



AJINOMOTO

Ajinomoto (Malaysia) Berhad
Registration No: 196101000252 (4295-W)

ANNUAL REPORT 2023

**EAT
WELL,
LIVE
WELL.**

An aerial, black and white photograph of a large industrial complex, likely an Ajinomoto manufacturing plant. The facility consists of several large, interconnected buildings with flat roofs, surrounded by parking lots filled with cars and trucks. The background shows a hazy sky and some distant structures.

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CORPORATE INFORMATION

DIRECTORS



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

**Koay Kah Ee
(resigned w.e.f. 31 March 2023)**

Cheong Heng Choy

**Tomoharu Abe
(Managing Director /
Chief Executive Officer)
(resigned w.e.f. 30 June 2023)**

**Riichiro Osawa
(Managing Director /
Chief Executive Officer)
(appointed w.e.f. 1 July 2023)**

**Shunsuke Sasaki
(Chief Finance Officer)**

**Dominic Aw Kian-Wee
(resigned w.e.f. 31 May 2023)**

**Kamarudin Bin Rasid
(retired w.e.f. 31 March 2023)**

Azhan Bin Mohamed

Norani Binti Sulaiman

Noriko Fujimoto

**Takahiro Sato
(resigned w.e.f. 31 May 2023)**

**Elaine Tan Ai Lin
(appointed w.e.f. 24 February
2023)**

**Yong Kum Cheng
(appointed w.e.f. 1 April 2023)**

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 L1-E-5A and L1-E-5B,
Enterprise 4,
Technology Park Malaysia,
Lebuhraya Puchong - Sg. Besi,
Bukit Jalil,
57000 Kuala Lumpur, Malaysia
Tel : 603-7980 6958
Fax: 603-7981 1731

Customer Service:
[https://www.ajinomoto.com.my/
customer-service](https://www.ajinomoto.com.my/customer-service)

Company / Corporate inquiries:
corporate@ajikl.com.my

Business / Product inquiries:
customerfeedback@ajikl.com.my

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
Email: info@sshbs.com.my

STOCK EXCHANGE LISTING



Main Market of the Bursa
Malaysia Securities Berhad

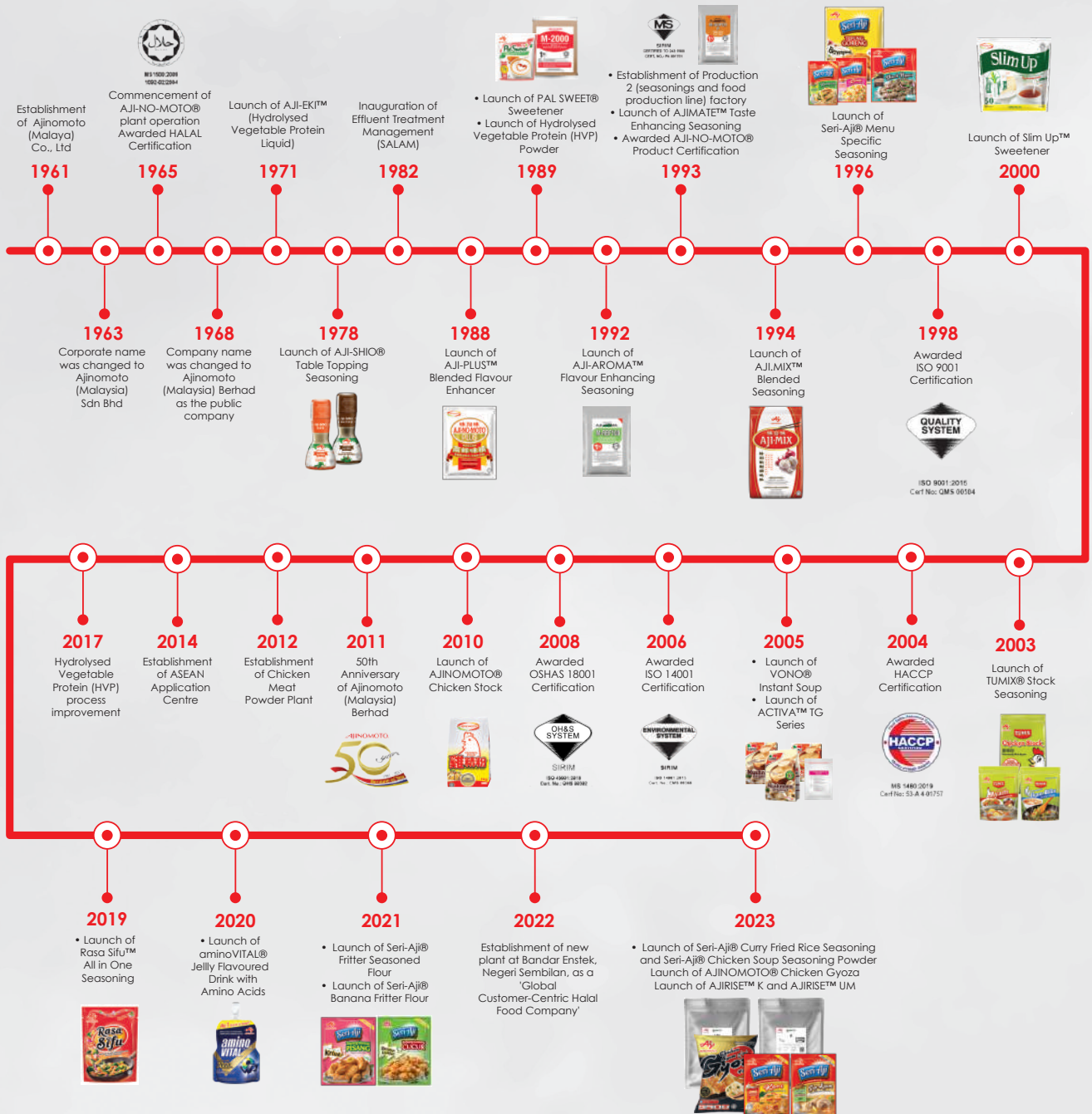
MANAGEMENT DISCUSSION & ANALYSIS

Our Business

History & Milestones

Ajinomoto (Malaysia) Berhad ("the Company") first started its business operation in Malaysia in 1961 as a monosodium glutamate ("MSG") distributor imported from its parent company in Japan under the brand, AJI-NO-MOTO®. In 1965, the Company's business grew rapidly with the production of MSG locally and subsequently other food seasoning products at its then factory in Jalan Kuchai Lama, Kuala Lumpur.

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 range of umami food seasoning products trusted by Malaysians. AJI-NO-MOTO® Umami seasoning has been an indispensable item in almost every household and food service vendor. Nowadays the Company's business is expanding globally, furthermore the commencement of Company's new plant at Bandar Enstek has fully operated from December 2022.



MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

Our Policy

The Company's Vision is to be a "Global Customer-Centric Halal Food Company" to contribute towards enhancing people's food and well-being through our Specialties and Innovative Solutions. It is the Company's policy to consistently develop and distribute high quality and safe food products that meet customers' needs and satisfaction, and at the same time ensure compliance with international and local laws and regulations for food manufacturing. The Company also concurrently supports and implements strategies to meet ESG requirements and standards in its business plans and policies.



CERTIFIED TO MS1500:2019
REF. NO.: 1092-02/2004
Malaysian Standard on Halal Food
General Requirements



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



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



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



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

As a responsible employer, the Company is committed to providing a safe and healthy working environment for all its employees.

Product Range

Consumer Products

For the past 6 decades, the Company has continuously strived to develop new products in meeting consumer needs. To-date, the Company has manufactured and distributed a wide range of seasoning and food products which include chicken stock, all-in-one seasoning, menu seasoning, pepper, sweetener and jelly drink with amino acids. Recently, the Company launched 2 new variants of Seri-Aji® seasoning – Seri-Aji® Curry Fried Rice Seasoning and Seri-Aji® Chicken Soup Seasoning Powder to provide simple and convenient cooking with exceptional deliciousness for Malaysian households. The Company has also added a new product category with the launch of Frozen Gyoza, an authentic Japanese cuisine which consumers are able to enjoy at home without fuss.



The Company will continue to expand and improve its product range with innovative, high quality and convenient products to meet changing consumer trends, behaviours and needs. Additionally, the Company will continue interacting with households and food service vendor through social media and via the establishment of a new platform "DtoU" (Digital to User) through its own e-Commerce channel.

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 Company's TENCHO and ACTIVA® brandnames. These products are widely used in various processed food such as instant noodles, soups, snacks, sauces, dairy products, processed meats and seafood. In its efforts to meet customer's requirements for simple to use seasonings, the Company launched a new product AJIRISE™, which is a yeast extract product that has savoury sensation while enhancing the original taste and flavour.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

Sales Branches and Oversea Markets



MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

Financial Results

Snapshot

REVENUE

RM **603.7** MIL



EARNINGS PER SHARE

45.22 SEN



PROFIT BEFORE TAX

RM **15.9** MIL



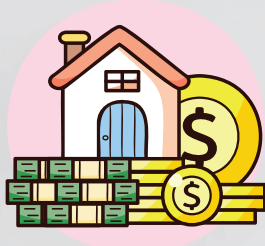
RETURN ON EQUITY

5.20%



TOTAL ASSETS

RM **742.0** MIL

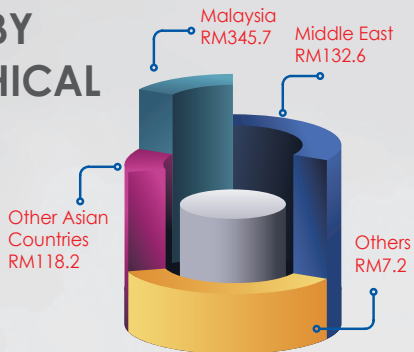


ORDINARY DIVIDENDS PER SHARE (DECLARED)

9.10 SEN



NET SALES BY GEOGRAPHICAL AREA (RM MILLION)



NET SALES BY BUSINESS (RM MILLION)



MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

Operating Environment

Malaysia achieved 8.7% economic growth in year 2022, contributed by strong domestic consumption and supported by improved labour market conditions and re-opening of borders post the Covid-19 pandemic. Malaysia's economy is expected to expand moderately in year 2023 with slower growth in private consumption which is impacted by high inflation and high interest rates that have impacted on the cost of living and real disposable income.

Financial Review

For the financial year ended 31 March 2023 ("FYE 31.03.2023"), revenue of the Company was RM603.7 million as compared to the preceding financial year's revenue of RM484.7 million. The Company achieved double digit growth of 24.6% in revenue contributed by increase in sales volume and better selling prices mainly from AJI-NO-MOTO® and TUMIX®. Profit before tax for the FYE 31.03.2023 was RM15.9 million against the profit before tax of RM24.3 million in the preceding financial year. The decrease in profit before tax was mainly impacted by the increase in raw material prices, computer hardware and software maintenance costs and transitional costs from factory relocation to the Company's new factory in Bandar Enstek .

Profit for the year increased from RM17.0 million in the preceding financial year to RM27.5 million in FYE 31.03.2023 due to the tax write back of RM11.6 million in the current financial year. The tax write back was attributed to the prior year's income tax overprovision of RM3.7 million and deferred tax asset recognition of RM13.8 million for unutilized special reinvestment allowance which is expected to offset against the Company's future profits.

Segment Information

Consumer Business

Revenue in Consumer Business segment was RM462.1 million, soared by 33.1% as compared to the revenue of RM347.1 million in the preceding financial year. The increase was contributed by the hike in the sales volume and the better selling price of AJI-NO-MOTO® in both the domestic and export markets as well as sale of TUMIX® in the domestic market. Profit was RM3.3 million, decreased by RM0.7 million as compared to the profit of RM4.0 million in the preceding financial year due to the increase in raw material prices particularly for AJI-NO-MOTO®, computer hardware and software maintenance costs and transitional costs from new factory relocation.

