

Eat Well, Live Well.

**Aij**

**AJINOMOTO®**

**AJINOMOTO (MALAYSIA) BERHAD**

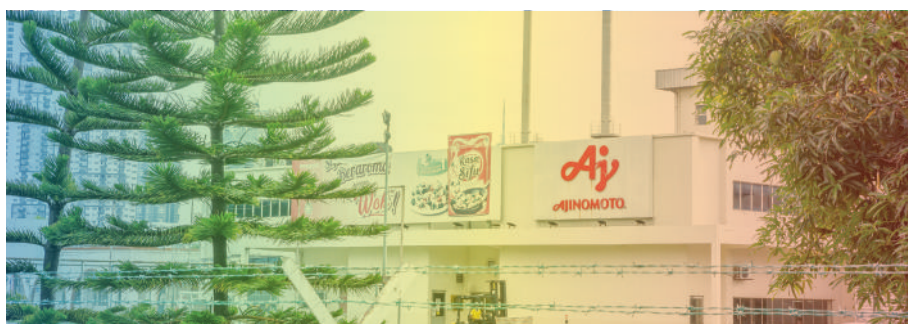
Registration No: 196101000252 (4295-W)



**ANNUAL REPORT 2022**

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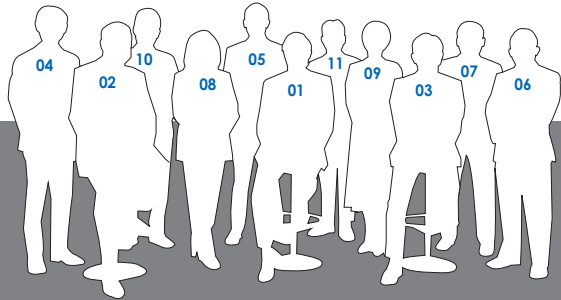
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Form of Proxy



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# CORPORATE INFORMATION



## DIRECTORS

- 01 Tan Sri Dato' (Dr.) Teo Chiang Liang (Chairman)
- 02 Koay Kah Ee
- 03 Tomoharu Abe (Managing Director / Chief Executive Officer)

- 04 Shunsuke Sasaki (Chief Finance Officer)
- 05 Dominic Aw Kian-Wee
- 06 Kamarudin bin Rasid
- 07 Azhan bin Mohamed

- 08 Norani Binti Sulaiman
- 09 Noriko Fujimoto
- 10 Takahiro Sato
- 11 Cheong Heng Choy

## CORPORATE INFORMATION (cont'd.)

### **BANKERS**

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

### **AUDITORS**

KPMG PLT

### **SOLICITORS**

Lee, Ling & Partners

### **SECRETARIES**

Chua Siew Chuan  
(MAICSA 0777689)  
SSM PC No. 201908002648

Yeow Sze Min  
(MAICSA 7065735)  
SSM PC No. 201908003120

### **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 / 603-2095 0292

### **STOCK EXCHANGE LISTING**

Main Market of the Bursa Malaysia Securities  
Berhad

# MANAGEMENT DISCUSSION & ANALYSIS

## Our Business

### History & Milestone

Ajinomoto (Malaysia) Berhad ("the Company") was established in 1961 as distributor of AJI-NO-MOTO® monosodium glutamate ("MSG") for Ajinomoto Co., Inc., Japan. In 1965, the Company commenced production of MSG at its current factory under the AJI-NO-MOTO® brand.

The Company is one of the very first Japanese companies to be set up in Malaysia and has since established itself as a responsible and reputable food manufacturer and distributor for a variety of food seasoning products that is trusted by consumers for decades.

In 1965, the Company was recognised and approved as a Halal Food Manufacturer by the Department of Islamic Development Malaysia (JAKIM) and has since maintained this certification. On 23rd November 2021 the Company was awarded "The Best Malaysian Halal Certificate Holder" Award under the Large Industry Category by JAKIM at the National Halal Conference 2021.

The Company will be relocating to its state-of-the-art new factory in Taman Enstek Halal Hub in Negeri Sembilan by the end of this year.



## MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

### Our Policy

The Company is fully committed to continue to be a global customer-centric halal food manufacturing company and uphold Ajinomoto Group's pursuit of wellness and healthy living for the global community so that all can "Eat Well, Live Well". It is the Company's policy to consistently develop and distribute high quality and safe food products that meet consumers' needs and satisfaction, and at the same time ensure compliance with international and local laws and regulations for food manufacturing. As an exemplary corporate citizen and responsible employer, the Company remains steadfast in conserving the environment, an integral component of the business ecosystem, and is committed to providing a safe and healthy working environment for all its employees. In creating sustainable value for our shareholders and other stakeholders, the Company's business decisions will therefore be guided by Profits, People and Planet (3 Ps).



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



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



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



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



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

### Product Range

#### Consumer Products

In the past 60 years, the Company has continually develop and launch new products to meet consumer needs and expectations. Our current range of Umami seasoning and food products, besides MSG, includes chicken stock, all-in-one seasoning, menu seasoning, pepper, sweetener and flavoured drink with amino acids. The Company continues to engage with consumers through popular social media platforms and monitor emerging trends and needs for a sustainable future. Recent engagement through social media includes the placement of "Hi Ajinomoto MY" page on both Facebook and Instagram and the Company's interactive and educational live streaming programme in order to touch base with Malaysian families and communities.



#### Industrial and Food Service Products

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



MANAGEMENT  
DISCUSSION & ANALYSIS  
(cont'd.)

**Sales Branches & Overseas Market**



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

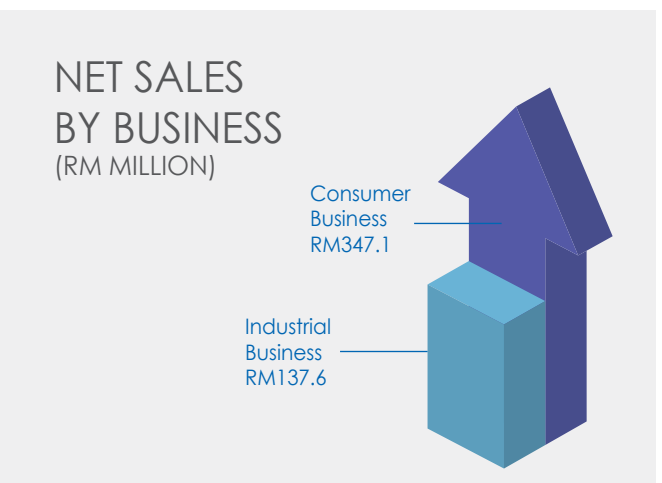
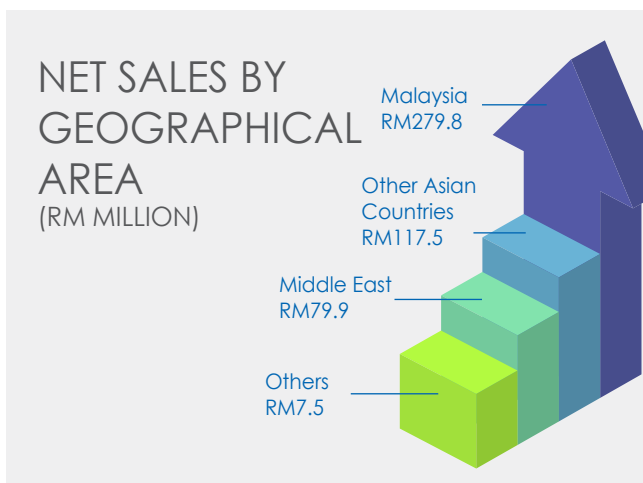
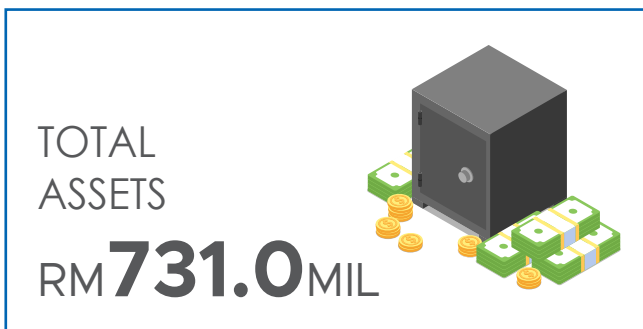
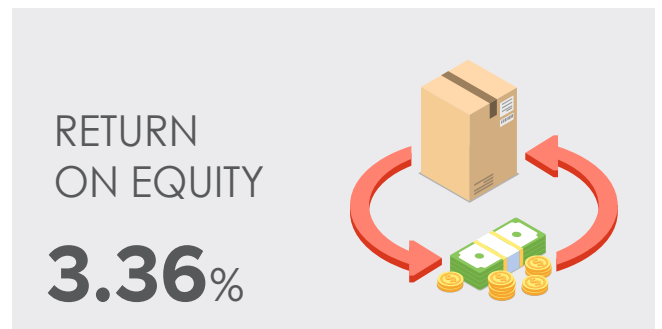
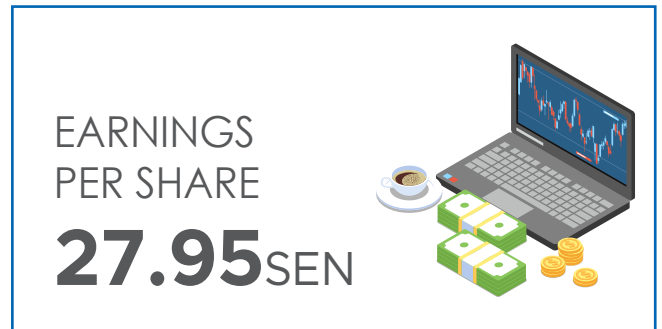
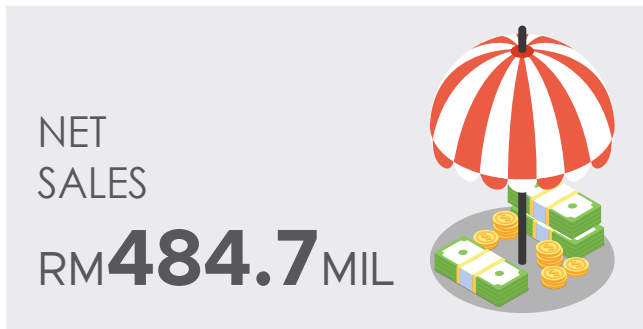


MANAGEMENT  
DISCUSSION & ANALYSIS  
(cont'd.)

**Financial Results**

**Snapshot**

Financial Year Ended 31 March 2022 Highlights





## MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

### Operating Environment

The Malaysian, and the global, economy went through another challenging year of the COVID-19 pandemic which caused supply disruptions, hike in commodity prices, freight and transport charges. Inflation, supply constraints, spike in the prices for fuel, etc. will continue to be concerned in the economic recovery of Malaysia and globally.

### Financial Review

For the financial year ended 31 March 2022 ("FYE 31.03.2022"), revenue was RM484.7 million as compared to the preceding financial year's revenue of RM443.1 million. The 9.4% increase was due to the higher sales volume of AJI-NO-MOTO®, TUMIX® and TENCHO industrial products. Profit before tax for the FYE 31.03.2022 was RM24.3 million, a reduction of RM37.0 million compared to RM61.3 million in the preceding financial year. The decrease in profit before tax was mainly due to the hike in raw material prices and fuel costs, higher freight and transportation costs, increase in staff costs, depreciation, computer hardware and software maintenance and other operating expenses.

### Segment Information

#### Consumer Business

Revenue in the Consumer Business segment was RM347.1 million, improved by 12.0% as compared to RM309.9 million in the preceding financial year. The increase was contributed by higher sales volume in AJI-NO-MOTO® and TUMIX® in the domestic market and export to Middle East. Profit was RM3.3 million, decreased by RM26.0 million as compared to the profit of RM29.3 million in the preceding financial year due to increase in raw material prices particularly for AJI-NO-MOTO®, higher fuel costs, freight and transportation costs, advertising expenses, staff costs, depreciation and other operating expenses.

#### Industrial Business

Industrial Business segment recorded revenue of RM137.6 million, an improvement of 3.3% against RM133.2 million in the preceding financial year which was contributed by higher sales volume in TENCHO industrial products. Profit was RM18.5 million, lower by RM9.6 million as compared to RM28.1 million in the preceding financial year due to higher raw material costs, freight and transportation costs, sales promotion expenses, staff costs, depreciation and other operating expenses.

### Financial Condition

As at FYE 31.03.2022, Total Assets increased as compared to the preceding financial year but Total Net Assets reduced as compared to that in the preceding financial year due to slower growth in profit in the current financial year. Net cash generated from operating activities for the current financial year was RM4.0 million against that of RM73.1 million in the preceding financial year due to higher operating costs and higher inventory at the year end. The Company held higher inventory for meeting future demand and factory relocation preparation. Net cash used for investing activities was RM23.6 million as compared to RM135.5 million in the preceding financial year. The Company continued to incur capital expenditure in the new factory construction and manufacturing facilities. Net cash used for financing activities was RM24.2 million for the financial year. This was used mainly for dividend payment to shareholders.

### Dividend

The Board of Directors continues to maintain the policy of stable and sustainable dividend payout to shareholders. The Directors, as announced by the Company on 29 June 2022, declared a first and final single-tier dividend of 8.50 sen per ordinary share in respect of FYE 31.03.2022.

### Operational Risk

#### (1) Operating Environment Risks

##### Exchange Rate Fluctuations

The frequent fluctuations in the exchange rate between the Malaysian Ringgit and USD have a significant impact on the increase in export sales and imports of raw materials, hence on the business result.

##### Unforeseen Adverse Economic or Political Factors

The Company conducts business globally, and various potential economic, political and legal impediments overseas such as political instability will have an adverse impact on business results.

##### Price Fluctuations for Raw Materials and Fuels

Prices of raw materials and energy resources used by the Company fluctuate according to market conditions, especially during the COVID-19 control measures enforced locally and in China, coupled with the Russia-Ukraine war have caused prices of raw materials and transport costs to rise. Another threat faced locally and globally is spiraling inflation. These will impact on the manufacturing costs and the Company's profitability.

## MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

### (2) Risks Related to Business Activities

#### Food Safety Matters

The Company, as a reputable food manufacturer, makes extensive efforts to ensure food safety. However, we accept that there may be unforeseen issues affecting food safety which are beyond the Company's control and may have an adverse impact on the Company's business results.

#### Laws and Regulations, Litigation, etc.

As the Company conducts business locally and on a global basis, it endeavors to comply with the laws, rules and regulations of Malaysia and the countries that the Company exports its products to and purchases its raw materials from. There is possibility of risks arising from unforeseen legal changes. Complying with any such changes may restrict the Company's operations and could have an impact on business results.

### Outlook

The Company navigated through the second challenging year of the Covid-19 pandemic with much success. It remained focused on protecting the business, shareholders', stakeholders' and consumers' interests. Coupled with the pandemic is the escalation of geopolitical tensions which impacted on the market for goods and services. However, the uplifting of restrictions implemented during the pandemic in Malaysia and the re-opening of international borders is expected to underpin the recovery of Malaysia and global economic activities which are positive signs for the Company.

Since the declaration of the Covid-19 pandemic, the Company has implemented strict operating procedures and standards, which are aligned with Government mandates, to ensure a safe and healthy working environment for all its employees. At the same time, the Company enforced strict hygiene practices, health monitoring with bi-weekly swab test screening and provided personal protective gear and hand sanitisers at the work place. Following the launch of Malaysia's COVID-19 Immunisation Programme in March 2021, the Company actively supported the Programme and advocated protection from the virus through vaccination, resulting in 100% fully vaccinated employees. This helped to ensure the uninterrupted operations and delivery of our products and services that fulfill the needs and expectations of consumers and customers.

With our deep-rooted successful presence in Malaysia for over six decades, the Company has established AJI-NO-MOTO® UMAMI seasoning and a range of seasoning products as trusted household brands for the daily preparation and cooking of healthy food for the family, and community. The Company continues to strengthen the Corporate Message of "Eat Well, Live Well" with AJI-NO-MOTO® by contributing solutions to dietary issues in Malaysia through multiple Ajinomoto Well-Being Projects for a delicious reduced-salt diet with Umami via, for example, the launch of "Less Salt, UMAMI it" Campaign. The Company also continued as the main sponsor for the yearly Nutrition Month Malaysia virtual fair that promotes healthy dietary and active living among Malaysian Society. The Company also promoted the sales of other seasoning products such as TUMIX®, SERI-AJI®, AJI-SHIO® and RASA SIFU™ by strengthening its distribution coverage and increased communication and awareness campaigns using digital social media and e-commerce platforms.

As a responsible corporate citizen, the Company continued to engage in social activities and charity projects under The Ajinomoto Group Creating Shared Value (ASV) initiative to help elderly and children's homes that face hard times caused by the COVID-19 pandemic. It is an initiative to promote better health and the well-being of the needy and underprivileged sector of the community. The Company presented cash as well as AJI-NO-MOTO® and other seasoning products to Persatuan Rainbow Bridge Malaysia which were channeled to 23 homes in the Klang Valley through Rainbow Bridge's food bank. To further support the ASV initiative and promote community spirit, the Company launched a voluntary donation drive to collect food and daily supplies for flood victims which was distributed by Uncle Kentang Malaysia Charity Organisation (NGO). The Company also donated groceries to over 400 families under the Perumahan Rakyat ("PPR") and Perumahan Awam ("PA") initiatives for the Klang Valley via Yayasan Food Bank Malaysia ("YFBM") as well as *sahur* meal sponsorship for orphanages.

The Company was one of the main sponsors of the "Malaysia-Japan All-Stars Football Charity Match", between the Malaysia-Japan All-Stars and the Malaysia Deaf Tigers. The event was launched by the Minister of Youth & Sports on 11th December 2021 to raise funds for the Malaysian Sports Association for the Deaf (MSDEAF) and for the training of "Malaysia Deaf Tigers" football players for both domestic and international competitions. This charity match successfully achieved the fundraising target of RM300,000.

## MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

Backed by the successful track records of Ajinomoto Co., Inc., Japan in Amino Science, the Company undertook to support Malaysian sports players to excel in domestic as well as international competitions through aminoVITAL® sports jelly drink. In addition, the Company launched the 'Winning Meals' Kachimeshi® sports nutrition programme under ASEAN Victory Project® student athletes for outstanding sports performance. This programme stressed the importance of a well-balanced diet with aminoVITAL® sports jelly drink to support muscle endurance and recovery. The aim of these programmes is to support Malaysian national sportsmen and sportswomen in their efforts to win competitions as well as preparing individuals for their sporting activities.

For the Industrial Business segment, the Company will continue to leverage on specialty technologies from our parent company to be one of the "solution-providing group of companies for food and health issues" and expand the sales of our TENCHO and ACTIVA® products to both the food manufacturing and food service industries. The Company engaged in initiatives to help resolve customers' food and health issues by conducting proposals on sodium reduction, sugar reduction, plant based protein integrated deliciousness solution, clean label requirements and improvement in maintaining food freshness solution in order to reduce food waste.

In support of efforts to green and protect the environment, the Company conducted a Tree Planting Event on 6th April 2021 in conjunction with 'Earth Day Celebration' at our soon to be opened new factory in Taman Enstek, Negeri Sembilan. We planted 1,500 trees in a 20,000 square meter area, of which 10% of the area was planted with herb plants such as citrus, pandan, and piper as well as Malaysia's national flower, hibiscus. The Company further strengthened its sustainability initiatives through the establishment of a Sustainability Committee and internal task forces emphasising operational efficiency and minimising waste through reduction of Carbon Dioxide ("CO2") emissions and Food Loss. In its efforts to achieve its goal of zero plastic waste by 2030 the Company introduced the use of mono-material plastic to replace poly-material plastic for packaging of AJI-NO-MOTO® Umami Seasoning products, hence reducing the use of plastic packaging materials. The mono-material packaging is made from materials that are environmentally-friendly comprising 90% of polypropylene (PP). In addition, a 'Recycling' logo is displayed at the back of the new mono-material packaging to encourage consumers to recycle the package after use. The Company has been continually enhancing its manufacturing processes, reducing unwanted by-products, developing innovative methods to recycle the organic by-products and utilising more environmentally friendly alternative fuel sources. At the Company's new factory, solar panels have been incorporated to facilitate renewable energy generation and rain water harvesting for general cleaning. All these initiatives are part of The Ajinomoto Group Creating Shared Value (ASV), promotion of global sustainability and protection of the environment for our future generation.

Ajinomoto (Malaysia) Berhad has positioned The Ajinomoto Group Creating Shared Value (ASV) and its message of "Eat Well, Live Well" at the core of its decision making process, guided by the Group's Vision and Mission.

## DIRECTOR'S PROFILE



### TAN SRI DATO' (DR.) TEO CHIANG LIANG

*Chairman, Independent Non-Executive Director*  
71, Malaysian, Male

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

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

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

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

## DIRECTOR'S PROFILE (cont'd.)



### KOAY KAH EE

*Independent Non-Executive Director*  
63, Malaysian, Male

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

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

He is currently the Group Finance Director of a public company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). He also sits on the Board of JF Technology Berhad and Tashin Holdings Berhad, both are public companies 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 neither been convicted for any offences within the past five (5) years other than for traffic offences, if any, nor received any public sanction or penalty imposed by regulatory bodies during the financial year.



### TOMOHARU ABE

*Managing Director,  
Chief Executive Officer*  
54, Japanese, Male

Mr. Abe was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2020. He attended all five (5) Board Meetings held in the financial year. He is not a member of any Board Committee.

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

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

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

## DIRECTOR'S PROFILE (cont'd.)



### SHUNSUKE SASAKI

*Executive Director,  
Chief Finance Officer*  
44, Japanese, Male

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

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

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

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



### DOMINIC AW KIAN-WEE

*Independent Non-Executive Director*  
51, Malaysian, Male

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

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

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

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

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

## DIRECTOR'S PROFILE (cont'd.)



### **KAMARUDIN BIN RASID**

*Executive Director*  
61, Malaysian, Male

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

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

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

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



### **AZHAN BIN MOHAMED**

*Executive Director*  
58, Malaysian, Male

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

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

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

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

## DIRECTOR'S PROFILE (cont'd.)



### NORANI BINTI SULAIMAN

*Independent Non-Executive Director*  
66, Malaysian, Female

Puan Norani Binti Sulaiman was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2020. She attended all five (5) Board meetings held in the financial year. She is also a member of the Audit Committee, Nomination Committee and Remuneration Committee.

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

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



### NORIKO FUJIMOTO

*Executive Director*  
50, Japanese, Female

Ms. Fujimoto was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2021. She attended all three (3) Board meetings held since her appointment to the Board. She is not a member of any Board Committee.

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

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

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



**DIRECTOR'S  
PROFILE**  
(cont'd.)



**TAKAHIRO SATO**

*Executive Director*  
49, Japanese, Male

Mr. Sato was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2021. He attended all three (3) Board meetings held since his appointment to the Board. He is not a member of any Board Committee.

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

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

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



**CHEONG HENG CHOY**

*Independent Non-Executive Director*  
64, Malaysian, Male

Mr. Cheong was appointed to the Board of Ajinomoto (Malaysia) Berhad on 9 August 2021. He is a member of Nomination Committee, Remuneration Committee and Audit Committee. He attended all three (3) Board meetings held since his appointment to the Board.

Mr. Cheong holds a Master of Business Administration from the University of Bath, England. He is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He is also a qualified company secretary and a charter member of Certified Risk Professional.

He began his career with one of the big four accounting practice and moved on to the banking and finance sectors and held various key positions in the banking industry, serving as the Chief Internal Auditor of three major public listed financial institutions. He had also served as the Chief Financial Officer of a major public listed banking group and involved in the setting up of the Integrated Risk Management Division and had overseen Remedial Management for a major bank.

Mr. Cheong is currently a Director and Principal Consultant of a boutique consultancy practice, involved in internal control reviews for Initial Public Offers, conducting outsource internal audit services, setting up of Enterprise Risk Management and Corporate Governance Framework for many public listed companies.

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

In establishing the Company's Corporate Governance framework, the Board takes cognizance of the Malaysian Code on Corporate Governance ("**MCCG**") that was revised on 28 April 2021. An overview statement on the corporate governance practices of the Company for the financial year ended 31 March 2022 is appended below. The comprehensive Corporate Governance Report is published on the Company's website at [www.ajinomoto.com.my](http://www.ajinomoto.com.my).

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### 1.0 Board's Leadership on Objectives and Goals

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

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

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

During the financial year ended 31 March 2022, all Directors complied with Paragraph 15.08 of the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**Main LR**") and attended training programmes as follows:-

Name of Director	Training/courses attended
Tan Sri Dato' (Dr.) Teo Chiang Liang	<ul style="list-style-type: none"> <li>Digital Disruptions – Winning Strategies for Legacy Companies</li> </ul>
Koay Kah Ee	<ul style="list-style-type: none"> <li>Digital Disruptions – Winning Strategies for Legacy Companies</li> <li>Valuation on Mergers and Acquisitions</li> <li>2022 Budget and Tax Updates</li> <li>Audit Oversight Board Conversation with Audit Committees</li> <li>TCFD Climate Disclosure Training Programme</li> </ul>
Tomoharu Abe	<ul style="list-style-type: none"> <li>Digital Disruptions – Winning Strategies for Legacy Companies</li> </ul>
Shunsuke Sasaki	<ul style="list-style-type: none"> <li>Digital Disruptions – Winning Strategies for Legacy Companies</li> </ul>
Dominic Aw Kian-Wee	<ul style="list-style-type: none"> <li>Digital Disruptions – Winning Strategies for Legacy Companies</li> <li>Briefing on the Malaysian Code on Corporate Governance</li> </ul>
Kamarudin bin Rasid	<ul style="list-style-type: none"> <li>Digital Disruptions – Winning Strategies for Legacy Companies</li> </ul>
Azhan bin Mohamed	<ul style="list-style-type: none"> <li>Digital Disruptions – Winning Strategies for Legacy Companies</li> </ul>
Norani binti Sulaiman	<ul style="list-style-type: none"> <li>Digital Disruptions – Winning Strategies for Legacy Companies</li> </ul>
Noriko Fujimoto (appointed w.e.f. 1 July 2021)	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme</li> <li>Digital Disruptions – Winning Strategies for Legacy Companies</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

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

Name of Director	Training/courses attended
Takahiro Sato (appointed w.e.f. 1 July 2021)	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme</li> <li>Digital Disruptions – Winning Strategies for Legacy Companies</li> </ul>
Cheong Heng Choy (appointed w.e.f. 9 August 2021)	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme</li> <li>Digital Disruptions – Winning Strategies for Legacy Companies</li> <li>TCFD 101: Getting Started with Climate-Related Financial Reporting</li> <li>TCFD 102: Building Experience in Climate-Related Financial Reporting</li> </ul>

The Board with the assistance of Nomination Committee ("NC"), reviews the training programmes for the Board annually. The Board had approved an in-house training programme entitled 'Digital Disruptions – Winning Strategies for Legacy Companies' for the Board and Senior Management and it was conducted on 24 March 2022.

The Board had five (5) Board Meetings during the financial year ended 31 March 2022.

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

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

#### 1.2 The Chairman of the Board has –

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

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

- 1.4 The Chairman of the Board is also the Chairman of the Remuneration Committee ("RC") and member of the two (2) Board Committees, namely the Audit Committee ("AC") and NC.

The Board took cognizance that having the same person assume the position of chairman of the Board and member of other board committees gives rise to the risk of self-review and may impair the objectivity of the chairman and the Board when deliberating on the observations and recommendations put forth by the board committees. However, Tan Sri Dato' (Dr.) Teo Chiang Liang is not involved in management and operational matters of the Company, and he always provides constructive ideas and opinions to the Board and Board Committees respectively and showed impartiality in his judgement and conduct based on different perspectives as a Board Chairman and member of Board Committees.

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

The Company Secretaries have –

- together with Management, managed all Board and Board Committee meeting logistics;
- attended and recorded minutes of all Board and Board Committee meetings and facilitated Board communications either in person or through its representative;
- advised the Board on its roles and responsibilities;
- facilitated Director training and development;
- advised the Board on corporate disclosures and compliance with Company and Securities Commission's regulations and Listing Requirements;
- managed processes pertaining to the Sixtieth Annual General Meeting ("60<sup>th</sup> AGM"); and
- monitored corporate governance developments and advised the Board on governance practices.

