533,000	0.88
10. Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Hock Fatt (E-SS2)</i>	498,000	0.82
11. See Hoy Chan Agencies Sendirian Berhad	368,100	0.61
12. Yong Siew Lee	332,000	0.55
13. Wong Lok Jee @ Ong Lok Jee	322,000	0.53
14. JF Apex Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teo Kwee Hock (STA 1)</i>	280,100	0.46
15. Seah Mok Khoon	280,000	0.46
16. Maybank Securities Nominees (Asing) Sdn. Bhd. <i>Maybank Kim Eng Securities Pte Ltd for Tan Pheck Gee</i>	278,538	0.46
17. Yee Fook Leong	234,000	0.38
18. Chong Kok Fah	223,300	0.37
19. Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Heng Yiap(E-TMR/TMJ)</i>	220,000	0.36
20. Amanahraya Trustees Berhad <i>Public Far-East Consumer Themes Fund</i>	218,800	0.36
21. Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Lak Chye @ Li Choy Hin (E-IMO)</i>	218,700	0.36
22. Tay How Seng	206,259	0.34
23. Key Development Sdn. Berhad	200,000	0.33
24. Oh Siew Heong	200,000	0.33
25. Seah Heng Lye	200,000	0.33
26. Amanahraya Trustees Berhad <i>Public Strategic Small Cap Fund</i>	190,400	0.31
27. Liew Yoon Yee	190,000	0.31
28. Goh Beng Choo	185,800	0.31
29. JF Apex Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teo Siew Lai (Margin)</i>	167,500	0.28
30. Maybank Nominees (Asing) Sdn. Bhd. <i>DBS Bank for Punit Khanna (211072)</i>	167,000	0.27
TOTAL	44,183,334	72.67

FINANCIAL HIGHLIGHTS

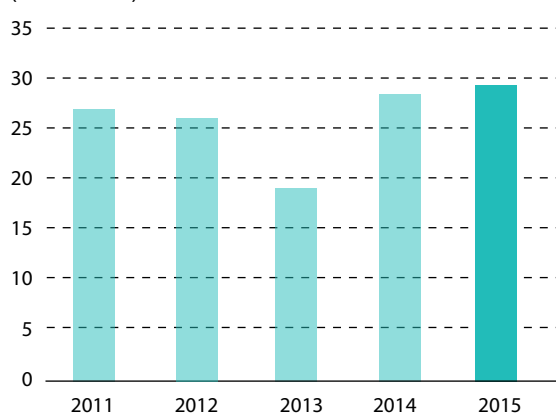
	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000
REVENUE	316,165	324,652	332,908	345,351	340,376
PROFIT BEFORE TAX	31,942	33,521	28,085	37,596	40,596
PROFIT NET OF TAX	25,870	25,601	19,404	28,041	29,733
SHAREHOLDERS FUNDS	220,189	235,323	244,344	262,076	279,522
PER SHARE					
o GROSS EARNINGS (Sen)	52.5	55.1	46.2	61.8	66.8
o NET EARNINGS (Sen)	42.6	42.1	31.9	46.1	48.9
o NET ASSET (RM)	3.6	3.9	4.0	4.3	4.6
FINANCIAL RATIOS					
Return on Asset (%)	9.58%	9.35%	6.59%	9.10%	8.93%
Return on Equity (%)	11.75%	10.88%	7.94%	10.70%	10.64%
Dividend Payout Ratio (%)	40.54%	40.97%	54.05%	40.11%	40.90%*
Net Dividend per share (sen)	17.25	17.25	17.25	18.50	20.00*

* Subject to shareholders' approval at the Annual General Meeting

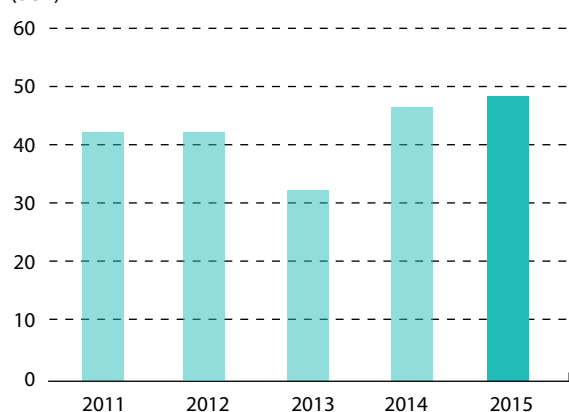
REVENUE
(RM Millions)



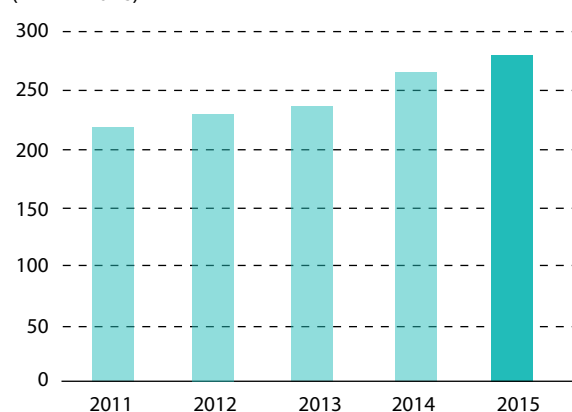
PROFIT NET OF TAX
(RM Millions)



NET EARNINGS PER SHARE
(Sen)



SHAREHOLDERS FUNDS
(RM Millions)



DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Company for the financial year ended 31 March 2015.

PRINCIPAL ACTIVITIES

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

RESULTS

	RM
Profit net of tax	29,733,379

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

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

DIVIDENDS

The amount of dividends paid by the Company since 31 March 2014 were as follows:

	RM
In respect of the financial year ended 31 March 2014 as reported in the directors' report of that year:	
First and final single-tier dividend of 18.5 sen per ordinary share declared on 29 September 2014 and paid on 21 October 2014	11,247,729

At the forthcoming Annual General Meeting, a first and final single-tier dividend in respect of the financial year ended 31 March 2015 of 20.0 sen per ordinary share on 60,798,534 ordinary shares, amounting to a dividend payable of RM12,159,707 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividends, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2016.

Directors' Report (cont'd.)

DIRECTORS

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

General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd)	
Tan Sri Dato' (Dr.) Teo Chiang Liang	
Ryoichi Ebata	
Katsuhide Shirai	
Koay Kah Ee	
Dominic Aw Kian-Wee	
Dato' Setia Ramli bin Mahmud	
Ryuji Ito	
Kamarudin bin Rasid	
Azharudin bin Ab Ghani	
Motohiro Komase	(appointed on 1 July 2014)
Daisuke Kon	(resigned on 30 June 2014)

Directors' benefits

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

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

Directors' interests

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

	Number of ordinary shares of RM1 each			
	At 1.4.2014	Acquired	Sold	At 31.3.2015
The Company				
Direct interest:				
General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd)	10,000	-	-	10,000
Indirect interest:				
General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd)	10,000	-	-	10,000
Tan Sri Dato' (Dr.) Teo Chiang Liang	150,000	-	-	150,000

Directors' Report (cont'd.)

DIRECTORS' INTERESTS (CONT'D)

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

	Number of shares			At 31.3.2015
	At 1.4.2014	Acquired	Sold	
Holding company				
- Ajinomoto Co. Inc.				
Direct interest:				
Ryoichi Ebata	2,425	32	-	2,457
Ryuji Ito	1,489	114	-	1,603

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

Other statutory information

- (a) Before the statement of comprehensive income and statement of financial position of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) it is necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Company which has arisen since the end of the financial year.

Directors' Report (cont'd.)

OTHER STATUTORY INFORMATION (CONT'D.)

(f) In the opinion of the directors:

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

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 June 2015.

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

Ryoichi Ebata

STATEMENT BY DIRECTORS

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

We, General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim bin Mohd. Ali (Rtd) and Ryoichi Ebata, 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 39 to 80 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2015 and of the results and the cash flows of the Company for the year then ended.

The information set out in Note 31 on page 80 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 June 2015.

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

Ryoichi Ebata

STATUTORY DECLARATION

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

I, Heng Wai Shen, being the officer primarily responsible for the financial management of Ajinomoto (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 39 to 80 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 Heng Wai Shen at
Kuala Lumpur in the Federal
Territory on 25 June 2015

Heng Wai Shen

Before me,

Leong Chiew Keong
(W409)
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

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

Report on the financial statements

We have audited the financial statements of Ajinomoto (Malaysia) Berhad, which comprise the statement of financial position as at 31 March 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 80.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

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

Other matters

The supplementary information set out in Note 31 on page 80 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

Hanafiah Raslan & Mohamad
AF: 0002
Chartered Accountants

Ismed Darwis bin Bahatiar
No. 2921/04/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
25 June 2015

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2015

	Note	2015 RM	2014 RM
Revenue	4	340,375,936	345,350,917
Other items of income	5	4,304,554	3,604,296
Items of expenses			
Changes in inventories of finished goods, work in progress and goods-in-transit		2,482,042	377,383
Raw materials and packaging materials consumed		(180,259,168)	(196,359,968)
Finished goods purchased		(9,029,466)	(2,408,519)
Employee benefits expense	6	(41,367,341)	(40,251,540)
Depreciation and amortisation		(10,626,572)	(10,198,593)
Other operating expenses		(65,283,528)	(62,517,823)
Profit before tax	8	40,596,457	37,596,153
Income tax expense	9	(10,863,078)	(9,554,980)
Profit net of tax		<u>29,733,379</u>	<u>28,041,173</u>
Other comprehensive income			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Fair value (loss)/gain on investment securities		(178,682)	178,683
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Actuarial loss on defined benefit plans		(1,147,237)	-
Tax impact relating to actuarial loss on defined benefit plans		286,809	-
Other comprehensive income for the year, net of tax		<u>(1,039,110)</u>	<u>178,683</u>
Total comprehensive income for the year		<u>28,694,269</u>	<u>28,219,856</u>
Earnings per share attributable to equity holders of the Company (sen)			
- Basic	10	<u>48.9</u>	<u>46.1</u>
Net dividend per share (sen)	11	<u>18.50</u>	<u>17.25</u>