Industrial Business

Industrial Business segment recorded revenue of RM141.7 million, improved by 3.0% against revenue of RM137.6 million in the preceding financial year due to better selling price of TENCHO industrial products. Profit was RM15.1 million, reduced by RM3.7 million as compared to the profit of RM18.8 million in the preceding financial year due to higher raw material costs, computer software maintenance costs, research and development expenditure and transitional costs from new factory relocation.

Financial Condition

As at FYE 31.03.2023, Total Assets and Total Net Assets increased as compared to the preceding financial year due to better profit for the year in the current financial year. Net cash used in operating activities for the current financial year was RM10.4 million while the net cash generated from operating activities in the preceding financial year was RM4.0 million due to higher cost of raw materials. Net cash used for investing activities was RM24.0 million during the financial year due to payment of capital expenditure incurred in the new manufacturing facilities. Net cash generated from financing activities was RM15.2 million for the financial year subsequent to the receipt of advance from ultimate holding company, repayment of borrowings under Islamic financing and dividend payment to shareholders.

Dividend

The Board of Directors continue to maintain the policy of stable and sustainable dividend payout to shareholders. The Directors, as announced by the Company on 27 June 2023, declared a first and final single-tier dividend of 9.10 sen per ordinary share in respect of FYE 31.03.2023 to be paid on 25 September 2023.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

Operational Risks

(1) Operating Environment Risks

Exchange Rate Fluctuations

The Company's exports and imports of raw materials are denominated in USD. Hence, the Company is exposed to exchange risks, especially between the USD and the Malaysian Ringgit and this has impacted the Company's financial results.

Unforeseen Adverse Economic or Political Factors

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

Price Fluctuations for Raw Materials and Fuel

The prices of certain raw materials and energy resources used by the Company fluctuates according to market conditions. These may result in higher manufacturing costs which will impact the Company's business results.

(2) Risks Related to Business Activities

Food Safety Matters

The Company takes extensive care and effort to manage factors that impact on food safety, which is one of the very important foundation upon which the Company's business is built. However, in the event unforeseen issues affecting food safety arise, which are beyond anyone's control, such unforeseen events may have an adverse impact on the Company's business results.

Laws and Regulations, Litigation, etc.

As the Company conducts business 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/or purchases its raw materials from. The possibility exists, however, that legal changes may be introduced and complying with such changes may restrict the Company's operation which may impact on business results.

Outlook

In view that Malaysia has moved to the endemic phase of COVID-19 in 2022, it is noticeable that the delivery and dine-in for Food Service segment have increased which is expected to have a positive impact on the Company's business. Another important factor is the shortage of labour. This makes the need by food vendors to have simplicity in the cooking process which is an opportunity for the Company to offer its wide range of seasoning products to them to deliver tasty meals without much fuss.

The Company's Mission is to contribute to the world's food and wellness, and to better lives for the future. This must be supported by employees. In this regard, the Company implemented a Flexible Working Arrangement since the Covid-19 pandemic by promoting work-life balance among the employees with the aim to improve productivity and work performance. The Company also aims to establish a corporate culture in which each employee takes on the challenge without fear of failure in proposing inner initiatives to contribute to "my own customers" culture to expand the market for the Company's products.

As the Company's continuing effort to enhance the brand visibility and to strengthen the Corporate Message of "Eat Well, Live Well" in the Consumer Business segment, the Company introduced the Smart Salt logo with the aim to educate the public to live a healthier lifestyle by reducing the usage of salt through using AJI-NO-MOTO® MSG, which reduces sodium intake while maintaining the deliciousness of the food. This is further supported by the Company continuing to sponsor the yearly Nutrition Month Malaysia Fair that promotes the safe use of AJI-NO-MOTO® through science-backed evidence that "Sodium can be reduced by using AJI-NO-MOTO® MSG". Apart from promoting healthy dietary, the Company also strives to enhance the endurance of people active in sports with the promotion of aminoVITAL® and sponsorship of sporting events such as the L'etape Malaysia Cycling event.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

As a responsible corporate citizen, the Company helped underprivileged kids stay energized by sharing the advantages of a well-balanced fried rice dish in the Ramadhan month through Seri-Aji® Fried Rice Seasoning.

For the Industrial Business segment, with the increasing ESG requirements, there is an increasing trend towards alternative raw materials and plant-based proteins (PBP), reduction of food wastes and "CLEAN LABEL" concept resulting in increase of food security. The Company has met these trends and needs. The Company is also expanding the export of TENCHO products by enhancing the network with overseas affiliates.

The Company has successfully relocated to its new plant in Bandar Enstek which has since been operating smoothly from December 2022. The office at Technology Park Malaysia Bukit Jalil has commenced operation since November 2022.

Since the implementation of the Ajinomoto Group's Creating Shared Value (ASV) and the Company's adoption of it, the Company's economic value has further improved. This augurs well for the Company's future growth for the benefit of all its stakeholders and shareholders.

DIRECTOR'S PROFILE

Eat Well, Live Well.



TAN SRI DATO' (DR.) TEO CHIANG LIANG

Chairman,
Non-Independent Non-Executive Director
72, 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. On 31 May 2023, he was re-designated from an Independent Non-Executive Chairman to a Non-Independent Non-Executive Chairman of the Company. 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 appointed Independent Non-Executive Director of RHB Capital Berhad from 2010 to 2016 and RHB Insurance Berhad from 2010 to 2015.

Tan Sri Teo was elected Secretary General of the Malaysian Association of Private Colleges & Universities from 1997 to 2003. 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 currently 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.)

Eat Well, Live Well.



CHEONG HENG CHOY

Independent Non-Executive
Director
65, Malaysian, Male

Mr. Cheong was appointed to the Board of Ajinomoto (Malaysia) Berhad on 9 August 2021. He was re-designated as the Chairman of the Audit Committee from his previous position as a member of Audit Committee. He is also a member of the Nomination Committee and Remuneration Committee. He attended all five (5) Board meetings held in the financial year.

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 outsourced internal audit services, and setting up of Enterprise Risk Management and Corporate Governance Framework for 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.



Eat Well, Live Well.



RIICHIRO OSAWA

Managing Director,
Chief Executive Officer
52, Japanese, Male

Mr. Osawa was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2023 and hence, he did not attend any of the Board meetings held in the financial year. He is not a member of any Board Committee.

Mr. Osawa graduated from School of Tokyo University of Foreign Studies with a Bachelor Degree in Arts (Language and Area Studies) in March 1995.

He joined Ajinomoto Co., Inc Japan in April 1995 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.)

Eat Well. Live Well.



SHUNSUKE SASAKI

Executive Director,
Chief Finance Officer
45, 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 the 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.

Eat Well. Live Well.



AZHAN BIN MOHAMED

Executive Director
59, 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.)

Eat Well, Live Well.



NORANI BINTI SULAIMAN

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



Puan Norani Binti Sulaiman was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2020. She was re-designated as the Chairperson of the Nomination Committee from her previous position as a member of the Nomination Committee on 1 June 2023. She is also a member of the Audit Committee and Remuneration Committee. She attended all five (5) Board meetings held in the financial year.

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.

Eat Well, Live Well.



NORIKO FUJIMOTO

Executive Director
51, Japanese, Female



Ms. Fujimoto was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2021. She attended all five (5) Board meetings held in the financial year. 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.)

Eat Well, Live Well.



ELAINE TAN AI LIN
Independent Non-Executive
Director
46, Malaysian, Female



Ms. Elaine was appointed to the Board of Ajinomoto (Malaysia) Berhad on 24 February 2023 and hence, she did not attend any of the Board meetings held in the financial year. She is also a member of the Nomination Committee, Remuneration Committee and Audit Committee.

Ms. Elaine holds a Bachelor of Laws from the University of Wales, Cardiff, United Kingdom. She is also the Advocate and Solicitor of the High Court of Malaya and holds a Certificate of Legal Practice in Malaysia.

She was called to the Malaysian Bar in 2001 and has over 21 years of experience practicing as an advocate and solicitor in several legal firms, with the last 16 years as a partner specialising in corporate finance, mergers and acquisitions and other corporate and commercial matters. She joined Messrs Lin Partnership as a partner in 2023.

She also sits on the Board of Ho Wah Genting Berhad, which is a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

She has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. She 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.

Eat Well, Live Well.



YONG KUM CHENG
Executive Director
51, Malaysian, Male



Mr. Yong was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 April 2023 and hence, he did not attend any of the Board meetings held in the financial year. He is not a member of any Board Committee.

He graduated from University Putra Malaysia with a Bachelor of Science Biotechnology in 1998.

He joined the Production Department of Ajinomoto (Malaysia) Berhad in March 1998 and over the years, he moved up the corporate ladder and served under various capacities.

He does not hold directorships in any other public companies and listed issuers. 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 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 cognisance 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 2023 is appended below. The comprehensive Corporate Governance Report is published on the Company's website at www.ajinomoto.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board's Leadership on Objectives and Goals

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

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

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

During the financial year ended 31 March 2023, 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"> Organising For Sustainability Success – How The Leaders Can Start
Koay Kah Ee (resigned w.e.f. 31 March 2023)	<ul style="list-style-type: none"> Organising For Sustainability Success – How The Leaders Can Start
Cheong Heng Choy	<ul style="list-style-type: none"> Organising For Sustainability Success – How The Leaders Can Start 2022 MFRS Updates Seminar
Tomoharu Abe (resigned w.e.f. 30 June 2023)	<ul style="list-style-type: none"> Organising For Sustainability Success – How The Leaders Can Start
Shunsuke Sasaki	<ul style="list-style-type: none"> Organising For Sustainability Success – How The Leaders Can Start
Dominic Aw Kian-Wee (resigned w.e.f. 31 May 2023)	<ul style="list-style-type: none"> Key Trends in Environmental, Social and Governance Reporting ESG Adoption and Strengthening Your Corporate Values Organising For Sustainability Success – How The Leaders Can Start
Kamarudin bin Rasid (retired w.e.f. 31 March 2023)	<ul style="list-style-type: none"> Organising For Sustainability Success – How The Leaders Can Start
Azhan bin Mohamed	<ul style="list-style-type: none"> Organising For Sustainability Success – How The Leaders Can Start
Norani binti Sulaiman	<ul style="list-style-type: none"> Organising For Sustainability Success – How The Leaders Can Start

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
Noriko Fujimoto	<ul style="list-style-type: none"> Organising For Sustainability Success – How The Leaders Can Start
Takahiro Sato (resigned w.e.f. 31 May 2023)	<ul style="list-style-type: none"> Organising For Sustainability Success – How The Leaders Can Start
Elaine Tan Ai Lin (appointed w.e.f. 24 February 2023)	<ul style="list-style-type: none"> Financial Knowledge and Skill for Non-Financial Personnel Introduction of Blockchain and the Interrelationship with Legal System Organising For Sustainability Success – How The Leaders Can Start
Yong Kum Cheng (appointed w.e.f. 1 April 2023)	<ul style="list-style-type: none"> Organising For Sustainability Success - How The Leaders Can Start

As Riichiro Osawa was only appointed as a Director of the Company on 1 July 2023, there is no disclosure of his training above.

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 'Organising For Sustainability Success – How The Leaders Can Start' for the Board and Senior Management and it was conducted on 21 March 2023.

The Board had five (5) Board Meetings during the financial year ended 31 March 2023.