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

#### 2.0 Demarcation of Responsibilities

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

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

#### AC

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

#### RC

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

#### NC

The NC was established with clearly defined Terms of Reference, and comprises five (5) Non-Executive Directors, all of whom are independent pursuant to Paragraph 15.08A(1) of the Main LR of the Bursa Securities, during the financial year ended 31 March 2022 as follows:-

Name	Designation	Designation Directorship
Dominic Aw Kian-Wee	Chairman	Independent Non-Executive Director
Tan Sri Dato' (Dr.) Teo Chiang Liang	Member	Independent Non-Executive Director
Koay Kah Ee	Member	Senior Independent Director
Norani binti Sulaiman	Member	Independent Non-Executive Director
Cheong Heng Choy (appointed w.e.f. 9 August 2021)	Member	Independent Non-Executive Director

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

#### 2.0 Demarcation of Responsibilities (cont'd.)

##### Activities of the NC

During the financial year ended 31 March 2022, the NC held two (2) meetings to perform the following in the discharge of its duties and responsibilities: -

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

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

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

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

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

The attendance of Directors who are members of Board committees during the financial year ended 31 March 2022 is set out below:-

Directors	NC	AC	RC
<b>Non-Executive Directors</b>			
Tan Sri Dato' (Dr.) Teo Chiang Liang	2/2	5/5	2/2
Koay Kah Ee	2/2	5/5	2/2
Dominic Aw Kian-Wee	2/2	5/5	2/2
Norani binti Sulaiman	2/2	5/5	1/1
Cheong Heng Choy (appointed w.e.f. 9 August 2021)	*	3/3	1/1

Note:-

- \* There was no NC meeting held after the appointment of Mr. Cheong Heng Choy as a member of the NC on 9 August 2021 and hence, he did not attend any NC meeting held in the financial year ended 31 March 2022.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

#### 3.0 Good Business Conduct and Healthy Corporate Culture

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

The said Code of Conduct is published on the Company's website at [www.ajinomoto.com.my](http://www.ajinomoto.com.my).

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

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

The said whistleblowing policy is published on the Company's website at [www.ajinomoto.com.my](http://www.ajinomoto.com.my).

#### 4.0 Sustainability

- 4.1 The Board promotes sustainability through its strategic oversight and integration of sustainability considerations in the decision-making process and operations of the Company. This entails taking a holistic view of how the Company creates value for its shareholders and other stakeholders bearing in mind Economic, Environmental, Social and Governance ("ESG") factors. Company's efforts have been taken in the past years to strengthen sustainability governance by incorporating the Ajinomoto Group Creating Shared Value ("ASV") policy into the Company's business activities. ASV creates a virtuous cycle (the ASV cycle) that reinvests the economic value created by resolving social issues through the Company's business activities in future business activities, which in turn contributes to the further resolution of social issues. ASV represents a strategic initiative for realising sustainable growth.

The Company has established a Sustainability Working Committee ("SWC"), comprising key individuals and department heads who are responsible for the day-to-day performance and progress of the sustainability initiatives. The SWC reports directly to the Chief Production Officer, who is responsible for the Company's sustainability strategies, policies and initiatives. Decisions made that are related to ESG matters and driving ESG topics in business considerations are escalated to the MD/CEO for approval.

The activities of the SWC are supported concurrently by the Environmental Management System ("EMS") Committee. EMS Committee is responsible for monitoring and reviewing all environmental-related systems of the Company, including resource and energy saving, waste management, chemical spillage and emergency response management, environmental training and awareness, and legal compliance.

Please refer to the Sustainability Report in the Annual Report for further details.

- 4.2 The Company has engaged with stakeholders in a variety of ways through formal and informal activities. Sustainability strategies, priorities and targets, and performance are communicated through the Company's annual report and corporate website, which contains its sustainability approach and governance, environmental performance, contributions to society and employee relations, among others.
- 4.3 The Board, through the NC, assessed the annual training programme attended by the Directors during the financial year ended 31 March 2022 to ensure that the Directors had and will continue to constantly keep abreast on the relevant requirements and matters concerning the sustainability, including the latest development in industry as well as the sustainability issues relevant to the Company.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

#### 4.0 Sustainability (cont'd.)

- 4.4 While sustainability risks and opportunities have been discussed by senior management and at the Board level, a formal evaluation process in addressing sustainability considerations will take effect going forward.
- 4.5 The Chief Production Officer is the designated person within management to manage sustainability strategies and initiatives in the Company.

The Chief Production Officer ensures alignment of the sustainability targets with the business operations of the Company. The Chief Production Officer is supported by SWC comprising heads of various departments.

#### 5.0 Board Composition

- 5.1 The NC is responsible to oversee and review on an on-going basis, the overall composition of the Board in terms of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company. The effectiveness of the Board as a whole and the contribution and performance of each individual Director to the effectiveness of the Board and the Board Committees will also be assessed by the NC on an annual basis.
- 5.2 Since the commencement of the financial year ended 31 March 2022 up until the resignation of Dato' Setia Ramli bin Mahmud ("Dato' Ramli") on 31 March 2021, the Board comprised six (6) Executive Directors and five (5) Independent Non-Executive Directors, which reduced to four (4) Independent Non-Executive Directors upon Dato' Ramli's resignation. This composition of six (6) Executive Directors and five (5) Independent Non-Executive Directors was reinstated upon the appointment of Mr. Cheong Heng Choy as an Independent Non-Executive Director of the Company on 9 August 2021 up until 31 March 2022.

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

- 5.3 During the financial year ended 31 March 2022, in line with the MCCG, the Board sought shareholders' approval for the retention of its Directors who have served more than a cumulative term of twelve (12) years as Independent Directors in accordance with the recommendations of the MCCG. Tan Sri Dato' (Dr.) Teo Chiang Liang, Mr. Koay Kah Ee and Mr. Dominic Aw Kian-Wee, the Independent Directors of the Company who had each served the Board for a cumulative term of more than twelve (12) years, were retained as Independent Directors through a two-tier voting process at the 60th Annual General Meeting of the Company held on 20 September 2021.

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

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

- 5.4 The Board has not adopted a policy which limits the tenure of its Independent Directors to nine (9) years, being a step up practice.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

#### 5.0 Board Composition (cont'd.)

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

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

The Board appoints its members through a formal and transparent selection process. The new appointees will be considered and evaluated by the NC and the NC will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure all appointments are properly documented. This process was applied for the appointment of Ms. Noriko Fujimoto, Mr. Takahiro Sato and Mr. Cheong Heng Choy as Directors of the Company during the financial year ended 31 March 2022.

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

- 5.6 Although the Board did not utilise independent sources to identify the new Board members appointed during the financial year ended 31 March 2022, namely, Ms. Noriko Fujimoto, Mr. Takahiro Sato and Mr. Cheong Heng Choy, who were recommended by a major shareholder and the current Board member respectively, Board decisions were still made objectively in the best interests of the Company taking into account their diverse skills, expertise and potential to contribute to the Board.

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

- 5.7 The NC is responsible for making recommendation to the Board on the eligibility of the Directors to stand for re-election at the AGM. The performance of the retiring Directors who are recommended for re-election at the AGM has been assessed through the Board and Board Committee evaluation.

- 5.8 The NC is chaired by Mr. Dominic Aw Kian-Wee, the Independent Director appointed by the Board. The NC Chairman has led the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members. On 9 August 2021, Mr. Cheong Heng Choy, an Independent Non-Executive Director was appointed as a member of the NC.

- 5.9 The Board recognises that a gender-diverse Board could offer greater depth and breadth whilst the diversity at key senior management would lead to better decision-making. Currently, there are two (2) female Directors which represent less than 30% female representation at the Board level.

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

#### 6.0 Overall Effectiveness of the Board

6.1 The Board has, through the NC, conducted the following annual assessments in the financial year ended 31 March 2022:-

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

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

Based on the outcome of the evaluation, the Board noted the following:-

- Individual Directors are able to meet the Board of Directors' expectations in terms of character, experience, integrity, competency and time commitment in discharging their roles as Directors of the Company.
- Individual Directors are exercised due care and carried out professional duties proficiently.
- The Board and Board Committees had been effective in carrying out their functions and duties.
- All Independent Directors had been and remain independent from management and free from any business relationship that could materially interfere with their independent judgement.

The Board will consider engaging a professional, experienced and independent party to lend greater objectivity to the assessments as and when required.

#### 7.0 Level and Composition of Remuneration

7.1 In view that fair remuneration is crucial to attract, retain and motivate Directors and senior management, the Board has adopted Policies and Procedures to Determine the Remuneration of Directors and senior management which takes into account the demands, complexities and performance of the Company as well as skills and experience required to determine the remuneration of Directors and senior management. The said policies and procedures are available on the Company's website at [www.ajinomoto.com.my](http://www.ajinomoto.com.my).

7.2 The Board has a RC that assists the Board in implementing its policies and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The RC also assists the Board to structure and link Directors' remuneration to the strategic objectives of the Company, which rewards contribution to the long-term success of the Company in promoting business stability, sustainability and growth.

The Terms of Reference of the RC is published on the Company's website at [www.ajinomoto.com.my](http://www.ajinomoto.com.my).

The RC is chaired by Tan Sri Dato' (Dr.) Teo Chiang Liang, the Independent Non-Executive Chairman of the Company. On 9 August 2021, Mr. Cheong Heng Choy, an Independent Non-Executive Director was appointed as a member of RC.

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

#### 8.0 Remuneration of Directors and Senior Management

8.1 Remuneration of Directors for the financial year ended 31 March 2022 is as follows:-

##### Executive Directors

Name of director	Salaries and other emoluments	Fees*	Bonus	Gratuity#	Defined contribution plan	Benefits in-kind
Company	RM	RM	RM	RM	RM	RM
Tomoharu Abe	917,151	-	98,885	-	-	119,721
Shunsuke Sasaki	915,403	-	98,885	-	-	80,235
Kamarudin bin Rasid	364,066	27,000	128,947	10,800	19,728	11,730
Azhan bin Mohamed	233,450	27,000	73,045	10,800	62,624	11,891
Noriko Fujimoto (appointed w.e.f. 1 July 2021)	497,141	-	24,723	-	-	56,723
Takahiro Sato (appointed w.e.f. 1 July 2021)	793,448	-	32,699	-	-	61,828
Hiroki Suzuki (resigned w.e.f. 30 June 2021)	306,043	-	65,920	-	-	20,787
Miki Moriyama (resigned w.e.f. 30 June 2021)	354,985	-	65,920	-	-	19,412

##### Non-Executive Directors

Name of director	Fees*	Gratuity#	Other emoluments^	Benefits in-kind
Company	RM	RM	RM	RM
Tan Sri Dato' (Dr.) Teo Chiang Liang	90,000	36,000	31,200	-
Koay Kah Ee	45,000	18,000	20,300	-
Dominic Aw Kian-Wee	35,000	14,000	20,300	-
Norani binti Sulaiman	35,000	14,000	20,900	-
Cheong Heng Choy (appointed w.e.f. 9 August 2021)	23,333	9,333	8,633	-

\* Subject to shareholders' approval at the 61st AGM of the Company.

^ Meeting, transport allowance and hospitalisation coverage approved by shareholders at the 60<sup>th</sup> AGM of the Company.

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

### PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

#### 9.0 Effective and Independent AC

9.1 The Chairman of the AC is chaired by Mr. Koay Kah Ee, an Independent Non-Executive Director, while Tan Sri Dato' (Dr.) Teo Chiang Liang is Chairman and Independent Non-Executive Director of the Board. Tan Sri Dato' (Dr.) Teo Chiang Liang, Mr. Dominic Aw Kian-Wee, an Independent Non-Executive Director and Puan Norani binti Sulaiman, an Independent Non-Executive Director are the members of the AC. On 9 August 2021, Mr. Cheong Heng Choy, an Independent Non-Executive Director was appointed as a member of the AC.

This separation of leadership and responsibility ensured that the objectivity of the Board's review of the AC's findings and recommendations are not impaired. This separation is set out clearly in the Terms of Reference of the AC.

Mr. Koay Kah Ee is responsible to ensure the overall effectiveness and independence of the AC. Together with other members of the AC, they had ensured amongst others that -

- a. the AC is fully informed about significant matters related to the Company's audit and its financial statements and these matters are addressed;
  - b. the AC appropriately communicates its insights, views and concerns about relevant transactions and events to Internal and External Auditors;
  - c. the AC's concerns on matters that may have an effect on the financial or audit of the Company are communicated to the External Auditors; and
  - d. there is co-ordination between Internal and External Auditors.
- 9.2 Before appointing a former partner of the external audit firm of the Company as a member of the AC, the AC has adopted the Policies and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors, that requires a cooling-off period of at least three (3) years to be observed by the former partner of the external audit firm of the Company before being appointed as a member of the AC. This is to safeguard the independence of the audit and preparation of the Company's financial statements.
- 9.3 In recommending the appointment or re-appointment of the External Auditors to the Board, the AC has established Policies and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors ("**Policies and Procedures**") that consider amongst others:-
- a. the competence, audit quality, experience and resource capacity of the external auditor and its staff assigned to the audit;
  - b. the audit firm's other audit engagements;
  - c. the adequacy of the scope of the audit plan;
  - d. the external auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
  - e. the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
  - f. obtaining written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The assessment to consider the suitability, objectivity and independence of the audit firm is conducted annually.

During the financial year ended 31 March 2022, the AC had assessed the suitability, objectivity and independence of Messrs. KPMG PLT ("**KPMG**") as the proposed new Auditors of the Company in place of the outgoing Auditors, Messrs. Ernst & Young PLT ("**EY**") based on the following criteria set out in the Policies and Procedures of the Company:-

- fees
- competence, audit quality and resource capacity
- non-audit work
- independence

Upon completion of its assessment, the AC was satisfied with KPMG's technical competency and had recommended to the Board the appointment of KPMG as External Auditors of the Company in place of EY. The Board had in turn, recommended the same for shareholders' approval at the 60<sup>th</sup> AGM of the Company.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

#### 9.0 Effective and Independent AC (cont'd.)

9.4 The AC comprises solely of Independent Directors in line with step-up practice 9.4 of the MCCG.

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

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

#### 10.0 Risk Management and Internal Control

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

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

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

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

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

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

#### 11.0 Effective Governance, Risk Management and Internal Control Framework

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

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

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

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

- 11.2 The internal audit function is outsourced to Tricor Axcelasia Sdn. Bhd. and has confirmed that the internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence.

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

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

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

#### 12.0 Continuous Communication between the Company and Stakeholders

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

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

#### 13.0 Conduct of General Meetings

- 13.1 The Company has provided all shareholders at least twenty-eight (28) days' notice before the date of the 60<sup>th</sup> AGM last year and will give all shareholders at least twenty-eight (28) days' notice before the date of the 61<sup>st</sup> AGM this year.

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

#### 13.0 Conduct of General Meetings (cont'd.)

13.2 All the Directors of the Company attended the 60<sup>th</sup> AGM of the Company held on 20 September 2021. During the 60<sup>th</sup> AGM, the MD/CEO presented the financial results and the Company's business strategy for the new financial year, after which the Chairman invited questions from the shareholders present. The Board responded to the questions raised during the 60<sup>th</sup> AGM.

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

13.3 In view of the current COVID-19 situation, the Company took the necessary precautions and preventive measures in complying with the directives issued by the Ministry of Health Malaysia and other relevant authorities. These include the option of remote shareholder and proxy participation at the AGM.

At the Company's fully virtual 60<sup>th</sup> AGM held on 20 September 2021, the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution.

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

The Company had conducted its voting on all resolutions at the fully virtual 60<sup>th</sup> AGM held on 20 September 2021 by online live polling to provide for remote voting and immediate poll results. The Company had engaged SS E Solutions Sdn. Bhd. to act as the Poll Administrator to provide the electronic polling services, while Commercial Quest Sdn. Bhd. was the appointed independent scrutineer to verify the poll results.

13.4 At the commencement of 60<sup>th</sup> AGM, the Chairman of the Board briefed the shareholders, corporate representatives and proxies present virtually at the meeting of their right to ask questions and vote on the resolutions set out in the Notice of the 60<sup>th</sup> AGM dated 20 August 2021.

All the Directors, senior management and the representative of the external auditors were present at the 60<sup>th</sup> AGM to provide responses to the questions posed by shareholders via Securities Services e-Portal ("SSEp") in relation to the agenda items for the 60<sup>th</sup> AGM, both prior to and during the meeting.

The shareholders, corporate representatives, and proxies were able to rely on real time submission of typed text to exercise their rights to speak or communicate in a virtual meeting by submitting questions or remarks in relation to the agenda items into the text box given in the live stream player within the same SSEp page.

Apart from questions received from Minority Shareholders Watch Group, which were answered accordingly by the Company at the 60<sup>th</sup> AGM, the Directors of the Company had actively responded to relevant questions raised by the shareholders during the 60<sup>th</sup> AGM of the Company.

The Board also ensure that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Question-and-Answer session during the general meetings of the Company.

13.5 To ensure effective communication with the shareholders at a fully virtual general meeting, questions posed by shareholders were displayed on the screen for all the meeting participants' reference whilst the Chairman read out and answered the shareholders' questions.

13.6 The Company's Key Matters Discussed at the 60<sup>th</sup> AGM were made available to the shareholders after thirty (30) business days from the date of the 60<sup>th</sup> AGM under the "Investors" section of the Company's corporate website at [www.ajinomoto.com.my](http://www.ajinomoto.com.my).

The Corporate Governance Overview Statement and the Corporate Governance Report are made in accordance with a resolution of the Board of Directors passed on 29 June 2022.

# ADDITIONAL COMPLIANCE INFORMATION

## 1. Utilisation of Proceeds

Not Applicable.

## 2. Audit and Non-Audit Fees

During the financial year, the amount of audit fees and non-audit fees paid or payable by the Company to the External Auditors amounted to RM184,300 and RM7,600 respectively.

## 3. Material Contracts

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

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

The RRPT entered into by the Company during the financial year ended 31 March 2022 were as follows:-

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

Tomoharu Abe, Shunsuke Sasaki, Noriko Fujimoto (*appointed w.e.f. 1 July 2021*) and Takahiro Sato (*appointed w.e.f. 1 July 2021*) who are Executive Directors of the Company, being persons nominated by AjiCo., are deemed interested in the Proposed Renewal of RRPT Mandate.

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

<b>Nature of Transaction</b>	<b>1 April 2021 to 31 March 2022 RM'000</b>
Commission income	29
Royalties payable	(10,978)
Sales	109,895
Purchases	(203,269)
Purchase of assets	(16,884)
Other expenses	(1,282)
Shared information technology services	(2,174)



# STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RELATION TO THE FINANCIAL STATEMENTS



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

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

The Directors consider that in preparing the financial statements,

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

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

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

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 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 2022, which has been prepared pursuant to paragraph 15.26(b) of Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**Main LR**") and in accordance with the principles and recommendations relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. The statement below outlines the nature and scope of risk management and internal control of the Company during the financial year under review.

## BOARD RESPONSIBILITY

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

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

## KEY FEATURES OF THE COMPANY'S INTERNAL CONTROL SYSTEM

### 1. CONTROL ENVIRONMENT

- [Organisation Structure and Authorisation Procedures](#)

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

- [Periodic and Annual Budget](#)

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

- [Company Policies and Procedures](#)

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

- [Quality of Product](#)

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

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

For The Financial Year Ended 31 March 2022

(cont'd.)

- [Regular Operational and Management Meetings](#)

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

### 2. RISK MANAGEMENT FRAMEWORK

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

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

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

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

Following the introduction of the anti-corruption acts and integration of corporate liability provisions into existing legislation, the Management has taken proactive initiatives not only to ensure compliance but to also inhibit corrupt practices or actions stemming from within the Company. Control measures that were taken are such as systematic reviewing and enforcement of Company's policies, communication of policies through town hall briefings and the provision of training and workshops to the Company's staffs.

### 3. INTERNAL AUDIT FUNCTION

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

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

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

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2022 amounted to RM85,374 (financial year ended 31 March 2021: RM78,466).

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

For The Financial Year Ended 31 March 2022

(cont'd.)

### 4. REVIEW BY THE BOARD

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

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

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

### 5. INFORMATION AND COMMUNICATION

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

### 6. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Company for the year ended 31 March 2022, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Company, in all material respects:

- has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Company's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

### 7. CONCLUSION

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

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

The Board is of the view that the Company's system of internal control is adequate to safeguard shareholders' investments and the Company's assets and has not resulted in any material loss, contingency or uncertainty. The Board has not identified any circumstances which suggest any fundamental deficiencies in the Company's system of internal control. However, the Board is also cognisant of the fact that the Company's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal control. This statement was approved by the Board of Directors on 29 June 2022.

# AUDIT COMMITTEE REPORT

## INTRODUCTION

The Board of Directors ("**the Board**") of the Company is pleased to present the report of the Audit Committee for the financial year ended 31 March 2022.

## PURPOSE

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

## AUTHORITY, DUTIES AND RESPONSIBILITIES

The Audit Committee is governed by its Terms of Reference, which is available at the Company's website at [www.ajinomoto.com.my](http://www.ajinomoto.com.my).

## COMPOSITION OF THE AUDIT COMMITTEE AND ATTENDANCE OF MEMBERS AT MEETINGS

The composition of the Audit Committee and the attendance of the respective members at each Audit Committee Meeting during the financial year ended 31 March 2022 are as follows:-

Names	Designation	Directorship	Attendance*
Koay Kah Ee	Chairman	Independent Non-Executive Director	5/5
Tan Sri Dato' (Dr.) Teo Chiang Liang	Member	Independent Non-Executive Director	5/5
Dominic Aw Kian-Wee	Member	Independent Non-Executive Director	5/5
Norani binti Sulaiman	Member	Independent Non-Executive Director	5/5
Cheong Heng Choy (appointed w.e.f. 9 August 2021)	Member	Independent Non-Executive Director	3/3

\* There were five (5) Audit Committee Meetings held during the financial year ended 31 March 2022. The meetings were held on 24 May 2021, 29 June 2021, 17 August 2021, 24 November 2021 and 28 February 2022.

## Summary of work and discharge of responsibilities of the Audit Committee

During the financial year ended 31 March 2022, the Audit Committee had discharged its functions and carried out its duties as set out in the Terms of Reference.

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

## AUDIT COMMITTEE REPORT (cont'd.)

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

### 1. Financial Results

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

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

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

Date of Meeting	Financial Reporting Statement Reviewed
24 May 2021	<ul style="list-style-type: none"> <li>• Fourth quarter results for the financial year ended 31 March 2021</li> </ul>
29 June 2021	<ul style="list-style-type: none"> <li>• Audited Financial Statements for the financial year ended 31 March 2021</li> </ul>
17 August 2021	<ul style="list-style-type: none"> <li>• First quarter results for the financial year ended 31 March 2022</li> </ul>
24 November 2021	<ul style="list-style-type: none"> <li>• Second quarter results for the financial year ended 31 March 2022</li> </ul>
28 February 2022	<ul style="list-style-type: none"> <li>• Third quarter results for the financial year ended 31 March 2022</li> </ul>

### 2. External Audit

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

During the financial year, the Audit Committee had three (3) private meetings with the External Auditors on 24 May 2021, 29 June 2021 and 28 February 2022 without the presence of the Executive Directors and Management of the Company to discuss any issues that may have arose from the external audit.

During the audit process in the financial year ended 31 March 2022, the issue related to the revenue recognition was raised by the Company's External Auditors as KAM. The audit responses to address the abovesaid issue by the Company's External Auditors was set out in the Independent Auditors' Report ("IAR"). For detailed information on KAM, please refer to the IAR in this Annual Report.

## AUDIT COMMITTEE REPORT (cont'd.)

### 3. Internal Audit

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

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

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

### 5. Other matter

- a) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for disclosure in the 2022 Annual Report.

### Summary of work of the internal audit function

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

A summary of work of the internal audit function for the financial year ended 31 March 2022 is as follows:-

- (a) Formulated the internal audit plan and presented the plan for the Audit Committee's review and approval;
- (b) Executed the internal audit reviews covering the following business processes or areas in accordance with the approved audit plan:-
  - Review of Recurrent Related Party Transaction ("**RRPT**") Procedures
    - Assessing controls over collection of data and reporting of related party transactions
    - Assessing adherence to review procedures performed by management for RRPTs entered into by the Company from the most recent mandate to current period on a sampling basis
    - Assessing the procedures performed by management to ascertain that RRPT transactions are entered into on an arm's length basis

## AUDIT COMMITTEE REPORT (cont'd.)

### Summary of work of the internal audit function (cont'd.)

- Project Management (New Plant Construction)
  - Project monitoring and reporting
  - Variation order management
  - Consultant and contractor performance monitoring
  - Project hand-over inspection and certifications
  - Defect rectification monitoring
  - Progress payment
- Production Management
  - Production planning
  - Production efficiency monitoring
  - Rejects and wastages control
  - Machine utilisation and downtime monitoring (including maintenance)
- Cybersecurity Management (Cybersecurity Risk)
  - Internal network penetration testing
  - External network penetration testing
  - Wireless network penetration testing

(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 2022 did not reveal weaknesses that have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this annual report.



# STATISTICS OF SHAREHOLDINGS

AS AT 30 JUNE 2022

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

## ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders		No. of Shares Held	
		%		%
1 – 99	377	7.53	4,764	0.01
100 – 1,000	2,604	52.03	1,424,620	2.34
1,001 – 10,000	1,731	34.59	6,060,571	9.97
10,001 – 100,000	251	5.01	6,388,858	10.51
100,001 – 3,039,925 (*)	41	0.82	16,291,876	26.80
3,039,926 and above (**)	1	0.02	30,627,845	50.38
<b>TOTAL</b>	<b>5,005</b>	<b>100.00</b>	<b>60,798,534</b>	<b>100.00</b>

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 30 June 2022 is as follows:-

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

## DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company as at 30 June 2022 are as follows:-

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

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

## STATISTICS OF SHAREHOLDINGS AS AT 30 JUNE 2022 (cont'd.)

### THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

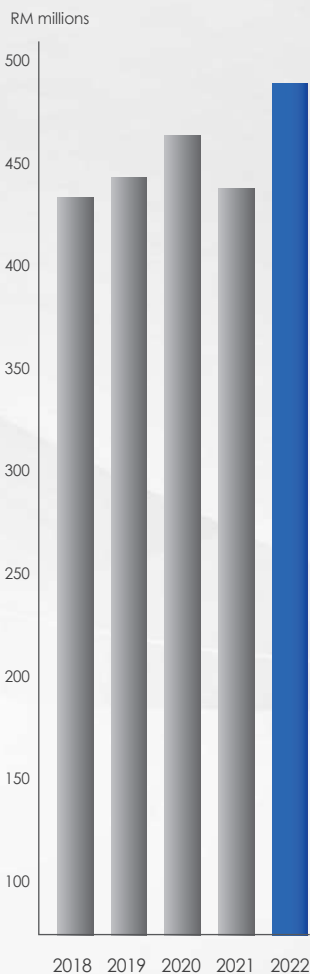
No. Shareholders	No. of Shares	%
1. Ajinomoto Co., Inc.	30,627,845	50.38
2. Cartaban Nominees (Asing) Sdn. Bhd. <i>BBH and Co. Boston for Fidelity Puritan Trust: Fidelity Series Intrinsic Opportunities Fund</i>	1,478,600	2.43
3. Kumpulan Wang Persaraan (Diperbadankan)	1,277,900	2.10
4. Chinchoo Investment Sdn. Berhad	1,210,800	1.99
5. 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
6. Berjaya Sompo Insurance Berhad	1,125,054	1.85
7. Cartaban Nominees (Asing) Sdn. Bhd. <i>SSBT Fund F9EX for Fidelity Northstar Fund</i>	827,012	1.36
8. Maybank Nominees (Tempatan) Sdn. Bhd. <i>National Trust Fund (IFM Maybank) (412183)</i>	701,100	1.15
9. HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Credit Suisse (SG BR-TST-ASING)</i>	700,000	1.15
10. Tee Teh Sdn. Berhad	564,508	0.93
11. Seah Mok Khoon	500,000	0.82
12. Amanahraya Trustees Berhad <i>Public Strategic Smallcap Fund</i>	491,600	0.81
13. Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Urusharta Jamaah Sdn. Bhd. (Maybank 2)</i>	453,900	0.75
14. Yong Siew Lee	430,000	0.71
15. See Hoy Chan Agencies Sendirian Berhad	391,700	0.64
16. Amanahraya Trustees Berhad <i>Public Smallcap Fund</i>	381,200	0.63
17. Amanahraya Trustees Berhad <i>Public Islamic Emerging Opportunities Fund</i>	338,800	0.56
18. Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Aberislamic)</i>	303,800	0.50
19. Cartaban Nominees (Asing) Sdn. Bhd. <i>SSBT Fund SBG6 for Swedbank Robur Small Cap Emerging Markets</i>	300,000	0.49
20. Maybank Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Maybank Islamic Asset Management Sdn. Bhd. (Resident) (475391)</i>	293,400	0.48
21. Yee Fook Leong	234,000	0.38
22. Bernard Chang Tze Wah	203,000	0.33
23. Oh Siew Heong	201,300	0.33
24. Key Development Sdn. Berhad	200,000	0.33
25. Seah Heng Lye	200,000	0.33
26. Maybank Securities Nominees (Asing) Sdn. Bhd. <i>Maybank Securities Pte Ltd for Tan Pheck Gee</i>	183,938	0.30
27. Amanahraya Trustees Berhad <i>Public Select Treasures Equity Fund</i>	175,400	0.29
28. Goh Beng Choo	165,000	0.27
29. HSBC Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Credit Suisse (SG BR-TST-TEMP)</i>	161,800	0.27
30. Eu Lee Chuan Enterprise Sdn. Berhad	160,000	0.26
<b>TOTAL</b>	<b>45,412,687</b>	<b>74.69</b>

# FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH

	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
REVENUE	436,286	447,731	461,689	443,119	484,678
PROFIT BEFORE TAXATION	67,068	72,659	77,747	61,256	24,286
NET PROFIT	56,262	56,581	59,854	46,502	16,996
SHAREHOLDERS FUNDS	437,129	465,335	495,678	512,312	505,986
<b>PER SHARE</b>					
o GROSS EARNINGS (Sen)	110.3	119.5	127.9	100.8	39.9
o NET EARNINGS (Sen)	92.5	93.1	98.4	76.5	28.0
o NET ASSET (RM)	7.2	7.7	8.2	8.4	8.3
<b>FINANCIAL RATIOS</b>					
Return on Asset (%)	11.56%	10.61%	10.31%	6.39%	2.32%
Return on Equity (%)	12.87%	12.16%	12.08%	9.08%	3.36%
Dividend Payout Ratio (%)	50.25%	50.50%	50.08%	50.01%	30.41%
Net Dividend per share (sen)	46.50	47.00	49.30	38.25	8.50

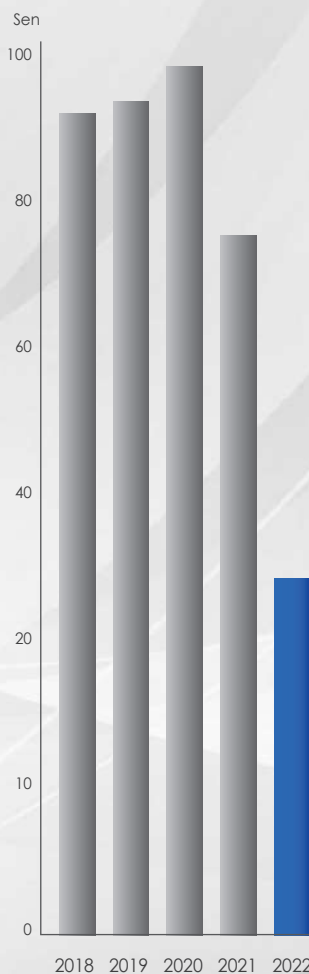
## REVENUE



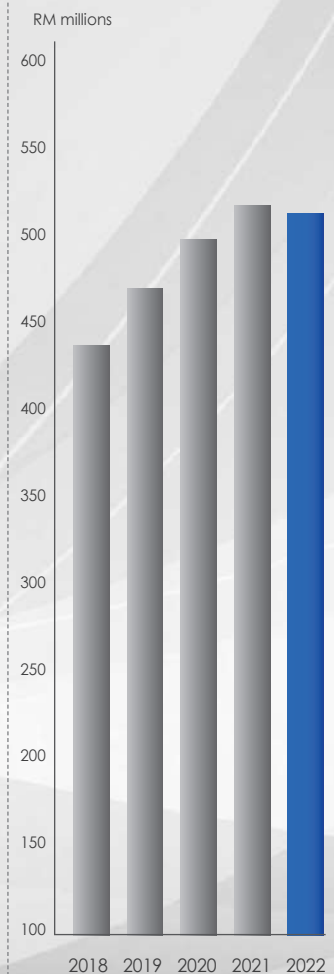
## NET PROFIT



## NET EARNINGS PER SHARE



## SHAREHOLDERS FUNDS



# DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 March 2022.

## Principal activities

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

## Ultimate holding company

The Company is a subsidiary of Ajinomoto Co., Inc., of which is incorporated in Japan and regarded by the Directors as the Company's ultimate holding company, during the financial year.