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

STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Note	2015 RM	2014 RM
Assets			
Non-current assets			
Property, plant and equipment	12	105,329,610	103,234,727
Other receivables	16	1,332,142	1,348,913
Investment securities	13	798,814	977,496
Other investments	14	271,000	271,000
		<u>107,731,566</u>	<u>105,832,136</u>
Current assets			
Inventories	15	63,181,733	59,391,807
Trade and other receivables	16	38,902,249	37,223,414
Derivatives assets	17	5,672	161,188
Cash and cash equivalents	18	123,124,324	105,410,566
		<u>225,213,978</u>	<u>202,186,975</u>
Total assets		<u>332,945,544</u>	<u>308,019,111</u>
Equity and liabilities			
Current liabilities			
Retirement benefit obligations	19	501,271	126,889
Trade and other payables	20	40,585,498	33,495,000
Derivatives liabilities	17	311,483	75,022
Current tax payable		292,023	1,733,071
		<u>41,690,275</u>	<u>35,429,982</u>
Non-current liabilities			
Retirement benefit obligations	19	8,231,072	7,058,868
Deferred tax liabilities	21	3,501,702	3,454,306
		<u>11,732,774</u>	<u>10,513,174</u>
Total liabilities		<u>53,423,049</u>	<u>45,943,156</u>
Net assets		<u>279,522,495</u>	<u>262,075,955</u>
Equity attributable to equity holders of the Company			
Share capital	22	60,798,534	60,798,534
Share premium	22	4,303,700	4,303,700
Retained earnings	23	215,154,560	196,668,910
Other reserves	24	(734,299)	304,811
		<u>279,522,495</u>	<u>262,075,955</u>
Total equity		<u>279,522,495</u>	<u>262,075,955</u>
Total equity and liabilities		<u>332,945,544</u>	<u>308,019,111</u>

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2015

	Note	← Non-distributable →		→ Distributable		Total equity RM
		Share capital RM (Note 22)	Share premium RM (Note 22)	Other reserves RM (Note 24)	Retained earnings RM (Note 23)	
At 1 April 2013		60,798,534	4,303,700	126,128	179,115,484	244,343,846
Total comprehensive income		-	-	178,683	28,041,173	28,219,856
<u>Transaction with owners</u>						
Dividends	11	-	-	-	(10,487,747)	(10,487,747)
At 31 March 2014		60,798,534	4,303,700	304,811	196,668,910	262,075,955
At 1 April 2014		60,798,534	4,303,700	304,811	196,668,910	262,075,955
Total comprehensive income		-	-	(1,039,110)	29,733,379	28,694,269
<u>Transaction with owners</u>						
Dividends	11	-	-	-	(11,247,729)	(11,247,729)
At 31 March 2015		60,798,534	4,303,700	(734,299)	215,154,560	279,522,495

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2015

	2015 RM	2014 RM
Cash flows from operating activities		
Profit before tax	40,596,457	37,596,153
Adjustments for:		
(Reversal)/ provision for short-term accumulating compensated absences	(197,885)	57,049
Interest income	(3,433,560)	(2,563,660)
Depreciation of property, plant and equipment	10,626,572	10,198,593
Net (reversal)/impairment loss on trade receivables	(15,342)	64,884
Inventories written off	604,532	474,570
Property, plant and equipment written off	119,948	4,020
Gain on disposal of property, plant and equipment	(5,459)	(37,866)
Provision for defined benefit plans	1,337,007	1,597,064
Unrealised foreign exchange (gain)/loss	(728,845)	296,259
Net fair value loss/(gain) on derivatives	391,977	(146,214)
Operating profit before working capital changes	49,295,402	47,540,852
(Increase)/decrease in inventories	(4,394,458)	11,040,692
(Increase)/decrease in trade and other receivables	(1,000,493)	1,842,885
Increase/(decrease) in trade and other payables	7,171,903	(6,371,373)
Cash generated from operations	51,072,354	54,053,056
Taxes paid	(11,969,921)	(8,099,430)
Net payments made to retirement benefit obligations	(937,658)	(939,237)
Net cash generated from operating activities	38,164,775	45,014,389
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,031,234)	(11,660,270)
Proceeds from disposal of property, plant and equipment	195,290	567,000
Interest received	3,290,679	2,560,344
Net cash used in investing activities	(9,545,265)	(8,532,926)
Cash flows from financing activity		
Dividends paid, representing net cash used in financing activity	(11,247,729)	(10,487,747)
Net increase in cash and cash equivalents	17,371,781	25,993,716
Effect of exchange rate changes on cash and cash equivalents	341,977	(82,955)
Cash and cash equivalents at beginning of the financial year	105,410,566	79,499,805
Cash and cash equivalents at end of the financial year (Note 18)	123,124,324	105,410,566

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

1. CORPORATE INFORMATION

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 June 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

2.2 Changes in accounting policies and effects from the adoption of new and revised MFRSs

As of 1 April 2014, the Company adopted the following new and amended MFRSs and IC Interpretations (collectively referred to as "pronouncements") that have been issued by the Malaysian Accounting Standards Board ("MASB"):

- Amendments to MFRS 10: Consolidated Financial Statements - Investment Entities
- Amendments to MFRS 12: Disclosure of Interests in Other Entities - Investment Entities
- Amendments to MFRS 127: Consolidated and Separate Financial Statements
- Amendments to MFRS 132: Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136: Impairment of Assets - Recoverable Amount Disclosures for Non-financial Assets
- Amendments to MFRS 139: Financial Instruments: Recognition and Measurement
- Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21: Levies

The adoption of the above pronouncements did not have any significant financial impact to the Company.

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

(a) Foreign currency

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

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

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

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

(b) Property, plant and equipment

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary of significant accounting policies (cont'd.)

(b) Property, plant and equipment (cont'd.)

The residual value, 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 expected pattern of consumption of the economic benefits embodied in the property, plant and equipment, and adjusted prospectively, if appropriate.

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

(c) Impairment of non-financial assets

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

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

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

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

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

(d) Financial assets

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary of significant accounting policies (cont'd.)

(d) Financial assets (cont'd.)

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

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

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

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

Financial assets at fair value through profit or loss of the Company comprise derivative assets.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. The loans and receivables of the Company comprise trade and other receivables (excluding prepayments) and cash and cash equivalents.

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

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

(iii) Held-to-maturity investments

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

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

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

The Company does not have any financial asset at held-to-maturity.

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary of significant accounting policies (cont'd.)

(d) Financial assets (cont'd.)

(iv) Available-for-sale financial assets

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

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

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

The Company's available-for-sale financial assets comprise investment securities.

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

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

(e) Impairment of financial assets

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary of significant accounting policies (cont'd.)

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

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

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

(ii) Available-for-sale financial assets.

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

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

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

(f) Cash and cash equivalents

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

(g) Inventories

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

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

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

(h) Provisions

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary of significant accounting policies (cont'd.)

(i) Financial liabilities

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

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

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

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

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

(ii) Other financial liabilities

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

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

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

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

(j) Offsetting of financial instruments

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

(k) Employee benefits

(i) Short term benefits

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

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary of significant accounting policies (cont'd.)

(k) Employee benefits (cont'd.)

(ii) Defined contribution plans

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

(iii) Defined benefit plans

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

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

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

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

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

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

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

(l) Leases

(i) As lessee

Finance leases, which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary of significant accounting policies (cont'd.)

(l) Leases (Cont'd)

(ii) As lessor

Assets leased out under operating leases are presented in the statement of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(m) Revenue

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

(i) Sale of goods

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

(ii) Interest income

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

(iii) Rental income

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

(iv) Other income

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

(n) Income taxes

(i) Current tax

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary of significant accounting policies (cont'd.)

(n) Income taxes (cont'd.)

(ii) Deferred tax

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Summary of significant accounting policies (cont'd.)

(o) Share capital

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

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

(p) Contingencies

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

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

(q) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

(i) Financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include:

- using recent arm's length market transactions;
- reference to the current fair value of another instrument that is substantially the same; and
- discounted cash flow analysis or other valuation models.

Where fair value cannot be reliably estimated, assets are carried at cost less impairment losses, if any.