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

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

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;
- led the Board in discussion on sustainability and Environmental, Social and Governance ("ESG") matters; and
- led the Board in establishing and monitoring good corporate governance practices in the Company.

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.)

- 1.3 The positions of the Chairman and MD/CEO are held by two different individuals and each has a clear accepted division of responsibilities to ensure that there is a balance of power and authority to promote accountability. The Chairman is responsible for instilling good corporate governance practices and leadership, and for ensuring Board effectiveness. The Chairman leads the Board in its collective oversight of Management, while the MD/CEO has the overall responsibilities over the Company's operating units, organisational effectiveness and implementation of Board policies and decisions. The distinct and separate roles of the Chairman and MD/CEO are clearly defined in the Board Charter to ensure that no one individual has unfettered powers of decision-making.
- 1.4 The 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 cognisance 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 Sixty-First Annual General Meeting ("**61st 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.gjinomoto.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, Audit Committee ("AC"), Nomination Committee ("NC"), and Remuneration Committee ("RC"). These Committees are entrusted with specific responsibilities to assist the Board in overseeing the Company's affairs, in accordance with their limits of authority and respective Terms of Reference, which are published on the Company's website at www.gjinomoto.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 six (6) 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 2023 as follows:-

Name	Designation	Directorship
Dominic Aw Kian-Wee (resigned w.e.f. 31 May 2023)	Chairman	Independent Non-Executive Director
Tan Sri Dato' (Dr.) Teo Chiang Liang*	Member	Independent Non-Executive Director
Koay Kah Ee (resigned w.e.f. 31 March 2023)	Member	Senior Independent Director
Norani binti Sulaiman (re-designated as Chairperson w.e.f. 31 May 2023)	Chairperson	Independent Non-Executive Director
Cheong Heng Choy	Member	Independent Non-Executive Director
Elaine Tan Ai Lin (appointed w.e.f. 24 February 2023)	Member	Independent Non-Executive Director

Note:

* Tan Sri Dato' (Dr.) Teo Chiang Liang was re-designated as a Non-Independent Non-Executive Director on 31 May 2023.

Presently, the NC is chaired by Puan Norani binti Sulaiman following the resignation of Mr. Dominic Aw Kian-Wee as an Independent Non-Executive Director of the Company, who ceased to be the Chairman of the NC on 31 May 2023. Ms. Elaine Tan Ai Lin was appointed as a member of the NC on 24 February 2023. On 31 March 2023, Mr. Koay Kah Ee resigned as an Independent Non-Executive Director of the Company and ceased to be a member of the NC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

2.0 Demarcation of Responsibilities (cont'd.)

NC (cont'd.)

The NC is empowered by the Board to oversee the selection and assessment of Directors to be appointed to ensure that the Board's composition and skills 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.

Activities of the NC

During the financial year ended 31 March 2023, the NC held three (3) meetings to perform the following in the discharge of its duties and responsibilities: -

- reviewed the profile and nomination of new Board members;
- reviewed the changes in the composition of women directors and independent directors;
- reviewed the Board and Board Committees composition and recommended to the Board the nominees to fill the seats on Board Committees;
- 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 criteria as set out in the Directors' Fit and Proper Policy:-

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

2.0 Demarcation of Responsibilities (cont'd.)

Activities of the NC (cont'd.)

The attendance of Directors who are members of Board committees during the financial year ended 31 March 2023 is set out below:-

Directors	NC	AC	RC
Non-Executive Directors			
Tan Sri Dato' (Dr.) Teo Chiang Liang	3/3	5/5	3/3
Koay Kah Ee (resigned w.e.f. 31 March 2023)	3/3	5/5	3/3
Dominic Aw Kian-Wee (resigned w.e.f. 31 May 2023)	3/3	5/5	3/3
Norani binti Sulaiman	3/3	5/5	3/3
Cheong Heng Choy	3/3	5/5	3/3
Elaine Tan Ai Lin (appointed w.e.f. 24 February 2023)	*	*	*

Note:-

* There were no NC, AC and RC meetings held after the appointment of Ms. Elaine Tan Ai Lin as a member of the NC, AC and RC respectively on 24 February 2023 and hence, she did not attend any NC, AC and RC meetings held in the financial year ended 31 March 2023.

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 the 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

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 stakeholders bearing in mind 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 playing an active role in contributing towards resolving social issues through the Company's business activities. ASV represents a strategic initiative for realising sustainable growth.

The Company's Sustainability Governance Structure was established to lead the ESG management of the Company. The Company's Managing Director/Chief Executive Officer ("MD/CEO") oversees the Company's sustainability initiatives and direction, as well as approves sustainability-related matters. The MD/CEO is supported by the Sustainability Management Committee ("SMC") which monitors material ESG risks and opportunities and ensures the implementation of sustainability strategies and initiatives.

Please refer to the Sustainability Statement 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 2023 to ensure that the Directors had and will continue to constantly keep abreast on the relevant requirements and matters that include the latest developments on sustainability, especially on issues relevant to the Company.

4.4 During the financial year ended 31 March 2023, the review of the sustainability risks and opportunities have been embedded in the Board evaluation forms. As for the performance evaluation of senior management, the ESG performance as well as the sustainability-related risks and opportunities have been introduced in the senior management performance evaluation as part of the key performance indicators.

4.5 The Chief Administration Officer is the designated person within management to manage sustainability strategies and initiatives in the Company.

The Chief Administration Officer ensures alignment of the sustainability targets with the business operations of the Company. The Chief Administration Officer is supported by SMC 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 2023, the Board comprising 11 members, of which six (6) of them are Executive Directors and five (5) of them are Independent Non-Executive Directors. Following the appointment of Ms. Elaine Tan Ai Lin to the Board on 24 February 2023, and the resignation of Mr. Koay Kah Ee and Encik Kamarudin bin Rasid on 31 March 2023, the Board has reduced to 10 members comprising five (5) Executive Directors and five (5) Independent Non-Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

5.0 Board Composition (cont'd.)

Subsequent to the changes in the Board composition after the financial year ended 31 March 2023 up till the date of this Corporate Governance Overview Statement, the Board currently consists of nine (9) members, of which five (5) are Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The composition of the Board complies with Paragraph 15.02 of the Main LR, which stipulates that the Company must ensure that at least two (2) Directors or 1/3 of the Board, whichever is the higher, are Independent Directors.

Although less than half of the Board comprises Independent Directors, the Board is of the view that having three (3) 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. Despite Tan Sri Dato' (Dr.) Teo Chiang Liang's re-designation as the Non-Independent Non-Executive Chairman on 31 May 2023, he continues to provide the strong leadership necessary to marshal the Board's priorities objectively.

- 5.3 During the financial year ended 31 March 2023, 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 61st Annual General Meeting of the Company held on 30 August 2022.

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.

As of the date of this Statement, Mr. Koay Kah Ee and Mr. Dominic Aw Kian-Wee resigned as Directors of the Company on 31 March 2023 and 31 May 2023, respectively, while Tan Sri Dato' (Dr.) Teo Chiang Liang was re-designated as the Non-Independent Non-Executive Director on 31 May 2023, in adherence to the recent amendments to the Main LR, which limit the tenure of an independent Director to not more than a cumulative tenure of 12 years.

- 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.
- 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

5.0 Board Composition (cont'd.)

The Board appoints its members through a formal and transparent selection process. The new appointees will be considered, evaluated and interviewed 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. Elaine Tan Ai Lin and Mr. Yong Kum Cheng as Directors of the Company during the financial year ended 31 March 2023.

The Company is an equal opportunity employer and does not practice discrimination of any form, irrespective of 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 2023, namely, Ms. Elaine Tan Ai Lin and Mr. Yong Kum Cheng who were recommended by the current Board member, 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, including the fit and proper assessment.

- 5.8 During the financial year ended 31 March 2023, the NC is chaired by Mr. Dominic Aw Kian-Wee, the Independent Director. 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 24 February 2023, Ms. Elaine Tan Ai Lin, 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 three (3) female Directors which comprises 33% 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 2023:-

- (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.

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.

The RC is chaired by Tan Sri Dato' (Dr.) Teo Chiang Liang, the Non-Independent Non-Executive Chairman of the Company. On 24 February 2023, Ms. Elaine Tan Ai Lin, an Independent Non-Executive Director was appointed as a member of RC.

The RC currently consists of all Non-Executive Directors with a majority of them being Independent 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 2023 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 (resigned w.e.f. 30 June 2023)	749,463	-	104,433	-	-	195,027
Shunsuke Sasaki	654,408	-	104,433	-	-	104,933
Kamarudin bin Rasid (retired w.e.f. 31 March 2023)	394,477	27,000	198,912	10,800	23,745	13,714
Azhan bin Mohamed	263,243	27,000	80,347	10,800	68,779	13,406
Noriko Fujimoto	527,237	-	104,433	-	-	72,679
Takahiro Sato (resigned w.e.f. 31 May 2023)	717,108	-	104,433	-	-	122,047

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	31,500	-
Koay Kah Ee (resigned w.e.f. 31 March 2023)	45,000	18,000	21,500	-
Dominic Aw Kian-Wee (resigned w.e.f. 31 May 2023)	35,000	14,000	21,200	-
Norani binti Sulaiman	35,000	14,000	21,500	1,795
Cheong Heng Choy	35,000	14,000	21,500	-
Elaine Tan Ai Lin (appointed w.e.f. 24 February 2023)	3,438	1,375	-	-

* Subject to shareholders' approval at the 62nd AGM of the Company.

[^] Meeting, transport allowance and hospitalisation coverage approved by shareholders at the 61st 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 During the financial year ended 31 March 2023, 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, Puan Norani binti Sulaiman and Mr. Cheong Heng Choy, the Independent Non-Executive Directors, are members of the AC. On 24 February 2023, Ms. Elaine Tan Ai Lin, 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 2023, the AC had assessed the suitability, objectivity and independence of Messrs. KPMG PLT ("**KPMG**") as the Auditors of the Company 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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd.)

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

9.0 Effective and Independent AC (cont'd.)

Upon completion of its assessment, the AC was satisfied with KPMG's technical competency and had recommended to the Board the re-appointment of KPMG as External Auditors of the Company. The Board had in turn, recommended the same for shareholders' approval at the 61st AGM of the Company.

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 implementation of risk management and internal controls are ongoing processes, which are undertaken at each department. The Company will continuously enhance the existing system of risk management and internal controls to address 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 During the financial year ended 31 March 2023, 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).

As part of initiatives to maintain high standards of corporate governance, the Board determined that it is timely to effect a change of the Internal Auditors since Tricor Axcelasia Sdn. Bhd. has been the Internal Auditors of the Company for the past ten (10) years. Premised on the above, the Company had on 28 March 2023 appointed Baker Tilly Monteiro Heng Governance Sdn. Bhd. as its Internal Auditors for the financial year ending 31 March 2024, enabling the Company to benefit from fresh perspectives and views of another professional internal audit firm.

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.

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

13.1 The Company has provided all shareholders at least twenty-eight (28) days' notice before the date of the 61st AGM last year and will give all shareholders at least twenty-eight (28) days' notice before the date of the 62nd 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.

13.2 All the Directors of the Company (except for Tan Sri Dato' (Dr.) Teo Chiang Liang) attended the 61st AGM of the Company held on 30 August 2022. During the 61st AGM, the MD/CEO presented the financial results and the Company's business strategy for the new financial year, after which the Chairman of the meeting invited questions from the shareholders present. The Board responded to the questions raised during the 61st 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 The Company has been holding virtual general meetings since 2020. At the Company's virtual 61st AGM held on 30 August 2022, the Company had continued to leverage 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 its virtual 61st AGM held on 30 August 2022 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 61st AGM, the Chairman of the 61st AGM 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 61st AGM dated 28 July 2022.