## Results

	RM
Profit for the year	16,996,225

## Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

## Dividends

Since the end of the previous financial year, the Company paid a first and final single-tier dividend of 38.25 sen per ordinary share amounting to RM23,255,439 in respect of the financial year ended 31 March 2021 on 22 October 2021.

In respect of the financial year ended 31 March 2022, the company declared a first and final single-tier dividend of 8.50 sen per ordinary share totalling approximately RM5,167,875 on 29 June 2022.

## Directors of the Company

Directors who served during the financial year until the date of this report are:

Tan Sri Dato' (Dr.) Teo Chiang Liang	
Koay Kah Ee	
Tomoharu Abe	
Shunsuke Sasaki	
Dominic Aw Kian-Wee	
Kamarudin bin Rasid	
Azhan bin Mohamed	
Norani binti Sulaiman	
Noriko Fujimoto	(Appointed on 1 July 2021)
Takahiro Sato	(Appointed on 1 July 2021)
Cheong Heng Choy	(Appointed on 9 August 2021)
Hiroki Suzuki	(Resigned on 30 June 2021)
Miki Moriyama	(Resigned on 30 June 2021)

## DIRECTORS' REPORT (cont'd.)

### Directors' interests in shares

The interests in the shares of the Company and of its related corporations of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	At 1.4.2021/ Date of appointment	Number of ordinary shares		
		Acquired	Disposal/ Transfer	At 31.3.2022
<b>Interests in the Company</b>				
Indirect interest:				
Tan Sri Dato' (Dr.) Teo Chiang Liang	150,000	-	-	150,000
<b>Interests in the ultimate holding company</b>				
<b>- Ajinomoto Co. Inc.</b>				
Direct interest:				
Tomoharu Abe	3,181	76	-	3,257
Noriko Fujimoto	-	20,945	-	20,945
Takahiro Sato	-	3,310	-	3,310

None of the other Directors holding office at 31 March 2022 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

### Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the 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.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### Issue of shares and debentures

There were no changes in the issued and paid-up share capital of the Company and no debenture was issued during the financial year.

### Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

### Indemnity and insurance costs

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

There was no indemnity given to or insurance effected for the auditors of the Company during the financial year.

## DIRECTORS' REPORT (cont'd.)

### Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 March 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

### Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 22 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**Tan Sri Dato' (Dr.) Teo Chiang Liang**  
Director

**Tomoharu Abe**  
Director

Kuala Lumpur  
Date: 29 June 2022

# STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	2022 RM	2021 RM
<b>Non-current assets</b>			
Property, plant and equipment	3	432,672,282	361,525,438
Intangible assets	4	14,017,961	10,188,132
Right-of-use assets	5	18,081,024	18,253,875
Other receivables	6	1,828,635	1,616,854
Other investments	7	226,000	226,000
Deferred tax assets	17	578,726	4,214,670
<b>Total non-current assets</b>		<b>467,404,628</b>	<b>396,024,969</b>
<b>Current assets</b>			
Inventories	8	83,700,934	56,698,168
Trade and other receivables	6	51,492,879	56,276,691
Derivatives assets	9	-	100,395
Current tax assets		4,304,721	-
Liquid investments	10	48,914,051	99,589,931
Cash and cash equivalents	11	75,198,372	118,838,537
<b>Total current assets</b>		<b>263,610,957</b>	<b>331,503,722</b>
<b>Total assets</b>		<b>731,015,585</b>	<b>727,528,691</b>
<b>Equity</b>			
Share capital	12	65,102,234	65,102,234
Retained earnings		442,606,072	448,865,286
Other reserves	13	(1,721,828)	(1,655,275)
<b>Total equity</b>		<b>505,986,478</b>	<b>512,312,245</b>
<b>Non-current liabilities</b>			
Loan and borrowing	14	91,332,596	99,526,827
Retirement benefits	15	15,038,659	13,872,856
Lease liabilities		412,500	269,346
<b>Total non-current liabilities</b>		<b>106,783,755</b>	<b>113,669,029</b>
<b>Current liabilities</b>			
Loan and borrowing	14	8,589,987	254,969
Retirement benefits	15	1,349,452	1,273,378
Trade and other payables	16	107,295,600	96,337,772
Derivatives liabilities	9	313,367	442,602
Lease liabilities		696,946	616,876
Current tax liabilities		-	2,621,820
<b>Total current liabilities</b>		<b>118,245,352</b>	<b>101,547,417</b>
<b>Total liabilities</b>		<b>225,029,107</b>	<b>215,216,446</b>
<b>Total equity and liabilities</b>		<b>731,015,585</b>	<b>727,528,691</b>

The notes on pages 52 to 94 are an integral part of these financial statements.

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 RM	2021 RM
Revenue	18	484,677,540	443,119,251
Other items of income	19	3,499,963	4,513,466
<b>Items of expenses</b>			
Changes in inventories of finished goods and work in progress		5,762,460	2,708,411
Raw materials and packaging materials consumed		(250,896,112)	(195,508,714)
Finished goods purchased		(37,977,166)	(38,920,150)
Employee benefits expenses	20	(64,928,800)	(60,357,575)
Depreciation of property, plant and equipment	3	(18,363,804)	(16,592,499)
Amortisation of intangible assets	4	(2,150,369)	(824,194)
Depreciation of right-of-use assets	5	(1,329,651)	(1,287,001)
Other operating expenses	23	(92,967,743)	(75,595,156)
Finance cost	26	(1,040,059)	-
<b>Profit before tax</b>		24,286,259	61,255,839
Tax expense	24	(7,290,034)	(14,753,522)
<b>Profit for the year</b>		16,996,225	46,502,317
<b>Other comprehensive (loss)/income</b>			
<i>Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:</i>			
Actuarial (loss)/gain on defined benefit plans		(87,570)	138,817
Tax impact relating to actuarial (loss)/gain on defined benefit plans		21,017	(33,316)
<b>Total other comprehensive (loss)/income for the year</b>		(66,553)	105,501
<b>Total comprehensive income for the year</b>		16,929,672	46,607,818
<b>Earnings per share attributable to equity holders of the Company (sen per share)</b>			
- Basic	25	27.95	76.49
Net dividend (sen per share)	27	38.25	49.30

The notes on pages 52 to 94 are an integral part of these financial statements.



# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Share capital RM	Non- Distributable Other reserves RM	Distributable Retained earnings RM	Total equity RM
<b>At 1 April 2020</b>		65,102,234	(1,760,776)	432,336,646	495,678,104
Profit and total comprehensive income for the year		-	105,501	46,502,317	46,607,818
<i>Contributions by and distributions to owners of the Company</i>					
Dividends to owners of the Company	27	-	-	(29,973,677)	(29,973,677)
<b>At 31 March 2021/1 April 2021</b>		65,102,234	(1,655,275)	448,865,286	512,312,245
Profit and total comprehensive income for the year		-	(66,553)	16,996,225	16,929,672
<i>Contributions by and distributions to owners of the Company</i>					
Dividends to owners of the Company	27	-	-	(23,255,439)	(23,255,439)
<b>At 31 March 2022</b>		65,102,234	(1,721,828)	442,606,072	505,986,478
		Note 12	Note 13		

The notes on pages 52 to 94 are an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 RM	2021 RM
<b>Cash flows from operating activities</b>			
Profit before tax		24,286,259	61,255,839
<i>Adjustments for:</i>			
(Reversal)/Provision for short-term accumulating compensated absences	20	(1,964)	442,172
Interest income	19	(1,171,680)	(1,661,892)
Distribution from liquid investments	19	(1,181,997)	(1,956,977)
Finance cost	26	1,040,059	-
Depreciation of property, plant and equipment	3	18,363,804	16,592,499
Amortisation of intangible assets	4	2,150,369	824,194
Depreciation of right-of-use assets	5	1,329,651	1,287,001
(Reversal)/Allowance for impairment loss on trade receivables, net	22	(16,136)	9,228
Bad debts written off	22	10,000	-
Inventories written off	8	783,884	335,730
Property, plant and equipment written off		1,076,338	730,141
Intangible assets written off		-	1,629
Gain on disposal of property, plant and equipment		(214,278)	(206,489)
Provision for defined benefit plans	20	2,035,712	1,961,056
Unrealised foreign exchange loss		358,254	555,169
Net fair value gain on derivatives	19	(28,840)	(100,224)
<b>Operating profit before changes in working capital</b>		48,819,435	80,069,076
Inventories		(27,786,650)	(3,304,617)
Trade and other receivables		(730,088)	16,957,015
Trade and other payables		(5,276,830)	(1,055,647)
<b>Cash generated from operations</b>		15,025,867	92,665,827
Tax paid		(10,556,282)	(18,743,824)
Net payments made to retirement benefits		(459,949)	(797,178)
<b>Net cash generated from operating activities</b>		4,009,636	73,124,825
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	3	(68,139,780)	(149,927,839)
Acquisition of intangible assets	4	(5,709,368)	(6,107,139)
Proceeds from disposal of property, plant and equipment		677,590	822,190
Prepayment for acquisition of intangible assets		-	(683,700)
Prepayments for acquisition of property, plant and equipment		(529,381)	(5,401,598)
Interest received		1,213,515	1,748,187
Interest paid		(2,994,329)	(359,655)
Distribution from liquid investments		1,036,414	2,665,698
Disposal of liquid investments		50,818,131	21,750,597
<b>Net cash used in investing activities</b>		(23,627,208)	(135,493,259)

## STATEMENT OF CASH FLOWS

For The Year Ended 31 March 2022  
(cont'd.)

	Note	2022 RM	2021 RM
<b>Cash flows from financing activities</b>			
Transaction cost paid for borrowing		-	(500,000)
Payment of lease liabilities		(933,576)	(890,926)
Proceed from borrowing		-	100,000,000
Dividends paid	27	(23,255,439)	(29,973,677)
<b>Net cash (used in)/generated from financing activities</b>		<u>(24,189,015)</u>	<u>68,635,397</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			
Effect of exchange rate changes on cash and cash equivalents		(43,806,587)	6,266,963
<b>Cash and cash equivalents at 1 April</b>		<u>118,838,537</u>	<u>112,909,000</u>
<b>Cash and cash equivalents at 31 March</b>	11	<u>75,198,372</u>	<u>118,838,537</u>
<b>Cash outflows for leases as a lessee</b>			
<b>Included in net cash from operating activities</b>			
Payment relating to short-term leases	22	(124,483)	(92,500)
Payment relating to leases of low-value assets	22	(96,416)	(43,371)
<b>Included in net cash from financing activities:</b>			
Payment of lease liabilities		(933,576)	(890,926)
<b>Total cash outflows for leases</b>		<u>(1,154,475)</u>	<u>(1,026,797)</u>

The notes on pages 52 to 94 are an integral part of these financial statements.

## STATEMENT OF CASH FLOWS

For The Year Ended 31 March 2022  
(cont'd.)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 April 2020 RM	Net changes from financing cash flows RM	Acquisition of new lease RM	Derecognition RM	Other changes RM	At 31 March 2021/ 1 April 2021 RM	Net changes from financing cash flows RM	Acquisition of new lease RM	Derecognition RM	Other changes RM	At 31 March 2022 RM
Loan and borrowing	-	100,000,000	-	-	(218,204)	99,781,796	-	-	-	140,787	99,922,583
Lease liabilities	1,145,348	(890,926)	904,800	(273,000)	-	886,222	(933,576)	1,234,800	(78,000)	-	1,109,446
Total liabilities from financing activities	1,145,348	99,109,074	904,800	(273,000)	(218,204)	100,668,018	(933,576)	1,234,800	(78,000)	140,787	101,032,029

The notes on pages 52 to 94 are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

Ajinomoto (Malaysia) Berhad is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

## Principal place of business/Registered office

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

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

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

These financial statements were authorised for issue by the Board of Directors on 29 June 2022.

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

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

The followings are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

#### **MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022**

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

#### **MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023**

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 1. BASIS OF PREPARATION (CONT'D.)

#### (a) Statement of compliance (cont'd.)

##### **MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed**

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 April 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments to MFRS 1, MFRS 3 and MFRS 141 which are not applicable to the Company.
- from the annual period beginning on 1 April 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the Company.

The initial application of the abovementioned accounting standards and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Company.

#### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

#### (c) Functional and presentation currency

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

#### (d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant area of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following note:

- Note 5 – *Leases – Extension options*

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 2. 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 transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

#### (b) Financial instruments

##### (i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

##### (ii) Financial instrument categories and subsequent measurement

###### *Financial assets*

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

###### (a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(h)(i)) where the effective interest rate is applied to the amortised cost.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (b) Financial instruments (cont'd.)

##### (ii) Financial instrument categories and subsequent measurement (cont'd.)

###### *Financial assets (cont'd.)*

###### (b) *Fair value through profit or loss*

All financial assets not measured at amortised cost are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss are subject to impairment assessment (see Note 2(h)(i)).

###### *Financial liabilities*

The categories of financial liabilities at initial recognition are as follows:

###### (a) *Fair value through profit or loss*

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Company's key management personnel; or
- (c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Company recognises the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.



## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (b) Financial instruments (cont'd.)

##### (ii) Financial instrument categories and subsequent measurement (cont'd.)

###### *Financial liabilities (cont'd.)*

###### (b) *Amortised cost*

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

##### (iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of the ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### (iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

#### (c) Property, plant and equipment

##### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other items of income" and "other operating expenses" in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (c) Property, plant and equipment (cont'd.)

##### (ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

##### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	4 to 50 years
• Motor vehicles	6 years
• Plant, machinery and equipment	4 to 15 years
• Furniture, fixtures and fittings	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

#### (d) Leases

##### (i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (d) Leases (cont'd.)

##### (ii) Recognition and initial measurement

###### As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

##### (iii) Subsequent measurement

###### As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (e) Intangible assets

Intangible assets, that are acquired by the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

- Computer software 5 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

#### (f) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

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

#### (g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Company in the management of their short term commitments.

#### (h) Impairment

##### (i) Financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information, where available.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (h) Impairment (cont'd.)

##### (i) Financial assets (cont'd.)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

The Company estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery amounts due.

##### (ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior period are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (i) Equity instrument

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

##### (i) Ordinary shares

Ordinary shares are classified as equity.

#### (j) Employee benefits

##### (i) Short term employee benefits

Short term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### (ii) Defined contribution plans

The Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

##### (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 obligations in profit or loss:

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

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (k) Revenue and other income

##### (i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Company performs;
- (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

##### (ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

#### (l) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### (m) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### (n) Income tax

Income tax expense comprises current tax and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity, or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted by the end of the reporting year, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### (o) Earnings per ordinary share

The Company presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

#### (p) Fair value measurement

Fair value of an asset or a liability 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.

For 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 is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.



## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Motor vehicles RM	Plant, machinery and equipment RM	Furniture, fixtures and fittings RM	Capital work in progress RM	Total RM
<b>Cost</b>							
At 1 April 2020	85,750,210	52,158,375	10,002,705	158,393,101	8,062,325	31,998,147	346,364,863
Additions	5,465	305,034	2,484,802	5,461,398	66,059	209,408,954	217,731,712
Transfers	77,542	4,017	-	95,550	32,600	(209,709)	-
Disposals	-	-	(2,300,830)	-	-	-	(2,300,830)
Written off	-	(1,904,460)	-	(2,674,384)	(163,664)	-	(4,742,508)
At 31 March 2021/1 April 2021	85,833,217	50,562,966	10,186,677	161,275,665	7,997,320	241,197,392	557,053,237
Additions	106,000	5,510,316	2,449,469	828,911	352,926	81,802,676	91,050,298
Transfers	-	170,952,561	-	31,158,412	-	(202,110,973)	-
Disposals	-	-	(1,429,690)	-	-	-	(1,429,690)
Written off	(596,484)	-	-	(860,618)	(6,619)	-	(1,463,721)
At 31 March 2022	85,342,733	227,025,843	11,206,456	192,402,370	8,343,627	120,889,095	645,210,124
<b>Accumulated depreciation</b>							
At 1 April 2021	-	46,556,756	4,142,780	127,328,300	6,604,960	-	184,632,796
Depreciation charge for the year	-	2,861,101	1,168,441	11,804,911	758,046	-	16,592,499
Disposals	-	-	(1,685,129)	-	-	-	(1,685,129)
Written off	-	(1,708,711)	-	(2,165,884)	(137,772)	-	(4,012,367)
At 31 March 2021/1 April 2021	-	47,709,146	3,626,092	136,967,327	7,225,234	-	195,527,799
Depreciation charge for the year	-	3,666,784	1,290,977	12,805,182	600,861	-	18,363,804
Disposals	-	-	(966,378)	-	-	-	(966,378)
Written off	-	-	-	(381,385)	(5,998)	-	(387,383)
At 31 March 2022	-	51,375,930	3,950,691	149,391,124	7,820,097	-	212,537,842
<b>Carrying amounts</b>							
At 1 April 2020	85,750,210	5,601,619	5,859,925	31,064,801	1,457,365	31,998,147	161,732,067
At 31 March 2021/1 April 2021	85,833,217	2,853,820	6,560,585	24,308,338	772,086	241,197,392	361,525,438
At 31 March 2022	85,342,733	175,649,913	7,255,765	43,011,246	523,530	120,889,095	432,672,282

The Company's addition to property, plant and equipment are analysed at below:

	2022 RM	2021 RM
Cash	68,139,780	149,927,839
Reclassification from other receivables	5,401,598	35,522,443
Accruals	15,413,863	31,639,979
	88,955,241	217,090,261
Capitalisation of interest expense (Note 26)	2,095,057	641,451
	91,050,298	217,731,712

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 4. INTANGIBLE ASSETS

	Computer software RM	Capital work in progress RM	Total RM
<b>Cost</b>			
At 1 April 2020	6,775,310	2,127,542	8,902,852
Additions	1,724,196	5,207,656	6,931,852
Written off	(9,250)	-	(9,250)
Transfer	1,438,542	(1,438,542)	-
At 31 March 2021/1 April 2021	9,928,798	5,896,656	15,825,454
Additions	2,620,709	3,359,489	5,980,198
Transfer	4,647,296	(4,647,296)	-
At 31 March 2022	17,196,803	4,608,849	21,805,652
<b>Accumulated amortisation</b>			
At 1 April 2020	4,820,749	-	4,820,749
Charge for the financial year	824,194	-	824,194
Written off	(7,621)	-	(7,621)
At 31 March 2021/1 April 2021	5,637,322	-	5,637,322
Charge for the financial year	2,150,369	-	2,150,369
At 31 March 2022	7,787,691	-	7,787,691
<b>Net carrying amount</b>			
At 1 April 2020	1,954,561	2,127,542	4,082,103
At 31 March 2021/1 April 2021	4,291,476	5,896,656	10,188,132
At 31 March 2022	9,409,112	4,608,849	14,017,961

The Company acquired intangible assets by the following means:

	2022 RM	2021 RM
Cash	5,709,368	6,107,139
Reclassification from other receivables	270,830	-
Accruals	-	824,713
	5,980,198	6,931,852

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 5. RIGHT-OF-USE ASSETS

	Leasehold land RM	Buildings RM	Total RM
At 1 April 2020	17,763,728	1,145,348	18,909,076
Additions	-	904,800	904,800
Depreciation	(396,075)	(890,926)	(1,287,001)
Derecognition*	-	(273,000)	(273,000)
At 31 March 2021/1 April 2021	17,367,653	886,222	18,253,875
Additions	-	1,234,800	1,234,800
Depreciation	(396,075)	(933,576)	(1,329,651)
Derecognition*	-	(78,000)	(78,000)
At 31 March 2022	16,971,578	1,109,446	18,081,024

\* Derecognition of the right-of-use assets during the financial year as a result of termination of contracts.

The Company leases a number of buildings that run between 2 years to 3 years, with an option to renew the lease after that date.

Leasehold land relates to the lease of land with lease terms of between 41 years to 52 years.

## 5.1 Extension options

The leases of the buildings contain extension options exercisable by the Company up to two years before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility.

	Lease liabilities recognised RM	Potential future lease payments not included in lease liabilities RM
Buildings	125,600	134,400

## 5.2 Significant judgements and assumptions in relation to leases

The Company assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Company considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 6. TRADE AND OTHER RECEIVABLES

	Note	2022 RM	2021 RM
<b>Current</b>			
<b>Trade</b>			
Trade receivables		26,039,532	25,780,451
Amount due from ultimate holding company	6.1	-	437,796
Amount due from related companies	6.1	19,103,534	20,246,478
		<u>45,143,066</u>	<u>46,464,725</u>
Less: Allowance for impairment loss		(9,337)	(31,033)
Trade receivables, net		<u>45,133,729</u>	<u>46,433,692</u>
<b>Non-trade</b>			
Other receivables		2,135,745	791,748
Deposits		814,995	768,244
Prepayments		2,378,550	7,536,640
Prepayments for acquisition of property, plant and equipment	6.2	529,381	5,401,598
Prepayment for acquisition of intangible assets		412,870	683,700
Other prepayments		1,436,299	1,451,342
Staff loans	6.3	1,029,860	746,367
		<u>6,359,150</u>	<u>9,842,999</u>
		<u>51,492,879</u>	<u>56,276,691</u>
<b>Non-current</b>			
Other receivables			
Staff loans	6.3	1,828,635	1,616,854

#### 6.1 Amounts due from ultimate holding and related companies

Trade amounts due from ultimate holding and related companies are non-interest bearing and are generally on 14 to 90 days (2021: 14 to 90 days) terms.

#### 6.2 Prepayments

Prepayments relate to milestone payment made for construction of buildings and equipment purchased of RM529,381 (2021: RM5,401,598). The prepayments as at 31 March 2021 of RM5,401,598 for construction of buildings and equipment purchased have been capitalised as property, plant and equipment upon completion and the transfer of ownership during the year.

#### 6.3 Staff loans

Staff loans are unsecured, bear interest rates at 0% to 2.5% (2021: 0% to 2.5%) per annum. Non-current amounts have an average maturity of 2.32 years (2021: 2.47 years). These 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.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 7. OTHER INVESTMENTS

	2022 RM	2021 RM
<b>At cost:</b>		
Transferable club memberships	226,000	226,000

Fair value information

Fair value of other investments is categorised as follows:

	2022 RM	2021 RM
<b>Level 3</b>		
Transferable club memberships	230,000	226,000

The Directors regard the fair value of transferable club memberships as level 3 fair value where such fair value is estimated with reference made to quotations provided by respective clubs.

## 8. INVENTORIES

	2022 RM	2021 RM
<b>At cost:</b>		
Raw materials	43,474,960	21,815,699
Consumables	2,577,569	2,996,524
Work-in-progress	3,051,763	573,687
Finished goods	34,596,642	31,312,258
	<u>83,700,934</u>	<u>56,698,168</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	329,684,997	281,898,154
Inventories written off	783,884	335,730

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 9. DERIVATIVES ASSETS/(LIABILITIES)

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount and reference rate or index are the basis upon which changes in the values of derivatives are measured. The notional amounts indicated the volume of transactions outstanding at the end of reporting period.

	Forward foreign exchange contracts RM	Notional Amount RM
<b>As at 31 March 2022:</b>		
Derivative liabilities	(313,367)	58,008,492
<b>As at 31 March 2021:</b>		
Derivative assets	100,395	16,098,993
Derivative liabilities	(442,602)	27,703,500

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

During the financial year, the Company recognised a net gain of RM28,840 (2021: net gain of RM100,224) arising from fair value changes of these derivatives. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

### 10. LIQUID INVESTMENTS

	2022 RM	2021 RM
<b>At fair value:</b>		
Investment in Islamic money market funds	48,914,051	99,589,931

The liquid investments represent investment in Islamic money market funds, and the average distribution rate is at 1.69% to 2.60% per annum (2021: 2.00% to 2.91% per annum).

### 11. CASH AND CASH EQUIVALENTS

	2022 RM	2021 RM
Cash and bank balances	54,174,498	42,637,520
Deposits with licensed banks	21,023,874	76,201,017
	75,198,372	118,838,537

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 12. SHARE CAPITAL

	Amount 2022 RM	Number of shares 2022	Amount 2021 RM	Number of shares 2021
Issued and fully paid ordinary shares with no par values classified as equity instruments: At 1 April/31 March	65,102,234	60,798,534	65,102,234	60,798,534

**Ordinary shares**

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.

## 13. OTHER RESERVES

	Defined benefit reserves RM
At 1 April 2020	(1,760,776)
<b>Other comprehensive income:</b>	
Defined benefit plans actuarial gain (Note 15)	138,817
Income tax effect	(33,316)
At 31 March 2021/1 April 2021	(1,655,275)
<b>Other comprehensive income:</b>	
Defined benefit plans actuarial loss (Note 15)	(87,570)
Income tax effect	21,017
At 31 March 2022	(1,721,828)

The defined benefit reserves represent the re-measurement of actuarial gains or losses of the defined benefit liabilities or assets.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 14. LOAN AND BORROWING

	2022 RM	2021 RM
<b>Non-current</b>		
Islamic financing facility - unsecured	91,666,666	100,000,000
Unamortised transaction costs	(334,070)	(473,173)
	<u>91,332,596</u>	<u>99,526,827</u>
<b>Current</b>		
Islamic financing facility - unsecured	8,589,987	254,969
	<u>99,922,583</u>	<u>99,781,796</u>

The effective interest rate during the financial year for borrowing was 3.14% (2021: 3.16%) per annum.