(ii) Non-financial assets

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 New and revised pronouncements not yet in effect

The following pronouncements that have been issued by the MASB will become effective in future financial reporting periods and have not been adopted by the Company:

Effective for annual periods beginning on or after 1 July 2014:

- Amendments to MFRS 2: Share-based Payment (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 3: Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
- Amendments to MFRS 8: Operating Segments (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 13: Fair Value Measurement (Annual Improvements 2011-2013 Cycle)
- Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 119: Employee Benefits - Defined Benefit Plans: Employee Contributions
- Amendments to MFRS 124: Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 138: Intangible Assets (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 140: Investment Property (Annual Improvements 2011-2013 Cycle)

Effective for annual periods beginning on or after 1 January 2016:

- MFRS 14: Regulatory Deferral Accounts
- Amendments to MFRS 5: Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)
- Amendments to MFRS 7: Financial Instruments - Disclosures (Annual Improvements 2012-2014 Cycle)
- Amendments to MFRS 10: Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 10: Consolidated Financial Statements: Investment Entities - Applying the Consolidation Exception
- Amendments to MFRS 11: Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 12: Disclosure of Interests in Other Entities - Investment Entities: Applying the Consolidation Exception
- Amendments to MFRS 101: Presentation of Financial Statements - Disclosure Initiative
- Amendments to MFRS 116: Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 116: Property, Plant and Equipment - Bearer Plants
- Amendments to MFRS 119: Employee Benefits (Annual Improvements 2012-2014 Cycle)
- Amendments to MFRS 127: Consolidated and Separate Financial Statements - Equity Method in Separate Financial Statements
- Amendments to MFRS 128: Investments in Associates - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 128: Investment in Associates - Investment Entities:
- Applying the Consolidation Exception
- Amendments to MFRS 134: Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)
- Amendments to MFRS 138: Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 141: Agriculture - Bearer Plants

Effective for annual periods beginning on or after 1 January 2017:

- MFRS 15: Revenue from Contracts with Customers

Effective for annual periods beginning on or after 1 January 2018:

- MFRS 9: Financial Instruments

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 New and revised pronouncements not yet in effect (Cont'd)

The Company is expected to apply the above mentioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the abovementioned pronouncements is not expected to have any material impact to the financial statements of the Company except as mentioned below:

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgements made in applying accounting policies

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

3.2 Key sources of estimation uncertainty

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

(a) Depreciation of plant and machinery

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

(b) Deferred tax

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

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

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

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

(c) Tax provisions

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

(d) Impairment of loans and receivables

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

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

(e) Retirement benefit obligations

The cost of the defined benefit plan and the present value of the retirement obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These includes discount rates, future salary increases, mortality rates and future retirement increases. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period date. Further details are disclosed in Note 19.

(f) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques, including the discounted cash flow method. Where possible, the inputs to these valuation models are taken from observable markets. However, when this is considered unfeasible, a degree of judgement is made in establishing fair values. The judgements made include having considered a host of factors including liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further disclosure of fair value of financial instruments is provided in Note 27.

4. REVENUE

	2015 RM	2014 RM
Sale of goods	340,375,936	345,350,917

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

5. OTHER ITEMS OF INCOME

	2015 RM	2014 RM
Miscellaneous income	87,745	205,900
Rental income	777,790	650,656
Interest income	3,433,560	2,563,660
Gain on disposal of property, plant and equipment	5,459	37,866
Net fair value gain on derivatives	-	146,214
	4,304,554	3,604,296

6. EMPLOYEE BENEFITS EXPENSE

	2015 RM	2014 RM
Wages and salaries	33,908,453	33,059,769
Gratuity	60,000	59,500
Defined contribution plans	2,994,981	2,462,893
Provision for defined benefit plans (Note 19)	1,337,007	1,597,064
Social security costs	260,443	247,011
(Reversal)/ provision for short-term accumulating compensated absences	(197,885)	57,049
Other staff related expenses	3,004,342	2,768,254
	41,367,341	40,251,540

Included in employee benefits expense of the Company are executive directors' remuneration amounting to RM3,077,683 (2014: RM2,849,862) as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

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

	2015 RM	2014 RM
Executive:		
Salaries and other emoluments	2,461,949	2,464,435
Fees	150,000	148,750
Bonus	337,237	110,280
Gratuity	60,000	59,500
Defined contribution plan	68,497	66,897
	3,077,683	2,849,862
Estimated money value of benefit-in-kind	376,153	370,629
	3,453,836	3,220,491

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

7. DIRECTORS' REMUNERATION (CONT'D.)

	2015 RM	2014 RM
Non-executive:		
Fees	210,000	210,000
Gratuity	84,000	84,000
Other emoluments	117,500	118,700
Total non-executive directors' remuneration (Note 8)	411,500	412,700
Total directors' remuneration	3,865,336	3,633,191

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

	Number of directors	
	2015	2014
Executive directors:		
RM100,001 - RM150,000	-	1
RM150,001 - RM200,000	1	1
RM200,001 - RM250,000	-	1
RM300,001 - RM350,000	2	1
RM500,001 - RM550,000	1	-
RM550,001 - RM600,000	-	2
RM600,001 - RM650,000	1	2
RM650,001 - RM700,000	1	-
RM750,001 - RM800,000	1	-
Non-executive directors:		
RM50,001 - RM100,000	4	4
RM100,001 - RM150,000	1	1

8. PROFIT BEFORE TAX

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

	2015 RM	2014 RM
Employee benefits expenses (Note 6)	41,367,341	40,251,540
Non-executive directors' remuneration excluding benefits-in-kind (Note 7)	411,500	412,700
Auditors' remuneration:		
- Statutory	76,700	66,700
- Other services	43,600	27,000
Depreciation of property, plant and equipment (Note 12)	10,626,572	10,198,593
Inventories written off	604,532	474,570
Net (reversal)/impairment loss on trade receivables (Note 16)	(15,342)	64,884
Foreign exchange losses/(gain) :		
- Realised	308,832	629,934
- Unrealised	(728,845)	296,259
Net fair value loss/(gain) on derivatives	391,977	(146,214)
Gain on disposal of property, plant and equipment	(5,459)	(37,866)
Property, plant and equipment written off	119,948	4,020

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

9. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2015 and 2014 are:

	2015 RM	2014 RM
Current income tax:		
Malaysian income tax	10,693,005	9,750,048
Overprovision in prior years:		
Malaysian income tax	(164,132)	(79,570)
	<u>10,528,873</u>	<u>9,670,478</u>
Deferred tax (Note 21):		
Relating to origination and reversal to temporary differences	305,737	125,313
Under/(over) provision in prior years	28,468	(240,811)
	<u>334,205</u>	<u>(115,498)</u>
Total income tax expense	<u>10,863,078</u>	<u>9,554,980</u>

Domestic current income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% from current year's rate of 25%, effective from year of assessment 2016. The effects arising from the reduction in statutory tax rate is not material.

Reconciliation between tax expense and accounting profit

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

	2015 RM	2014 RM
Profit before tax	<u>40,596,457</u>	<u>37,596,153</u>
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	10,149,114	9,399,038
Expenses not deductible for tax purposes	849,628	476,323
Under/(over) provision of deferred tax in prior years	28,468	(240,811)
Overprovision of income tax expense in prior years	(164,132)	(79,570)
Income tax expense	<u>10,863,078</u>	<u>9,554,980</u>

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

10. EARNINGS PER SHARE

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

	2015 sen	2014 sen
Basic earnings per share	48.9	46.1

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

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

11. DIVIDENDS

	Amount 2015 RM	2014 RM	Net dividend per share 2015 Sen	2014 Sen
Recognised during the year:				
First and final single-tier dividend of 18.5 sen per ordinary share	11,247,729	-	18.50	-
First and final dividend of 11.0 sen per ordinary share less 25% taxation and tax exempt dividend of 9.0 sen per ordinary share	-	10,487,747	-	17.25

At the forthcoming Annual General Meeting, a first and final single-tier dividend of 20.0 sen per ordinary share in respect of the financial year ended 31 March 2015 amounting to a dividend payable of RM12,159,707 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividends, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2016.

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Long term leasehold land RM	Buildings RM	Motor vehicles RM	Plant, machinery and equipment RM	Furniture, fixtures and fittings RM	Capital work in progress RM	Total RM
At 31 March 2015								
Cost								
At 1 April 2014	71,525	41,386,462	55,160,676	8,534,053	153,636,621	6,986,713	738,032	266,514,082
Additions	-	-	2,424,333	1,771,335	6,654,092	682,935	1,498,539	13,031,234
Transfers	-	-	-	-	738,032	-	(738,032)	-
Disposals	-	-	-	(465,367)	(133,200)	-	-	(598,567)
Written off	-	-	(111,957)	-	(3,023,714)	(162,185)	-	(3,297,856)
At 31 March 2015	71,525	41,386,462	57,473,052	9,840,021	157,871,831	7,507,463	1,498,539	275,648,893
Accumulated depreciation								
At 1 April 2014	-	3,018,687	39,631,260	3,399,198	114,069,388	3,160,822	-	163,279,355
Depreciation charge for the year (Note 8)	-	589,459	3,279,292	705,837	5,443,510	608,474	-	10,626,572
Disposals	-	-	-	(284,068)	(124,668)	-	-	(408,736)
Written off	-	-	(77,759)	-	(2,973,432)	(126,717)	-	(3,177,908)
At 31 March 2015	-	3,608,146	42,832,793	3,820,967	116,414,798	3,642,579	-	170,319,283
Net carrying amount	71,525	37,778,316	14,640,259	6,019,054	41,457,033	3,864,884	1,498,539	105,329,610
At 31 March 2014								
Cost								
At 1 April 2013	71,525	41,386,462	52,713,092	7,908,061	151,162,369	5,822,197	-	259,063,706
Additions	-	-	2,447,584	1,723,805	5,535,550	1,215,299	738,032	11,660,270
Disposals	-	-	-	(1,097,813)	(884,678)	-	-	(1,982,491)
Written off	-	-	-	-	(2,176,620)	(50,783)	-	(2,227,403)
At 31 March 2014	71,525	41,386,462	55,160,676	8,534,053	153,636,621	6,986,713	738,032	266,514,082
Accumulated depreciation								
At 1 April 2013	-	2,429,228	36,415,726	3,381,101	111,851,718	2,679,729	-	156,757,502
Depreciation charge for the year (Note 8)	-	589,459	3,215,534	732,729	5,129,004	531,867	-	10,198,593
Disposals	-	-	-	(714,632)	(738,725)	-	-	(1,453,357)
Written off	-	-	-	-	(2,172,609)	(50,774)	-	(2,223,383)
At 31 March 2014	-	3,018,687	39,631,260	3,399,198	114,069,388	3,160,822	-	163,279,355
Net carrying amount	71,525	38,367,775	15,529,416	5,134,855	39,567,233	3,825,891	738,032	103,234,727

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

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

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

	2015 RM	2014 RM
At cost:		
Buildings	22,213,146	21,874,528
Motor vehicles	541,146	75,779
Plant, machinery and equipment	72,632,151	71,079,382
Furniture, fixtures and fittings	1,196,479	1,185,194
	<u>96,582,922</u>	<u>94,214,883</u>

The Company acquired property, plant and equipment amounting to RM13,031,234 (2014: RM11,660,270) via cash.