All the Directors, senior management and the representative of the external auditors were present at the 61st AGM to provide responses to the questions posed by shareholders via Securities Services e-Portal ("SSeP") in relation to the agenda items for the 61st 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 61st AGM, the Directors of the Company had actively responded to relevant questions raised by the shareholders during the 61st 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 61st AGM were made available to the shareholders after thirty (30) business days from the date of the 61st AGM under the "Investors" section of the Company's corporate website at 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 27 June 2023.

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 RM174,300 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 2023 were as follows:-

- (a) Name of related party : Ajinomoto Group of Companies
- (b) Relationship : Ajinomoto Co., Inc. ("**AjiCo.**") is the ultimate 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 (*resigned w.e.f. 30 June 2023*), Shunsuke Sasaki, Noriko Fujimoto and Takahiro Sato (*resigned w.e.f. 31 May 2023*), the Executive Directors of the Company, being persons nominated by AjiCo., are deemed interested in the Proposed Renewal of RRPT Mandate.

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

Nature of Transaction	1 April 2022 to 31 March 2023 RM'000
Commission income	74
Royalties payable	(11,063)
Sales	111,750
Purchases	(274,700)
Purchases of assets	(2,101)
Other expenses	(1,047)
Shared information technology services	(2,295)
Interest expense on advance from ultimate holding company	(511)

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 2023

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 2023, 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 2023 (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 performance. 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 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 were 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 2023 amounted to RM74,596 (financial year ended 31 March 2022: RM85,374).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (cont'd.)

4. REVIEW BY THE BOARD

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

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

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

5. INFORMATION AND COMMUNICATION

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

6. REVIEW OF THIS STATEMENT

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 financial year ended 31 March 2023, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of the Company, in all material respects:

- (a) 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
- (b) 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 27 June 2023.

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 2023.

PURPOSE

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

AUTHORITY, DUTIES AND RESPONSIBILITIES

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

COMPOSITION OF THE AUDIT COMMITTEE AND ATTENDANCE OF MEMBERS AT MEETINGS

The composition of the Audit Committee and the attendance of the respective members at each Audit Committee Meeting during the financial year ended 31 March 2023 are as follows:-

Names	Designation	Directorship	Attendance* ²
Koay Kah Ee (resigned w.e.f. 31 March 2023)	Chairman	Independent Non-Executive Director	5/5
Tan Sri Dato' (Dr.) Teo Chiang Liang* ¹	Member	Independent Non-Executive Director	5/5
Dominic Aw Kian-Wee (resigned w.e.f. 31 May 2023)	Member	Independent Non-Executive Director	5/5
Norani binti Sulaiman	Member	Independent Non-Executive Director	5/5
Cheong Heng Choy (re-designated as Chairman w.e.f. 1 April 2023)	Chairman	Independent Non-Executive Director	5/5
Elaine Tan Ai Lin (appointed w.e.f. 24 February 2023)	Member	Independent Non-Executive Director	0/0

Note:

*¹ Tan Sri Dato' (Dr.) Teo Chiang Liang was re-designated as a Non-Independent Non-Executive Director on 31 May 2023.

*² There were five (5) Audit Committee Meetings held during the financial year ended 31 March 2023. The meetings were held on 26 May 2022, 29 June 2022, 24 August 2022, 28 November 2022 and 24 February 2023.

Presently, the Audit Committee is chaired by Mr. Cheong Heng Choy following the resignation of Mr. Koay Kah Ee as an Independent Non-Executive Director of the Company, who ceased to be the Chairman of the Audit Committee on 31 March 2023. Ms. Elaine Tan Ai Lin was appointed as a member of the Audit Committee on 24 February 2023. On 31 May 2023, Mr. Dominic Aw Kian-Wee resigned as an Independent Non-Executive Director of the Company and ceased to be a member of the Audit Committee.

AUDIT COMMITTEE REPORT (cont'd.)

Summary of work and discharge of responsibilities of the Audit Committee

During the financial year ended 31 March 2023, 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 two (2) times during the financial year, which met the requirement of two (2) times as stipulated in the Audit Committee's Terms of Reference, to encourage a greater exchange of free and honest views between both parties.

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

1. Financial Results

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

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

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

Date of Meeting	Financial Reporting Statement Reviewed
26 May 2022	<ul style="list-style-type: none"> • Fourth quarter results for the financial year ended 31 March 2022
29 June 2022	<ul style="list-style-type: none"> • Audited Financial Statements for the financial year ended 31 March 2022
24 August 2022	<ul style="list-style-type: none"> • First quarter results for the financial year ended 31 March 2023
28 November 2022	<ul style="list-style-type: none"> • Second quarter results for the financial year ended 31 March 2023
24 February 2023	<ul style="list-style-type: none"> • Third quarter results for the financial year ended 31 March 2023

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.

AUDIT COMMITTEE REPORT (cont'd.)

Summary of work and discharge of responsibilities of the Audit Committee (cont'd)

2. External Audit (cont'd)

During the financial year, the Audit Committee had two (2) private meetings with the External Auditors on 26 May 2022 and 29 June 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 2023, the issue related to the revenue recognition was raised by the Company's External Auditors as KAM. The audit responses to address the abovesaid issue by the Company's External Auditors was set out in the Independent Auditors' Report ("IAR"). For detailed information on KAM, please refer to the IAR in this Annual Report.

3. Internal Audit

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

4. Related Party Transactions ("RPT")

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

5. Other matter

- a) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for disclosure in the 2023 Annual Report.

AUDIT COMMITTEE REPORT (cont'd.)

Summary of work of the internal audit function

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

A summary of work of the internal audit function for the financial year ended 31 March 2023 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:-
 - Sales and Marketing
 - Marketing strategy and plan
 - Marketing channel
 - Sales planning
 - Selling price determination process
 - Review on the project management (Project KaMi – new plant construction)
 - Monitoring of third parties' obligations (i.e., rights and responsibilities)
 - Review of payment and project milestones
 - Monitoring of variation orders and defect rectifications
 - Legal compliance
 - Manpower planning
 - Inventory Management
 - Inventory adjustment records
 - Inventory movement tracking and control
 - Warehouse security and operation
 - Materials receiving procedures
 - Procurement of Materials and Services
 - Assessment of supply chain strategy for key materials and services
 - Procurement planning and replenishment monitoring
 - Pre-qualification of suppliers and selection procedures
 - Key suppliers performance management
- (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 2023 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 2023

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	405	6.96	4,887	0.01
100 – 1,000	2,953	50.73	1,636,788	2.69
1,001 – 10,000	2,105	36.16	7,329,537	12.06
10,001 – 100,000	322	5.53	8,010,302	13.17
100,001 – 3,039,925 (*)	35	0.60	13,189,175	21.69
3,039,926 and above (**)	1	0.02	30,627,845	50.38
TOTAL	5,821	100.00	60,798,534	100.00

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

SUBSTANTIAL SHAREHOLDER

The substantial shareholder of Ajinomoto (Malaysia) Berhad and its respective shareholdings based on the Register of Substantial Shareholders of the Company as at 30 June 2023 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 2023 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
Cheong Heng Choy	-	-	-	-
Tomoharu Abe (resigned w.e.f. 30 June 2023)	-	-	-	-
Shunsuke Sasaki	-	-	-	-
Azhan bin Mohamed	-	-	-	-
Norani binti Sulaiman	-	-	-	-
Noriko Fujimoto	-	-	-	-
Elaine Tan Ai Lin	-	-	-	-
Yong Kum Cheng	1,000	0.00	1,000 ⁽²⁾	0.00

⁽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.

⁽²⁾ Deemed interested by virtue of his spouse's shareholdings pursuant to Section 59(11) of the Companies Act 2016.

STATISTICS OF SHAREHOLDINGS

AS AT 30 JUNE 2023

(cont'd.)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

No.	Shareholders	No. of Shares	%
1.	Ajinomoto Co., Inc.	30,627,845	50.38
2.	Kumpulan Wang Persaraan (Diperbadankan)	1,277,900	2.10
3.	Chinchoo Investment Sdn. Berhad	1,210,800	1.99
4.	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
5.	Berjaya Sampo Insurance Berhad	1,125,054	1.85
6.	Amanahraya Trustees Berhad <i>Public Smallcap Fund</i>	773,100	1.27
7.	HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Credit Suisse (SG BR-TST-ASING)</i>	725,000	1.19
8.	Tee Teh Sdn. Berhad	564,508	0.93
9.	Amanahraya Trustees Berhad <i>Public Strategic Smallcap Fund</i>	527,000	0.87
10.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>National Trust Fund (IFM Maybank) (412183)</i>	453,400	0.75
11.	Phillip Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Phillip Capital Management Sdn. Bhd.</i>	450,900	0.74
12.	Bernard Chang Tze Wah	445,000	0.73
13.	Yong Siew Lee	415,000	0.68
14.	See Hoy Chan Agencies Sendirian Berhad	386,400	0.64
15.	Amanahraya Trustees Berhad <i>Public Islamic Emerging Opportunities Fund</i>	338,800	0.56
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Aberislamic)</i>	303,800	0.50
17.	Yee Fook Leong	234,000	0.38
18.	Oh Siew Heong	201,300	0.33
19.	Key Development Sdn. Berhad	200,000	0.33
20.	Ho Han Seng	180,000	0.30
21.	Citigroup Nominees (Asing) Sdn. Bhd. <i>UBS AG</i>	175,411	0.29
22.	Amanahraya Trustees Berhad <i>Public Select Treasures Equity Fund</i>	175,400	0.29
23.	Goh Beng Choo	166,000	0.27
24.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Credit Suisse (SG BR-TST-TEMP)</i>	161,800	0.27
25.	Eu Lee Chuan Enterprise Sdn. Berhad	160,000	0.26
26.	Tay Lee Joo	153,377	0.25
27.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities accounts for Tan Kay Shin</i>	143,800	0.24
28.	Key Development Sdn. Berhad	134,000	0.22
29.	Maybank Securities Nominees (Asing) Sdn. Bhd. <i>Maybank Securities Pte Ltd for Tan Pheck Gee</i>	133,338	0.22
30.	Chan Heng Koon	132,000	0.22
	TOTAL	43,105,963	70.90

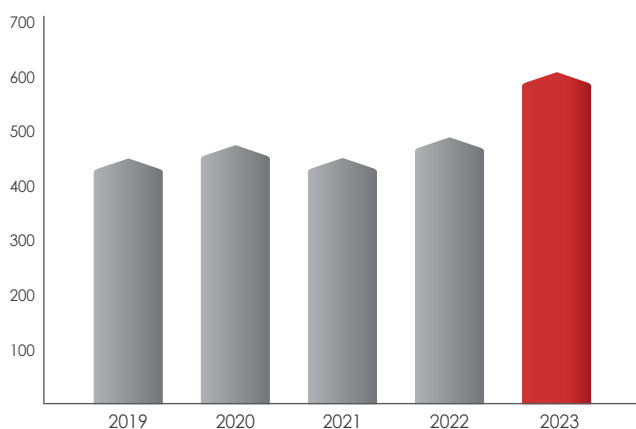
FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
REVENUE	447,731	461,689	443,119	484,678	603,747
PROFIT BEFORE TAXATION	72,659	77,747	61,256	24,286	15,860
NET PROFIT	56,581	59,854	46,502	16,996	27,491
SHAREHOLDERS FUNDS	465,335	495,678	512,312	505,986	528,966
PER SHARE					
o GROSS EARNINGS (Sen)	119.5	127.9	100.8	39.9	26.1
o NET EARNINGS (Sen)	93.1	98.4	76.5	28.0	45.2
o NET ASSET (RM)	7.7	8.2	8.4	8.3	8.7
FINANCIAL RATIOS					
RETURN ON ASSET (%)	10.61%	10.31%	6.39%	2.32%	3.71%
RETURN ON EQUITY (%)	12.16%	12.08%	9.08%	3.36%	5.20%
DIVIDEND PAYOUT RATIO (%)	50.50%	50.08%	50.01%	30.41%	20.13%
NET DIVIDEND PER SHARE (Sen)	47.00	49.30	38.25	8.50	9.10