The borrowing is obtained for capital expenditure purposes. It is unsecured and is repayable in quarterly instalments commencing from 28 February 2023 to 28 November 2025.

### 15. EMPLOYEE BENEFITS

#### Retirement benefits

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% (2021: 6% and 10%) on 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:

	2022 RM	2021 RM
Present value of defined benefit obligations, representing net liabilities	<u>16,388,111</u>	<u>15,146,234</u>
Analysed as:		
Within the next 12 months	1,349,452	1,273,378
Beyond 1 year	15,038,659	13,872,856
	<u>16,388,111</u>	<u>15,146,234</u>

The defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.



## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 15. EMPLOYEE BENEFITS (CONT'D)

## Retirement benefits (cont'd)

## Movement in net defined benefit liabilities

In 2022, changes in the defined benefit obligations and fair value of plan assets are as follows:

	Note	Defined benefit obligations RM	Fair value of plan assets RM	Net defined benefit liabilities RM
<b>Balance as at 1 April 2021</b>		20,582,005	(5,435,771)	15,146,234
Movement during the financial year:				
Service cost		1,373,470	-	1,373,470
Net interest		897,855	(235,613)	662,242
Retirement benefit cost charged to profit or loss	20	2,271,325	(235,613)	2,035,712
Net benefits (paid)/received		(345,055)	42,095	(302,960)
Actuarial loss/(gain) recognised in other comprehensive income		366,020	(278,450)	87,570
Transfer to other receivables		-	217,605	217,605
Transfer to other payables		(639,061)	-	(639,061)
Contributions by the Company		-	(156,989)	(156,989)
		(618,096)	(175,739)	(793,835)
<b>Balance as at 31 March 2022</b>		22,235,234	(5,847,123)	16,388,111

In 2021, changes in the defined benefit obligations and fair value of plan assets are as follows:

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

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 15. EMPLOYEE BENEFITS (CONT'D)

## Retirement benefits (cont'd)

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

	2022 %	2021 %
Discount rate	4.80	4.50
Salary increment rate	6.00	6.00

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

	Defined benefit obligations Increase RM	Decrease RM
<b>2022</b>		
Discount rate (1% movement)	2,198,641	(1,912,796)
Salary increment rate (1% movement)	649,067	(592,836)

	Defined benefit obligations Increase RM	Decrease RM
<b>2021</b>		
Discount rate (1% movement)	1,812,616	(1,593,067)
Salary increment rate (1% movement)	509,694	(468,892)

## 16. TRADE AND OTHER PAYABLES

	Note	2022 RM	2021 RM
<b>Trade</b>			
Trade payables		11,344,207	10,769,070
Amount due to ultimate holding company	16.1	2,531,661	1,148,043
Amount due to related companies	16.1	42,460,585	16,229,444
		<u>56,336,453</u>	<u>28,146,557</u>
<b>Non-trade</b>			
Other payables		19,044,923	20,555,171
Accruals		23,262,476	36,579,647
Provisions	16.2	6,662,228	6,221,128
Refund liabilities	16.3	882,693	786,797
Amount due to ultimate holding company	16.1	603,742	3,187,045
Amount due to related companies	16.1	503,085	861,427
		<u>50,959,147</u>	<u>68,191,215</u>
		<u>107,295,600</u>	<u>96,337,772</u>

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

**16. TRADE AND OTHER PAYABLES (CONT'D)**

	2022 RM	2021 RM
Total trade and other payables	107,295,600	96,337,772
Less: Provisions	(6,662,228)	(6,221,128)
Total financial liabilities at amortised cost	<u>100,633,372</u>	<u>90,116,644</u>

**16.1 Amounts due to ultimate holding company and related companies**

These amounts are unsecured, non-interest bearing and have credit terms of 30 to 60 days (2021: 30 to 60 days).

**16.2 Provisions**

	Employee benefits expenses RM	Other operating expenses RM	Total RM
<b>At 1 April 2020</b>	3,598,229	3,447,768	7,045,997
Provisions made during the year	9,745,534	5,450,569	15,196,103
Provisions used during the year	(9,177,525)	(6,894,736)	(16,072,261)
Provisions reversed during the year	51,288	-	51,288
<b>At 31 March 2021/1 April 2021</b>	<u>4,217,526</u>	<u>2,003,601</u>	<u>6,221,127</u>
Provisions made during the year	9,157,395	6,500,004	15,657,399
Provisions used during the year	(8,348,563)	(6,773,041)	(15,121,604)
Provisions reversed during the year	(94,694)	-	(94,694)
<b>At 31 March 2022</b>	<u>4,931,664</u>	<u>1,730,564</u>	<u>6,662,228</u>

**16.3 Refund liabilities**

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

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 17. DEFERRED TAX ASSETS

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM
Property, plant and equipment	-	-	(5,378,981)	(1,125,478)	(5,378,981)	(1,125,478)
Retirement benefits	3,933,147	3,635,096	-	-	3,933,147	3,635,096
Provisions	2,024,560	1,705,052	-	-	2,024,560	1,705,052
Tax assets/(liabilities)	5,957,707	5,340,148	(5,378,981)	(1,125,478)	578,726	4,214,670

#### Movement in temporary differences during the year

Deferred tax assets and liabilities are attributable to the following:

	At 1 April 2020 RM	Recognised in profit or loss (Note 24)	Recognised in other comprehensive income RM	At 31 March 2021/ 1 April 2021 RM	Recognised in profit or loss (Note 24)	Recognised in other comprehensive income RM	At 31 March 2022 RM
		RM	RM	RM	RM	RM	RM
Property, plant and equipment	(2,543,609)	1,418,131	-	(1,125,478)	(4,253,503)	-	(5,378,981)
Retirement benefits	3,432,895	235,517	(33,316)	3,635,096	277,034	21,017	3,933,147
Provisions	1,700,127	4,925	-	1,705,052	319,508	-	2,024,560
	2,589,413	1,658,573	(33,316)	4,214,670	(3,656,961)	21,017	578,726

### 18. REVENUE

	2022 RM	2021 RM
<b>Revenue from contracts with customers</b>		
Sale of goods	484,677,540	443,119,251
<b>18.1 Disaggregation of revenue</b>		
<b>Geographical markets</b>		
Malaysia	279,764,809	258,390,958
Middle East	79,913,351	59,465,136
Other Asian countries	117,523,406	117,642,863
Others	7,475,974	7,620,294
Revenue from contracts with customers	484,677,540	443,119,251
<b>Timing of revenue recognition</b>		
At a point in time	484,677,540	443,119,251

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

**18. REVENUE (CONT'D)****18.2 Performance obligation**

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

The performance obligation is satisfied upon shipment of the goods and payment is generally due within 14 to 90 (2021: 14 to 90) days.

**19. OTHER ITEMS OF INCOME**

	2022 RM	2021 RM
Gain on disposal of property, plant and equipment	214,278	206,489
Interest income	1,171,680	1,661,892
Distribution from liquid investments	1,181,997	1,956,977
Miscellaneous income	903,168	358,680
Realised foreign exchange gain	-	229,204
Net fair value gain on derivatives	28,840	100,224
	3,499,963	4,513,466

**20. EMPLOYEE BENEFITS EXPENSES**

	Note	2022 RM	2021 RM
Wages and salaries		51,870,093	49,213,906
Gratuity		21,600	21,600
Defined contribution plans		5,616,169	5,262,149
Provision for defined benefit plans	15	2,035,712	1,961,056
Social security costs		511,601	488,097
(Reversal)/Provision for short-term accumulating compensated absences		(1,964)	442,172
Other staff related expenses		4,875,589	2,968,595
Total employee benefits expenses		64,928,800	60,357,575

Included in employee benefits expenses of the Company are Executive Directors' remuneration (excluding benefits-in-kind) amounting to RM5,128,663 (2021:RM3,628,672) as further disclosed in Note 21.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

**21. DIRECTORS' REMUNERATION**

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

	Note	2022 RM	2021 RM
Executive:			
Salaries and other emoluments		4,381,687	2,924,623
Fees		54,000	54,000
Bonus		589,024	491,326
Gratuity		21,600	21,600
Defined contribution plans		82,352	137,123
Total executive directors' remuneration (excluding benefits-in-kind)	20	5,128,663	3,628,672
Estimated money value of benefits-in-kind		382,327	356,502
Total Executive Directors' remuneration (including benefits-in-kind)		5,510,990	3,985,174
Non-executive:			
Fees		228,333	237,083
Gratuity		91,333	94,833
Other emoluments		101,333	114,933
Total Non-Executive Directors' remuneration (excluding benefits-in-kind)		420,999	446,849
Estimated money value of benefits-in-kind		-	1,702
Total Executive Directors' remuneration (including benefits-in-kind)		420,999	448,551
Total Directors' remuneration		5,931,989	4,433,725

The Directors' remuneration of the Company, which included the Directors who had resigned during the year is analysed at below:

	2022	2021
Executive directors:		
RM200,001 - RM250,000	-	1
RM350,001 - RM400,000	1	1
RM450,001 - RM500,000	2	-
RM500,001 - RM550,000	-	1
RM550,001 - RM600,000	2	-
RM600,001 - RM650,000	-	1
RM700,001 - RM750,000	-	2
RM750,001 - RM800,000	-	1
RM850,001 - RM900,000	1	-
RM1,050,001 - RM1,100,000	1	-
RM1,100,001 - RM1,150,000	1	-
Non-executive directors:		
below RM50,000	1	2
RM50,001 - RM100,000	3	3
RM100,001 - RM150,000	-	1
RM150,001 - RM200,000	1	-

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 22. PROFIT FOR THE YEAR

	2022 RM	2021 RM
<b>Profit for the year is arrived at after charging:</b>		
Auditors' remuneration		
Statutory audit fees	184,300	202,500
Non-audit fees	7,600	37,000
<b>Material expenses/(income)</b>		
Depreciation of right-of-use assets	1,329,651	1,287,001
Inventories written off	783,884	335,730
Bad debt written off	10,000	-
Foreign exchange loss/(gain) :		
- Realised	940,036	(229,204)
- Unrealised	358,254	555,169
Net fair value gain on derivatives	(28,840)	(100,224)
Property, plant and equipment written off	1,076,338	730,141
Intangible assets written off	-	1,629
Depreciation of property, plant and equipment	18,363,804	16,592,499
Amortisation of intangible assets	2,150,369	824,194
Gain on disposal of property, plant and equipment	(214,278)	(206,489)
<b>Expenses arising from leases</b>		
Expenses relating to leases of low-value assets	96,416	43,371
Expenses relating to short-term leases	124,483	92,500
<b>Net (gain)/loss on impairment of financial instruments</b>		
(Reversal)/allowance for impairment loss on trade receivables	(16,136)	9,228

## 23. OTHER OPERATING EXPENSES

	2022 RM	2021 RM
Selling and distribution expenses	49,203,534	39,813,854
Administrative and other expenses	43,764,209	35,781,302
	<u>92,967,743</u>	<u>75,595,156</u>

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 24. TAX EXPENSE

	2022 RM	2021 RM
<b>Current tax expense</b>		
Current income tax	3,944,588	16,026,129
(Over)/Under provision in prior years	(311,515)	385,966
	<u>3,633,073</u>	<u>16,412,095</u>
<b>Deferred tax expense</b>		
Origination and reversal to temporary differences	3,262,841	(1,970,598)
Under provision in prior years	394,120	312,025
	<u>3,656,961</u>	<u>(1,658,573)</u>
Total income tax expense	<u>7,290,034</u>	<u>14,753,522</u>
<b>Reconciliation of tax expense</b>		
Profit before tax	<u>24,286,259</u>	<u>61,255,839</u>
Income tax calculated using Malaysian tax rate of 24% (2021: 24%)	5,828,702	14,701,401
Non-deductible expenses	1,662,406	97,327
Tax exempt income	(283,679)	(469,674)
Utilisation of current year's reinvestment allowances	-	(273,523)
Under provision of deferred tax in prior years	394,120	312,025
(Over)/Under provision of income tax expenses in prior years	(311,515)	385,966
	<u>7,290,034</u>	<u>14,753,522</u>

## 25. EARNINGS PER SHARE

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

	2022 RM	2021 RM
Profit for the year attributable to ordinary shareholders of the Company	<u>16,996,225</u>	<u>46,502,317</u>
	<b>Number of shares 2022</b>	<b>Number of shares 2021</b>
Weighted average number of ordinary shares at 31 March	<u>60,798,534</u>	<u>60,798,534</u>



## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 25. EARNINGS PER SHARE (CONT'D)

	2022 sen	2021 sen
Basic earnings per share	27.95	76.49

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.

### 26. FINANCE COST

	2022 RM	2021 RM
Profit payment on Islamic financing	3,135,116	641,451
Less: Finance cost capitalised (Note 3)	(2,095,057)	(641,451)
	1,040,059	-

### 27. DIVIDENDS

Dividends recognised by the Company:

	Sen per share RM	Total amount RM	Date of payment
<b>2022</b>			
First and final 2021 ordinary	38.25	23,255,439	22 October 2021
<b>2021</b>			
First and final 2020 ordinary	49.30	29,973,677	28 October 2020

In respect of the financial year ended 31 March 2022, the Company declared a first and final single-tier dividend of 8.50 sen per ordinary share totalling approximately RM5,167,875 on 29 June 2022.

### 28. CAPITAL COMMITMENT

	2022 RM	2021 RM
Approved and contracted for:		
Property, plant and equipment	18,961,181	67,440,251
Intangible assets	1,055,780	3,466,381
	20,016,961	70,906,632

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 29. CONTINGENT LIABILITIES

	2022 RM	2021 RM
Unsecured bank guarantees extended to third parties for capital expenditure and utilities purposes	5,142,896	6,113,220

## 30. FINANCIAL INSTRUMENTS

## 30.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Amortised cost
- (ii) Fair value through profit or loss ("FVTPL")
  - Mandatorily required by MFRS 9

	Carrying amount RM	Amortised cost RM	Mandatorily at FVTPL RM
<b>2022</b>			
<b>Financial assets</b>			
Trade and other receivables (excluding prepayments)	50,942,964	48,084,469	2,858,495
Liquid investments	48,914,051	-	48,914,051
Cash and cash equivalents	75,198,372	75,198,372	-
	<u>175,055,387</u>	<u>123,282,841</u>	<u>51,772,546</u>
<b>Financial liabilities</b>			
Loan and borrowing	99,922,583	99,922,583	-
Derivative liabilities	313,367	-	313,367
Trade and other payables	100,633,372	100,633,372	-
	<u>200,869,322</u>	<u>200,555,955</u>	<u>313,367</u>
<b>2021</b>			
<b>Financial assets</b>			
Trade and other receivables (excluding prepayments)	50,356,905	47,993,684	2,363,221
Liquid investments	99,589,931	-	99,589,931
Cash and cash equivalents	118,838,537	118,838,537	-
Derivative assets	100,395	-	100,395
	<u>268,885,768</u>	<u>166,832,221</u>	<u>102,053,547</u>
<b>Financial liabilities</b>			
Loan and borrowing	99,781,796	99,781,796	-
Derivative liabilities	442,602	-	442,602
Trade and other payables	90,116,644	90,116,644	-
	<u>190,341,042</u>	<u>189,898,440</u>	<u>442,602</u>

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### 30.2 Net gains and losses arising from financial instruments

	2022 RM	2021 RM
Net gains/(losses) on:		
Fair value through profit or loss		
– Mandatorily required by MFRS 9	28,840	100,224
Financial assets measured at amortised cost	2,185,257	3,146,807
Financial liabilities measured at amortised cost	(1,223,757)	(534,507)
	990,340	2,712,524

#### 30.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### 30.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from trade and other receivables. There are no significant changes as compared to prior periods.

##### Trade receivables

*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Company assesses whether any of the trade receivables is credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### 30.4 Credit risk (cont'd)

##### Trade receivables (cont'd)

##### Credit risk concentration profile

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

	2022		2021	
	RM	% of total	RM	% of total
<b>By country:</b>				
Malaysia	22,415,262	50%	19,606,514	42%
Indonesia	8,494,813	19%	8,418,738	18%
Middle East	2,720,528	6%	4,291,494	9%
Singapore	607,003	1%	1,340,110	3%
Thailand	4,467,316	10%	4,039,812	9%
Japan	647,399	1%	977,252	2%
Other countries	5,781,408	13%	7,759,772	17%
	<u>45,133,729</u>	<u>100%</u>	<u>46,433,692</u>	<u>100%</u>

##### Recognition and measurement of impairment losses

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. For export sales, the Company does not offer credit terms without appropriate approval.

An impairment analysis is performed at each reporting date using a provision matrix to measure Expected Credit Losses ("ECLs"). The customers with similar loss patterns are grouped together. The provision rates based on the days past due are then applied to these groupings. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

The following table provides information about the exposure to credit risk and ECLs for trade receivables which are grouped together as they are expected to have similar risk nature.

As at the end of reporting period, two (2021: two) major customers with respective receivables equals or more than 10% of the Company's total trade receivables' balance and contributed, in aggregate, 24% (2021: 25%) to the Company's total trade receivables' balance.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 30. FINANCIAL INSTRUMENTS (CONT'D)

## 30.4 Credit risk (cont'd)

## Trade receivables (cont'd)

Recognition and measurement of impairment losses (cont'd)

	Gross carrying amount RM	Expected credit loss RM	Net balance RM
<b>2022</b>			
Current (not past due)	35,666,336	-	35,666,336
Past due 0-30 days	8,890,288	-	8,890,288
Past due 31-60 days	443,713	-	443,713
Past due 61-90 days	120,841	-	120,841
Past due 91-120 days	12,887	-	12,887
Past due more than 120 days	(336)	-	(336)
	<u>45,133,729</u>	<u>-</u>	<u>45,133,729</u>
<b>Credit impaired</b>			
Past due more than 365 days	9,337	(9,337)	-
	<u>45,143,066</u>	<u>(9,337)</u>	<u>45,133,729</u>
<b>2021</b>			
Current (not past due)	37,672,333	-	37,672,333
Past due 1-30 days	8,030,683	-	8,030,683
Past due 31-60 days	618,119	-	618,119
Past due 61-90 days	78,191	-	78,191
Past due 91-120 days	29,434	-	29,434
Past due more than 120 days	4,932	-	4,932
	<u>46,433,692</u>	<u>-</u>	<u>46,433,692</u>
<b>Credit impaired</b>			
Past due more than 365 days	31,033	(31,033)	-
	<u>46,464,725</u>	<u>(31,033)</u>	<u>46,433,692</u>

The movements in the allowance for impairment in respect of trade receivables during the year are shown as below:

	2022 RM	2021 RM
At 1 April	31,033	21,805
Movement during the year:		
Provision of expected credit loss	716	19,505
Reversal of expected credit loss	(16,852)	(10,277)
(Reversal)/Provision of expected credit loss, net	(16,136)	9,228
Written off during the year	(5,560)	-
At 31 March	<u>9,337</u>	<u>31,033</u>

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### 30.4 Credit risk (cont'd)

##### Cash and cash equivalents

The cash and cash equivalents are held with banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

##### Other receivables

Credit risks on other receivables are mainly arising from advances paid to suppliers and staff loan. The Company monitors the exposure to credit risk on individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Company did not recognise any allowance for impairment losses.

#### 30.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its various payables and loan and borrowing.

The Company maintains a level of cash and bank balances deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 30. FINANCIAL INSTRUMENTS (CONT'D)

## 30.5 Liquidity risk (cont'd)

## Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM
<b>2022</b>						
<b>Non-derivative financial liabilities</b>						
Loan and borrowing	99,922,583	3.00-3.02	107,132,192	11,333,333	35,715,525	60,083,334
Trade and other payables	100,633,372	-	100,633,372	100,633,372	-	-
Lease liabilities	1,109,446	-	1,109,446	696,946	295,500	117,000
	<u>201,665,401</u>		<u>208,875,010</u>	<u>112,663,651</u>	<u>36,011,025</u>	<u>60,200,334</u>
<b>Derivative financial liabilities</b>						
Forward exchange contracts (gross settled)						
Outflow	-	-	57,798,071	57,798,071	-	-
Inflow	(313,367)	-	(58,111,438)	(58,111,438)	-	-
	<u>(313,367)</u>		<u>(313,367)</u>	<u>(313,367)</u>	<u>-</u>	<u>-</u>
	<u>201,352,034</u>		<u>208,561,643</u>	<u>112,350,284</u>	<u>36,011,025</u>	<u>60,200,334</u>
<b>2021</b>						
<b>Non-derivative financial liabilities</b>						
Loan and borrowing	99,781,796	2.97-3.02	110,179,000	2,999,260	11,353,333	95,826,407
Trade and other payables	90,116,644	-	90,116,644	90,116,644	-	-
Lease liabilities	886,222	-	886,222	616,876	235,346	34,000
	<u>190,784,662</u>		<u>201,181,866</u>	<u>93,732,780</u>	<u>11,588,679</u>	<u>95,860,407</u>
<b>Derivative financial liabilities</b>						
Forward exchange contracts (gross settled)						
Outflow	-	-	43,902,888	43,902,888	-	-
Inflow	(342,207)	-	(44,245,095)	(44,245,095)	-	-
	<u>(342,207)</u>		<u>(342,207)</u>	<u>(342,207)</u>	<u>-</u>	<u>-</u>
	<u>190,442,455</u>		<u>200,839,659</u>	<u>93,390,573</u>	<u>11,588,679</u>	<u>95,860,407</u>

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### 30.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Company's financial position or cash flows.

##### 30.6.1 Currency risk

The Company is exposed to foreign currency risk on sales, purchases and cash and cash equivalents that are denominated in a currency other than the functional currency of the Company. The currencies giving rise to this risk are primarily U.S Dollar ("USD"), Japanese Yen ("JPY"), Euro ("EUR") and Singapore Dollar ("SGD").

*Risk management objectives, policies and processes for managing the risk*

The Company hedged 96% (2021: 98%) and 84% (2021: 84%) of its foreign currency denominated sales and purchases of raw materials respectively for which firm commitments existed at the reporting date.

The Company uses 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. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity. The Company does not designate derivatives as hedging instruments under hedge accounting model.

*Exposure to foreign currency risk*

The Company's exposure to foreign currency (a currency other than the functional currency of the Company) risk, based on carrying amounts as at the end of the reporting period are as follows:

	USD RM	Denominated in JPY RM	EUR RM	SGD RM
<b>2022</b>				
<b>Balances recognised in the statement of financial position</b>				
Trade receivables	22,226,871	-	-	614,627
Cash and cash equivalents	20,914,866	-	-	5,427,836
Trade payables	(42,400,881)	(888,025)	(338,925)	-
<b>Net exposure</b>	<b>740,856</b>	<b>(888,025)</b>	<b>(338,925)</b>	<b>6,042,463</b>
<b>2021</b>				
<b>Balances recognised in the statement of financial position</b>				
Trade receivables	25,175,084	-	-	1,351,761
Cash and cash equivalents	15,553,417	-	-	2,590,024
Trade payables	(17,788,304)	(1,419,752)	(2,988,307)	-
<b>Net exposure</b>	<b>22,940,197</b>	<b>(1,419,752)</b>	<b>(2,988,307)</b>	<b>3,941,785</b>



## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 30. FINANCIAL INSTRUMENTS (CONT'D)

## 30.6 Market risk (cont'd)

## 30.6.1 Currency risk (cont'd)

**Currency risk sensitivity analysis**

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

		2022 RM Profit before tax	2021 RM Profit before tax
USD/RM	- strengthened 2% (2021: 2%)	14,817	458,804
	- weakened 2% (2021: 2%)	(14,817)	(458,804)
JPY/RM	- strengthened 2% (2021: 2%)	(17,761)	(28,395)
	- weakened 2% (2021: 2%)	17,761	28,395
EUR/RM	- strengthened 2% (2021: 2%)	(6,779)	(59,766)
	- weakened 2% (2021: 2%)	6,779	59,766
SGD/RM	- strengthened 2% (2021: 2%)	120,849	78,836
	- weakened 2% (2021: 2%)	(120,849)	(78,836)

## 30.6.2 Interest rate risk

The Company's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

*Risk management objectives, policies and processes for managing the risk*

The Company does not hedge its interest rate exposure and the management monitors these exposures on an ongoing basis.

*Exposure to interest rate risk*

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period, was:

	2022 RM	2021 RM
<b>Fixed rate instruments</b>		
<b>Financial asset</b>		
Deposits with licensed banks	21,023,874	76,201,017
<b>Financial liabilities</b>		
Lease liabilities	(1,109,446)	(886,222)
Loan and borrowing	(99,922,583)	(99,781,796)
	(101,032,029)	(100,668,018)

*Interest rate risk sensitivity analysis*

*Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 30. FINANCIAL INSTRUMENTS (CONT'D)

## 30.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables, approximate fair value due to the relatively short term nature of these financial instruments.

The table below analyses other financial instruments at fair value:

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
<b>2022</b>								
<b>Financial assets</b>								
Liquid investments	-	48,914,051	-	-	-	-	-	48,914,051
Staff loans	-	-	2,858,495	-	-	-	-	2,858,495
	-	48,914,051	2,858,495	-	-	-	-	51,772,546
<b>Financial liabilities</b>								
Derivative financial liabilities	-	313,367	-	-	-	-	-	313,367
Loan and borrowing	-	-	-	-	-	99,195,515	99,195,515	99,922,583
	-	313,367	-	-	-	99,195,515	99,195,515	100,235,950
<b>2021</b>								
<b>Financial assets</b>								
Liquid investments	-	99,589,931	-	-	-	-	-	99,589,931
Derivative financial assets	-	100,395	-	-	-	-	-	100,395
Staff loans	-	-	2,363,221	-	-	-	-	2,363,221
	-	99,690,326	2,363,221	-	-	-	-	102,053,547
<b>Financial liabilities</b>								
Derivative financial liabilities	-	442,602	-	-	-	-	-	442,602
Loan and borrowing	-	-	-	-	-	99,363,686	99,363,686	99,781,796
	-	442,602	-	-	-	99,363,686	99,363,686	100,224,398

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### 30.7 Fair value information (cont'd)

##### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or financial liabilities, either directly or indirectly.

##### *Derivatives*

The fair value of 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.

##### *Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

##### Policy on transfer between levels

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.

##### Transfers between Level 1 and Level 2 fair values

There has been no material transfer between Level 1 and 2 fair values during the financial year (2021: no transfer in either directions).

##### Level 3 fair value

The following table shows the valuation technique used in the determination of fair values within Level 3.

##### (a) Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Loan and borrowing	Discounted cash flows using a rate based on the current market rate of borrowing of the Company at the reporting date.

##### (b) Financial instruments carried at fair value

Type	Description of valuation technique and inputs used
Staff loans	Discounted cash flows using a rate based on the current market rate of borrowing at the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

### 31. 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 2022 and 31 March 2021.

### 32. RELATED PARTIES

#### Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The Executive Directors of the Company are the key management personnel. The compensation of key management personnel during the year is disclosed in Note 21.

The Company has related party relationship with its ultimate holding company, related companies and key management personnel.

#### Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the year. Related party transactions have been entered into in the normal course of business under negotiated terms. The balances related to the below transactions are shown in Note 6 and Note 16.

	2022 RM	2021 RM
<b>Transactions with related companies:</b>		
Commission income	28,599	23,396
Royalties payable	(10,977,511)	(9,617,232)
Sales	109,895,496	110,706,573
Purchases	(203,269,153)	(148,827,089)
Purchase of assets	(16,884,383)	(1,910,581)
Other expenses	(1,282,249)	(937,629)
Shared information technology services	(2,173,635)	(2,765,510)

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 33. SEGMENTAL INFORMATION

## (a) Business segment

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

	Consumer business segment RM	Industrial business segment RM	Total RM
<b>At 31 March 2022</b>			
<b>Revenue</b>	347,124,522	137,553,018	484,677,540
<b>Results</b>			
Segment profit	3,258,445	18,459,859	21,718,304
Interest income			1,171,680
Distribution from liquid investments			1,181,997
Gain on disposal of property, plant and equipment			214,278
Profit before tax			24,286,259
Tax expense			(7,290,034)
Profit for the year			16,996,225
<b>At 31 March 2021</b>			
<b>Revenue</b>	309,878,119	133,241,132	443,119,251
<b>Results</b>			
Segment profit	29,283,152	28,147,329	57,430,481
Interest income			1,661,892
Distribution from liquid investments			1,956,977
Gain on disposal of property, plant and equipment			206,489
Profit before tax			61,255,839
Tax expense			(14,753,522)
Profit for the year			46,502,317

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 33. SEGMENTAL INFORMATION (CONT'D)

## (a) Business segment (cont'd)

	Consumer business segment RM	Industrial business segment RM	Total RM
<b>At 31 March 2022</b>			
<b>Assets</b>			
Segment assets	440,635,672	285,496,466	726,132,138
Current tax assets			4,304,721
Deferred tax assets			578,726
Total assets			731,015,585
<b>Liabilities</b>			
Segment liabilities	197,500,533	27,528,574	225,029,107
Total liabilities			225,029,107
<b>Other segment information</b>			
Capital expenditure	55,696,769	42,568,527	98,265,296
Depreciation of property, plant and equipment	10,408,604	7,955,200	18,363,804
Amortisation of intangible assets	1,218,829	931,540	2,150,369
Depreciation of right-of-use assets	753,646	576,005	1,329,651
<b>At 31 March 2021</b>			
<b>Assets</b>			
Segment assets	434,639,488	288,674,533	723,314,021
Deferred tax assets			4,214,670
Total assets			727,528,691
<b>Liabilities</b>			
Segment liabilities	171,271,588	41,323,038	212,594,626
Current tax liabilities			2,621,820
Total liabilities			215,216,446
<b>Other segment information</b>			
Capital expenditure	109,056,449	116,511,915	225,568,364
Depreciation of property, plant and equipment	8,022,042	8,570,457	16,592,499
Amortisation of intangible assets	398,476	425,718	824,194
Depreciation of right-of-use assets	928,891	358,110	1,287,001

## NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

(cont'd.)