13. INVESTMENT SECURITIES

	2015 RM	2014 RM
Non-current		
Available-for-sale financial assets:		
Quoted shares in a Malaysian corporation, at fair value	<u>798,814</u>	<u>977,496</u>

14. OTHER INVESTMENTS

	2015 RM	2014 RM
Transferable club memberships	344,000	344,000
Less: Accumulated impairment loss	(73,000)	(73,000)
	<u>271,000</u>	<u>271,000</u>

15. INVENTORIES

	2015 RM	2014 RM
At Cost		
Raw materials	30,988,575	30,201,206
Consumables	2,235,193	1,714,678
Work-in-progress	654,297	634,369
Finished goods	29,303,668	26,841,554
	<u>63,181,733</u>	<u>59,391,807</u>

The cost of inventories recognised as an expense during the financial year amounted to RM224,314,393 (2014: RM243,215,462).

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

16. TRADE AND OTHER RECEIVABLES

	2015 RM	2014 RM
Current		
Trade receivables		
Third parties	22,787,594	24,454,871
Amounts due from holding company	413,898	-
Amounts due from related companies	11,990,034	10,069,707
	35,191,526	34,524,578
Less: Allowance for impairment - Third parties	(33,617)	(212,762)
Trade receivables, net	35,157,909	34,311,816
Other receivables		
Deposits	434,059	387,113
Prepayments	1,687,163	1,251,679
Staff loans	579,686	502,011
Sundry receivables	1,043,432	770,795
	3,744,340	2,911,598
	38,902,249	37,223,414
Non-current		
Other receivables		
Staff loans	1,340,515	1,357,286
Less: Allowance for impairment	(8,373)	(8,373)
	1,332,142	1,348,913
Total trade and other receivables (current and non-current)	40,234,391	38,572,327
Add: Cash and bank balances (Note 18)	123,124,324	105,410,566
Less: Prepayments	(1,687,163)	(1,251,679)
Total loans and receivables carried at amortised cost	161,671,552	142,731,214

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

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

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2014: 14 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

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

	2015 RM	2014 RM
Neither past due nor impaired	22,323,630	23,970,366
1 to 30 days past due not impaired	10,780,202	8,307,368
31 to 60 days past due not impaired	1,911,129	1,569,356
61 to 90 days past due not impaired	19,872	319,474
91 to 120 days past due not impaired	91,198	108,804
More than 120 days past due not impaired	31,878	36,448
	12,834,279	10,341,450
Impaired	33,617	212,762
	<u>35,191,526</u>	<u>34,524,578</u>

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

The Company has trade receivables amounting to RM12,834,279 (2014: RM10,341,450) that are past due at the reporting date but not impaired.

At the reporting date, trade receivables arising from export sales amounting to RM570,390 (2014: RM1,077,607) have been arranged to be settled via letters of credit issued by reputable banks in countries where the customers are based. Trade receivables that are secured by bank guarantee amounted to RM716,031 (2014: RM444,690) at the reporting date. The remaining balance of receivables that are past due but not impaired are unsecured in nature.

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

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

(a) Trade receivables (cont'd.)

Receivables that are impaired

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

	Individually impaired	
	2015	2014
	RM	RM
Trade receivables - nominal amounts	33,617	212,762
Less: Allowance for impairment	(33,617)	(212,762)
	-	-
	-	-

Movement in allowance accounts:

	2015	2014
	RM	RM
At 1 April 2014/2013	212,762	147,878
Impairment loss (Note 8)	33,617	64,884
Reversal of impairment loss (Note 8)	(48,959)	-
Written off	(163,803)	-
	33,617	212,762
	33,617	212,762

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

(b) Staff loans

Other receivables that are impaired

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

	Individually impaired	
	2015	2014
	RM	RM
Other receivables - nominal amounts	8,373	8,373
Less: Allowance for impairment	(8,373)	(8,373)
	-	-
	-	-

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

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

(b) Staff loans (cont'd.)

Other receivables that are impaired (cont'd)

Movement in allowance accounts:

	2015 RM	2014 RM
At 1 April 2013/2014 and 31 March	8,373	8,373

At the reporting date, the Company has provided an allowance of RM8,373 (2014: RM8,373) for impairment of the unsecured staff loan with a nominal amount of RM8,373 (2014: RM8,373).

Staff loans are unsecured, bear interest at 2.5% p.a. (2014: 2.5% p.a.) or non-interest bearing. Non-current amounts have an average maturity of 2.37 years (2014: 2.28 years). The loans are recognised initially at fair value. The difference between the fair value and the nominal loan amount represents payment for services to be rendered during the period of the loan and is recorded as part of operating expenses.

(c) Related party balances

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

17. DERIVATIVES

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

	Forward foreign exchange contracts RM	Notional Amount RM
As at 31 March 2015:		
Derivative assets	5,672	1,689,322
Derivative liabilities	(311,483)	10,912,573
As at 31 March 2014:		
Derivative assets	161,188	17,035,338
Derivative liabilities	(75,022)	4,884,167

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

Forward currency contracts are used to hedge the Company's sales and purchases of raw materials denominated in United States Dollar ("USD") and Singapore Dollar ("SGD") for which firm commitments existed at the reporting date, extending to June 2015.

During the financial year, the Company recognised a loss of RM391,977 (2014: gain of RM146,214) arising from fair value changes of these derivatives. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

18. CASH AND CASH EQUIVALENTS

	2015 RM	2014 RM
Cash at banks and on hand	7,704,237	14,499,922
Deposits with licensed banks	115,420,087	90,910,644
	123,124,324	105,410,566

The interest rates relating to deposits with licensed banks at the reporting date vary from 2.05% to 3.80% (2014: 2.05% to 3.10%) per annum.

The maturities of the deposits with licensed banks as at the reporting date vary from 4 days to 90 days (2014: 4 days to 90 days).

19. 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% (2014: 6% and 10%) on aggregate basic salaries of eligible staff and the number of completed years of service.

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

	2015 RM	2014 RM
Present value of defined benefit obligations, representing net liability	8,732,343	7,185,757
Analysed as:		
Within the next 12 months	501,271	126,889
Beyond 1 year	8,231,072	7,058,868
	8,732,343	7,185,757

2015 changes in the defined obligation and fair value of plan assets are as follows:

	Defined benefit obligation RM	Fair value of plan asset RM	Total RM
At 1 April 2014	9,532,822	(2,347,065)	7,185,757
Service cost	890,682	-	890,682
Net interest	594,401	(148,076)	446,325
	1,485,083	(148,076)	1,337,007
Retirement benefit cost charged to profit or loss (Note 6)	(481,302)	52,534	(428,768)
Net benefits (paid)/received	1,045,231	102,006	1,147,237
Actuarial loss recognised in other comprehensive income	-	(508,890)	(508,890)
Contributions by the Company	11,581,834	(2,849,491)	8,732,343
At 31 March 2015	11,581,834	(2,849,491)	8,732,343

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

2014 changes in the defined obligation and fair value of plan assets are as follows:

	Defined benefit obligation RM	Fair value of plan asset RM	Total RM
At 1 April 2013	8,354,329	(1,826,399)	6,527,930
Service cost	1,128,737	-	1,128,737
Net interest	468,327	-	468,327
Retirement benefit cost charged to profit or loss (Note 6)	1,597,064	-	1,597,064
Net benefits (paid)/received	(418,571)	116,426	(302,145)
Contributions by the Company	-	(637,092)	(637,092)
At 31 March 2014	9,532,822	(2,347,065)	7,185,757

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

	2015 %	2014 %
Discount rate	5.75	5.75
Salary increment rate	5.00	5.00

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

	Increase/ (decrease)	2015 RM	Increase/ (decrease)	2014 RM
Discount rate	+1%	(879,528)	+1%	(843,226)
	-1%	1,003,985	-1%	965,356
Salary increment rate	+1%	300,901	+1%	251,146
	-1%	(275,614)	-1%	(230,414)

20. TRADE AND OTHER PAYABLES

	2015 RM	2014 RM
Trade Payables		
Third parties	7,342,108	5,454,629
Amounts due to related companies	16,285,467	10,912,395
	23,627,575	16,367,024
Other payables		
Accrued operating expenses	4,366,664	5,889,480
Sundry payables	10,171,093	8,633,957
Amounts due to holding company	2,307,583	1,937,211
Amounts due to related companies	112,583	667,328
	16,957,923	17,127,976

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

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

	2015 RM	2014 RM
Total trade and other payables	40,585,498	33,495,000
Total financial liabilities carried at amortised cost	40,585,498	33,495,000

(a) Trade payables

These amounts are non-interest bearing. The normal trade credit terms granted to the Company ranges from 30 to 60 days (2014: 30 to 60 days).