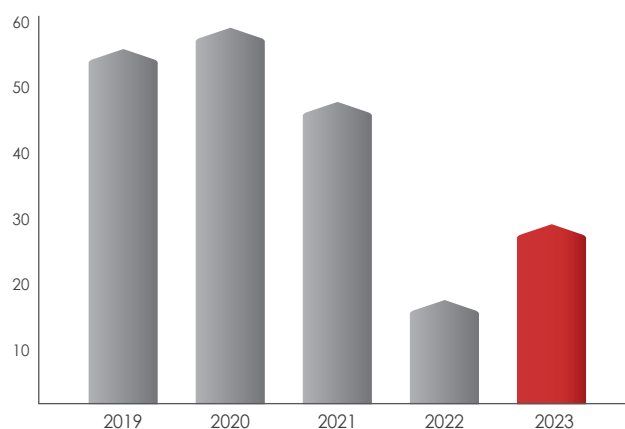
REVENUE

RM millions



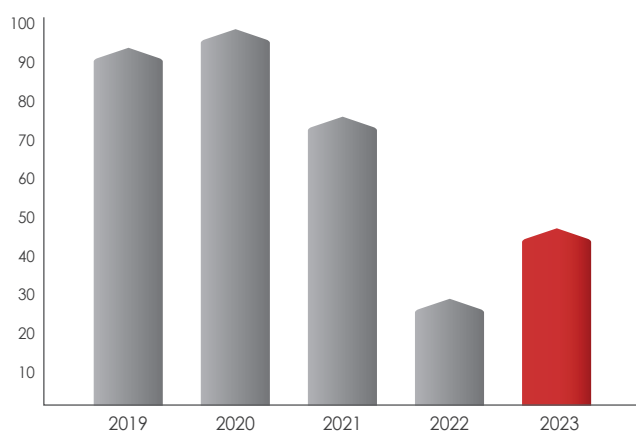
NET PROFIT

RM millions



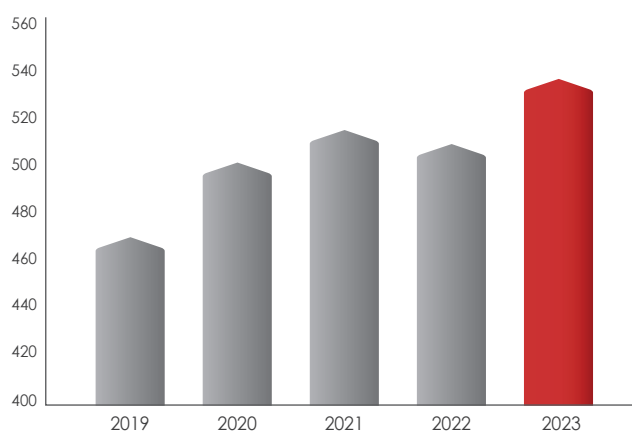
NET EARNINGS PER SHARE

Sen



SHAREHOLDERS FUNDS

RM millions



DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 March 2023.

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	27,491,461

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 8.5 sen per ordinary share amounting to RM5,167,875 in respect of the financial year ended 31 March 2022 on 28 September 2022.

In respect of the financial year ended 31 March 2023, the Company declared a first and final single-tier dividend of 9.1 sen per ordinary share totaling approximately RM5,532,667 on 27 June 2023.

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	
Tomoharu Abe	
Shunsuke Sasaki	
Azhan bin Mohamed	
Norani binti Sulaiman	
Noriko Fujimoto	
Cheong Heng Choy	
Elaine Tan Ai Lin	(Appointed on 24 February 2023)
Yong Kum Cheng	(Appointed on 1 April 2023)
Koay Kah Ee	(Resigned on 31 March 2023)
Dominic Aw Kian-Wee	(Resigned on 31 May 2023)
Takahiro Sato	(Resigned on 31 May 2023)
Kamarudin bin Rasid	(Retired on 31 March 2023)

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(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:

	Number of ordinary shares			At 31.3.2023
	At 1.4.2022	Acquired	Disposal/ Transfer	
Interests in the Company				
Indirect interest:				
Tan Sri Dato' (Dr.) Teo Chiang Liang	150,000	-	-	150,000
Interests in the ultimate holding company - Ajinomoto Co. Inc.				
Direct interest:				
Tomoharu Abe	3,257	167	-	3,424
Noriko Fujimoto	20,945	524	-	21,469
Takahiro Sato	3,310	87	-	3,397

None of the other Directors holding office at 31 March 2023 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 those shown below) 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.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 March 2023 are as follows:

	RM
Directors of the Company:	
Remuneration	4,629,064
Estimated money value of benefits-in-kind	523,601
	5,152,665

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.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

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.

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 2023 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.

Significant event

The significant event during the financial year is as disclosed in Note 35 to the financial statements.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

Auditors

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

The auditors' remuneration of the Company during the financial year is RM181,900.

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: 27 June 2023

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note	2023 RM	2022 RM
Non-current assets			
Property, plant and equipment	3	470,930,267	432,672,282
Intangible assets	4	13,821,645	14,017,961
Right-of-use assets	5	4,567,904	18,081,024
Other receivables	6	1,740,751	1,828,635
Other investments	7	226,000	226,000
Deferred tax assets	18	8,457,299	578,726
Total non-current assets		<u>499,743,866</u>	<u>467,404,628</u>
Current assets			
Inventories	8	68,716,778	83,700,934
Trade and other receivables	6	68,932,325	51,492,879
Current tax assets		12,671,242	4,304,721
Liquid investments	10	17,836,893	48,914,051
Cash and cash equivalents	11	57,242,110	75,198,372
		<u>225,399,348</u>	<u>263,610,957</u>
Assets held for sale	12	16,836,389	-
Total current assets		<u>242,235,737</u>	<u>263,610,957</u>
Total assets		<u>741,979,603</u>	<u>731,015,585</u>
Equity			
Share capital	13	65,102,234	65,102,234
Retained earnings		464,929,658	442,606,072
Other reserves	14	(1,066,108)	(1,721,828)
Total equity		<u>528,965,784</u>	<u>505,986,478</u>
Non-current liabilities			
Loan and borrowing	15	58,141,741	91,332,596
Retirement benefits	16	14,964,531	15,038,659
Lease liabilities		3,166,398	412,500
Total non-current liabilities		<u>76,272,670</u>	<u>106,783,755</u>
Current liabilities			
Loan and borrowing	15	33,583,140	8,589,987
Retirement benefits	16	1,327,627	1,349,452
Trade and other payables	17	100,128,756	107,295,600
Derivatives liabilities	9	213,767	313,367
Lease liabilities		1,487,859	696,946
Total current liabilities		<u>136,741,149</u>	<u>118,245,352</u>
Total liabilities		<u>213,013,819</u>	<u>225,029,107</u>
Total equity and liabilities		<u>741,979,603</u>	<u>731,015,585</u>

The notes on pages 52 to 96 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023 RM	2022 RM
Revenue	19	603,746,767	484,677,540
Other items of income	20	3,650,100	3,499,963
Items of expenses			
Changes in inventories of finished goods and work in progress		776,016	5,762,460
Raw materials and packaging materials consumed		(337,320,971)	(250,896,112)
Finished goods purchased		(57,551,026)	(37,977,166)
Employee benefits expenses	21	(75,767,953)	(64,928,800)
Depreciation of property, plant and equipment	3	(18,064,497)	(18,363,804)
Amortisation of intangible assets	4	(2,926,442)	(2,150,369)
Depreciation of right-of-use assets	5	(1,734,656)	(1,329,651)
Other operating expenses	24	(95,208,642)	(92,967,743)
Finance costs	27	(3,738,691)	(1,040,059)
Profit before tax		15,860,005	24,286,259
Tax credit/(expense)	25	11,631,456	(7,290,034)
Profit for the year		27,491,461	16,996,225
Other comprehensive income/(loss)			
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>			
Actuarial gain/(loss) on defined benefit plans	16	862,791	(87,570)
Tax impact relating to actuarial gain/(loss) on defined benefit plans		(207,071)	21,017
Total other comprehensive income/(loss) for the year		655,720	(66,553)
Total comprehensive income for the year		28,147,181	16,929,672
Earnings per share attributable to equity holders of the Company (sen per share)			
- Basic	26	45.22	27.95
Net dividend (sen per share)	28	8.50	38.25

The notes on pages 52 to 96 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	Share capital RM	Non- Distributable Other reserves RM	Distributable Retained earnings RM	Total equity RM
At 1 April 2021		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	28	-	-	(23,255,439)	(23,255,439)
At 31 March 2022/1 April 2022		65,102,234	(1,721,828)	442,606,072	505,986,478
Profit and total comprehensive income for the year		-	655,720	27,491,461	28,147,181
<i>Contributions by and distributions to owners of the Company</i>					
Dividends to owners of the Company	28	-	-	(5,167,875)	(5,167,875)
At 31 March 2023		65,102,234	(1,066,108)	464,929,658	528,965,784
		Note 13	Note 14		

The notes on pages 52 to 96 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023 RM	2022 RM
Cash flows from operating activities			
Profit before tax		15,860,005	24,286,259
<i>Adjustments for:</i>			
Reversal for short-term accumulating compensated absences	21	(103,158)	(1,964)
Interest income	20	(468,003)	(1,171,680)
Distribution from liquid investments	20	(428,525)	(1,181,997)
Finance costs	27	3,738,691	1,040,059
Depreciation of property, plant and equipment	3	18,064,497	18,363,804
Amortisation of intangible assets	4	2,926,442	2,150,369
Depreciation of right-of-use assets	5	1,734,656	1,329,651
Allowance/(Reversal) for impairment loss on trade receivables, net	23	12,760	(16,136)
Bad debts written off	23	-	10,000
Inventories written off	8	747,905	783,884
Property, plant and equipment written off		35,580	1,076,338
Gain on disposal of property, plant and equipment	20	(357,708)	(214,278)
Provision for defined benefit plans	21	2,222,181	2,035,712
Unrealised foreign exchange (gain)/loss	20	(1,331,095)	358,254
Net fair value gain on derivatives	20	(99,600)	(28,840)
Operating profit before changes in working capital		42,554,628	48,819,435
Inventories		14,236,251	(27,786,650)
Trade and other receivables		(17,405,263)	(730,088)
Trade and other payables		(43,925,844)	(5,276,830)
Cash (used in)/generated from operations		(4,540,228)	15,025,867
Tax paid		(4,820,709)	(10,556,282)
Net payments made to retirement benefits		(1,060,151)	(459,949)
Net cash (used in)/generated from operating activities		(10,421,088)	4,009,636
Cash flows from investing activities			
Acquisition of property, plant and equipment	3	(51,380,303)	(68,139,780)
Acquisition of intangible assets	4	(1,729,704)	(5,709,368)
Proceeds from disposal of property, plant and equipment		699,275	677,590
Prepayments for acquisition of property, plant and equipment		(461,166)	(529,381)
Interest received		497,338	1,213,515
Interest paid		(3,092,468)	(2,994,329)
Distribution from liquid investments		12,807	1,036,414
Disposal of liquid investments		31,488,831	50,818,131
Net cash used in investing activities		(23,965,390)	(23,627,208)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