## 33. SEGMENTAL INFORMATION (CONT'D)

## (b) Geographical segment

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

	Malaysia RM	Middle East RM	Other Asian countries RM	Others RM	Total RM
<b>Revenue</b>					
2022	279,764,809	79,913,351	117,523,406	7,475,974	484,677,540
2021	258,390,958	59,465,136	117,642,863	7,620,294	443,119,251

# STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 46 to 94 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**Tan Sri Dato' (Dr.) Teo Chiang Liang**  
Director

**Tomoharu Abe**  
Director

Kuala Lumpur  
Date: 29 June 2022

# STATUTORY DECLARATION

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

I, **Heng Wai Shen**, the officer primarily responsible for the financial management of Ajinomoto (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 46 to 94 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by  
the abovenamed Heng Wai Shen, MIA CA 9667, at  
Kuala Lumpur in the Federal Territory  
on 29 June 2022.

**Heng Wai Shen**  
MIA: CA 9667

Before me:

**Tan Seok Kett**  
(W530)  
Commissioner for Oaths  
Kuala Lumpur



# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AJINOMOTO (MALAYSIA) BERHAD  
(INCORPORATED IN MALAYSIA)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Ajinomoto (Malaysia) Berhad ("the Company"), which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 46 to 94.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

#### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matter

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

### Revenue recognition

Refer to Note 2(k) - Significant accounting policies: Revenue and other income - Revenue and Note 18 - Revenue

#### The key audit matter

During the financial year, the Company recognised revenue from sales of goods amounting to RM484,677,540.

We identified revenue recognition to be a key audit matter as revenue represents the most significant amount in the Company. We consider the high volume of transactions to be a possible cause of higher risk of material misstatements in respect of the timing and amount of revenue recognised.

#### How the matter was addressed in our audit

We performed the following audit procedures, among others, around revenue recognition:

- We have evaluated and tested the design, implementation and operating effectiveness on the controls of the revenue;
- We have developed an expectation of the current year revenue taking into consideration cash receipts, movements in receivable balances and other transaction costs. We then compared this expectation with actual results;
- We assessed sales transactions taken place before and after the reporting date as well as credit notes issued subsequent to end of reporting period to ascertain whether the revenue was recognised in the correct accounting period; and
- We have circularised trade receivables' confirmation for selected debtors and checked to relevant delivery/shipping documents when debtors are unresponsive.

## INDEPENDENT AUDITORS' REPORT

To The Members Of Ajinomoto (Malaysia) Berhad  
(Incorporated In Malaysia)  
(cont'd.)

### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Company and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

## INDEPENDENT AUDITORS' REPORT

To The Members Of Ajinomoto (Malaysia) Berhad  
(Incorporated In Malaysia)  
(cont'd.)

### Auditors' Responsibilities for the Audit of the Financial Statements (cont'd.)

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Other Matters

1. The financial statements of the Company as at and for the financial year ended 31 March 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 30 July 2021.
2. This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

**Chan Kah Mun**  
Approval Number: 03350/01/2024 J  
Chartered Accountant

Petaling Jaya, Selangor

Date:

# LIST OF PROPERTIES

AS AT 31 MARCH 2022

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)	46 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 18.12.2067	1984 (Revaluation)	57 years	8,696,542
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	172,640 sq. ft.	Leasehold expiring on 5.7.2067	1984 (Revaluation)	52 years	3,252,133
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Mining pool	238,084 sq. ft.	Leasehold expiring on 2062	1984 (Revaluation)	57 years	1,519,978
Land and buildings Lot 5710, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Factory complex	84,380 sq. ft.	Leasehold expiring on 15.3.2073	1992	30 years	1,625,632
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	30 years	121,961
Land and buildings Lot 47088, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Industrial land and store	60,848 sq. ft.	Leasehold expiring on 20.1.2074	2003	17 years	2,188,787
Land & Buildings Land Lot No. 1402, Bandar Baru Enstek, Daerah Seremban, Negeri Sembilan	Office, warehouse and factory complex	2,015,206 sq.ft.	Freehold	2019	3 years	261,557,459

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Sixty-First ("61<sup>st</sup>") Annual General Meeting ("AGM") of the Company will be held on a virtual basis hosted on Securities Services e-Portal at <https://sshsb.net.my/> at the broadcast venue at Ajinomoto (Malaysia) Berhad, Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur on Tuesday, 30 August 2022 at 10:00 a.m. for the following purposes:-

## AGENDA

- |                                                                                                                                                                                               |                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
|                                                                                                                                                                                               | (Please refer to the<br>Notes to the Notice<br>of 61 <sup>st</sup> AGM<br>No. 1) |
| 1. To receive the Audited Financial Statements for the financial year ended 31 March 2022 together with the Reports of the Directors and the Auditors thereon.                                |                                                                                  |
| 2. To approve the payment of Directors' fees amounting to RM282,333 for the financial year ended 31 March 2022.                                                                               | (Resolution 1)                                                                   |
| 3. To approve the payment of Directors' benefits up to an amount of RM650,000 from 31 August 2022 until the date of the next Annual General Meeting of the Company.                           | (Resolution 2)                                                                   |
| 4. To re-elect the following Directors who are due to retire pursuant to Clause 120 of the Company's Constitution and being eligible, have offered themselves for re-election:-               |                                                                                  |
| (a) Tan Sri Dato' (Dr.) Teo Chiang Liang;                                                                                                                                                     | (Resolution 3)                                                                   |
| (b) Mr. Koay Kah Ee;                                                                                                                                                                          | (Resolution 4)                                                                   |
| (c) Mr. Dominic Aw Kian-Wee; and                                                                                                                                                              | (Resolution 5)                                                                   |
| (d) Puan Norani binti Sulaiman.                                                                                                                                                               | (Resolution 6)                                                                   |
| 5. To re-appoint Messrs. KPMG PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. | (Resolution 7)                                                                   |

## As Special Business

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

### 6. ORDINARY RESOLUTION NO. 1:

#### - AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

(Resolution 8)

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

**AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

## NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

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

"**THAT** subject to the provisions of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Proposed Renewal of Existing Shareholders' Mandate for the Company to enter into and to give effect to the category of the recurrent transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 2.3 of the Circular to Shareholders dated 28 July 2022, provided that such transactions are:-

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

(the "**Mandate**");

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

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

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

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

"**THAT** subject to the passing of Resolution no. 3, 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 (9) years since 28 June 2001 be and is hereby retained as an Independent Director of the Company."

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

"**THAT** subject to the passing of Resolution no. 4, Mr. Koay Kah Ee who has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years since 15 November 2007 be and is hereby retained as an Independent Director of the Company."

## NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

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

"**THAT** subject to the passing of Resolution no. 5, Mr. Dominic Aw Kian-Wee who has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years since 10 August 2010 be and is hereby retained as an Independent Director of the Company."

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

By Order of the Board

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

Kuala Lumpur  
 Dated : 28 July 2022

**Explanatory Notes: -**

**1. Resolutions 3 to 6 - Re-election of Directors who retire by rotation**

For the purpose of determining the eligibility of the Director to stand for re-election at the 61st AGM of the Company, the Board of Directors through its Nomination Committee had reviewed and assessed each of the retiring Directors from the annual assessment and evaluation of the Board of Directors for the financial year ended 31 March 2022.

Based on the results of the annual evaluations, the Board of Directors is satisfied with the performance and contributions of the retiring Directors namely, Tan Sri Dato' (Dr.) Teo Chiang Liang, Mr. Koay Kah Ee, Mr. Dominic Aw Kian-Wee and Puan Norani binti Sulaiman, and supports the re-election based on the following considerations:

- (i) able to meet the Board of Directors' expectations in terms of character, experience, integrity, competency and time commitment in discharging their roles as Directors of the Company;
- (ii) exercised due care and carried out professional duties proficiently; and
- (iii) level of independence demonstrated by the Independent Non-Executive Director, where relevant.

The retiring Directors have consented to their re-election and abstained from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board and Nomination Committee, where relevant.

**2. Resolution 8 - Authority to Issue Shares pursuant to the Companies Act 2016**

The Company had been granted a general mandate on the authority to issue shares pursuant to the Companies Act 2016 by its shareholders at the Sixtieth Annual General Meeting of the Company held on 20 September 2021 (hereinafter referred to as the "**Previous Mandate**"). The Company wishes to renew the said mandate at the 61st AGM of the Company (hereinafter referred to as the "**New Mandate**").

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

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

## NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

### 3. Resolution 9 - Proposed Renewal of Existing Shareholders' 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 July 2022 for more information.

### 4. Resolution 10 - Retention of Tan Sri Dato' (Dr.) Teo Chiang Liang as an Independent Director

Tan Sri Dato' (Dr.) Teo Chiang Liang ("**Tan Sri Teo**") was appointed as an Independent Director of the Company on 28 June 2001 and has served the Board for a cumulative term of more than nine (9) years in this capacity. The Board of Directors of the Company through the Nomination Committee, after having assessed the independence of Tan Sri Teo, regards him to be independent based amongst others, the following justifications, and recommends that Tan Sri Teo be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company through a two-tier voting process as described in the Guidance to Practice 5.3 of the Malaysian Code on Corporate Governance:-

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



## NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

**5. Resolution 11 - Retention of Mr. Koay Kah Ee as an Independent Director**

Mr. Koay Kah Ee ("**Mr. Koay**") was appointed as an Independent Director of the Company on 15 November 2007 and has served the Board for a cumulative term of more than nine (9) years in this capacity. The Board of Directors of the Company through the Nomination Committee, after having assessed the independence of Mr. Koay, regards him to be independent based amongst others, the following justifications, and recommends that Mr. Koay be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company through a two-tier voting process as described in the Guidance to Practice 5.3 of the Malaysian Code on Corporate Governance:-

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

**6. Resolution 12 - Retention of Mr. Dominic Aw Kian-Wee as an Independent Director**

Mr. Dominic Aw Kian-Wee ("**Mr. Aw**") was appointed as an Independent Director of the Company on 10 August 2010 and has served the Board for a cumulative term of more than nine (9) years in this capacity. The Board of Directors of the Company through the Nomination Committee, after having assessed the independence of Mr. Aw, regards him to be independent based amongst others, the following justifications, and recommends that Mr. Aw be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company through a two-tier voting process as described in the Guidance to Practice 5.3 of the Malaysian Code on Corporate Governance:-

## NOTICE OF ANNUAL GENERAL MEETING (cont'd.)


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

### Notes to the Notice of the 61st AGM:-

1. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
2. As part of the initiatives to curb the spread of COVID-19, the 61st AGM will be conducted on a virtual basis by way of live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at <https://sshb.net.my>. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.
3. With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the 61st AGM.

As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers and its subsequent amendments, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the 61st AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the 61st AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to [eservices@sshb.com.my](mailto:eservices@sshb.com.my) during the 61st AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded via broadcast by the Chairman, Board of Directors and/or Management during the Meeting.

## NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

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4. In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 August 2022 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this Meeting.
  5. A member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A member may appoint more than one (1) proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
  6. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the members to attend, participate, speak and vote at the Meeting and upon appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.
  7. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
  8. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjournment thereof or submitted electronically via Securities Services e-Portal at <https://sshb.net.my> not later than forty-eight (48) hours before the time set for holding the 61st AGM or any adjournment thereof. The lodging of the Form of Proxy does not preclude a member from attending and voting remotely at the 61st AGM should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the 61st AGM or any adjournment thereof, and you register for RPV as guided in the Administrative Guide. Please contact the poll administrator, SS E Solutions Sdn. Bhd., at 03-2084 9000 for further assistance.
  9. The Administrative Guide on the Conduct of a Virtual General Meeting is available for download at <https://www.ajinomoto.com.my>

**Eat Well, Live Well.**



**AJINOMOTO®**



**SUSTAINABILITY STATEMENT**

**2022**

# INTRODUCTION

This Report aligns with Ajinomoto (Malaysia) Berhad's ("AMB" or "the Company") commitment to create a company that is sustainable long-term within the context of Ajinomoto Group's **Creating Shared Value (ASV)** philosophy. AMB's approach to ASV is underpinned by Environmental, Social and Governance (**ESG**) parameters. The initiatives implemented also support AMB's role in helping to shape the world for a better future to "**Eat Well, Live Well**".

AMB has been emphasising operational efficiency, minimising waste, and giving due care for the environment through three focus areas: Reducing Carbon Dioxide ("CO<sub>2</sub>") emissions, Reducing Food Loss, and Zero Plastic Waste.

At AMB's soon to be opened state-of-the-art plant at Taman Enstek Halal Hub in Negeri Sembilan solar panels and rain water harvesting have been incorporated to facilitate renewable energy generation and general cleaning respectively. At AMB's current plant, more environmentally friendly alternative fuel sources have been used. The Company also transitioned from using poly-material plastic to recyclable mono-material plastic for packaging of its range of monosodium glutamate ("MSG") products. Furthermore, our food manufacturing processes have been enhanced, unwanted by-products reduced, and innovative methods to recycle the organic by-products developed and deployed.

Employee safety, health and wellbeing are AMB's priority areas as they are considered important assets of the Company. During the Covid-19 pandemic stringent Standard Operating Procedures ("SOPs") were enforced to prevent the spread of the virus at the work place. AMB also introduced 'Work Style Innovation' initiative including flexible working arrangement in order to reduce staffing density at the office. The Company also updated its digitalised human resource management system to improve the efficiency and productivity of employees' remote working arrangements.

AMB's reputation is built upon the bedrock of robust corporate governance practices that emphasise integrity, transparency and adherence to Government rules and regulations. In-line with the enforcement of corporate liability for corruption by the Malaysian Anti-Corruption Commission, AMB provided employees with relevant anti-corruption training. Furthermore, AMB conducted its annual risk management assessment to ensure risks are identified, addressed and minimised.

Creating long-term sustainable value for shareholders and other stakeholders and care for the environment will continue to remain on AMB's radar as a responsible corporate citizen.

# AMB'S KEY ACHIEVEMENTS

## GENERAL



Establishment of new governance structure for sustainability management

Three key focus area of AMB's sustainability approach:

- Reducing CO<sub>2</sub> Emissions
- Reducing Food Loss
- Zero Plastic Waste

## ENVIRONMENT:



Expanded the range of MSG products with **recyclable mono-material packaging**

**2.38%** reduction in CO<sub>2</sub> emissions intensity compared to FYE 31 March 2021

**6.59%** reduction in total waste generation compared to FYE 31 March 2021

**3%** reduction in water consumption intensity compared to FYE 31 March 2021

## SOCIAL:



Digitalised human resource management system to reduce paper usage

**35** employees received human rights training

Invested a total of RM 137,200 to provide an average **11.8** training hours per employee

Total Social Contributions:  
**RM 250,000**

## GOVERNANCE:



**69%** of employees provided with anti-corruption training

Zero risk of corruption identified in annual risk assessment

# ABOUT THIS STATEMENT

In line with Ajinomoto Group's Mission, Vision, and the Ajinomoto Group ASV philosophy AMB is steadfast in embracing sustainability principles underpinned by ESG parameters in its business decisions and implementation of innovative manufacturing and business processes. In this sixth annual Sustainability Statement, we are pleased to present our initiatives and progress in delivering long-term value to our stakeholders and remain resilient.

The above commitments will continue to be relevant and implemented after AMB moves to its new factory at Taman Enstek in Negeri Sembilan.

## Scope of Reporting

Ajinomoto's sustainability performance from 1 April 2021 to 31 March 2022 ("FYE 31 March 2022") is highlighted in this Statement, and the disclosures comprise our Corporate Headquarters' operation, Manufacturing Facilities, Marketing, Sales and Distribution Activities.

## Framework

The FYE 31 March 2022 Statement is prepared with reference to the following standards and frameworks to ensure our stakeholders receive a concise, meaningful, and balanced report.



## Feedback

Our statement is incorporated in the Company's Annual Report, which can be accessed via AMB's corporate website at <https://www.ajinomoto.com.my>. Kindly reach out to us at <https://www.ajinomoto.com.my/contact-us> for any feedback or inquiries you may have.

## ABOUT AJINOMOTO MALAYSIA BERHAD

AMB was founded in 1961 as a distributor of monosodium glutamate ("MSG") under the AJI-NO-MOTO® trademark imported from its parent company in Japan. Construction of AMB's flagship factory in Kuala Lumpur was completed in 1965 to produce MSG and other food seasoning products. As one of the pioneer and established Japanese companies to set up in Malaysia, AMB continues to develop and expand its product line. Besides its main product MSG, AMB's range of AJI-NO-MOTO® products currently include all-in-one seasoning, chicken stock, sweeteners, flavoured drinks with amino acids, and flavour-enhancing products serving end consumers and food manufacturing industries.

AMB has invested in a new state-of-the-art factory at Taman Enstek Halal Hub in Negeri Sembilan, slated to be opened before the end of 2022.

### Location of Head Office, Sales Branches and New Factory





# CREATING SHARED VALUE

The ever-changing landscape and unfolding global events warrants a focused yet flexible approach towards a sustainable future. With decades of collaborative experience and investments, and our reputation, AMB is in a strong position to provide industry-specific solutions backed by the Group's track record of achievements especially in amino sciences. As a globally-recognised food brand, we strive to promote greater wellness for people worldwide through our amino based products.

Our sustainability strategy is aligned with the Group's ASV philosophy. The Group identified Health and Well-being, Food Resources, and Global Sustainability as 21<sup>st</sup>-century issues. We take cognizance of these challenging issues as we make headway in our efforts to create long term sustainable value and a resilient future for the Company, its shareholders and other stakeholders.

## Corporate Message

# Eat Well, Live Well

### Ajinomoto Group Mission



Contribute to the world's food and wellness, and to better lives for the future

### Ajinomoto Group Vision



Contribute to greater wellness for people worldwide, unlocking the power of amino acids to resolve the food and health issues associated with dietary habits and aging

### Ajinomoto Group Creating Shared Value ("ASV")



With our stakeholders and businesses, we help resolve society's issues, leading to the creation of economic value

### 21<sup>st</sup>-Century Issues of Human Society

Health and Well-being

Food Resources

Global Sustainability

### ESG Focus Topics



#### CO2 Emissions

AMB Target:  
50% CO<sub>2</sub> emission reduction by  
FYE 31 March 2025 from FYE  
31 March 2019 baseline



#### Food Loss

AMB Target:  
50% food loss reduction by FYE  
31 March 2025 from FYE  
31 March 2019 baseline



#### Project Zero Plastic

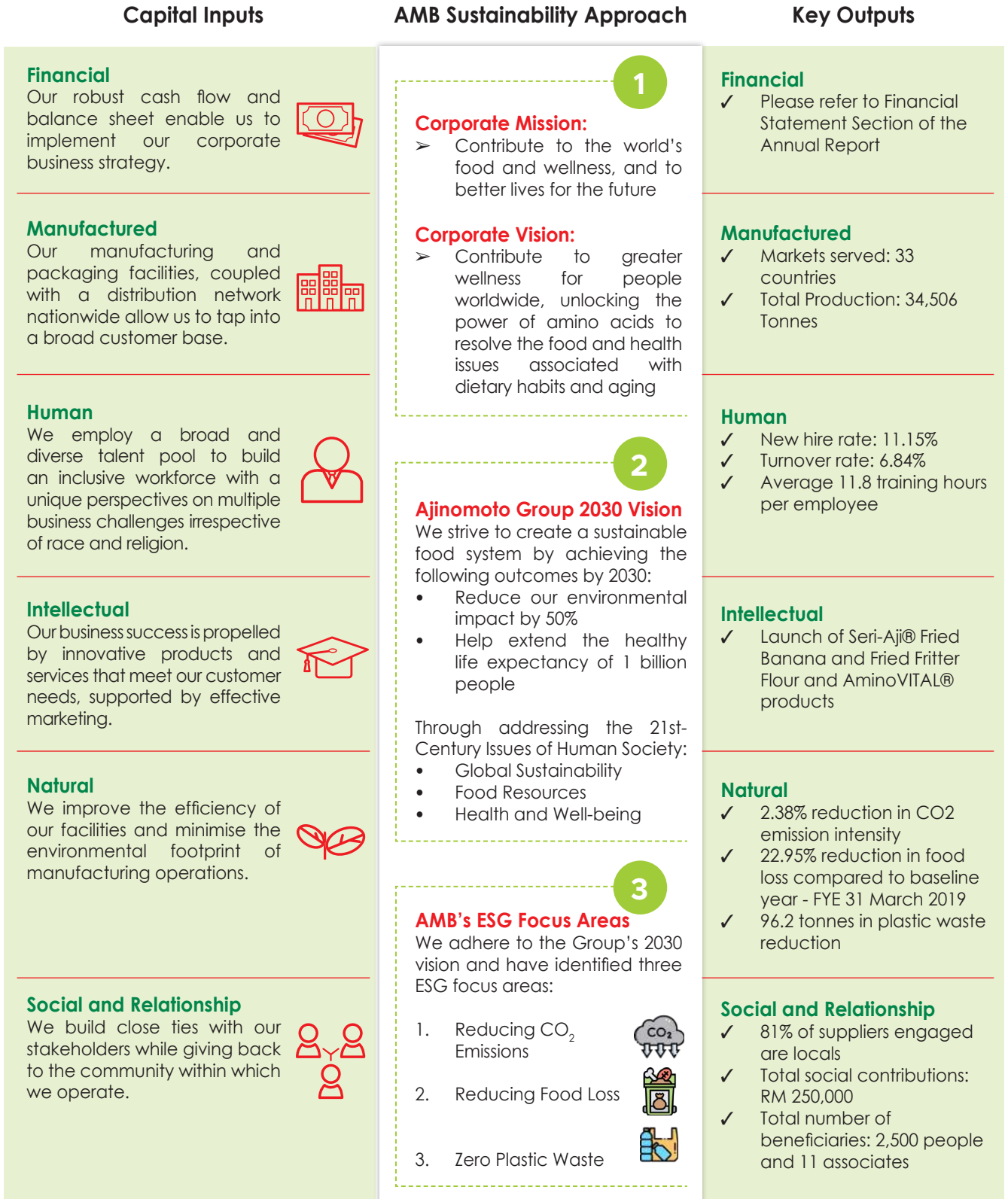
AMB Target:  
Zero Plastic Waste by FYE  
31 March 2030

# CREATING SHARED VALUE

(cont'd.)

## Value Creation Model

To drive long-term value creation aligned with our ASV philosophy, we established a value creation model that illustrates additional benefits we provide to our stakeholders and the wider environment.



# CREATING SHARED VALUE

(cont'd.)

## Key Performance Indicators

Despite the current setback caused by the global Covid-19 pandemic, AMB has continued to create meaningful impact on the Company's sustainable development agenda. For this reporting period, we measure our progress in the Company's sustainability goals through the key performance indicators outlined below:-

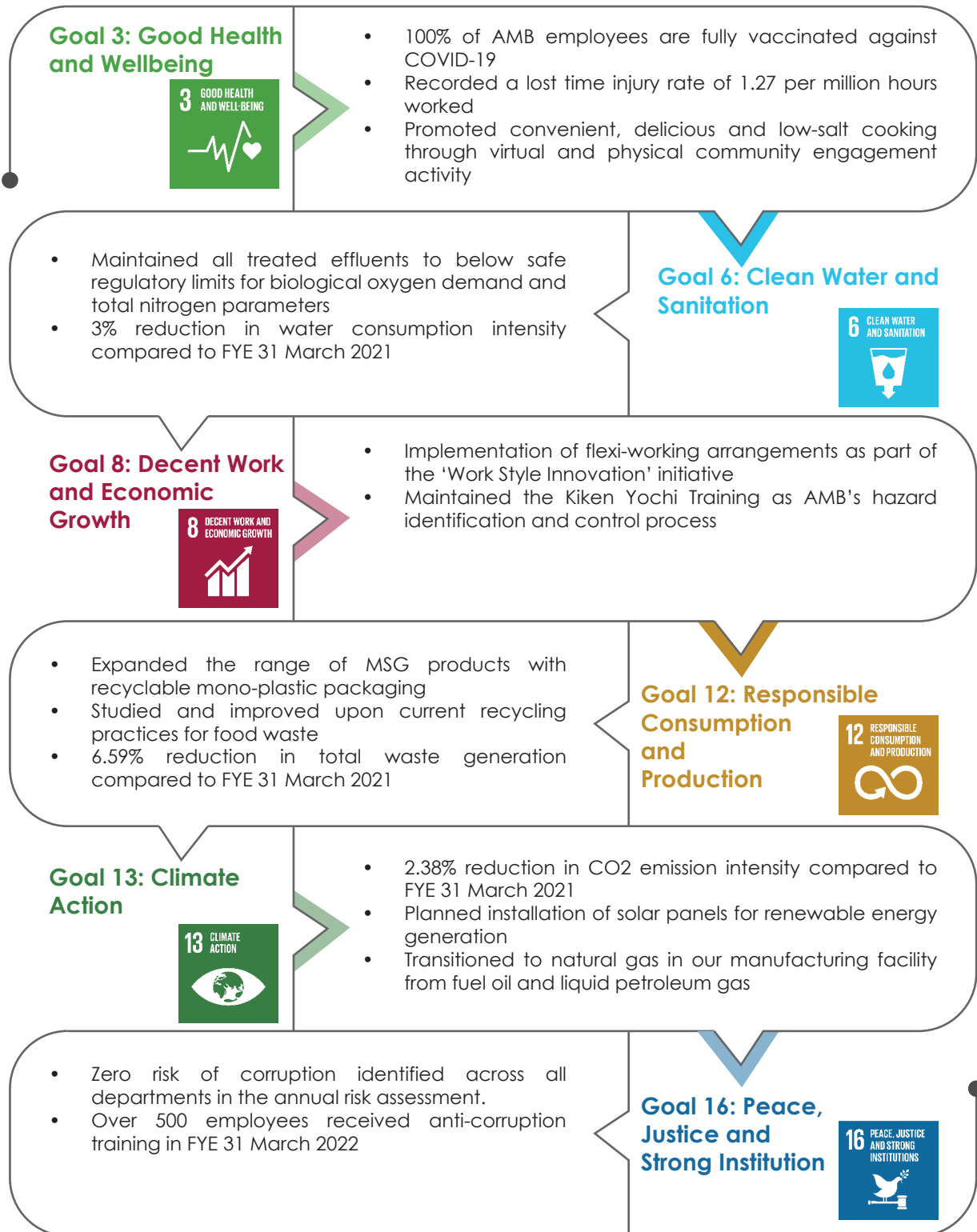
Environmental	Social	Governance
<p><b>Reduce CO2 emissions by 10% in FYE 31 March 2022, from FYE 31 March 2019 baseline</b></p> <p><i>Performance:</i>  <b>3.81%</b> reduction in total CO<sub>2</sub> emissions compared to baseline year</p>	<p><b>Maintain zero cases of serious accidents and zero lost-time injuries</b></p> <p><i>Performance:</i>  <b>Two (2)</b> significant work-related injuries were reported, with a lost time injury recorded at <b>1.27</b> per million hours worked.</p>	<p><b>100% of management trained on anti-bribery and anti-corruption policy</b></p> <p><i>Performance:</i>  <b>100%</b> of management participated in AMB's internal company training on anti-corruption and bribery practices.</p>
<p><b>Reduce food loss by 50% in FYE 31 March 2025, from FYE 31 March 2019 baseline</b></p> <p><i>Performance:</i>  <b>22.95%</b> reduction in total food loss compared to baseline year</p>	<p><b>Provide an average of 10 training hours per employee</b></p> <p><i>Performance:</i>  An average <b>11.8</b> hours of training provided to employees throughout reporting period.</p>	
<p><b>Zero plastic waste by FYE 31 March 2030</b></p> <p><i>Performance:</i>  <b>96.2</b> tonnes of plastic waste reduction achieved during reporting period</p>	<p><b>Maintain zero incident of non-compliance pertaining to product quality and safety</b></p> <p><i>Performance:</i>  <b>Zero</b> non-compliance regarding product quality and safety, or labelling concerns.</p>	
<p><b>Ensure treated effluent quality remains below regulatory limits for: Biological Oxygen Demand Total Nitrogen</b></p> <p><i>Performance:</i>  All effluent parameters recorded were <b>below</b> the regulatory limits set by the Department of Environment.</p>		

# CREATING SHARED VALUE

(cont'd.)