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 3 months (2014: average term of 3 months).

(c) Amounts due to related companies

These amounts are unsecured, non-interest bearing and have credit terms of 30 to 60 days (2014: 30 to 60 days).

21. DEFERRED TAXATION

	2015 RM	2014 RM
At 1 April 2014/2013	3,454,306	3,569,804
Recognised in statement of comprehensive income (Note 9)	334,205	(115,498)
Recognised in other comprehensive income	(286,809)	-
At 31 March	3,501,702	3,454,306
Presented after appropriate offsetting as follows:		
Deferred tax assets	(3,014,100)	(2,483,242)
Deferred tax liabilities	6,515,802	5,937,548
	3,501,702	3,454,306

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

21. DEFERRED TAXATION (CONT'D.)

Deferred tax assets of the Company:

	Retirement benefit obligations RM	Provision RM	Total RM
At 1 April 2014	1,796,440	686,802	2,483,242
Recognised in the statement of comprehensive income	239,382	4,667	244,049
Recognised in other comprehensive income	286,809	-	286,809
At 31 March 2015	2,322,631	691,469	3,014,100
At 1 April 2013	1,631,983	200,294	1,832,277
Recognised in the statement of comprehensive income	164,457	486,508	650,965
At 31 March 2014	1,796,440	686,802	2,483,242

Deferred tax liabilities of the Company:

	Revaluation reserves RM	Accelerated capital allowances RM	Total RM
At 1 April 2014	2,122,841	3,814,707	5,937,548
Recognised in the statement of comprehensive income	(42,317)	620,571	578,254
At 31 March 2015	2,080,524	4,435,278	6,515,802
At 1 April 2013	2,165,157	3,236,924	5,402,081
Recognised in the statement of comprehensive income	(42,316)	577,783	535,467
At 31 March 2014	2,122,841	3,814,707	5,937,548

22. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares of RM1 each		Amount	
	2015	2014	2015 RM	2014 RM
Authorised:				
At 1 April 2014/2013/31 March	80,000,000	80,000,000	80,000,000	80,000,000
Issued and fully paid:				
At 1 April 2014/2013/31 March	60,798,534	60,798,534	60,798,534	60,798,534

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

23. RETAINED EARNINGS

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

24. OTHER RESERVES

	Fair value reserve RM	Total RM	
At 1 April 2013	126,128	126,128	
Other comprehensive income:			
Fair value gain on investment securities	178,683	178,683	
	304,811	304,811	
At 31 March 2014			
	Fair value reserve RM	Defined benefit reserve RM	
		Total RM	
At 1 April 2014	304,811	-	304,811
Other comprehensive income:			
Fair value loss on investment securities	(178,682)	-	(178,682)
Defined benefit plan actuarial loss	-	(1,147,237)	(1,147,237)
Income tax effect	-	286,809	286,809
	126,129	(860,428)	(734,299)

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

The defined benefit reserve represent the remeasurement actuarial gains or losses of the defined benefit liability or asset.

25. COMMITMENTS

	2015 RM	2014 RM
(a) Capital commitment		
Approved but not contracted for: Property, plant and equipment	21,595,000	17,950,000

(b) Operating lease commitments – as lessor

The Company has entered into commercial lease on its long-term leasehold land. This non-cancellable lease has remaining lease term of approximately 3 years.

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

25. COMMITMENTS (CONT'D.)

(b) Operating lease commitments – as lessor (cont'd.)

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

	2015 RM	2014 RM
Not later than 1 year	777,190	777,190
Later than 1 year but not later than 5 years	518,127	1,295,317
	1,295,317	2,072,507

26. RELATED PARTY DISCLOSURES

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

	2015 RM	2014 RM
Transactions with related companies:		
Commission income	9,757	14,487
Royalties payable	(8,228,739)	(8,280,317)
Sales	66,049,326	59,237,373
Purchases	(129,016,229)	(129,435,950)
Purchases of assets	(1,027,889)	(1,746,311)
Promotional expenses	(158,663)	(470,851)
Other expenses	(615,123)	(331,447)
Shared information technology services	(1,953,125)	(1,915,663)
	(1,528,066)	(3,702,862)

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

- (b) Compensation of key management personnel

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

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of fair value

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

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

	<u>Note</u>
Trade and other receivables (excluding prepayments) (current)	16
Trade and other payables (current)	20

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

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

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

Staff loans

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

Derivatives

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

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

Level 1 - Quoted prices in active markets for identical financial instruments.

Level 2 - Inputs other than quoted prices that are included in Level 1 that are observable for the asset either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

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

	Level 1 RM	Level 2 RM	Total RM
As at 31 March 2015:			
<i>Financial assets</i>			
Available-for-sale financial assets - Investment securities	798,814	-	798,814
Derivatives	-	5,672	5,672
	798,814	5,672	804,486
 <i>Financial liabilities</i>			
Derivatives	-	311,483	311,483
	-	311,483	311,483
 As at 31 March 2014:			
<i>Financial assets</i>			
Available-for-sale financial assets - Investment securities	977,496	-	977,496
Derivatives	-	161,188	161,188
	977,496	161,188	1,138,684
 <i>Financial liabilities</i>			
Derivatives	-	75,022	75,022
	-	75,022	75,022

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

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

(a) Credit risk

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

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

Exposure to credit risk

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

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

Credit risk concentration profile

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

	2015		2014	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	15,036	43%	17,943	52%
Indonesia	5,444	15%	3,890	11%
Middle East	4,506	13%	3,222	9%
Thailand	1,914	5%	1,027	3%
Singapore	1,223	3%	1,333	4%
Japan	826	3%	399	1%
Brunei	632	2%	857	3%
Other countries	5,577	16%	5,641	17%
	35,158	100%	34,312	100%

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

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

(a) Credit risk (Cont'd.)

Credit risk concentration profile (cont'd.)

At the reporting date, approximately:

- 45% (2014: 36%) of the Company's trade receivables were due from 5 major customers.
- 31% (2014: 26%) of the Company's trade and other receivables were due from related companies.

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

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

(b) Liquidity risk

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

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

	On demand or within one year	
	2015 RM	2014 RM
Financial liabilities:		
Trade and other payables	40,585,498	33,495,000
Derivatives liabilities	311,483	75,022
	40,896,981	33,570,022

(c) Interest rate risk

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

The Company's exposure to interest rate risk arises primarily from the deposits placed with licensed financial institutions. All of the Company's financial assets are contractually re-priced at intervals of less than 6 months (2014: less than 6 months) from the reporting date.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Company's profit before tax would have been RM115,420 lower/higher, arising mainly as a result of lower/higher interest income from deposits with licensed financial institutions. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

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

(d) Foreign currency risk

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

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

Approximately 35% (2014: 32%) of the Company's sales are denominated in foreign currencies whilst almost 40% (2014: 45%) of costs are denominated in foreign currencies. The Company's trade receivables and trade payables balances at the reporting date have similar exposures.

The Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances in USD and SGD amounted to RM4,562,753 (2014: RM5,633,024).

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

At 31 March 2015, the Company hedged 95% (2014: 93%) and 84% (2014: 71%) of its foreign currency denominated sales and purchases of raw materials respectively for which firm commitments existed at the reporting date, extending to June 2015.

Sensitivity analysis for foreign currency risk

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

	2015 RM'000 Profit net tax	2014 RM'000 Profit net tax
USD/RM - strengthened 4% (2014: 4%)	147	187
- weakened 4% (2014: 4%)	(147)	(187)
JPY/RM - strengthened 4% (2014: 4%)	(34)	(19)
- weakened 4% (2014: 4%)	34	19
SGD/RM - strengthened 4% (2014: 4%)	50	67
- weakened 4% (2014: 4%)	(50)	(67)
EUR/RM - strengthened 4% (2014: 4%)	(7)	-
- weakened 4% (2014: 4%)	7	-

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

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

(e) Market price risk

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

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

Sensitivity analysis for equity price risk

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

29. CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2015 and 31 March 2014.

30. SEGMENTAL INFORMATION

(a) Business segment

The Company is primarily engaged in two major areas of activities, umami segment and food and seasoning segment. Umami segment comprises products that are derived from the fermentation process such as Monosodium Glutamate (MSG) and related products. The food and seasoning segment consists of products derived from the extraction and mixing process such as industrial seasonings, tumix and related seasonings. Other segment consists of products sold by the Company include trading goods such as industrial sweetener, frozen food and provision of services in relation to food industry.

	Umami segment RM	Food and seasoning segment RM	Others RM	Total RM
At 31 March 2015				
Revenue	233,772,467	104,347,432	2,256,037	340,375,936
Results				
Segment profit	30,621,953	5,820,146	720,798	37,162,897
Interest income				3,433,560
Profit before tax				40,596,457
Income tax expense				(10,863,078)
Profit net of tax				29,733,379

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

30. SEGMENTAL INFORMATION (CONT'D.)

(a) Business segment (cont'd.)