	Note	2023 RM	2022 RM
Cash flows from financing activities			
Payment of lease liabilities		(1,285,235)	(933,576)
Proceed from advance from ultimate holding company		30,000,000	-
Repayment of borrowing on Islamic financing		(8,333,333)	-
Dividends paid	28	(5,167,875)	(23,255,439)
Net cash generated from/(used in) financing activities		<u>15,213,557</u>	<u>(24,189,015)</u>
Net decrease in cash and cash equivalents		(19,172,921)	(43,806,587)
Effect of exchange rate changes on cash and cash equivalents		1,216,659	166,422
Cash and cash equivalents at 1 April		<u>75,198,372</u>	<u>118,838,537</u>
Cash and cash equivalents at 31 March	11	<u>57,242,110</u>	<u>75,198,372</u>

	Note	2023 RM	2022 RM
Cash outflows for leases as a lessee			
Included in net cash from operating activities			
Payment relating to short-term leases	23	(138,380)	(124,483)
Payment relating to leases of low-value assets	23	(175,481)	(96,416)
Interest paid in relation to lease liabilities	27	(87,537)	-
Included in net cash from financing activities:			
Payment of lease liabilities		(1,285,235)	(933,576)
Total cash outflows for leases		<u>(1,686,633)</u>	<u>(1,154,475)</u>

The notes on pages 52 to 96 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

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

	At 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/ 1 April 2022 RM	Net changes from financing cash flows RM	Acquisition of new lease RM	Derecognition RM	Other changes RM	At 31 March 2023 RM
Loan and borrowing	99,781,796	-	-	-	140,787	99,922,583	(8,333,333)	-	-	135,631	91,724,881
Advance from ultimate holding company	-	-	-	-	-	-	30,000,000	-	-	510,592	30,510,592
Lease liabilities	886,222	(933,576)	1,234,800	(78,000)	-	1,109,446	(1,285,235)	4,916,446	(86,400)	-	4,654,257
Total liabilities from financing activities	100,668,018	(933,576)	1,234,800	(78,000)	140,787	101,032,029	20,381,432	4,916,446	(86,400)	646,223	126,889,730

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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 L1-E-5A and L1-E-5B
Enterprise 4, Technology Park Malaysia
Lebuhraya Puchong - Sg. Besi, Bukit Jalil
57000 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 27 June 2023.

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 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 – 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 and International Tax Reform – Pillar Two Model Rules*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(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 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.
- from the annual period beginning on 1 April 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.

The initial application of the abovementioned accounting standards, interpretations 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 Note 5 - *Leases - Extension options*.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(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.

(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(i)(i)) where the effective interest rate is applied to the amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(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(i)(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 2023

(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 2023

(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 2023

(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 2023

(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) Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs of disposal.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Right-of-use assets and property, plant and equipment once classified as held for sale are not depreciated.

(h) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(i) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(i) Impairment (cont'd.)

(ii) Other assets (cont'd.)

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.

(j) 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.

(k) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(k) Employee benefits (cont'd.)

(iii) Defined benefit plans (cont'd.)

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.

(l) 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.

(m) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(n) 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.

(o) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(p) 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.

(q) 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 2023
(cont'd.)

3. PROPERTY, PLANT AND EQUIPMENT

	Note	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
Cost								
At 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)
<hr/>								
At 31 March 2022/ 1 April 2022		85,342,733	227,025,843	11,206,456	192,402,370	8,343,627	120,889,095	645,210,124
Additions		-	15,439,498	1,208,884	35,264,477	4,369,682	882,984	57,165,525
Transfers		-	947,931	-	119,494,285	-	(120,442,216)	-
Transfer to intangible assets	4	-	-	-	-	-	(238,017)	(238,017)
Reclassification		-	5,406,258	-	(5,406,258)	-	-	-
Disposals		-	-	(1,186,456)	-	-	-	(1,186,456)
Written off		-	(40,460)	(70,488)	(1,244,299)	(89,589)	-	(1,444,836)
Transfer to assets held for sale	12	-	(49,701,111)	-	(130,969,933)	(6,473,019)	-	(187,144,063)
<hr/>								
At 31 March 2023		85,342,733	199,077,959	11,158,396	209,540,642	6,150,701	1,091,846	512,362,277
<hr/>								
Accumulated depreciation								
At 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)
<hr/>								
At 31 March 2022/ 1 April 2022		-	51,375,930	3,950,691	149,391,124	7,820,097	-	212,537,842
Depreciation charge for the year		-	4,593,547	1,306,665	11,857,030	307,255	-	18,064,497
Reclassification		-	-	-	(1,699)	1,699	-	-
Disposals		-	-	(844,889)	-	-	-	(844,889)
Written off		-	(629,174)	(51,220)	(641,136)	(87,726)	-	(1,409,256)
Transfer to assets held for sale	12	-	(49,690,747)	-	(130,753,216)	(6,472,221)	-	(186,916,184)
<hr/>								
At 31 March 2023		-	5,649,556	4,361,247	29,852,103	1,569,104	-	41,432,010
<hr/>								
Carrying amounts								
At 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 2022/1 April 2022		85,342,733	175,649,913	7,255,765	43,011,246	523,530	120,889,095	432,672,282
At 31 March 2023		85,342,733	193,428,403	6,797,149	179,688,539	4,581,597	1,091,846	470,930,267

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

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

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

	2023 RM	2022 RM
Cash	51,380,303	68,139,780
Reclassification from other receivables	529,381	5,401,598
Accruals	5,255,841	15,413,863
	<u>57,165,525</u>	<u>88,955,241</u>
Capitalisation of interest expense (Note 27)	-	2,095,057
	<u>57,165,525</u>	<u>91,050,298</u>

4. INTANGIBLE ASSETS

	Computer software RM	Capital work in progress RM	Total RM
Cost			
At 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)	-
	<u>17,196,803</u>	<u>4,608,849</u>	<u>21,805,652</u>
At 31 March 2022/1 April 2022	17,196,803	4,608,849	21,805,652
Additions	1,064,088	1,428,021	2,492,109
Transfer	2,672,944	(2,672,944)	-
Transfer from property, plant and equipment (Note 3)	-	238,017	238,017
Written off	(3,134,788)	-	(3,134,788)
	<u>17,799,047</u>	<u>3,601,943</u>	<u>21,400,990</u>
At 31 March 2023	17,799,047	3,601,943	21,400,990
Accumulated amortisation			
At 1 April 2021	5,637,322	-	5,637,322
Charge for the financial year	2,150,369	-	2,150,369
	<u>7,787,691</u>	<u>-</u>	<u>7,787,691</u>
At 31 March 2022/1 April 2022	7,787,691	-	7,787,691
Charge for the financial year	2,926,442	-	2,926,442
Written off	(3,134,788)	-	(3,134,788)
	<u>7,579,345</u>	<u>-</u>	<u>7,579,345</u>
At 31 March 2023	7,579,345	-	7,579,345
Carrying amounts			
At 1 April 2021	4,291,476	5,896,656	10,188,132
	<u>9,409,112</u>	<u>4,608,849</u>	<u>14,017,961</u>
At 31 March 2022/1 April 2022	9,409,112	4,608,849	14,017,961
	<u>10,219,702</u>	<u>3,601,943</u>	<u>13,821,645</u>
At 31 March 2023	10,219,702	3,601,943	13,821,645

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

4. INTANGIBLE ASSETS (CONT'D.)

The Company acquired intangible assets by the following means:

	2023 RM	2022 RM
Cash	1,729,704	5,709,368
Reclassification from other receivables	144,690	270,830
Accruals	617,715	-
	2,492,109	5,980,198

5. RIGHT-OF-USE ASSETS

	Leasehold land RM	Buildings RM	IT equipment RM	Total RM
At 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 2022/1 April 2022	16,971,578	1,109,446	-	18,081,024
Additions	-	3,849,343	1,067,103	4,916,446
Depreciation	(363,068)	(1,282,663)	(88,925)	(1,734,656)
Derecognition*	-	(86,400)	-	(86,400)
Reclassification to assets held for sale (Note 12)	(16,608,510)	-	-	(16,608,510)
At 31 March 2023	-	3,589,726	978,178	4,567,904

* Derecognition of the right-of-use assets as a result of termination of contracts.

The Company leases a number of buildings and IT equipment that run between 1 year to 9 years, with an option to renew the lease after that date.

5.1 Extension options

The leases of the buildings contain extension options exercisable by the Company up to three 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	614,065	730,800

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 its past practice and any cost that will be incurred to change the asset if an option to extend is not taken, in determining the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

6. TRADE AND OTHER RECEIVABLES

	Note	2023 RM	2022 RM
Current			
Trade			
Trade receivables		40,027,133	26,039,532
Amount due from ultimate holding company	6.1	135,212	-
Amount due from related companies	6.1	22,470,242	19,103,534
		62,632,587	45,143,066
Less: Allowance for impairment loss		(21,444)	(9,337)
Trade receivables, net		62,611,143	45,133,729
Non-trade			
Other receivables		2,416,362	2,135,745
Deposits		981,454	814,995
Prepayments		1,882,554	2,378,550
Prepayments for acquisition of property, plant and equipment	6.2	461,166	529,381
Prepayment for acquisition of intangible assets		268,180	412,870
Other prepayments		1,153,208	1,436,299
Staff loans	6.3	1,040,812	1,029,860
		6,321,182	6,359,150
		68,932,325	51,492,879
Non-current			
Other receivables			
Staff loans	6.3	1,740,751	1,828,635

6.1 Amounts due from ultimate holding company and related companies

Trade amounts due from ultimate holding and related companies are non-interest bearing and are generally on 14 to 90 days (2022: 14 to 90 days) terms.

6.2 Prepayments

Prepayments relate to milestone payment made for construction of buildings and equipment purchased of RM461,166 (2022: RM529,381). The prepayments as at 31 March 2022 of RM529,381 for equipment purchased have been capitalised as property, plant and equipment upon completion and transfer of ownership during the year.

6.3 Staff loans

Staff loans are unsecured, bear interest rates at 0% to 2.5% (2022: 0% to 2.5%) per annum. Non-current amounts have an average maturity of 2.16 years (2022: 2.32 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 2023
(cont'd.)

7. Other investments

	2023 RM	2022 RM
At cost:		
Transferable club memberships	226,000	226,000

8. INVENTORIES

	2023 RM	2022 RM
At cost:		
Raw materials	27,680,945	43,474,960
Consumables	2,611,412	2,577,569
Work-in-progress	1,827,278	3,051,763
Finished goods	36,597,143	34,596,642
	<u>68,716,778</u>	<u>83,700,934</u>
Recognised in profit or loss:		
Inventories recognised as an expense	441,767,733	329,684,997
Inventories written off	747,905	783,884

9. DERIVATIVES 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
As at 31 March 2023:		
Derivative liabilities	(213,767)	54,274,003
As at 31 March 2022:		
Derivative liabilities	(313,367)	58,008,492

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

During the financial year, the Company recognised a net gain of RM99,600 (2022: net gain of RM28,840) arising from fair value changes of these derivatives. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

10. LIQUID INVESTMENTS

	2023 RM	2022 RM
At fair value:		
Investment in Islamic money market funds	17,836,893	48,914,051

The liquid investments represent investment in Islamic money market funds, and the average distribution rate is at 2.51% to 2.65% per annum (2022: 1.69% to 2.60% per annum).