## Contribution to Sustainable Development Goals (“SDGs”)

As a major food manufacturer with a wide distribution network, we endeavour to inspire positive change, and address some of the world’s pressing health and environmental issues. Our sustainability initiatives continue to align with the six (6) SDGs maintained in previous reporting periods.

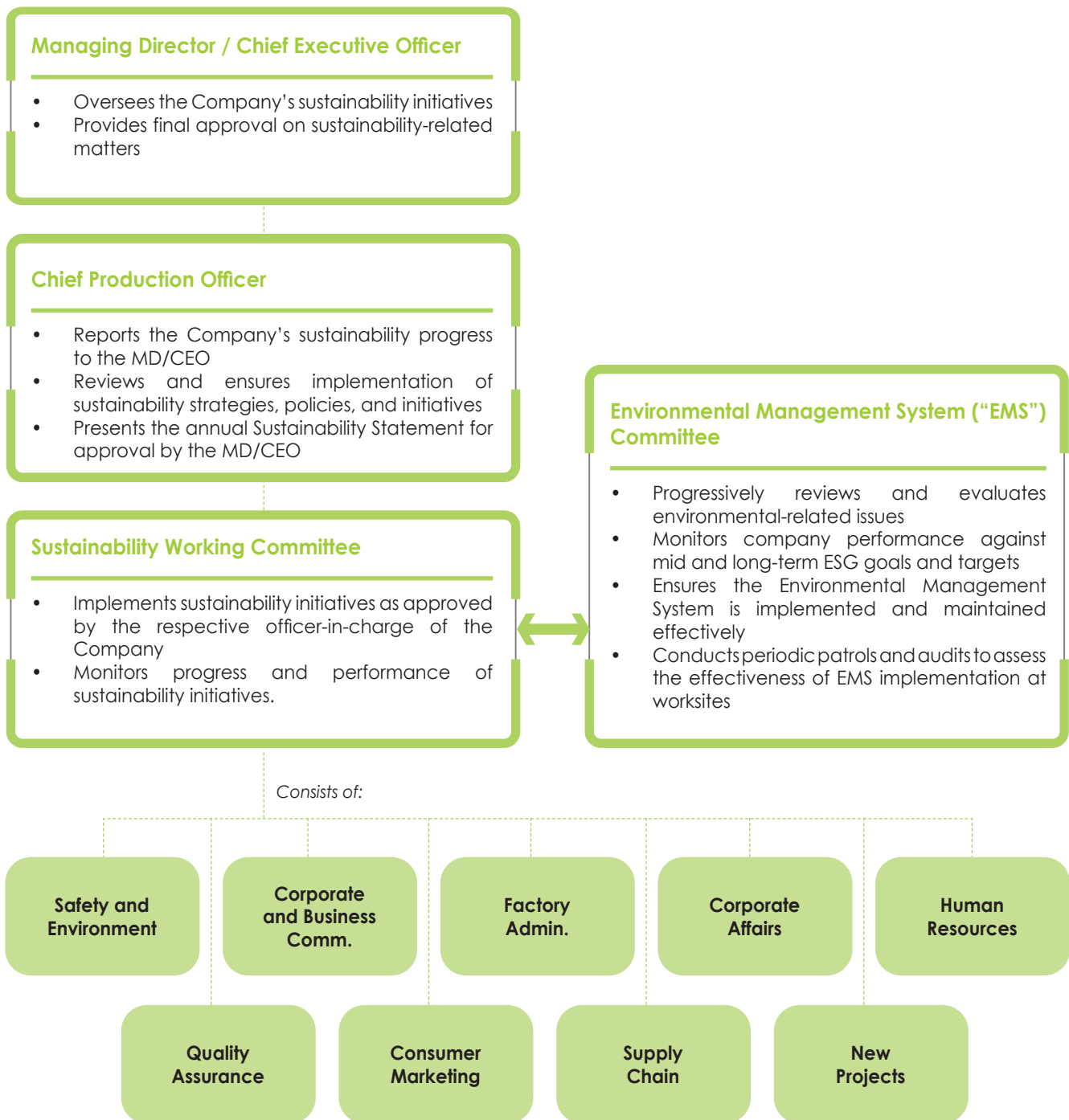


# HOW SUSTAINABILITY IS GOVERNED

We have a robust structure for ESG management, with diversity, skills, and experience embedded throughout. The responsibility for driving sustainability practices throughout AMB ultimately lies with our Managing Director/Chief Executive Officer (“MD/CEO”). He assumes oversight of AMB’s sustainability initiatives and direction, which are reviewed, implemented and monitored by the Chief Production Officer (“CPO”).

The CPO is supported by a Sustainability Working Committee (“SWC”), which comprises representatives from nine departments across AMB. The SWC handles all sustainability-related initiatives at the operational level, and is assisted concurrently by our Environmental Management System (“EMS”) Committee, which focuses primarily on environmental-related matters.

This approach ensures a sound management framework from top to bottom, and across all Company functions, as illustrated below:-



## STAKEHOLDER ENGAGEMENT

Meaningful stakeholder engagement is essential for understanding and addressing stakeholders' concerns and expectations in order to develop effective and conducive business strategies. AMB conducts active engagement with our key stakeholders annually to leverage their insights in evaluating ESG risks and opportunities, prior to making business decisions.

The six key stakeholder groups for this reporting period remain unchanged from FYE 31 March 2021. The table below outlines each stakeholders' key areas of interest, AMB's response, and methods of engagement for FYE 31 March 2022:-

Key Areas of Interest	AMB's Response	Method of Engagement
<b>Customer/ Consumers</b>		
<ul style="list-style-type: none"> <li>Support Services</li> <li>Inventory Supply Commitment</li> <li>Product Quality</li> <li>Commodity Pricing</li> </ul>	<ul style="list-style-type: none"> <li>Quality assurance evaluations</li> <li>Customer satisfaction evaluations</li> </ul>	<ul style="list-style-type: none"> <li>Daily contact at customer call centre</li> <li>Daily posts on websites and social media platforms</li> <li>Annual consumer survey</li> <li>Daily Sales and technical visits</li> <li>Daily consumer promotions</li> </ul>
<b>Shareholders/ Investors</b>		
<ul style="list-style-type: none"> <li>Group financial performance</li> <li>Business Strategy</li> <li>Governance</li> </ul>	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Comprehensive corporate governance</li> <li>Zero incidents of corruption</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meeting of shareholders</li> <li>Analyst meetings on financial results when necessary</li> </ul>
<b>Suppliers</b>		
<ul style="list-style-type: none"> <li>Service Delivery</li> <li>Project Scope</li> <li>Payment schedules</li> <li>Pricing of services</li> <li>Service and product quality</li> </ul>	<ul style="list-style-type: none"> <li>Engaged with 81% local suppliers for raw materials and packaging of manufactured products</li> <li>Conducting supplier evaluations</li> <li>Fair and transparent transactions</li> <li>Ajinomoto Group Shared Policy for Suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Day-to-day business communications</li> <li>Purchasing Policy and Guideline briefings when necessary</li> <li>Annual supplier evaluations and audits</li> <li>Periodic purchasing contracts</li> </ul>
<b>Employees</b>		
<ul style="list-style-type: none"> <li>Governance and policy systems</li> <li>Employee welfare</li> <li>Health, safety and wellbeing</li> <li>Compensation benchmarks</li> <li>Career development</li> <li>Retirement planning</li> </ul>	<ul style="list-style-type: none"> <li>Ajinomoto Group Shared Policy on Whistle-blowing</li> <li>Ajinomoto Group Shared Policy on Human Rights</li> <li>Conducted townhall sessions to gather employee feedback</li> <li>Providing comprehensive benefits to employees</li> <li>Salary benchmarking and review of wage every three years</li> <li>Extensive safety and health trainings including Kiken Yochi training</li> <li>Total of 8056 training hours, with an average of 11.8 hours per employee</li> <li>Implementation of ISO45001:2018 for OHS Management</li> <li>Settlement of Collective Agreements to maintain industrial harmony</li> </ul>	<ul style="list-style-type: none"> <li>Annual employee survey</li> <li>Periodic internal meetings and discussions</li> <li>Whistle-blower programmes when necessary</li> <li>Regular trainings throughout the year</li> <li>Periodic Food Industry Employee Union ("FIEU") meetings and discussions</li> <li>Daily intranet portal</li> <li>Internal newsletter ("SUARA") and the Ajinomoto Group's FB ("Workplace")</li> </ul>

# STAKEHOLDER ENGAGEMENT

(cont'd.)

Key Areas of Interest	AMB's Response	Method of Engagement
<b>Regulatory Agencies and Statutory Bodies</b>		
<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Environmental emissions and discharges</li> <li>• Security issues</li> <li>• Labour practices and health issues</li> </ul>	<ul style="list-style-type: none"> <li>• Ajinomoto Group Policy on Human Rights</li> <li>• Enforce compliance with the following key laws:-                             <ul style="list-style-type: none"> <li>o Environmental Quality Act 1974</li> <li>o Employment Act 1955</li> <li>o Minimum Wages Act 2018</li> <li>o Malaysian Anti-Corruption Commission Act 2009</li> <li>o Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) Regulation 2020</li> <li>o Food Act 1983</li> </ul> </li> <li>• External certifications and audits by accredited third parties</li> <li>• Enforce compliance with the guidelines set out by the Ministry of International Trade and Industry ("MITI") to operate during the 'new normal' period.</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic inspections by regulatory agencies:-                             <ul style="list-style-type: none"> <li>o Department of Environment ("DOE")</li> <li>o Department of Occupational Safety and Health ("DOSH")</li> <li>o Ministry of Health ("MOH")</li> <li>o Department of Islamic Development Malaysia ("JAKIM")</li> </ul> </li> <li>• Active engagements with agencies and associations throughout the year</li> </ul>
<b>Local Communities/ Non-Profit Organisations ("NPOs")/ Academic Institutions</b>		
<ul style="list-style-type: none"> <li>• Community living</li> <li>• Food and nutrition issues</li> </ul>	<ul style="list-style-type: none"> <li>• Campaigns to educate communities about nutrition and healthy eating through advances in amino acids technologies</li> <li>• Charity activities for needy communities</li> <li>• Provide post-graduate scholarships</li> </ul>	<ul style="list-style-type: none"> <li>• Dialogues with neighbourhood residents when necessary</li> <li>• Regular social contribution and community service programmes throughout the year</li> </ul>

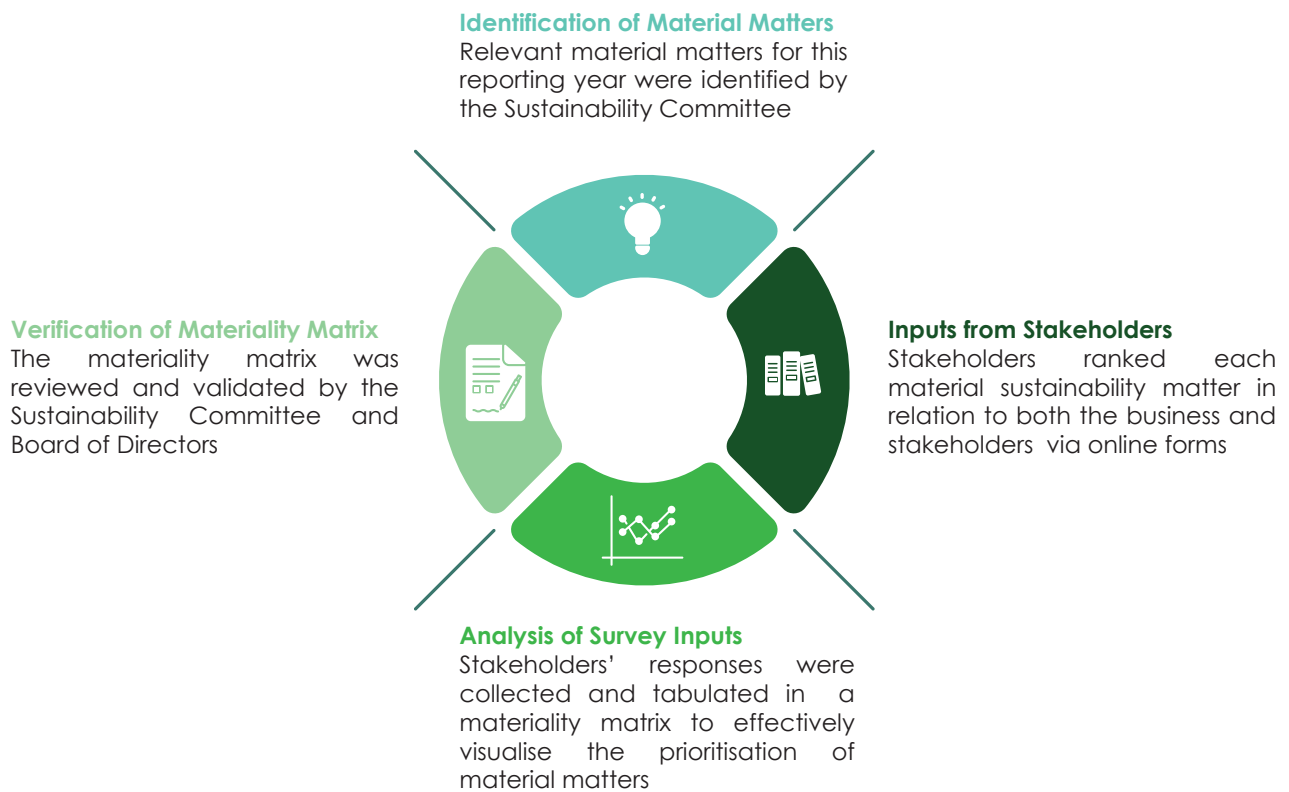
# OUR MATERIAL SUSTAINABILITY MATTERS

Materiality is the principle that helps determine which ESG matters are important for the Company to manage or prioritised.

In FYE 31 March 2022, we re-evaluated our material sustainability matters and determined that the twelve (12) material matters identified from the previous reporting period remained equally relevant to our business operations and stakeholders.

## Materiality Assessment Process

Since the Covid-19 pandemic was declared there has been a significant shift in stakeholder expectations for companies to balance their short and long-term needs. Considering these evolving needs, AMB carried out its annual materiality assessment to identify, assess, and duly prioritise our material sustainability matters. The materiality assessment process entails four steps as follows:-



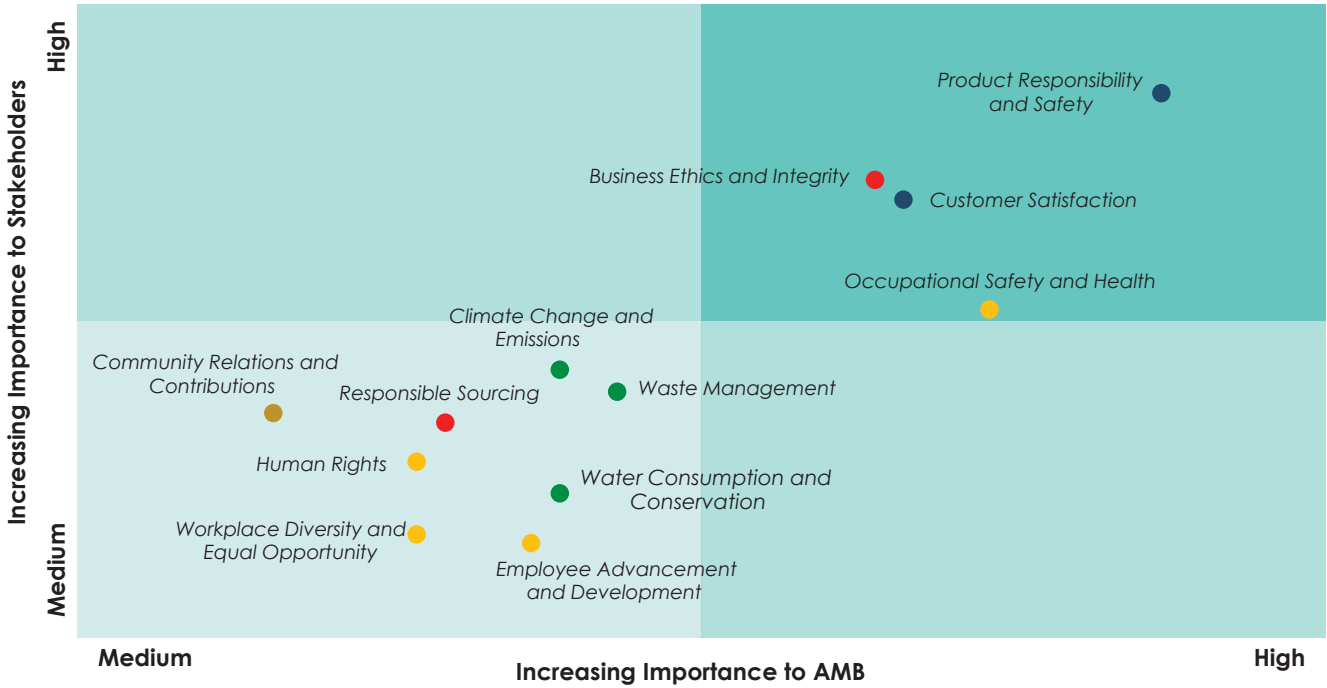


# OUR MATERIAL SUSTAINABILITY MATTERS

(cont'd.)

## Materiality Matrix

We evaluated the prioritisation of AMB's management of ESG and generated a materiality matrix to effectively illustrate the relative importance of all 12 of the Company's material sustainability matters, as seen below:-



● **Responsibility to Our Customers**
● **Caring for Our People**
● **Upholding Fair Business Practices**  
● **Managing Environmental Impacts**
● **Creating Value for Local Communities**

**Increased Priorities:**

- Business Ethics and Integrity
- Waste Management
- Climate Change and Emissions
- Responsible Sourcing

The material sustainability matters that have increased in priority encompass those related to governance and environmental topics.

A total of four material sustainability matters saw a significant increase in importance for AMB's business and stakeholders. All material sustainability matters relating to governance ('Business Ethics and Integrity' and 'Responsible Sourcing') emerged as increased priorities for AMB as ESG-conscious investors and consumers have placed greater emphasis on making positive and sustainable impacts throughout a company's value chain.


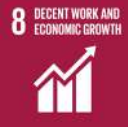

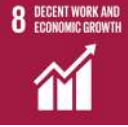
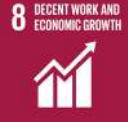

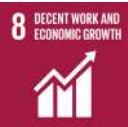
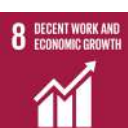
Acknowledging the importance of 'Waste Management' and 'Climate Change and Emissions', AMB has implemented sustainability initiatives in line with the Company's ESG Focus areas for FYE 31 March 2022, namely, Reducing CO2 Emissions, Reducing Food Loss, and Zero Plastic Waste. We remain committed to reducing our environmental footprint while maintaining our productivity at optimum levels and ensuring our stakeholders' interests are safeguarded.

# OUR MATERIAL SUSTAINABILITY MATTERS

(cont'd.)

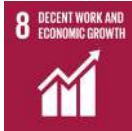






## Mapping of Materiality Matters

The mapping of our material sustainability matters to the relevant GRI indicators and SDGs are represented below:-

Material Sustainability Matters	GRI Indicator	Stakeholder Groups	Relevant UN SDGs
<b>Responsibility to Our Consumers</b>			
<p><b>Product Responsibility and Safety</b></p> <p><i>Our products are manufactured and labelled according to regulatory standards to protect consumers from health risks related to allergens and foodborne illnesses.</i></p>	<p><b>416:</b> Customer Health and Safety 2016</p> <p><b>417:</b> Marketing and Labelling 2016</p>	<ul style="list-style-type: none"> <li>Customers/ Consumers</li> <li>Suppliers</li> <li>Regulatory Agencies and Statutory Bodies</li> </ul>	
<p><b>Customer Satisfaction</b></p> <p><i>Understanding customer satisfaction helps us gauge their likelihood to use and recommend our products, and also encourages consumer loyalty.</i></p>	<p><b>2-29:</b> Approach to stakeholder engagement</p>	<ul style="list-style-type: none"> <li>Customers/ Consumers</li> <li>Shareholders/ Investors</li> </ul>	
<b>Caring For Our People</b>			
<p><b>Occupational Safety and Health</b></p> <p><i>Maintaining a healthy workforce translates into more productive employees who are better equipped to handle the challenges in their work environment.</i></p>	<p><b>403:</b> Occupational Health and Safety 2018</p>	<ul style="list-style-type: none"> <li>Employees</li> <li>Regulatory Agencies and Statutory Bodies</li> </ul>	 
<p><b>Human Rights</b></p> <p><i>Respecting universal human rights and freedoms inspires confidence in our stakeholders as it indicates that we conduct a good and legal business.</i></p>	<p><b>407:</b> Freedom of Association and Collective Bargaining 2016</p> <p><b>408:</b> Child Labour 2016</p> <p><b>409:</b> Forced or Compulsory Labour 2016</p> <p><b>412:</b> Human Rights Assessment 2016</p>	<ul style="list-style-type: none"> <li>Employees</li> <li>Regulatory Agencies and Statutory Bodies</li> </ul>	 
<p><b>Employee Advancement and Development</b></p> <p><i>Attracting and retaining talented employees has a direct and indirect impact on the quality of our goods as well as our service delivery to clients.</i></p>	<p><b>404:</b> Training and Education 2016</p>	<ul style="list-style-type: none"> <li>Employees</li> </ul>	
<p><b>Workplace Diversity and Equal Opportunity</b></p> <p><i>Having a diverse workforce contributes to a broad range of experiences and perspectives that can be applied to our business practices.</i></p>	<p><b>401:</b> Employment 2016</p> <p><b>405:</b> Diversity and Equal Opportunity 2016</p>	<ul style="list-style-type: none"> <li>Employees</li> </ul>	




# OUR MATERIAL SUSTAINABILITY MATTERS

(cont'd.)

Material Sustainability Matters	GRI Indicator	Stakeholder Groups	Relevant UN SDGs
<b>Upholding Fair Business Practices</b>			
<p><b>Business Ethics and Integrity</b></p> <p><i>Establishing good business ethics beyond regulatory requirements helps promote accountability in the workplace, and builds key stakeholders' trust in everything we do.</i></p>	<p><b>2-23:</b> Policy Commitments</p> <p><b>2-26:</b> Mechanisms for seeking advice and raising concerns</p> <p><b>2-27:</b> Compliance with laws and regulations</p> <p><b>205:</b> Anti-Corruption 2016</p>	<ul style="list-style-type: none"> <li>Shareholders/ Investors</li> <li>Employees</li> <li>Suppliers</li> <li>Regulatory Agencies and Statutory Bodies</li> </ul>	 
<p><b>Responsible Sourcing</b></p> <p><i>Our ability to engage and evaluate suppliers in the procurement process enables us to identify and mitigate any risks posed by our supply chain.</i></p>	<p><b>2-6:</b> Activities, value chain and other business relationships</p> <p><b>204:</b> Procurement Practices 2016</p>	<ul style="list-style-type: none"> <li>Suppliers</li> <li>Local Communities, NPOs and Academic Institutions</li> </ul>	
<b>Creating Value for Local Communities</b>			
<p><b>Community Relations and Contributions</b></p> <p><i>Our social contributions and engagement activities strive to create shared values with communities through our products and services.</i></p>	<p><b>413:</b> Local Communities 2016</p>	<ul style="list-style-type: none"> <li>Local Communities, NPOs and Academic Institutions</li> <li>Customers/ Consumers</li> </ul>	 
<b>Managing Environmental Impacts</b>			
<p><b>Water Consumption and Conservation</b></p> <p><i>Responsible management of our water resources within our operations is critical to mitigating the impacts of potential water scarcity.</i></p>	<p><b>303:</b> Water and Effluents 2018</p>	<ul style="list-style-type: none"> <li>Regulatory Agencies and Statutory Bodies</li> <li>Local Communities, NPOs and Academic Institutions</li> </ul>	 

# OUR MATERIAL SUSTAINABILITY MATTERS

(cont'd.)

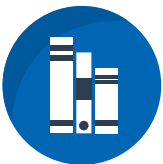
Material Sustainability Matters	GRI Indicator	Stakeholder Groups	Relevant UN SDGs
<p><b>Waste Management</b></p> <p><i>Proper avoidance and disposal of waste helps keep the surrounding environment pristine, and reduces the burden on land availability for landfills.</i></p>	<p><b>306:</b> Waste 2020</p>	<ul style="list-style-type: none"> <li>Regulatory Agencies and Statutory Bodies</li> <li>Local Communities, NPOs and Academic Institutions</li> </ul>	
<p><b>Climate Change and Emissions</b></p> <p><i>Reducing operational greenhouse gas ("GHG") emissions is essential to mitigate the impact on the overall well-being of our employees, infrastructure, business strategy, and supply chain.</i></p>	<p><b>302:</b> Energy 2016 <b>305:</b> Emissions 2016</p>	<ul style="list-style-type: none"> <li>Regulatory Agencies and Statutory Bodies</li> <li>Shareholders/ Investors</li> </ul>	 

# UPHOLDING FAIR BUSINESS PRACTICES

We uphold fair business practices by embracing an ethical business culture, integrity and maintaining high corporate governance standards in our business operation. Based upon this, employees' and other stakeholders' confidence and trust in the Company and Management is further enhanced.

## Business Ethics and Integrity

We adopt a strict viewpoint on corruption given its potential to damage our reputation and stakeholders' trust. This stand fortify our adherence to strong business ethics, integrity, and professionalism which are in turn supported by implementation of the following:



### Code of Conduct

The Code addresses the Company's expectations on the standards of professional conduct when doing business on behalf of AMB. The Code acts as a central guide and point of reference to support day-to-day decision-making. The scope of AMB's Code encompasses a wide range of issues including environment, human rights, product quality, and business transactions.



### Whistleblowing Policy

We have an AMB Whistle-blowing Policy which provides a safe avenue for employees to report illegal or inappropriate conduct within AMB. The whistle-blower will be protected from potential reprisals and corrective and preventive measures will be implemented should investigations reveal improper conduct.



### Anti-Corruption and Bribery Policy

The Policy outlines AMB's zero-tolerance stance for Board members, employees and business associate to engage with improper solicitation, bribery and other corrupt acts in line with the Malaysian Anti-Corruption Commission ("MACC") Act 2009.

These policies are communicated to our employees through onboarding programmes, workshops, and the intranet. To ensure alignment with the latest government mandates, we review our whistle-blowing and ethical policies periodically or upon the announcement of new updates. Training provided to employees on anti-corruption and bribery practices is summarised below:-

No	Training	Training Hours	No. of Participants
1	Anti-Bribery and Corruption – S.17A Corporate Liability Perspective	24	2
2	Anti-Bribery and Anti-Corruption	4	500

AMB's Grievance Mechanism is communicated to our employees via onboarding programmes and in-house training, while external stakeholders can access it via our corporate website. We are pleased to state that there were no cases of grievance, corruption nor misconduct reported through our internal Grievance Mechanism or Whistleblowing channels respectively during this reporting year.

In addition to the above, we also adopt a proactive approach to identify, analyze, and address any potential corruption risk within our operations.

This falls under the purview of our Risk Management Committee, which conducts an annual Risk Management Assessment and report to the Board. No significant risk of corruption was identified for FYE 31 March 2022.

# UPHOLDING FAIR BUSINESS PRACTICES

## (cont'd.)

### Responsible Sourcing

AMB is committed to responsible sourcing and outsourcing for goods and services as per AMB's terms and conditions for appointment of product/material suppliers and service providers ("Suppliers") which include stringent quality standards for products and services to be supplied.

Our purchasing principles provide a framework to guide us in selecting our Suppliers. The selection is based on a comprehensive evaluation; including Suppliers' facilities, overall product pricing, delivery lead times, and quality. AMB's Policy for Suppliers is set in place to ensure appointed suppliers adhere to the following guidelines:-

- 01 Compliance with Statutory and Regulatory Requirements
- 02 Respect for Human Beings
- 03 Occupational Health and Safety with Respect to Labour
- 04 Adherence to Product and Service Quality and Safety
- 05 Consideration for the Global Environment
- 06 Information Security
- 07 Contributions to Society and Coexistence with the Local Community

We did not engage any new Suppliers for this reporting period but maintained our existing 317 Suppliers such as our raw material suppliers, original equipment manufacturers ("OEM"), and transport companies, with 81% of them being local. We spent 31% of our annual procurement budget on local Suppliers in FYE 31 March 2022, which represents a 9% reduction compared to the previous reporting period. This was due to the increase in bulk MSG products imported from Ajinomoto Indonesia, which were subsequently packaged in Malaysia.