	Umami segment RM	Food and seasoning segment RM	Others RM	Total RM
At 31 March 2014				
Revenue	241,118,313	103,670,286	562,318	345,350,917
Results				
Segment profit	22,948,149	12,073,990	10,354	35,032,493
Interest income				2,563,660
Profit before tax				37,596,153
Income tax expense				(9,554,980)
Profit net of tax				28,041,173
At 31 March 2015				
Assets				
Segment assets	245,639,275	83,745,165	3,561,104	332,945,544
Total assets				332,945,544
Liabilities				
Segment liabilities	36,854,989	12,499,693	274,642	49,629,324
Provision for taxation				292,023
Deferred tax liabilities				3,501,702
Total liabilities				53,423,049
Other segment information				
Capital expenditure	8,822,737	4,208,497	-	13,031,234
Depreciation	7,194,672	3,431,900	-	10,626,572

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

30. SEGMENTAL INFORMATION (CONT'D.)

(a) Business segment (cont'd.)

	Umami segment RM	Food and seasoning segment RM	Others RM	Total RM
At 31 March 2014				
Assets				
Segment assets	242,078,666	59,242,213	6,698,232	308,019,111
Total assets				308,019,111
Liabilities				
Segment liabilities	28,112,425	12,623,026	20,328	40,755,779
Provision for taxation				1,733,071
Deferred tax liabilities				3,454,306
Total liabilities				45,943,156
Other segment information				
Capital expenditure	6,219,298	5,440,972	-	11,660,270
Depreciation	6,230,831	3,967,762	-	10,198,593

(b) Geographical segment

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

	Malaysia RM	Middle East RM	Other Asian Countries RM	Others RM	Total RM
Revenue					
2015	220,576,214	41,514,351	74,301,223	3,984,148	340,375,936
2014	232,619,914	37,382,653	69,579,497	5,768,853	345,350,917

Notes to the Financial Statements

For the financial year ended 31 March 2015 (cont'd.)

31. Supplementary information

The breakdown of the retained earnings of the Company as at 31 March 2015 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2011 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	2015	2014
	RM	RM
Total retained earnings of the Company		
- realised	218,214,226	200,419,475
- unrealised	(3,059,666)	(3,750,565)
Retained earnings as per financial statements	<u>215,154,560</u>	<u>196,668,910</u>

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

LIST OF PROPERTIES AS AT 31 MARCH 2015

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)	39 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)	50 years	19,907,193
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)	45 years	7,925,127
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Mining pool	304,920 sq. ft.	Leasehold expiring on 2062	1984 (Revaluation)	50 years	1,799,935
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Factory complex	85,568 sq. ft.	Leasehold expiring on 15.3.2073	1992	23 years	2,138,837
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	23 years	209,660
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	10 years	2,657,869
Land and buildings Lot 58602, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	39,400 sq. mtr.	Leasehold expiring on 26.05.2108	2008	30-48 years	17,739,569

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Fourth ("54th") Annual General Meeting ("AGM") of the Company will be held at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Monday, 28 September 2015 at 11:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2015 together with the Reports of the Directors and the Auditors thereon. (Please refer to the Notes to the Notice of 54th AGM No. 7)
2. To declare a first and final dividend of 20.0 sen per ordinary share of RM1.00 each for the financial year ended 31 March 2015. (Resolution 1)
3. To approve the payment of Directors' fees for the financial year ended 31 March 2015. (Resolution 2)
4. To pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965 :-

"That General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) who is retiring at the conclusion of this Annual General Meeting ("AGM") pursuant to Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next AGM." (Resolution 3)
5. To re-elect the following Directors who are retiring in accordance with Article 114 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
 - (a) Tan Sri Dato' (Dr) Teo Chiang Liang; (Resolution 4)
 - (b) Encik Kamarudin Bin Rasid; and (Resolution 5)
 - (c) Mr. Dominic Aw Kian-Wee. (Resolution 6)
6. To re-elect the following Directors who are retiring in accordance with Article 120 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
 - (a) Mr. Keiji Kaneko; and (Resolution 7)
 - (b) Dr. Masata Mitsuiki. (Resolution 8)
7. To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. (Resolution 9)

As Special Business

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

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

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

Notice of Annual General Meeting (cont'd.)

9. **ORDINARY RESOLUTION NO. 2:
- PROPOSED RENEWAL OF EXISTING SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE** (Resolution 11)
- "That subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Proposed Renewal of Existing Shareholder Mandate for the Company to enter into and to give effect to the category of the recurrent transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 2.3 of the Circular to Shareholders dated 27 August 2015, provided that such transactions are:-
- (i) recurrent transactions of a revenue or trading nature;
 - (ii) necessary for the Company's day-to-day operations;
 - (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
 - (iv) not to the detriment of minority shareholders,
- (the "**Mandate**");
- AND THAT** such authority shall commence upon the passing of this resolution and shall continue to be in force until:-
- (i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the next Annual General Meeting, the authority is renewed;
 - (ii) the expiration of the period within which the next Annual General Meeting after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
 - (iii) revoked or varied by resolution passed by the shareholders in a general meeting; whichever is the earlier;
- AND FURTHER THAT** the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Mandate."
10. **ORDINARY RESOLUTION NO. 3
- APPROVAL TO CONTINUE IN OFFICE AS INDEPENDENT DIRECTOR** (Resolution 12)
- "**THAT** General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) who has served the Board as an Independent Director of the Company for a cumulative term of more than nine years since 5 September 1995 be and is hereby retained as an Independent Director of the Company."
11. **ORDINARY RESOLUTION NO. 4
- APPROVAL TO CONTINUE IN OFFICE AS INDEPENDENT DIRECTOR** (Resolution 13)
- "**THAT** Tan Sri Dato' (Dr) Teo Chiang Liang who has served the Board as an Independent Director of the Company for a cumulative term of more than nine years since 28 June 2001 be and is hereby retained as an Independent Director of the Company."
12. To transact any other ordinary business of which due notice shall have been given.

Notice of Annual General Meeting (cont'd.)

NOTICE OF BOOK CLOSURE

NOTICE IS ALSO HEREBY GIVEN that a first and final dividend of 20.0 sen per ordinary share of RM1.00 each for the financial year ended 31 March 2015 will be payable on 21 October 2015 to depositors whose names appear in the Record of Depositors at the close of business on 5 October 2015 if approved by the members at the 54th AGM.

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

- (a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 5 October 2015 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 : 28 August 2015

Explanatory Notes to Special Business: -

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

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 132D of the Companies Act, 1965 at the 54th AGM of the Company (hereinafter referred to as the "**General Mandate**").

The Company had been granted a general mandate by its shareholders at the 53rd AGM of the Company held on 29 September 2014 (hereinafter referred to as the "**Previous Mandate**").

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

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

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

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

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

Please refer to the Circular to Shareholders dated 28 August 2015 for more information.

Notice of Annual General Meeting (cont'd.)

3. Approval to Continue in Office as Independent Director

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

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

- (a) Tan Sri Hashim has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("**MainLR**")
 - is not an executive director of the Company or any related corporation of the Company (each corporation is referred to as "**said Corporation**");
 - has not been within the last 2 years and is not an officer (except as a non-executive director) of the said Corporation ["**officer**" includes a director, secretary, employee, receiver who is also a manager not appointed by the Court, and liquidator not appointed by the Court or creditors];
 - is not a major shareholder of the said Corporation;
 - is not a family member of any executive director, officer or major shareholder of the said Corporation;
 - is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
 - has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange; or
 - has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
- (b) Tan Sri Hashim has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interests of the Company;
- (c) Tan Sri Hashim has no potential conflict of interest, whether business or non-business related with the Company;
- (d) Tan Sri Hashim has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Managing Director/Chief Executive Officer and Executive Directors, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director; and
- (e) Tan Sri Hashim does not derive any remuneration and other benefits apart from Directors' fees that are approved by shareholders.

(ii) Tan Sri Dato' (Dr) Teo Chiang Liang

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

- (a) Tan Sri Teo has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("**MainLR**")
 - is not an executive director of the Company or any related corporation of the Company (each corporation is referred to as "**said Corporation**");
 - has not been within the last 2 years and is not an officer (except as a non-executive director) of the said Corporation ["**officer**" includes a director, secretary, employee, receiver who is also a manager not appointed by the Court, and liquidator not appointed by the Court or creditors];
 - is not a major shareholder of the said Corporation;

Notice of Annual General Meeting (cont'd.)

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

Notes to the Notice of the 54th AGM:-

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 21 September 2015 shall be eligible to attend the Meeting.
2. A member/shareholder entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member/shareholder at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member/shareholder to speak at the Meeting.
3. A member/shareholder entitled to attend and vote at the Meeting is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member/shareholder of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 need not be complied with. Where a member/shareholder appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. Only one (1) of the proxies is entitled to vote on a show of hands.
4. The instrument appointing proxy shall be in print or writing under the hand of the member/shareholder or his duly constituted attorney, or in the case of a corporate member/shareholder, under its common seal or under the hand of its officer or attorney duly authorised.
5. Where a member/shareholder is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy must be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, not less than forty-eight (48) hours before the time fixed for holding the meeting or at any adjournment thereof.
7. This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

CORPORATE RESPONSIBILITY REPORT

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



FOOD & NUTRITION



COMMUNITY ACTIVITY

HUMAN RESOURCE DEVELOPMENT



ENVIRONMENT

COLLABORATION WITH MINISTRY OF HEALTH ON LOW SODIUM DIET EDUCATIONAL ACTIVITY

Table salt is essential and widely used in cooking for food to taste better with a sensational flavour. Despite table salt is unavoidable to any food lovers who crave for tasty cuisines, one shall always beware of the consequences of excessive consumption such as hypertension, a non-communicable diseases (NCD), that can lead to stroke or heart disease.