11. CASH AND CASH EQUIVALENTS

	2023 RM	2022 RM
Cash and bank balances	34,473,703	54,174,498
Deposits with licensed banks	22,768,407	21,023,874
	57,242,110	75,198,372

12. ASSETS HELD FOR SALE

A portion of the Company's non-current assets has been reclassified as assets held for sale following the Company's invitation on 29 November 2022 to interested parties from the open market to make an offer to purchase the land located at and held under Lot 6269, Lot 49366, PT 22910, Lot 47088, PT4508 and Lot 22968, Jalan Kuchai Lama, Petaling, Kuala Lumpur. At 31 March 2023, the assets held for sale are as follows:

	RM
Assets held for sale:	
Property, plant and equipment	227,879
Right-of-use assets	16,608,510
	16,836,389

The carrying values of property, plant and equipment and the leasehold land included in the right-of-use assets are the same as its carrying value before they were being reclassified to current assets.

13. SHARE CAPITAL

	Amount 2023 RM	Number of shares 2023	Amount 2022 RM	Number of shares 2022
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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

14. OTHER RESERVES

	Defined benefit reserves RM
At 1 April 2021	(1,655,275)
Other comprehensive income:	
Defined benefit plans actuarial gain (Note 16)	(87,570)
Income tax effect	21,017
At 31 March 2022/1 April 2022	(1,721,828)
Other comprehensive income:	
Defined benefit plans actuarial loss (Note 16)	862,791
Income tax effect	(207,071)
At 31 March 2023	(1,066,108)

The defined benefit reserves represent the re-measurement of estimate of the defined benefit liabilities or assets.

15. LOAN AND BORROWING

	2023 RM	2022 RM
Non-current		
Islamic financing facility - unsecured	58,333,335	91,666,666
Unamortised transaction costs	(191,594)	(334,070)
	58,141,741	91,332,596
Current		
Islamic financing facility - unsecured	33,583,140	8,589,987
	91,724,881	99,922,583

The effective interest rate during the financial year for borrowing was 3.15% (2022: 3.14%) 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.

16. EMPLOYEE BENEFITS**Retirement benefits**

The Company operates a partly funded, post-employment benefit scheme ("the Scheme") for its eligible employees. Under the Scheme, those who have a minimum year of five (5) years of service are entitled to post-employment benefits varying at 6% and 10% (2022: 6% and 10%) on basic salaries of eligible staff and the number of completed years of service.

The Scheme is partially funded by qualifying insurance policies. The Company expects to pay RM875,736 in contributions to its defined benefit plans in 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

16. EMPLOYEE BENEFITS (CONT'D.)

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

	2023 RM	2022 RM
Present value of defined benefit obligations, representing net liabilities	16,292,158	16,388,111
Analysed as:		
Within the next 12 months	1,327,627	1,349,452
Beyond 1 year	14,964,531	15,038,659
	16,292,158	16,388,111

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

Movement in net defined benefit liabilities

In 2023, 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
Balance as at 1 April 2022		22,235,234	(5,847,123)	16,388,111
Movement during the financial year:				
Service cost		1,467,465	-	1,467,465
Net interest		1,035,284	(280,568)	754,716
Retirement benefit cost charged to profit or loss	21	2,502,749	(280,568)	2,222,181
Included in other comprehensive income				
Remeasurement gain				
- Actuarial gain arising from:				
- Financial assumptions		(411,187)	-	(411,187)
- Experience adjustments		(7,364)	-	(7,364)
- Return on plan assets excluding interest income		-	(444,240)	(444,240)
		(418,551)	(444,240)	(862,791)
Others				
Net benefits paid		(584,938)	(266,987)	(851,925)
Transfer to other receivables		-	537,509	537,509
Transfer to other payables		(932,701)	-	(932,701)
Contributions by the Company		-	(208,226)	(208,226)
		(1,517,639)	(62,296)	(1,455,343)
Balance as at 31 March 2023		22,801,793	(6,509,635)	16,292,158

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

16. EMPLOYEE BENEFITS (CONT'D.)**Retirement benefits (cont'd.)****Movement in net defined benefit liabilities (cont'd.)**

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
Balance as at 1 April 2021		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	21	2,271,325	(235,613)	2,035,712
Included in other comprehensive income				
Remeasurement loss/(gain)				
- Actuarial loss/(gain) arising from:				
- Demographic assumptions		1,011,396	-	1,011,396
- Financial assumptions		(629,749)	-	(629,749)
- Experience adjustments		(15,627)	-	(15,627)
- Return on plan assets excluding interest income		-	(278,450)	(278,450)
		366,020	(278,450)	87,570
Net benefits (paid)/received		(345,055)	42,095	(302,960)
Transfer to other receivables		-	217,605	217,605
Transfer to other payables		(639,061)	-	(639,061)
Contributions by the Company		-	(156,989)	(156,989)
		(984,116)	102,711	(881,405)
Balance as at 31 March 2022		22,235,234	(5,847,123)	16,388,111

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

	2023 %	2022 %
Discount rate	5.00	4.80
Salary increment rate	6.00	6.00

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

16. EMPLOYEE BENEFITS (CONT'D.)

Retirement benefits (cont'd.)

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
2023		
Discount rate (1% movement)	2,168,704	(1,895,180)
Salary increment rate (1% movement)	625,049	(572,616)
2022		
Discount rate (1% movement)	2,198,641	(1,912,796)
Salary increment rate (1% movement)	649,067	(592,836)

17. TRADE AND OTHER PAYABLES

	Note	2023 RM	2022 RM
Trade			
Trade payables		8,853,084	11,344,207
Amount due to ultimate holding company	17.1	2,683,621	2,531,661
Amount due to related companies	17.1	16,598,603	42,460,585
		<u>28,135,308</u>	<u>56,336,453</u>
Non-trade			
Other payables		19,059,604	19,044,923
Accruals		13,248,061	23,262,476
Provisions	17.2	6,810,541	6,662,228
Refund liabilities	17.3	1,432,028	882,693
Amount due to ultimate holding company	17.1	659,526	603,742
Advance from ultimate holding company	17.4	30,510,592	-
Amount due to related companies	17.1	273,096	503,085
		<u>71,993,448</u>	<u>50,959,147</u>
		<u>100,128,756</u>	<u>107,295,600</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

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

	2023 RM	2022 RM
Total trade and other payables	100,128,756	107,295,600
Less: Provisions	(6,810,541)	(6,662,228)
Total financial liabilities at amortised cost	<u>93,318,215</u>	<u>100,633,372</u>

17.1 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 (2022: 30 to 60 days)

17.2 Provisions

	Employee benefits expenses RM	Other operating expenses RM	Total RM
At 1 April 2021	4,217,526	2,003,601	6,221,127
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)
At 31 March 2022/1 April 2022	4,931,664	1,730,564	6,662,228
Provisions made during the year	13,076,427	7,059,436	20,135,863
Provisions used during the year	(13,388,208)	(6,656,869)	(20,045,077)
Provisions reversed during the year	57,527	-	57,527
At 31 March 2023	<u>4,677,410</u>	<u>2,133,131</u>	<u>6,810,541</u>

17.3 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.

17.4 Advance from ultimate holding company

Advance from ultimate holding company is unsecured, repayable on 4 October 2023 and subject to interest rate of 3.49% per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

18. DEFERRED TAX ASSETS

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
Property, plant and equipment	12,109,936	-	(23,084,070)	(5,378,981)	(10,974,134)	(5,378,981)
Right-of-use assets	-	-	(1,096,297)	-	(1,096,297)	-
Unutilised reinvestment allowance	13,785,997	-	-	-	13,785,997	-
Retirement benefits	3,910,118	3,933,147	-	-	3,910,118	3,933,147
Provisions	1,714,593	2,024,560	-	-	1,714,593	2,024,560
Lease liabilities	1,117,022	-	-	-	1,117,022	-
Tax assets/(liabilities)	32,637,666	5,957,707	(24,180,367)	(5,378,981)	8,457,299	578,726

Movement in temporary differences during the year

Deferred tax assets and liabilities are attributable to the following:

	At 1 April 2021 RM	Recognised in profit or loss (Note 25) RM	Recognised in other comprehensive income RM	At 31 March 2022/ 1 April 2022 RM	Recognised in profit or loss (Note 25) RM	Recognised in other comprehensive income RM	At 31 March 2023 RM
Property, plant and equipment	(1,125,478)	(4,253,503)	-	(5,378,981)	(5,595,153)	-	(10,974,134)
Right-of-use assets	-	-	-	-	(1,096,297)	-	(1,096,297)
Unutilised reinvestment allowance	-	-	-	-	13,785,997	-	13,785,997
Retirement benefits	3,635,096	277,034	21,017	3,933,147	184,042	(207,071)	3,910,118
Provisions	1,705,052	319,508	-	2,024,560	(309,967)	-	1,714,593
Lease liabilities	-	-	-	-	1,117,022	-	1,117,022
	4,214,670	(3,656,961)	21,017	578,726	8,085,644	(207,071)	8,457,299

Deferred tax assets have not been recognised in respect of the following item (stated at gross):

	2023 RM	2022 RM
Unutilised reinvestment allowances	18,000,000	-

Deferred tax assets have not been fully recognised in respect of unutilised reinvestment allowances because it is not probable that sufficient future taxable profit will be available against which the Company can fully utilise the benefits there from.

Under the National Economic Recovery Plan ("PENJANA"), the unutilised reinvestment allowances can be carried forward for a period of 7 consecutive years, beginning from YA 2025. Any unutilised reinvestment allowances after the 7 years will be disregarded. The Company's unutilised reinvestment allowances will expire in Year of Assessment 2032.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

19. REVENUE

	2023 RM	2022 RM
Revenue from contracts with customers		
Sale of goods	603,746,767	484,677,540
19.1 Disaggregation of revenue		
Geographical markets		
Malaysia	345,694,551	279,764,809
Middle East	132,590,243	79,913,351
Other Asian countries	118,228,337	117,523,406
Others	7,233,636	7,475,974
Revenue from contracts with customers	603,746,767	484,677,540
Timing of revenue recognition		
At a point in time	603,746,767	484,677,540

19.2 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 (2022: 14 to 90) days.

19.3 Nature of goods and services

The following information reflects the typical transactions of the Company.

Nature of goods or services	Timing of recognition or method used to recognised revenue	Significant payment terms	Variable element in consideration
AJI-NO-MOTO® products, and other seasoning and food items	Revenue is recognised when the goods are delivered and accepted by the customers	Credit period ranging from 14 days to 90 days based on various terms	Trade incentives, discounts, returns and other rebates are granted to customers as contracted and where relevant, subject to certain terms and conditions

NOTES TO THE FINANCIAL STATEMENTS
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(cont'd.)

20. OTHER ITEMS OF INCOME

	2023 RM	2022 RM
Gain on disposal of property, plant and equipment	357,708	214,278
Interest income	468,003	1,171,680
Distribution from liquid investments	428,525	1,181,997
Miscellaneous income	965,169	903,168
Unrealised foreign exchange gain	1,331,095	-
Net fair value gain on derivatives	99,600	28,840
	3,650,100	3,499,963

21. EMPLOYEE BENEFITS EXPENSES

	Note	2023 RM	2022 RM
Wages and salaries		60,653,856	51,870,093
Gratuity		21,600	21,600
Defined contribution plans		6,551,542	5,616,169
Provision for defined benefit plans	16	2,222,181	2,035,712
Social security costs		621,843	511,601
Reversal for short-term accumulating compensated absences		(103,158)	(1,964)
Other staff related expenses		5,800,089	4,875,589
		75,767,953	64,928,800

Included in employee benefits expenses of the Company are Executive Directors' remuneration (excluding benefits-in-kind) amounting to RM4,171,051 (2022:RM3,823,075) as further disclosed in Note 22.