AMB also conducts yearly Supplier Audits and Supplier Evaluations to assess their product and service quality. Various sections and departments monitor the Supplier assessment process to ensure that it is transparent, fair, and effective.

# MANAGING ENVIRONMENTAL IMPACTS

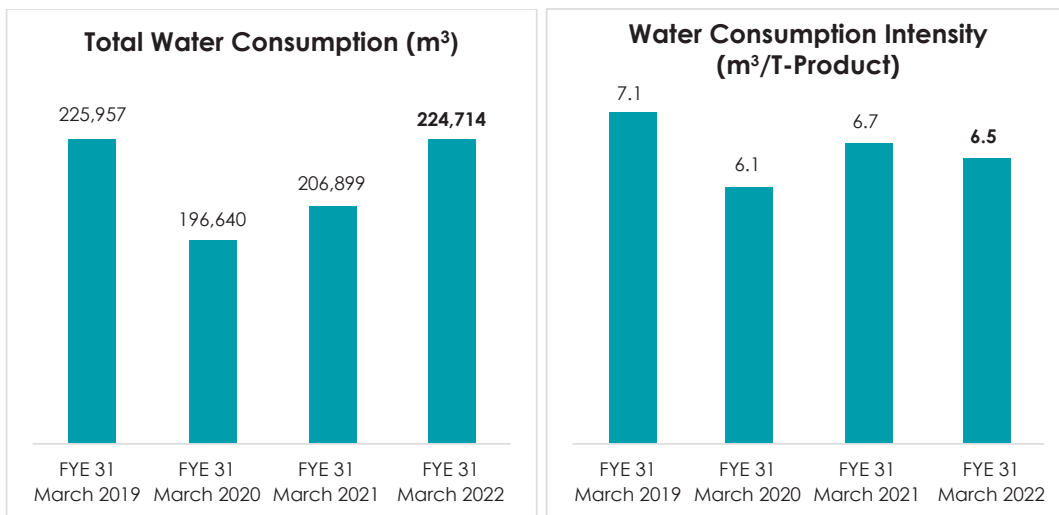
Our commitment to environmental stewardship goes beyond regulatory requirements and compliance. Building upon our sustainability action plan, we have taken a proactive approach towards enhancing ecosystem resilience and human well-being through 3 key focus areas: Reducing CO2 Emissions, Reducing Food Loss, and Zero Plastic Waste.

## Water Consumption and Conservation

Although water is a finite natural resource, we at AMB acknowledge that protecting and conserving water is essential to ensure the continuous availability of clean water supply. We are constantly on the lookout for novel ways to save water, and take a holistic approach to water stewardship. With that aim, the Company successfully implemented measures to reduce water consumption intensity, and improve water efficiency at our current plant. At AMB's soon to be opened new plant at Taman Enstek, Negeri Sembilan, we have incorporated rain water harvesting for general cleaning purpose as a means to reduce the consumption of treated piped water.

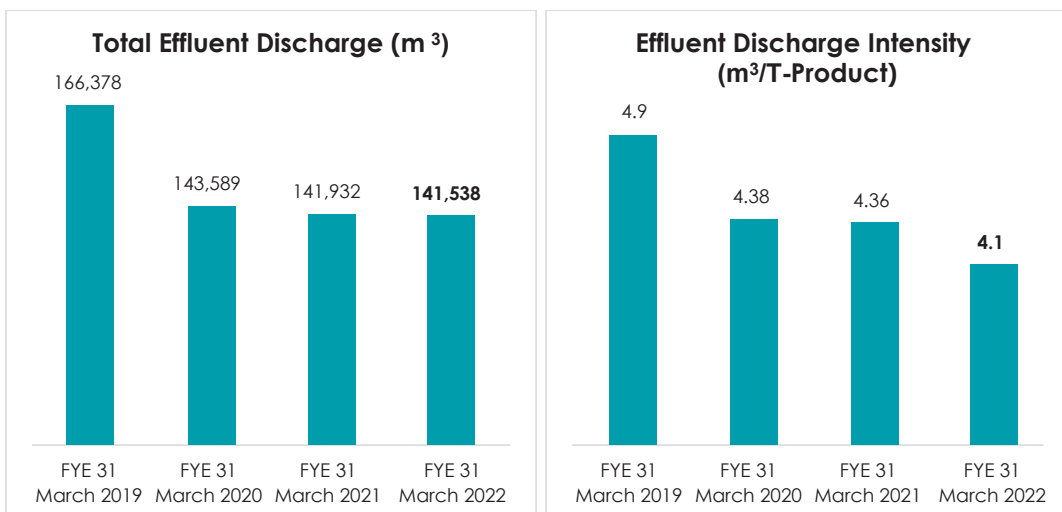
We monitor our water usage monthly to detect any irregularity in our consumption. To ensure efficient water management, daily patrols are conducted to identify and rectify any leakage immediately. Our initiatives also include water recycling to reduce our dependency on freshwater supply.

In line with our initiatives, we successfully reduced our water consumption intensity by 3% compared to last year. However, our total water consumption increased by 8.61% compared to the previous year due to compliance with the COVID-19 SOPs, which called for frequent cleaning of common areas.



## Effluents

In addition to protecting and conserving water resources, we also treat our water before discharging, following Standard B of Industrial Effluent Regulation 2009. Our Effluent Treatment Plant personnel closely monitor the water quality of water discharged, supported by the Quality Section. This reporting year saw a 5.96% drop in effluent discharge intensity.



# MANAGING ENVIRONMENTAL IMPACTS

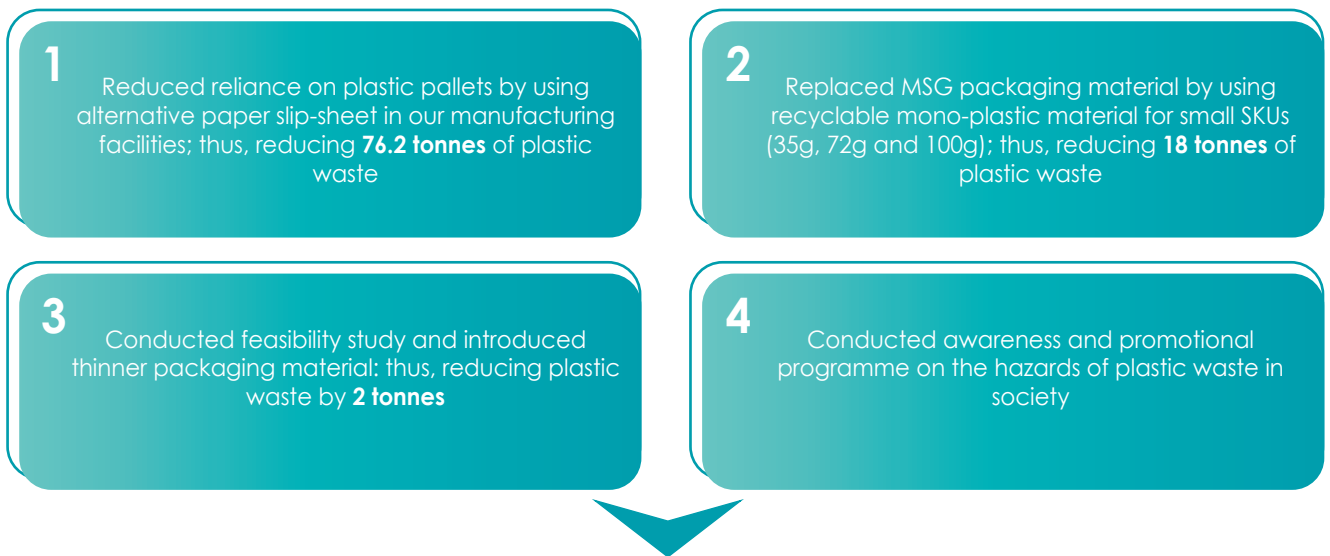
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Daily samplings and online monitoring are conducted to ensure that the water discharged into the environment complies with internal and regulatory specifications. The Total Nitrogen and BOD values of our treated effluents are consistently within the regulatory limit of 5 ppm and 10 ppm respectively.

## Waste Management

Proper waste management is crucial for legislation compliance, and helps reduce the consumption of natural resources. We adhere to the 4 R's (Reduce, Reuse, Recycle, and Recover) principle in our recycling efforts and strive for continuous improvement in our waste management initiatives to reduce the amount of waste generated, and disposed to landfills.

Plastic waste has been identified as a key opportunity for AMB to reduce its environmental footprint as well as contribute to our ASV approach for value creation. Our strategic efforts toward 'Zero Plastic Waste by 2030' includes:-



**96.2 tonnes** in total plastic waste reduction

We place equal emphasis on reducing food waste, in line with the Company's ESG approach and target to reduce food waste by 50% by FYE 31 March 2025 (from FYE 31 March 2019 baseline). To realise this goal, we implemented two broad range of action:-

<b>Improvements throughout manufacturing processes</b>	<ul style="list-style-type: none"> <li>Enhanced our quality control management to improve process yield and reduce by-product generation</li> <li>Improved machine operator skills to reduce frequency of rejected products</li> <li>Optimised inventory of raw materials and finished goods through accurate sales forecast</li> </ul>
<b>Recycling of rejected products</b>	<ul style="list-style-type: none"> <li>Studied and improved upon current recycling and composting method for rejected AMB products</li> <li>Identified potential users for animal feed and fertiliser for AMB's excess organic material</li> </ul>

Total food loss was recorded at 90 tonnes, which is 25 tonnes greater than FYE 31 March 2021 due to the disposal of old production samples and end of shelf live products in the warehouse, arising from prohibitions and restrictions on distribution operations during enforcement of the Covid-19 Movement Control Order ("MCO") restrictions. Of the 90 tonnes of food loss, 55.5 tonnes (61.7%) were recycled as animal feed, with the remaining 34.5 tonnes disposed in landfills. This represents a 22.95% reduction in food loss compared to the baseline year of 44.78 tonnes.

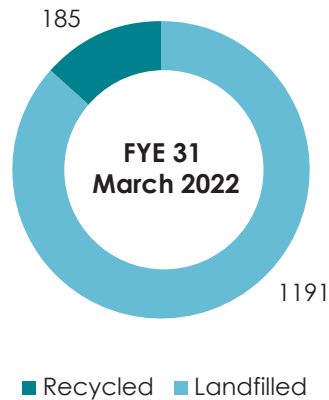
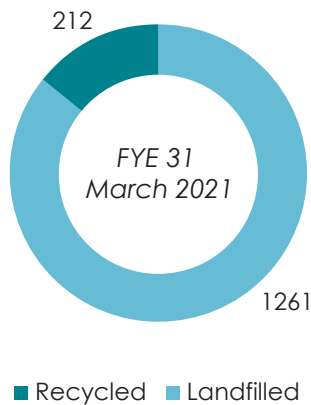
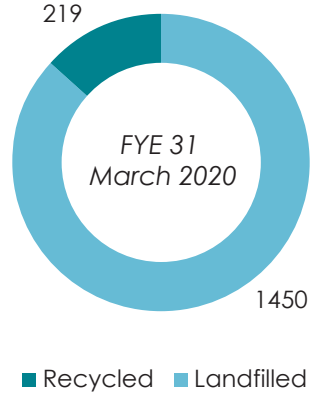
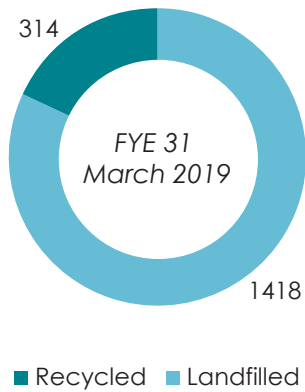
For FYE 31 March 2022, the total waste generated including food loss amounted to 1,376 tonnes, of which 185 (13.44%) tonnes were sent for disposal, and 1,191 (86.56%) tonnes were recycled. This is a 6.59% reduction in total waste generation compared to the previous reporting period as waste management is one of the ESG focus areas. The amount of waste sent for disposal to landfills has also decreased by 12.26% due to improvements implemented throughout the production process.



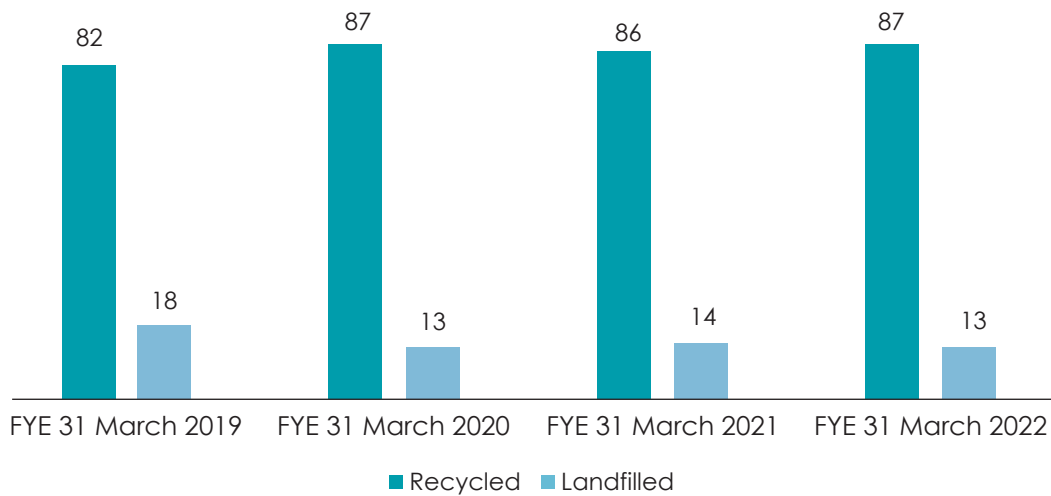
# MANAGING ENVIRONMENTAL IMPACTS

(cont'd.)

## Breakdown in Waste Disposal (Tonnes)



## Waste Recovery Rate (%)



# MANAGING ENVIRONMENTAL IMPACTS

## (cont'd.)

### Climate Change and Emissions

Climate change is a critical global issue, with wide-ranging impacts already being felt globally. A meaningful and sustained response from the international community is crucial to thoroughly address climate change as well as its associated risks, and opportunities. In this respect, AMB has committed to an ambitious target of halving our CO<sub>2</sub> emissions by FYE 31 March 2030 from FYE 31 March 2019 baseline, in line with the goals of the 12th Malaysia Plan. The Company's current initiative to reduce our climate impact across our value chain is steered by this target.

#### *Climate Initiatives and Actions*

Effective climate change solutions requires participation from all internal stakeholders. We encourage a 'green' mindset amongst our employees through sustainable office practices such as switching off electrical appliances when not in use. To drive home the climate change message, we also ran an Energy Awareness campaign and a series of activities organised to raise awareness and the importance of energy-saving actions in the workplace– both at our corporate office, as well as when working from home.

The management of climate-related matters falls under our Energy Saving Team's purview which monitors and reviews AMB's company-wide energy consumption monthly. We typically discuss potential weaknesses or flaws identified during reviews and implement corrective measures when necessary.

We are also planning further carbon footprint reduction in our value chain through alternative sourcing of less carbon-intensive fuel sources, and renewable energy generation, as follows:-

#### Renewable Energy Generation

Future plans to invest RM 9.8 million for solar panel installations to reduce the Company's burden on the national grid.

**Projected CO<sub>2</sub> Reduction:  
1,700 Tonnes Annually**

#### Alternative Fuel Sourcing

To utilise natural gas as an environmentally-friendly alternative with lower carbon emissions and pollutants.

**Projected CO<sub>2</sub> Reduction:  
1,500 Tonnes Annually**

#### *Refrigerant and other Air Emissions*

Refrigerants are widely known for their significant impact on the ozone layer, and for climate change. Our top priority remains tracking our refrigerant consumption rates, and routinely checking for leaks in our refrigerant distribution system to ensure minimal impact on the environment.

We also conduct a quarterly third-party assessment of our boiler's emission points to monitor the emission levels of NO<sub>2</sub> and SO<sub>2</sub>. Our emission levels remain compliant with the regulatory limits outlined in the Environmental Quality (Clean Air) Regulations 2014.

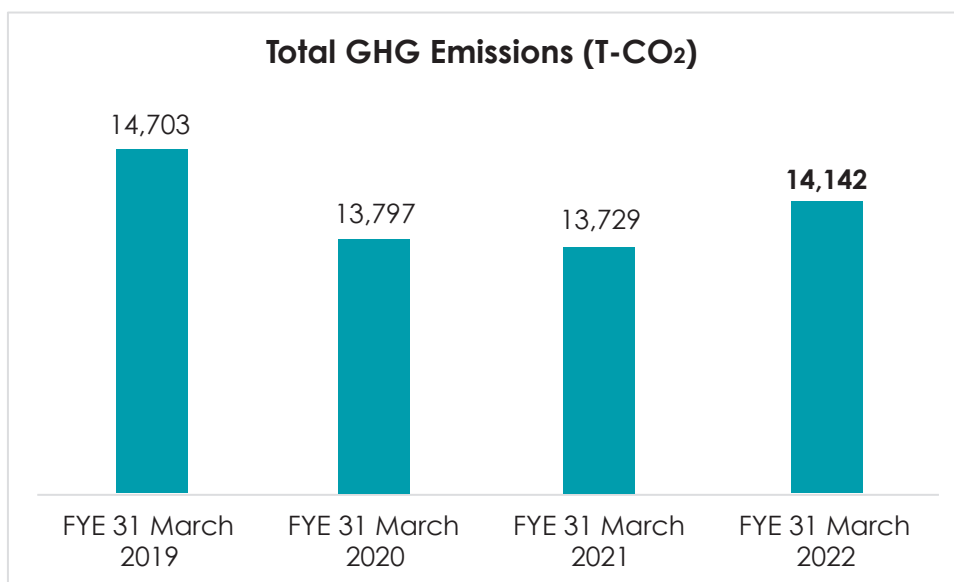
# MANAGING ENVIRONMENTAL IMPACTS

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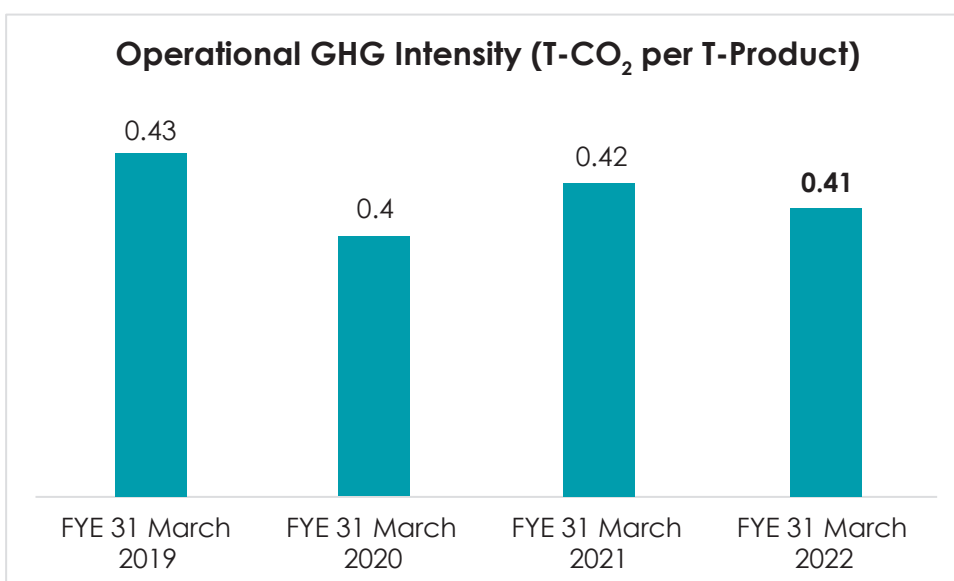
## Climate Impacts

In FYE 31 March 2022, our overall electricity and fuel consumption increased by 11.96% across all energy sources, which led to an increase in GHG emissions amount of 3.01%, compared to the previous reporting period. This increase can be attributed to our manufacturing facilities resuming operations at full capacity after COVID-19 restrictions were lifted.

Energy Source	Units	FYE 31 March 2019	FYE 31 March 2020	FYE 31 March 2021	FYE 31 March 2022
Electricity	kWh	19,095,969	19,715,157	18,773,623	20,487,585
Liquefied Petroleum Gas	Tonnes	586	554	563	598
Fuel Oil	Kilo-litre	4,528	4,561	4,528	4,643
Diesel	Kilo-litre	29	30	27	34



However, the GHG emissions intensity for the increase in the total production volume decreased by 2.38% compared to FYE 31 March 2021 due to our persistent efforts to improve production lines efficiency.



## RESPONSIBILITY TO OUR CUSTOMERS

As a household name in food manufacturing, we strive to live up to our motto: 'Eat Well, Live Well'. We leverage on our 60 years of experience and expertise to offer healthy and quality products for people from all walks of life.

### Product Responsibility and Safety

As manufacturer of a renowned food brand in Malaysia, it is imperative for AMB to deliver products that meet the highest quality and food safety standards. We uphold our consumers' trust in the AJI-NO-MOTO® brand by implementing a comprehensive management system that adheres to food safety and quality assurance requirements. As part of our commitment to providing safe and high-quality products, we conduct annual audits (internal and external) with the following certification bodies:-



#### MS 1500:2019 Malaysian Standard on Halal Food General Requirements

Provides assurance that our products meet the requirement of Islamic laws in terms of religious compliance, safety and hygiene



#### MS 1480:2019 Hazard Analysis and Critical Control Point ("HACCP")

Provides identification of hazards and control measures to manage food safety risks throughout supply chain during production



#### ISO 9001:2015 Quality Management System

Certifies that our management system meets the highest industry standards when producing quality products



#### Good Manufacturing Practice ("GMP")

Ensures adherence to essential principles of food hygiene and safety when processing and manufacturing food products



#### Makanan Selamat Tanggungjawab Industri

Mandatory management system for the maintenance of food hygiene and process controls for food safety assurance and traceability

Similar to the previous reporting period, we maintained the Food Defence and Food Fraud Programme as part of the HACCP annual audit beyond regulatory requirements. The programme has the following annual objectives:-

Provide awareness training on the standards of HACCP, and conduct mock drills to test staff preparedness

Adopt proposals and investment plans to enhance security and monitoring efforts during manufacturing processes

As COVID-19 persisted throughout FYE 31 March 2022, we furthered our efforts to digitise the Company's management systems. This reporting period saw AMB develop a custom software to manage regulatory information disclosure for our customers, especially with product compliance. The software implementation ensures that the information we provide to our customers is both accurate and prompt upon request.

We maintained stringent requirements when assessing all AMB products' quality and food safety. Based on established parameters, all raw materials and finished goods were inspected at every receiving and production lot. The batch will be rejected if any raw material or product failed to comply with AMB's standards. Due to our stringent approach towards product quality and safety, we recorded zero non-compliance regarding our products' quality and food safety concerns in FYE 31 March 2022.

# RESPONSIBILITY TO OUR CUSTOMERS

(cont'd.)

## 'Ajinomoto Brand' Labelling

Given the rise in health-conscious consumerism in Malaysia, responsible product marketing and labelling now play a more prominent role in the lifestyle choices of every Malaysian. We remain resolute to AMB's commitment in ensuring that our labels comply with all applicable laws and regulations of Malaysia and the countries we export to, and we compose package descriptions that are accurate, meaningful, and easily understood.

### Key Product Label Information



\*For applicable products.

For this reporting period, we are currently reassessing and updating our retail product labelling to comply with the updates as stipulated in the Malaysian Food Regulation (2020) requirements. We will implement labelling revisions required for export countries as per regulatory changes, or upon customers' request. For this reporting period, we have zero incidences of non-compliance relating to our product labelling.

## Customer Satisfaction

We continue to establish our online platform and social media presence as the primary method of customer and community engagement in the 'new normal'. Through AMB's Livestream, we distributed online survey forms to gauge current customer sentiments, and to proactively identify potential issues relating to our product or services. From our customers' participation in the livestream, we collected 1,745 customer feedback forms, with a positive response of approximately 99% of respondents expressing confidence using AMB products.



## RESPONSIBILITY TO OUR CUSTOMERS (cont'd.)

We also maintained our GRASP (annual tracking on usage, attitudes and evaluation of communications regarding MSG and Ajinomoto products) and CONTRAST (Consumer trend research) initiatives.

### GRASP

*Objective:*

Reveal and understand customers' attitudes towards Mono-Sodium Glutamate ("MSG") products and their market penetration, enhancing the image and usage purposes of MSG &

Understand customers' attitudes towards AJI-NO-MOTO® and study how to foster a more positive brand image to construct a solid market strategy

*Frequency:*

Annual

*Sample size:*

300 female participants aged 20 – 39

*Result:*

AJI-NO-MOTO® Brand Awareness: 99%

AJI-NO-MOTO® Usage Experience: 88%

### CONTRAST

*Objective:*

Understand the level of awareness of select brands (TUMIX®, RASA SIFU, Seri-Aji® Fried Rice, Seri-Aji® Seasoned Flour) as well as usage and attitudes for seasoning products in the markets AMB serves

*Frequency:*

Annual

*Sample size:*

550 female participants aged 20 – 49

*Result:*

Brand Awareness: 45% ~ 67%

Brand Usage Experience: 11% ~ 37%

Lastly, we have developed an online consumer page, "Hi Ajinomoto MY", which is set to increase customer loyalty by strengthening engagement with consumers via Facebook and Instagram. The page contains information on our products, campaigns, promotions, and updates on trending content.

# CARING FOR OUR PEOPLE

An engaged and dedicated workforce is fundamental for the longevity of AMB as a progressive entity. By fostering a healthy and all-inclusive working environment, we create opportunities for our employees to realise their full potential, regardless of age, gender, race, or ethnicity.

## Human Rights

We stand firm as a proponent of human rights across our business operations. We remain staunchly committed to Ajinomoto Group's Policy on Human Rights, which adheres to international standards, such as the Universal Declaration of Human Rights, the International Labour Organisation ("ILO") Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact.

We identified the following human rights matters as priorities for the Company:

- Elimination of Discrimination**  
 We do not discriminate in terms of gender, age, race, ethnicity, nationality, religion, disability or sexual orientation in our business practices.
- Fair Wage and Working Hours**  
 We ensure all employees and workers are remunerated according to relevant local laws and do not impose excess working hours.
- Respect for Fundamental Labour Rights**  
 We respect our workers' rights to collective bargaining and freedom of association. We are currently renewing AMB's collective agreement with the Food Industry Employees' Union set to end on June 2022.
- Prohibition of Child and Forced Labour**  
 We do not engage in child or forced labour in compliance with Malaysian Labour Laws. We strictly abide by government-to-government agreements when hiring foreign workers to minimise such risks.
- Handling of Personal Information**  
 We comply with proper management and security of our employees' personal data as stipulated in the Personal Data Protection Act 2010.

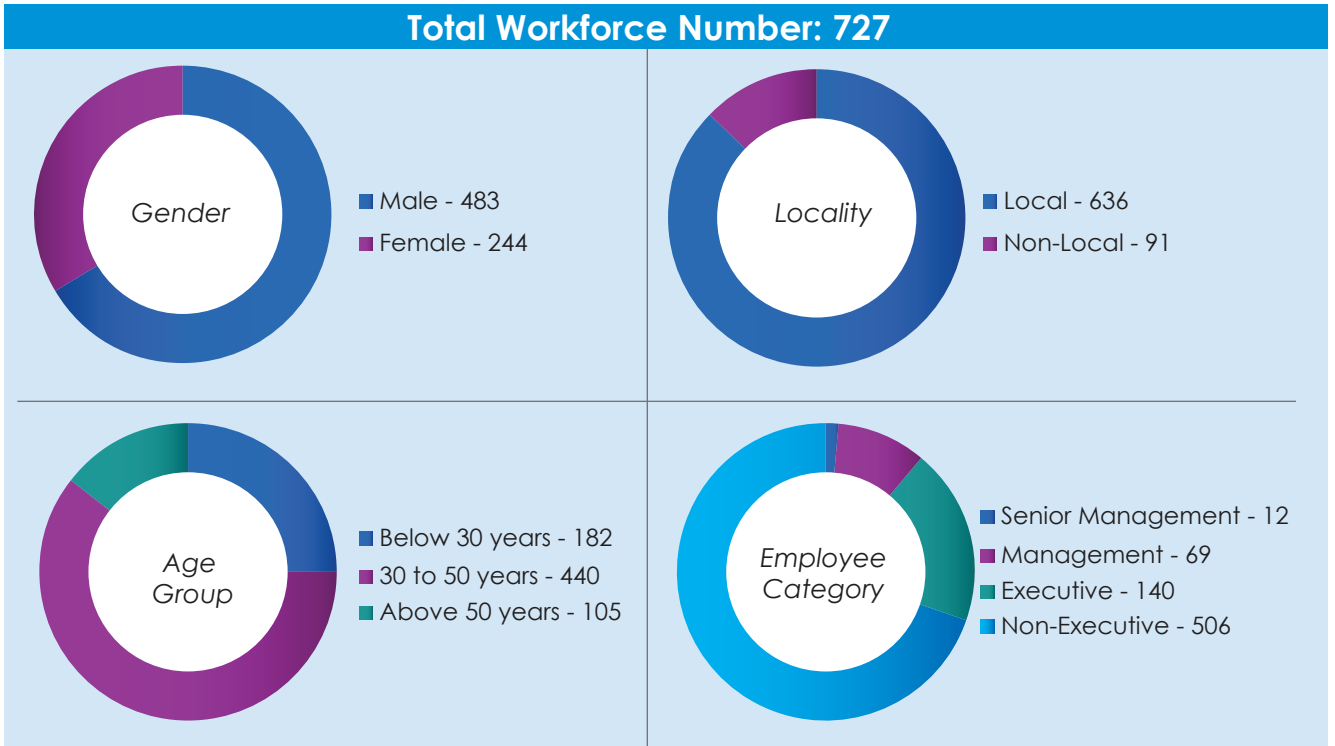
Our commitment to human rights is outlined during On-Boarding programmes and employee briefings to ensure awareness of Ajinomoto Group's Human Rights Policy, and to ensure compliance. In FYE 31 March 2022, 35 employees were trained and engaged in human rights practices to embed such values in AMB's work culture.