The Ministry of Health Malaysia's data indicates that the average salt intake of Malaysians is increasing. Estimated an average of 8.7 grams of salt being consumed by public per day compared to 5 grams per day which recommended by World Health Organization (WHO).



In view of this critical situation, Ajinomoto (Malaysia) Berhad collaborated with the Nutrition Division of MOH Malaysia to organise a talk related to salt reduction strategies in May 2014. Among the attendants were nutritionists and officers from the MOH. The talk was delivered by Dr. Gary K. Beauchamp from Monash University in United States of America and he shared the strategies of salt reduction

including the recommendation of applying the 5th basic taste – Umami.

Taking the campaign to the next level was an educational programme on low sodium diet to the state nutritionists and MOH officers which held in Kuala Langat and Kuala Lumpur. A lecturer from local university and a professional chef were invited as the speakers in this programme.



COMMUNICATING THE ROLE OF UMAMI TASTE IN HEALTHY LIVING WITH THE KEY OPINION LEADERS

We can make changes to our lifestyle via diet to engage healthy living. Apparently, a number of researches found out that Umami taste contributes in maintaining a healthy living such as improving diet and nutrient intake of the elderlies and its function as a substitute for low salt diet without compromising to taste.

To nurture such awareness, Ajinomoto (Malaysia) Berhad continued its effort to conduct series of scientific conferences and exhibitions throughout the year. We collaborated with the Nutrition Society of Malaysia, Malaysian Dietitians' Association of Malaysia, National Heart Institute Malaysia, Asia Pacific Clinical Nutrition Society and University Putra Malaysia in these educational programs.

The Umami concept and its benefits towards healthy living were widespread to more than 1,200 opinion leaders including nutritionists, dietitians, medical doctors and food scientists.

UNLOCKING SECRETS OF THE FIFTH BASIC TASTE - UMAMI IN THE GASTRONOMIC WORLD



Rounds of modern research had revealed that Umami taste can enhance flavour of any dish to pamper taste buds to the fullest. Ajinomoto (Malaysia) Berhad is eager to share this great discovery with Malaysian professional chefs in the world of gastronomy.

More than 80 professional chefs from hotels, restaurants and hospitals were invited to participate in a culinary workshop, 'Unlocking Secrets of the Fifth Basic Taste – Umami' which was held at Ajinomoto's D' Umami Station.

To instill the concept of Umami amongst the attendants, detailed briefing, food sensory test, video clip presentation and quiz session were conducted during this event. The attendants were also given the opportunities to visit Ajinomoto's exhibition centre - 1909 Infoseum to further explore the role of Umami in gastronomic world.

Ajinomoto's efforts to reveal the benefits and wonders of Umami also involved series of advertorial published on printed media such as culinary magazines and local newspapers. Readers including professional chefs were exposed to detailed Umami information as well as exclusive recipes.



"EAT WELL, LIVE WELL." NUTRITION AND HEALTHY LIVING EDUCATIONAL ACTIVITY TO GENERAL PUBLIC



Ajinomoto (Malaysia) Berhad is keen to remind and educate the public the importance of healthy living with healthy diet. Rounds of educational programme such as school project, homemaker educational project and Ajinomoto 1909 Infoseum educational visit were taken place to share the value of Umami and its benefits to the general public.

"Eat Well, Live Well." is the fundamental message to pass on during all these educational projects. In order to foster constructive communication and further demonstrate our commitment in enlightening community with the knowledge of "Eat Well, Live Well.", activities like Umami applications cooking demonstration, food sampling & tasting, quiz and Umami taste discovery session were conducted to all the audiences, from secondary school students, homemakers to authorised officers.

COMMUNITY ACTIVITY



MAXIMISING CORPORATE RESPONSIBILITY VIA PRODUCT AND SOCIAL CONTRIBUTION

Monsoon seasons in Malaysia have been notorious for flood occurrence especially along East Coast of Peninsular Malaysia by year end. Ajinomoto (Malaysia) Berhad had nevertheless served its social responsibility by giving immediate flood aids to flood victims at the affected areas.

The aid for disaster relief was carried out under collaboration with Malaysia Red Crescent and Yayasan Salam Malaysia. Over 200,000 people were evacuated to Relief Centres, and this caused a huge strain on resources, particularly the need to provide not just food but properly-cooked meals to the evacuees.

Ajinomoto (Malaysia) Berhad realised the need for a product that would save the food preparation teams a lot of time, efforts and resources to provide proper, nutritious, and tasty cooked meals to the victims in this situation. Hence, 3,000 cartons of TUMIX® Gravy Enhancer, worth over RM140,000 were donated through Malaysia Red Crescent for use at the Flood Evacuation Relief Centres.

During another round of flood aid, old clothes in good condition collected from Ajinomoto (Malaysia) Berhad's staff during the Mottainai campaign were donated to the flood victims through Yayasan Salam Malaysia.



Ajinomoto (Malaysia) Berhad also looked into many ways to extend its charitable efforts and has been donating products to support local community activities. As we believe nobody should be left out in the community development process, the poor and the needy have been our focus to funnel assistances. Throughout the year, we cooperated with media, universities and various other non-governmental/ non-profit organisations.

On top of the help given to the needy, Ajinomoto (Malaysia) Berhad proactively took the initiatives to contribute on patronships with reputable and reliable non-profit organisations. We engaged with the Junior Chamber International (JCI) of Kuala Lumpur as patron to leverage resources in order to support the unfortunate community.



**HAND IN HAND ENGAGING THE LESS FORTUNATE
YOUNG FUTURE LEADERS**



The Ajinomoto Group's initiatives in "Ajinomoto Shared Value" (ASV) revolve around "creating values that promote social progress which in return creating our economic values". The efforts started with lending a helping hand to the less fortunate young future leaders. A Malay proverb manifested that "personal value should be nurtured from young as if bending a bamboo shoot". Ajinomoto (Malaysia) Berhad initiated a 12-month living skill development programme to help these children.

Throughout the programme, youngsters with a less fortunate family background were given culinary training to develop their cooking skills into a living skill. A graduation event was held to assess the learned skills and at the same time to fulfill the fundamental aim of the programme which is to turn their cooking skills into a living skill in a charitable fund-raising campaign. After the campaign, graduates gained self-confidence having to know that their new-learnt skills would help them earn a living.

Ajinomoto (Malaysia) Berhad heralded a brand new age in which community involvement and partnerships are becoming increasingly indispensable. With education's priority goes to shaping the prospect of future leaders, we worked hand in hand with different NGOs and media such as 'Dignity for Children Foundation' and Sin Chew Daily to organise different Edutainment tours. Underprivileged children were given exposure and opportunity to broaden their knowledge on Umami, food and nutrition as well as their cooking skills.

HUMAN RESOURCE DEVELOPMENT



PERSONNEL DEVELOPMENT TO ENSURE CORPORATE GROWTH

Everyone in a company plays a crucial part to make every success a real achievement. That is how Ajinomoto (Malaysia) Berhad values personal growth. In order to assure personal growth that expedites company's success, numerous trainings were conducted.

On-boarding Programme had been conducted to facilitate newcomers with adequate knowledge of company philosophy as well as codes of ethics. This is to ensure every member under the same roof adapted to corporate culture. On the contrary, Sales Mastery Trainings were given to the sales personnel of the Company to further develop their sales skill with motivation for a stronger market penetration.

Besides that, Ajinomoto (Malaysia) Berhad also organised Specialty Culinary Training for our Internal Culinary Committees as part of the initiatives instilled in the Internal Ambassador Development Programme. Selected participants were trained to pick up or sharpen their cooking skills to become culinary experts who are knowledgeable in Ajinomoto Products' applications and able to prepare tantalising food with the skill of recipe standardisation and portion-cost calculation.



Being the top management of the company, skills to understand staff and the public in depth is fundamentally crucial in order to facilitate effective communication for smooth corporate governance which leads to constant corporate success. Thus, training was arranged for all the directors in which they learned the way to read non-verbal gestures, to detect deception and analyse truth.

To further promote accountability in corporate governance, Fraud Prevention Talks were arranged at companywide for all staff in order to shape their intellectual knowledge to avoid misconducts which result in fraud incident. Aimed at creating awareness to address fraud issues, participants were exposed to extensive prevention procedures.



HEALTH AND SAFETY PRECAUTIONS IN A RESILIENT WORKING ENVIRONMENT

Ajinomoto (Malaysia) Berhad's reputation counts upon the safety and quality of product, and people. We take health and safety into serious account with emphasis goes to food safety, community health as well as a safe working environment.

To comply with food safety qualities, seminars on Food Safety Management System had successfully drawn expertise of the Company to excel to the next level. Also in the arrangement pipeline was the Food Handling Training which provides extensive knowledge for all related staff to know more about hygienic food preparation.

On the other hand, safety precautions were listed as one of the main concerns as well. Safety guidelines to cultivate a worry-free working environment are of Ajinomoto (Malaysia) Berhad's utmost concern. Several workshops were designed and arranged throughout the year to equip staff with sufficient knowledge on safety guidelines. During the workshops, topics were raised to discuss on accident prevention, work safety awareness, as well relevant First Aid treatments to cope every emergency.

In order to further enhance precaution and upkeep awareness, Ajinomoto (Malaysia) Berhad also participated in the OSH Conference 2014 which was organised by Federation of Malaysian Manufacturers for the good cause of occupational safety and health to prevent serious injuries at the workplace.