## Workplace Diversity and Equal Opportunity

As a subsidiary company of the Ajinomoto Group, recognised internationally as a manufacturer of food products under the AJI-NO-MOTO® brand, we take cognizance of the vast benefits of a diverse and engaged workforce for the Company and its employees. As part of our ongoing efforts to foster an all-inclusive working environment at AMB, we continue to implement fair and transparent practices throughout our hiring and promotion processes. FYE 31 March saw 727 staff employed in AMB, with the following distribution:-

# CARING FOR OUR PEOPLE

(cont'd.)



We enrich the Company's human capital by attracting fresh talent through numerous comprehensive benefits that support work-life balance, which include the following:-



**Healthcare**



**Hostel Accommodation**



**Life Insurance**



**Canteen**



**Additional EPF Contribution**



**Dependent Medical Care**



**Annual Leave**



**Disaster Relief**



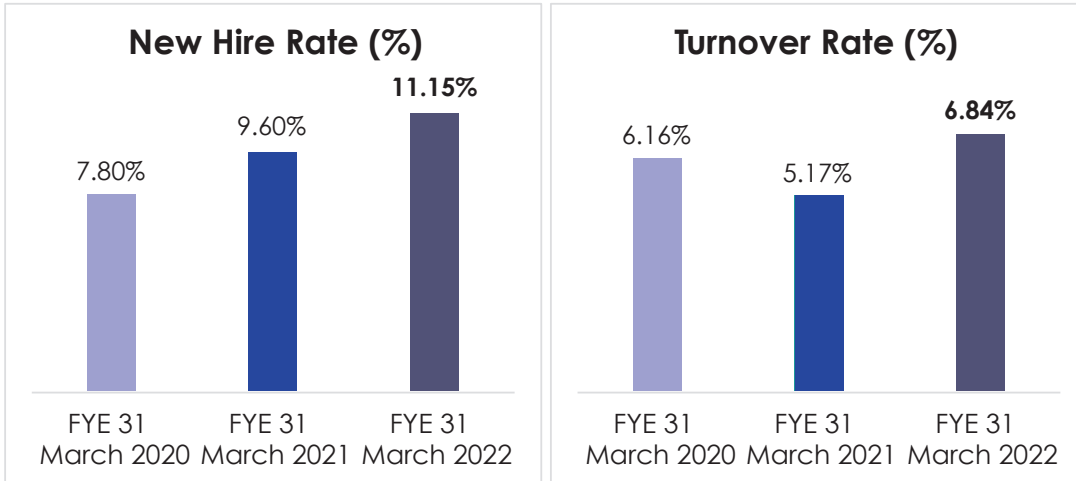
**Flexible Work Arrangement\***



# CARING FOR OUR PEOPLE

(cont'd.)

Reflecting AMB's efforts to appeal as an employer of choice, we recorded a new hire and turnover rate of 11.15% and 6.84% respectively for this reporting period, as per the data trend illustrated below:-



In addition to the benefits mentioned above, we also offer paid parental leave to support working parents within AMB, and allow for their children's care. As of March 2022, twenty-eight (28) employees (twenty male and eight female) took paid parental leave, all of whom returned to work after their leave ended- of these 28, all but one remained in AMB's employment 12 months after their return.

### Employee Engagement

Employee engagement is rapidly emerging as a critical indicator for stakeholders to gauge workplace satisfaction amongst staff. Throughout the COVID-19 pandemic, AMB embraced technology as a means to create meaningful experiences for our employees:-

#### Mental Health Talks

The mental well-being of our employees is crucial for maintaining work productivity as well as healthy personal lives. AMB organised Mental Health Talks to raise awareness, and provide valuable tips to employees to help them cope with the 'new normal'.



#### HAPPY AND HEALTHY LIFE AT WORKPLACE

Coach Surinnee  
AAA Vision Academy

#### Workplace Health Awareness

As an industry leader in amino and food sciences, we are aware of the importance of supporting the health and well-being of our employees. Through this initiative, we hope to reduce the risk of burnout and improve employee morale and productivity.

#### Nutrition and Health Literacy

We recognised that increased awareness and knowledge on healthy lifestyles and balanced diets which contributes towards employee productivity and improves their health as well.



# CARING FOR OUR PEOPLE

(cont'd.)

To align with our shift towards flexible working arrangements, and our corporate office relocation plans in conjunction with the move to our new factory in Taman Enstek, we implemented several 'Work Style Innovation' initiatives to ensure a smooth transition without delays or disruptions:-

Townhall Sessions	Flexi-Working	Digitisation
<ul style="list-style-type: none"> <li>• Details on relocation plans</li> <li>• This platform is for employees to provide valuable feedback on our planned arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Flexi-working days (1-5 days weekly) and times (7.30am to 10.00am); depending on the nature of each employees' job</li> <li>• Enhanced facilities and support systems such as VPN connections, laptops and an online attendance system</li> <li>• Encouraging virtual and hybrid style meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Digitalising our human resource management system via cloud servers and online documents for operational efficiency and productivity, as well as minimise paper usage</li> </ul>

In addition, AMB also promotes effective communication in a transparent, clear, and straightforward manner. We aim to enhance staff engagement and commitment by regularly sharing company news on both the Company's social media platform, *Workplace*, and our internal newsletter, "SUARA".




**SUARA**  
Ajinomoto (Malaysia) | JANUARY 2022  
Meor, Penulis

**ASV STORY**

**To Realise ASV Contribution in the Sustainability of Natural Resources through "Specialty Ingredient" Application**


**Mr. Chin Kok Woi**  
Head of Food Development & Application Department





**SUARA**  
Ajinomoto (Malaysia) | FEBRUARY 2022  
Meor, Writer

**Ajinomoto Co., Inc. Became a Main Sponsor for the 31 SEA Games 2021**



**ASV STORY**

**Is The Ajinomoto Group Creating Shared Value (ASV)?**


ASV represents our unchanging commitment, based on the Ajinomoto Group Way, to realize greater wellness for people around the world. With our stakeholders and businesses, we help resolve society's issues, leading to the creation of economic value.

**do we share value?**  
To enhance our corporate value by helping to resolve social issues through our businesses, which will help achieve

**come from?**  
ASV comes from our

**do we share value?**  
It is shared through "Value tories" that based the "materiality items and our core competency/strength."

**ASV Conceptual Diagram**



\* Materiality items: Factors that have significant impacts (opportunities and risks) on a company's ability to create value to the society. For the Ajinomoto Group, the factors is based on the identified global issues ("health and well-being", "food resources" and "global sustainability") and our recent business environment.

# CARING FOR OUR PEOPLE

(cont'd.)

## Employee Advancement and Development

One of AMB's key pillars is cultivating a talented workforce which contributes to retaining our position as a leader in food manufacturing. We advocate lifelong learning, and encourage our employees to continue developing their knowledge and skill-base.

Due to the Covid-19 pandemic restrictions, we migrated a majority of our capacity-building efforts online, leveraging off our previous year's experience. We used a Competency Matrix and Training Needs Analysis to identify our employees' knowledge and skills gaps, and allocate sufficient resources for training programmes to address the identified gaps.

We invested approximately RM 137,200 to deliver a diverse range of purposeful training and development programmes to upskill our employees for this reporting period. Key training programmes that took place in FYE 31 March 2022 are as follows:

### Digital Marketing

With the increased penetration of eCommerce platforms, more consumers have resorted to online platforms to fulfil their grocery needs. AMB has adapted to this evolving need by training our Marketing Department staff to enhance their digital marketing skills, and to improve the Company's online presence. These include MasterClass and professional certification.

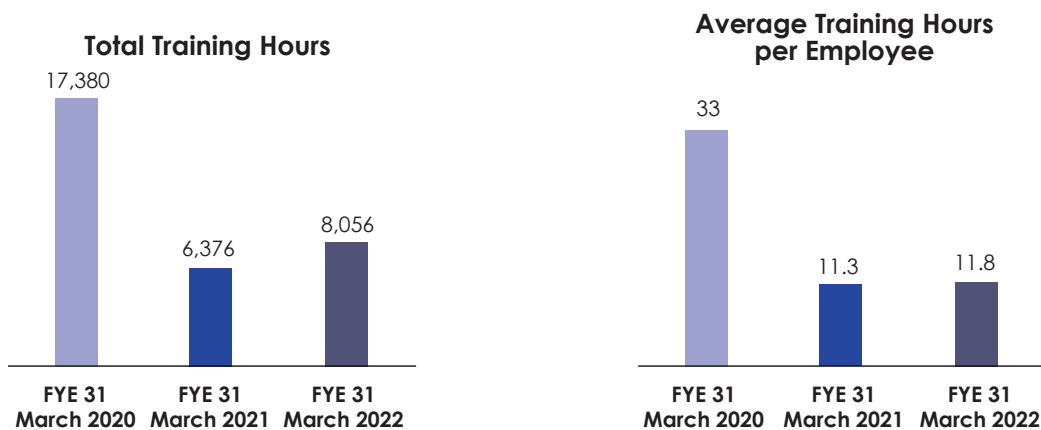
### Standards and Certification

We emphasise maintaining the highest level of compliance with all standards and certification bodies. We provide training for employees updated with the latest requirements. Examples include: ISO 9001, HACCP, ISO 14001, and ISO 45001.

### Leadership Skills

We provide the means and opportunities for our employees to develop their leadership and functional skills, and to enhance their decision-making abilities. We encourage aspiring employees to participate in these programmes to develop strategic assets that will support the company's long-term growth.

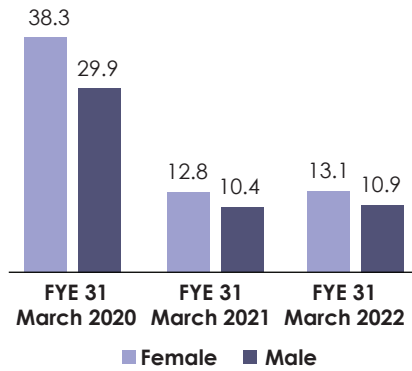
The breakdown in training hours across AMB is depicted below:



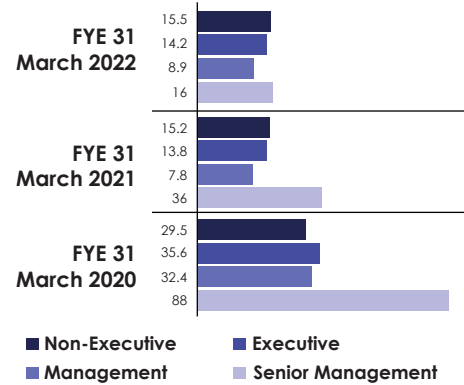
# CARING FOR OUR PEOPLE

(cont'd.)

**Training Hours by Gender**



**Training Hours by Employee Category**



## Occupational Safety and Health (“OSH”)

Under AMB's OSH Policy and the Occupational Safety and Health Act 1994, we strive to adopt the best health and safety practices to achieve AMB's internal target of zero cases of serious accidents, and zero lost-time through injuries. The OSH Policy is reviewed annually and encompasses a wide range of areas such as compliance, risk management, employee communication, and performance review.

AMB's Safety Health and Environment (“SHE”) Management System is developed according to ISO 45001 standards as a reinforcement of our commitment to employee health and safety. It serves as a comprehensive management approach to control the Company's safety risk. Akin to the OSH Policy, the SHE Management System undergoes a third-party audit annually to verify its effectiveness.

### *Hazard Identification, Risk Assessment, Risk Control*

We established an OSH Committee to oversee all work-related hazard identification, and assessments across AMB operations. The OSH Committee convenes every quarter to discuss relevant areas of concern and implement OSH-related initiatives. Section representatives in the OSH Committee are the main avenue by which critical information regarding workplace hazards is communicated to workers.

As a subsidiary company of the Ajinomoto Group, we utilise the Group's Kiken Yochi Training (“KYT”), which bolsters our employees' ability to identify, assess and rectify workplace hazards which entails monthly patrols, amongst other actions. We refer to the Hierarchy of Control when implementing risk control measures to minimise worker exposure to hazardous conditions.

As an added step, AMB has a Stop Work Policy that empowers employees to refrain from working when they believe a risk situation could potentially cause injury or ill health. Any complaints raised will be investigated with mitigation actions verified and implemented by the Safety team before resuming operations.

### *OSH Training*

Aimed at improving awareness and competency towards safer work conditions under our Behaviour Based Safety Programme, we conduct regular health and safety training for workers across our manufacturing and distribution facilities. Amongst the topics covered are:-

- Chemical Spillage and Handling
- Forklift Theory
- Road Safety Awareness
- Noise Awareness
- Evacuation Drill
- Ergonomics for Work from Home

# CARING FOR OUR PEOPLE

(cont'd.)

## AMB's Performance

In FYE 31 March 2022, two significant work-related injuries were recorded out of 1,574,360 total work hours resulting in a Lost Time Injury Frequency Rate ("LTIFR") of 1.27 per million hours worked; an improvement compared to previous years. We will maintain our ongoing efforts to achieve our target of zero LTIFR in the workplace, thereby providing for a safer space for all.

## Our Response to COVID-19

As Malaysia adopts the 'Living with COVID' Policy, amendments have been made to the COVID-19 Standard Operating Procedures ("SOPs") to align with the latest government mandates, and maintain work productivity without compromising employee health. We continue to prohibit all staff overseas and outstation business travels, with virtual meetings as the preferred contact mode.

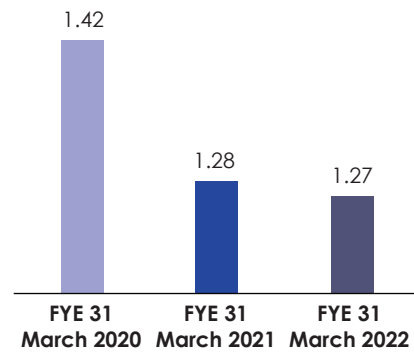
Although much of the original Government stringent measures have been lifted, we continue to uphold several workplace practices to safeguard the health of all employees and visitors who enter AMB offices or facilities via the following measures:

1. Employees are subject to bi-weekly swab tests to detect potential infections as a corporate-wide measure.
2. All visitors and employees who enter AMB premises must complete the entrance procedure for contact tracing purposes.
3. Personal protection equipment is provided to all who enter the production facilities to avoid product contamination.

Following the launch of Malaysia's COVID-19 Immunisation Programme in March 2021, we actively supported the Government and advocated the programme, resulting in 100% fully vaccinated AMB employees:

1. Provided special vaccination leave and in-house vaccination services through clinic collaborations.
2. Encouraged employees to take the COVID-19 booster shots to ensure continued protection
3. Amended our quarantine procedures to reduce the number of quarantine days based on employees' vaccination status.

**LTIFR (Per million hours Worked)**



## CREATING VALUE FOR LOCAL COMMUNITIES

Aligned with our ASV approach, the Company's corporate responsibility is focused on bringing shared value to local communities. From promoting healthy living to providing aid for the underprivileged, we continue to deploy our resources to support community livelihoods and social programmes.

### Community Relations and Contributions

In-line with AMB's, corporate responsibility, the Company conducted various community engagement and social activities throughout this reporting period to help improve the livelihood of our community.

During this reporting period, we promoted healthy living under Covid-19 pandemic SOP environment through online activities to emphasize the need to adopt a **"Healthy Eating, Active Living"** lifestyle. In FYE 31 March 2022, AMB conducted an interactive and educational virtual programme called **<Together, 'Eat Well, Live Well' with Ajinomoto (M) Berhad>** via the Zoom platform to raise awareness among Malaysians regarding the importance and benefits of preparing healthy yet delicious meals everyday. Through this programme, participants were able to gain more knowledge on Umami and AJI-NO-MOTO®, and had the opportunity to learn about delicious low-salt cooking through a live cooking presentation.



Together, "Eat Well, Live Well" with Ajinomoto (M) Berhad Live Stream

The SERI-AJI® Sahur Campaign was conducted to help homemakers prepare easy and balanced diet for Sahur during Ramadan. We carried out the campaign through social media advertisements, influencer introductions, consumer contests, display campaigns, nutrition programmes, and corporate responsibility activities at orphanage homes.



SERI-AJI® Sahur Campaign

# CREATING VALUE FOR LOCAL COMMUNITIES

(cont'd.)

Seri-Aji® Fried Banana and Fried Fritter Flour was launched as part of our plans to expand the range of our products under the AJI-NO-MOTO® brand and to help Malaysians cook smart as it introduces convenient, complete, and delicious seasoning.

In conjunction with Nutrition Month Malaysia (“NMM”) 2021, AMB continued its journey as a prominent sponsor in spreading awareness on “**Healthy Eating, Active Living**” during the NMM virtual event themed “**The Key to Combating Health Threats**”. During the Covid-19 pandemic phase, home workouts were highlighted as a means to boost the immune system in combating COVID-19. Being in the forefront in AminoScience technology, Ajinomoto in Japan created aminoVITAL® product to help the public better prepare physically for sports training, and home workouts. The aminoVITAL® product contains 3,000 mg of amino acids with 112kcal per pouch, and helps with muscle endurance, energy-boosting, and muscle recovery. AMB launched this product in Malaysia and promoted it through “**Move with aminoVITAL® Challenge**” where the public had the chance to win attractive prizes by sharing their workout routine snapshot on the aminoVITAL Malaysia’s Facebook page.

AMB also launched the “**Less Salt, Umami It!**” campaign to provide solutions to dietary issues in Malaysia under the “**Ajinomoto Well-Being Project**” as well as to introduce delicious reduced-salt diets with Umami. We conducted activities such as Key Opinion Leader (“KOL”) engagement sessions, radio advertisements, press interviews, social media promotions, a consumer campaign, and e-commerce promotions throughout the campaign duration. As for the consumer campaign, the public stood to win cash prizes by participating in the “**Low Sodium Recipe Challenge**” – by uploading pictures of their dishes and recipes to indicate the amount of salt and AJI-NO-MOTO® Umami seasonings they had used to prepare the dishes.



Seri-Aji® Fried Banana and Fried Fritter Flour

“Healthy Eating, Active Living” with Ajinomoto Company in NMM 2021.



[virtualfair.nutritionmonthmalaysia.org.my/ajinomoto](http://virtualfair.nutritionmonthmalaysia.org.my/ajinomoto)

5th Aug - 5th Sept 2021

Nutrition Month Malaysia (“NMM”) 2021

## CREATING VALUE FOR LOCAL COMMUNITIES (cont'd.)



"Less Salt, Umami It" Campaign

To further demonstrate the Company's ASV's initiatives, AMB was one of the main sponsors of the "Malaysia-Japan All-Stars Football Charity Match". Yakult Malaysia organised this event to raise funds for the Malaysian Sports Association for the Deaf ("MSDEAF"), and to support the Malaysia's Tigers' football players as they prepare for domestic and international tournaments. Apart from successfully raising RM 300,000, this charity match provided a platform for AMB to support local athletes' health and well-being by introducing the aminoVITAL® Apple Jelly Flavoured Drink with Amino Acids to boost their endurance, and improve their sports performance.



Press Conference of All Stars Football Charity Match in December 2021

The COVID-19 pandemic has impacted our community profoundly. AMB stepped forward and collaborated with food banks to make contributions to the underprivileged community, and to stamp our commitment to serving and giving



# CREATING VALUE FOR LOCAL COMMUNITIES

(cont'd.)

back to society. We also contributed a total of RM20,000 cash, along with AMB products to Persatuan Kebajikan Rainbow Bridge Malaysia to be channeled to 23 elderly and children's homes in Klang Valley through Rainbow Bridge's food bank. AMB also donated groceries to over 400 families in the Program Perumahan Rakyat ("PPR") and Perumahan Awam ("PA") areas throughout Klang Valley via Yayasan Food Bank Malaysia ("YFBM") as well as sahur meal sponsorship to orphanages.



AMB products distributed to the underprivileged community

AMB upholds the importance of education in human capital development for the community and the Company. In this regard, AMB has plans to offer full postgraduate scholarship grants in 2023 to study at selected universities in Japan.

## CONCLUSION

AMB is committed to creating long term sustainable value for our shareholders and other stakeholders within the context of ESG and to maintain our business resilience. In this respect we firmly stand by our conviction that Profits, People, Planet (3Ps) are important ingredients for a successful sustainable future. We are thankful for the zeal, support and dedication shown by AMB employees, enabling us to further our sustainability agenda as we uphold our commitment for society to **“Eat Well, Live Well”**.

# GRI CONTENT INDEX

GRI Indicator	Content of Disclosure	Reference
<b>General Disclosures</b>		
2-1	Organisational details	6
2-2	Entities included in the organisation's sustainability reporting	5
2-3	Reporting period, frequency and contact point	5
2-6	Activities, value chain and other business relationships	6
2-14	Role of the highest governance body in sustainability reporting	11
2-22	Statement on sustainable development strategy	7
2-23	Policy commitments	Throughout
2-24	Embedding policy commitments	Throughout
2-26	Mechanisms for seeking advice and raising concerns	19
2-27	Compliance with laws and regulations	13
2-29	Approach to stakeholder engagement	12
2-30	Collective bargaining agreements	30
3-3	Management of material topics	Throughout
<b>Economic</b>		
204-1	Proportion of spending on local suppliers	20
205-1	Operations assessed for risks related to corruption	19
205-2	Communications and training about anti-corruption	19
205-3	Confirmed incidents of corruption and actions taken	19
<b>Environment</b>		
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305-2	Energy indirect (Scope 2) GHG emissions	26
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# GRI CONTENT INDEX

(cont'd.)

GRI Indicator	Content of Disclosure	Reference
<b>Social</b>		
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401-2	Benefits provided to full-time employee that are not provided to temporary or part-time employee	31
401-3	Parental leave	32
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403-2	Hazard identification, risk assessment and incident investigation	35
403-4	Worker participation, consultation and communication on occupational health and safety	35
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405-1	Diversity of governance bodies and employees	31
413-1	Operations with local community engagement, impact assessment and development programmes	37
416-1	Assessment of the health and safety impacts of product and service categories	27
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	27
417-1	Requirements for product and service information and labelling	28
417-2	Incidents of non-compliance concerning product and service information and labelling	28

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**PROXY FORM**

<b>Number of Ordinary Shares Held</b>	<b>CDS Account No.</b>
<b>Contact No.</b>	<b>Email Address</b>

I / We, \_\_\_\_\_  
 (FULL NAME AND NRIC / PASSPORT NO. / REGISTRATION NO.)

of \_\_\_\_\_  
 (FULL ADDRESS)

being a member of **AJINOMOTO (MALAYSIA) BERHAD** hereby appoint:-

**First Proxy "A"**

Full Name (in Block):-	NRIC/ Passport No.:-	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

\*and

**\*Second Proxy "B"**

Full Name (in Block):-	NRIC/ Passport No.:-	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

**100%**

\*or failing him/her, the CHAIRMAN OF THE MEETING, as \*my / our proxy to attend and vote for \*me / us and on \*my / our behalf at the Sixty-First Annual General Meeting ("**AGM**") of Ajinomoto (Malaysia) Berhad to be held on a virtual basis hosted on Securities Services e-Portal at <https://sshsb.net.my/> at the broadcast venue at Ajinomoto (Malaysia) Berhad, Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur on Tuesday, 30 August 2022 at 10:00 a.m. and at any adjournment thereof.

Mark X under 'For' or 'Against' for each Resolution if you wish to direct the proxy on how to vote. If no mark is made, the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two (2) proxies and wish them to vote differently, this should be specified.

My / our proxy / proxies is / are to vote as indicated below:

No.	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2022 together with the Reports of the Directors and the Auditors thereon. (Note 1)			
2.	To approve the payment of Directors' fees amounting to RM282,333 for the financial year ended 31 March 2022.	1		
3.	To approve the payment of Directors' benefits up to an amount of RM650,000 from 31 August 2022 until the date of the next Annual General Meeting of the Company.	2		
4(a)	To re-elect Tan Sri Dato' (Dr.) Teo Chiang Liang who is due to retire pursuant to Clause 120 of the Company's Constitution.	3		
4(b)	To re-elect Mr. Koay Kah Ee who is due to retire pursuant to Clause 120 of the Company's Constitution.	4		
4(c)	To re-elect Mr. Dominic Aw Kian-Wee who is due to retire pursuant to Clause 120 of the Company's Constitution.	5		
4(d)	To re-elect Puan Norani binti Sulaiman who is due to retire pursuant to Clause 120 of the Company's Constitution.	6		
5.	To re-appoint Messrs. KPMG PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration.	7		
<b>Special Business</b>				
6.	<b>Ordinary Resolution No. 1:</b> Authority to Issue Shares pursuant to the Companies Act 2016	8		
7.	<b>Ordinary Resolution No. 2:</b> Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	9		
8.	<b>Ordinary Resolution No. 3:</b> Retention of Tan Sri Dato' (Dr.) Teo Chiang Liang as an Independent Director	10		
9.	<b>Ordinary Resolution No. 4:</b> Retention of Mr. Koay Kah Ee as an Independent Director	11		
10.	<b>Ordinary Resolution No. 5:</b> Retention of Mr. Dominic Aw Kian-Wee as an Independent Director	12		

\* Strike out whichever not applicable

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

\_\_\_\_\_  
 \* Signature of Member/Common Seal

**Notes :-**

1. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
2. As part of the initiatives to curb the spread of COVID-19, the 61st AGM will be conducted on a virtual basis by way of live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at <https://sshsb.net.my>. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.
3. With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the 61st AGM. As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers and its subsequent amendments, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the 61st AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the 61st AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) during the 61st AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded via broadcast by the Chairman, Board of Directors and/or Management during the Meeting.
4. In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 August 2022 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this Meeting.
5. A member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A member may appoint more than one (1) proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
6. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the members to attend, participate, speak and vote at the Meeting and upon appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.
7. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the 61st AGM or any adjournment thereof or submitted electronically via Securities Services e-Portal at <https://sshsb.net.my> not later than forty-eight (48) hours before the time set for holding the 61st AGM or any adjournment thereof. The lodging of the Form of Proxy does not preclude a member from attending and voting remotely at the 61st AGM should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the 61st AGM or any adjournment thereof, and you register for RPV as guided in the Administrative Guide. Please contact the poll administrator, SS E Solutions Sdn. Bhd., at 03-2084 9000 for further assistance.
9. The Administrative Guide on the Conduct of a Virtual General Meeting is available for download at <https://www.ajinomoto.com.my>

Fold Here

Eat Well, Live Well.



## Form of Proxy

Stamp

The Company Secretaries

**AJINOMOTO (MALAYSIA) BERHAD 196101000252 (4295-W)**

c/o Securities Services (Holdings) Sdn. Bhd.  
Level 7, Menara Milenium, Jalan Damanlela,  
Pusat Bandar Damansara, Damansara Heights,  
50490, Kuala Lumpur, Wilayah Persekutuan

Fold Here

Eat Well, Live Well.



# Less Salt, Umami it!

AJI-NO-MOTO®  
The Pure Umami Seasoning

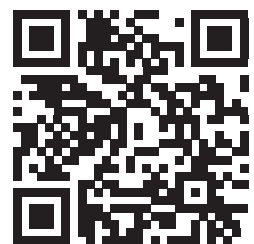
AJI-NO-MOTO® Pure Monosodium Glutamate contains  $\frac{2}{3}$  less sodium than table **SALT** and can be used in place of some **SALT** to reduce sodium while keeping your daily dishes delicious and healthier with the taste of **Umami** (the 5th basic taste).



**Pak Aji™**



Scan here for  
less sodium  
information



MS1500  
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**AJINOMOTO (MALAYSIA) BERHAD** 196101000252 (4295-W)

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

Tel : 603 7980 6958 Fax : 603 7981 1731

[www.ajinomoto.com.my](http://www.ajinomoto.com.my)