ACCOLADES GIVEN TO RECOGNISE AND HONOUR EXCELLENT ACADEMIC PERFORMANCES



Ajinomoto (Malaysia) Berhad certainly values young shoots as the future pillars for national development. This year, we increased the number of awards to recognise the best students who attained the most excellent result.

During prize giving ceremonies, the best students were given academic awards as encouragement by Ajinomoto (Malaysia) Berhad and honours were bestowed as recognition upon their outstanding academic achievement.

ENVIRONMENT

BEEFING UP
STAFF INITIATIVES
TO CONTINUE
ENVIRONMENTAL
PROTECTION



Being a responsible corporate citizen, Ajinomoto (Malaysia) Berhad took up its corporate responsibilities to encourage all fellow staff actively participate in various kinds of environmental conservative programme.

This year, once again we continued the initiative to organise the annual 'Clean Up Our Earth Together Day' environment conservation activity with collaborative participation from our neighbouring company, Malaysia Packaging Industry Berhad (MPIB) and the total participants hit more than 210 headcount.

Waste management is another area that Ajinomoto (Malaysia) Berhad proactively focused. This is the 3rd year we conducted "Love Food, Hate Waste" campaign. The campaign emphasised on the segregation and management of food waste resulted from all offices.

To raise the awareness towards the importance of food waste reduction, an education exhibition, "The Impact of Food Waste towards Extreme El Niño & La Niña Event" was held for a month. Later, a food waste segregation and management campaign at office areas was implemented and recorded significant achievement.

LOVE FOOD HATE WASTE PART III
WASTE NO FOOD
(FEB 2015 – MAR 2015)

"ECO-ACTION: LOVE FOOD, HATE WASTE" campaign is back!!!

As we all aware, food waste has been a major problem in many countries especially developed countries. Recent researches show that food waste has brought significant impact to the climate. Thus, prevention and management of food waste is very important to avoid the situation from getting worst. In view of that, this year apart from sharing the impact of food waste towards global climate system, we will also look into the way to improve the food management at the shared food storage area in the company premises as one of the efforts to reduce food waste.

STAGE 1 – ECO-AWARENESS: AWARENESS & EDUCATION ON THE IMPACT OF FOOD WASTE TOWARDS EXTREME EL NIÑO & LA NIÑA EVENTS (FEB 2015)
Introduction of El Niño & La Niña and share the impact of food waste towards the extreme El Niño & La Niña events

STAGE 2 – ECO-IDEA: INTER DEPARTMENTAL FOOD STORAGE & FOOD WASTE HANDLING IDEAS CONTRIBUTION CAMPAIGN (FEB 2015)
A company-wide campaign where all departments will contribute ideas to improve food storage in the shared area such as pantry and food waste handling practices together

STAGE 3 – ECO-ACTION: FOOD STORAGE / FOOD WASTE HANDLING IDEA IMPLEMENTATION (MARCH 2015)
The best Eco-Ideas will be selected and implemented throughout the company to overcome the current food waste / food storage issue

EMAS BIRTH: ECO-ACTION 222014

Food Waste Segregation & Management Result

ITEM	BEFORE SEGREGATION & MANAGEMENT CAMPAIGN	AFTER SEGREGATION & MANAGEMENT CAMPAIGN	RESULT
Food waste collection through segregation	± 79kg	± 220kg	↑ 178%
Fertilizers production	± 74kg	± 160kg	↑ 116%

The environmental preservation efforts carried out by Ajinomoto (Malaysia) Berhad achieved significant improvement over the years. Following the warm welcoming responses from the participants who are a role model to their loved ones in daily life, the Company believes that with collective contribution, we can make bigger effort to preserve environment.



STATEMENT ON 2014 ENVIRONMENTAL PERFORMANCE

Ajinomoto (Malaysia) Berhad had established 2014–2016 Mid-Term Plan and continued to strengthen its effort towards preserving the surrounding environment to ensure business sustainability and good engagement with the society. As part of the FY2014–2016 Mid-Term Management Plan, the Group introduced the “Ajinomoto Group Creating Shared Value” initiative (“ASV”), which is based on its existing CSR policy. The new initiative calls for making more specific contributions and mandates Group-wide efforts including setting numerical targets and specifying social value to be created by all divisions. Ajinomoto (Malaysia) Berhad business operation were kept align to our Group Philosophy which strictly demands harmony with the global environment and social sustainability.

In this Mid-Term Plan, Ajinomoto (Malaysia) Berhad enlisted a number of activities to ensure full compliance with all related requirements imposed under Malaysian Environmental Quality Act through effective operation control and proactive improvement initiatives contributing by our entire workforce. We continued to improve competence of our relevant workforce in areas of concern to ensure timely and effective action been taken at all time.

In 2014, we continued to implement planned programmes and activities in order to protect our environment by focusing on reduction of emission, reduction of waste water discharge, and reduction of solid and toxic waste generation. As a result, we managed to reduce around 5% steam consumption in AJI-NO-MOTO® Umami Seasoning production line which directly reduced the CO₂ emission. We were also able to reduce the total fuel oil usage by improving the burning process in the steam production which not only avoided emission but also contributed for business profit. Besides that, our Energy Saving Team had also taken many continuous efforts to reduce water and electricity consumption in 2014. We also continued solid waste reduction activities through effective 4R (Reduce, Reuse, Recycle and Recovery) procedures.

As rapid urbanisation taking place around our plant in the past 10 years, Ajinomoto (Malaysia) Berhad had also implemented strategies to manage odour emission from our Food & Seasonings Production plant and Waste Water Treatment plant operations since 2014. A complete study to evaluate the types of odour and effective medium of removal was carried out. The management had allocated budget around RM 2 million in 2014–2016 Mid-Term Plan to install odour treatment facilities. We had started to install some facilities from the 2nd half of 2014 and expected to continue in 2015. A complete review will be done in 2015 to evaluate the efficiency of the odour treatment facilities after installation.

In order to conduct these activities effectively, Ajinomoto (Malaysia) Berhad made use the environmental management systems in organising and driving members' contribution. We integrated the environmental management systems with other management systems to make continuous improvements. We engaged in systematic education and awareness-raising activities so that each member understands his or her role and required competence, and this understanding led to concrete action.

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Form Of Proxy

AJINOMOTO®

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

CDS Account No.

Number of ordinary shares held

*I/We (full name), _____

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

of (full address) _____

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

First Proxy "A"

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

and/or failing *him/her,

Second Proxy "B"

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

100%

or failing *him/her, the *Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Fifty-Fourth Annual General Meeting of the Company to be held at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Monday, 28 September 2015 at 11:00 a.m. and at any adjournment thereof.

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

No.	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2015 together with the Reports of the Directors and the Auditors thereon.			
2.	To declare a first and final dividend of 20.0 sen per ordinary share of RM1.00 each for the financial year ended 31 March 2015.	1		
3.	To approve the payment of Directors' fees for the financial year ended 31 March 2015.	2		
4.	To re-appoint General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) who is retiring pursuant to Section 129(2) of the Companies Act, 1965, and being eligible, has offered himself for re-appointment.	3		
5.	To re-elect Tan Sri Dato' (Dr) Teo Chiang Liang who is retiring in accordance with Article 114 of the Company's Articles of Association and being eligible, has offered himself for re-election.	4		
6.	To re-elect Encik Kamarudin Bin Rasid who is retiring in accordance with Article 114 of the Company's Articles of Association and being eligible, has offered himself for re-election.	5		
7.	To re-elect Mr. Dominic Aw Kian-Wee who is retiring in accordance with Article 114 of the Company's Articles of Association and being eligible, has offered himself for re-election.	6		
8.	To re-elect Mr. Keiji Kaneko who is retiring in accordance with Article 120 of the Company's Articles of Association and being eligible, has offered himself for re-election.	7		
9.	To re-elect Dr. Masata Mitsuiki who is retiring in accordance with Article 120 of the Company's Articles of Association and being eligible, has offered himself for re-election.	8		
10.	To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	9		
Special Business				
11.	Ordinary Resolution No. 1: Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965	10		
12.	Ordinary Resolution No. 2: Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	11		
13.	Ordinary Resolution No. 3: Approval to Continue in Office as Independent Non-Executive Director - General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd)	12		
14.	Ordinary Resolution No. 4: Approval to Continue in Office as Independent Non-Executive Director - Tan Sri Dato' (Dr) Teo Chiang Liang	13		

As witness my/our hand(s) this day _____ of _____ 2015.

*Signature/Common Seal of Shareholder

*Strike out whichever not applicable

Notes :-

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 21 September 2015 ("**General Meeting Record of Depositors**") shall be eligible to attend the Meeting.
2. A member/shareholder entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member/shareholder at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member/shareholder to speak at the Meeting.
3. A member/shareholder entitled to attend and vote at the Meeting is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member/shareholder of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 need not be complied with. Where a member/shareholder appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. Only one (1) of the proxies is entitled to vote on a show of hands.
4. The instrument appointing proxy shall be in print or writing under the hand of the member/shareholder or his duly constituted attorney, or in the case of a corporate member/shareholder, under its common seal or under the hand of its officer or attorney duly authorised.
5. Where a member/shareholder is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy must be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, not less than forty-eight (48) hours before the time fixed for holding the meeting or at any adjournment thereof.

Fold Here

Form Of Proxy

Stamp

The Company Secretary
AJINOMOTO (MALAYSIA) BERHAD (4295-W)
c/o Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara, Damansara Heights,
50490, Kuala Lumpur, Wilayah Persekutuan.

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