22. DIRECTORS' REMUNERATION

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

	Note	2023 RM	2022 RM
Executive:			
Salaries and other emoluments		3,305,936	3,076,099
Fees		54,000	54,000
Bonus		696,991	589,024
Gratuity		21,600	21,600
Defined contribution plans		92,524	82,352
		4,171,051	3,823,075
Total executive directors' remuneration (excluding benefits-in-kind)	21	4,171,051	3,823,075
Estimated money value of benefits-in-kind		521,806	382,327
		4,692,857	4,205,402
Total Executive Directors' remuneration (including benefits-in-kind)			

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(cont'd.)

22. DIRECTORS' REMUNERATION (CONT'D.)

	2023 RM	2022 RM
Non-executive:		
Fees	243,438	228,333
Gratuity	97,375	91,333
Other emoluments	117,200	101,333
Total Non-Executive Directors' remuneration (excluding benefits-in-kind)	458,013	420,999
Estimated money value of benefits-in-kind	1,795	-
Total Executive Directors' remuneration (including benefits-in-kind)	459,808	420,999
Total Directors' remuneration	5,152,665	4,626,401

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

	2023	2022
Executive directors:		
RM250,001 – RM300,000	-	2
RM400,001 – RM450,000	-	2
RM450,001 – RM500,000	1	-
RM550,001 – RM600,000	-	2
RM650,001 – RM700,000	1	-
RM700,001 – RM750,000	1	-
RM800,001 – RM850,000	-	1
RM850,001 – RM900,000	1	1
RM900,001 – RM950,000	1	-
RM1,000,001 – RM1,050,000	1	-
Non-executive directors:		
below RM50,000	1	1
RM50,001 – RM100,000	4	3
RM150,001 – RM200,000	1	1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

23. PROFIT FOR THE YEAR

	2023 RM	2022 RM
Profit for the year is arrived at after charging:		
Auditors' remuneration		
Statutory audit fees	174,300	184,300
Non-audit fees	7,600	7,600
Material expenses/(income)		
Inventories written off	747,905	783,884
Bad debt written off	-	10,000
Foreign exchange loss/(gain):		
- Realised	1,584,401	940,036
- Unrealised	(1,331,095)	358,254
Net fair value gain on derivatives	(99,600)	(28,840)
Property, plant and equipment written off	35,580	1,076,338
Depreciation of property, plant and equipment	18,064,497	18,363,804
Amortisation of intangible assets	2,926,442	2,150,369
Interest expense on lease liabilities	87,537	-
Gain on disposal of property, plant and equipment	(357,708)	(214,278)
Expenses arising from leases		
Depreciation of right-of-use assets	1,734,656	1,329,651
Expenses relating to leases of low-value assets	175,481	96,416
Expenses relating to short-term leases	138,380	124,483
Net loss/(gain) on impairment of financial instruments		
Allowance/(Reversal) for impairment loss on trade receivables	12,760	(16,136)

24. OTHER OPERATING EXPENSES

	2023 RM	2022 RM
Selling and distribution expenses	43,897,112	49,203,534
Administrative and other expenses	51,311,530	43,764,209
	<u>95,208,642</u>	<u>92,967,743</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

25. TAX (CREDIT)/EXPENSE

	2023 RM	2022 RM
Current tax (credit)/expense		
Current income tax	116,366	3,944,588
Over provision in prior years	(3,662,178)	(311,515)
	<u>(3,545,812)</u>	<u>3,633,073</u>
Deferred tax (credit)/expense		
Reversal and origination of temporary differences	(9,824,031)	3,262,841
Under provision in prior years	1,738,387	394,120
	<u>(8,085,644)</u>	<u>3,656,961</u>
Total income tax (credit)/expense	<u>(11,631,456)</u>	<u>7,290,034</u>
Reconciliation of tax expense		
Profit before tax	<u>15,860,005</u>	<u>24,286,259</u>
Income tax calculated using Malaysian tax rate of 24% (2022: 24%)	3,806,401	5,828,702
Non-deductible expenses	374,777	1,662,406
Tax exempt income	(102,846)	(283,679)
Deferred tax assets recognised on the unutilised reinvestment allowance	(13,785,997)	-
Under provision of deferred tax in prior years	1,738,387	394,120
Over provision of income tax expenses in prior years	(3,662,178)	(311,515)
	<u>(11,631,456)</u>	<u>7,290,034</u>

26. 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:

	2023 RM	2022 RM
Profit for the year attributable to ordinary shareholders of the Company	<u>27,491,461</u>	<u>16,996,225</u>
	Number of shares 2023	Number of shares 2022
Weighted average number of ordinary shares at 31 March	<u>60,798,534</u>	<u>60,798,534</u>
	2023 sen	2022 sen
Basic earnings per share	<u>45.22</u>	<u>27.95</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

26. EARNINGS PER SHARE (CONT'D.)

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.

27. FINANCE COSTS

	2023 RM	2022 RM
Profit payment on Islamic financing	3,140,562	3,135,116
Interest expense on advance from ultimate holding company	510,592	-
Interest expense on lease liabilities	87,537	-
Less: Finance cost capitalised (Note 3)	-	(2,095,057)
	3,738,691	1,040,059

28. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM	Date of payment
2023			
First and final 2022 ordinary	8.50	5,167,875	28 September 2022
2022			
First and final 2021 ordinary	38.25	23,255,439	22 October 2021

In respect of the financial year ended 31 March 2023, the Company declared a first and final single-tier dividend of 9.1 sen per ordinary share totaling approximately RM5,532,667 on 27 June 2023.

29. CAPITAL COMMITMENT

	2023 RM	2022 RM
Approved and contracted for:		
Property, plant and equipment	3,249,703	18,961,181
Intangible assets	931,102	1,055,780
	4,180,805	20,016,961

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

30. CONTINGENT LIABILITIES

	2023 RM	2022 RM
Unsecured bank guarantees extended to third parties for capital expenditure and utilities purposes	4,666,584	5,142,896

31. FINANCIAL INSTRUMENTS**31.1 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
2023			
Financial assets			
Trade and other receivables (excluding prepayments)	68,790,522	68,790,522	-
Liquid investments	17,836,893	-	17,836,893
Cash and cash equivalents	57,242,110	57,242,110	-
	<u>143,869,525</u>	<u>126,032,632</u>	<u>17,836,893</u>
Financial liabilities			
Loan and borrowing	91,724,881	91,724,881	-
Derivative liabilities	213,767	-	213,767
Trade and other payables	93,318,215	93,318,215	-
	<u>185,256,863</u>	<u>185,043,096</u>	<u>213,767</u>
2022			
Financial assets			
Trade and other receivables (excluding prepayments)	50,942,964	50,942,964	-
Liquid investments	48,914,051	-	48,914,051
Cash and cash equivalents	75,198,372	75,198,372	-
	<u>175,055,387</u>	<u>126,141,336</u>	<u>48,914,051</u>
Financial liabilities			
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>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

31. FINANCIAL INSTRUMENTS (CONT'D.)

31.2 Net gains and losses arising from financial instruments

	2023 RM	2022 RM
Net gains/(losses) on:		
Fair value through profit or loss		
– Mandatorily required by MFRS 9	99,600	28,840
Financial assets measured at amortised cost	1,764,216	2,185,257
Financial liabilities measured at amortised cost	(3,200,507)	(1,223,757)
	(1,336,691)	990,340

31.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

31.4 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.4 Credit risk (cont'd)

Trade receivables (cont'd)

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.

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:

	2023		2022	
	RM	% of total	RM	% of total
By country:				
Malaysia	25,776,809	41%	22,415,262	50%
Indonesia	8,307,952	13%	8,494,813	19%
Middle East	13,252,843	21%	2,720,528	6%
Singapore	953,792	2%	607,003	1%
Thailand	4,553,133	7%	4,467,316	10%
Japan	135,212	0%	647,399	1%
Other countries	9,631,402	16%	5,781,408	13%
	62,611,143	100%	45,133,729	100%

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Company manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within the credit terms. The Company's debt recovery process is as follows:

- a) After past due the credit terms, the Company will start to initiate a structured debt recovery process which is monitored by the sales management team; and
- b) Above 120 days past due, the Company will commence a legal proceeding against the customer.

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.

Invoices which are past due 365 days will be considered as credit impaired.

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 (2022: two) major customers with respective receivables equals or more than 10% of the Company's total trade receivables' balance and contributed, in aggregate, 27% (2022: 24%) to the Company's total trade receivables' balance.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

31. FINANCIAL INSTRUMENTS (CONT'D.)

31.4 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
2023			
Current (not past due)	50,900,604	-	50,900,604
Past due 0 -30 days	9,995,129	-	9,995,129
Past due 31 -60 days	1,661,154	-	1,661,154
Past due 61 -90 days	40,908	-	40,908
Past due 91 -120 days	1,186	-	1,186
Past due more than 120 days	12,162	-	12,162
	62,611,143	-	62,611,143
Credit impaired			
Past due more than 365 days	21,444	(21,444)	-
	62,632,587	(21,444)	62,611,143
2022			
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)
	45,133,729	-	45,133,729
Credit impaired			
Past due more than 365 days	9,337	(9,337)	-
	45,143,066	(9,337)	45,133,729

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

31. FINANCIAL INSTRUMENTS (CONT'D.)

31.4 Credit risk (cont'd.)

Trade receivables (cont'd.)

Recognition and measurement of impairment losses (cont'd.)

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

	2023 RM	2022 RM
At 1 April	9,337	31,033
Movement during the year:		
Provision of expected credit loss	14,447	716
Reversal of expected credit loss	(1,687)	(16,852)
Provision/(Reversal) of expected credit loss, net	12,760	(16,136)
Written off during the year	(653)	(5,560)
At 31 March	21,444	9,337

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 are deemed to 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.

31.5 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

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(cont'd.)

31. FINANCIAL INSTRUMENTS (CONT'D.)

31.5 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	Above 2 years RM
2023						
Non-derivative financial liabilities						
Loan and borrowing	91,724,881	3.00-3.02	95,826,406	35,731,406	34,718,534	25,376,466
Advance from ultimate holding company	30,510,592	3.49	31,047,000	31,047,000	-	-
Trade and other payables	62,807,623	-	62,807,623	62,807,623	-	-
Lease liabilities	4,654,257	4.50-5.40	5,211,524	1,658,936	1,397,436	2,155,152
	189,697,353		194,892,553	131,244,965	36,115,970	27,531,618
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
Outflow	-	-	54,204,560	54,204,560	-	-
Inflow	(213,767)	-	(54,418,327)	(54,418,327)	-	-
	(213,767)		(213,767)	(213,767)	-	-
	189,483,586		194,678,786	131,031,198	36,115,970	27,531,618
2022						
Non-derivative financial liabilities						
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
	201,665,401		208,875,010	112,663,651	36,011,025	60,200,334
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
Outflow	-	-	57,798,071	57,798,071	-	-
Inflow	(313,367)	-	(58,111,438)	(58,111,438)	-	-
	(313,367)		(313,367)	(313,367)	-	-
	201,352,034		208,561,643	112,350,284	36,011,025	60,200,334

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(cont'd.)

31. FINANCIAL INSTRUMENTS (CONT'D.)

31.6 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.

31.6.1 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 98% (2022: 96%) and 95% (2022: 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		SGD RM
		JPY RM	EUR RM	
2023				
Balances recognised in the statement of financial position				
Trade receivables	36,564,533	-	-	958,919
Cash and cash equivalents	8,232,354	-	-	2,378,432
Trade payables	(17,326,219)	(990,619)	(1,071,175)	-
Net exposure	27,470,668	(990,619)	(1,071,175)	3,337,351
2022				
Balances recognised in the statement of financial position				
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)	-
Net exposure	740,856	(888,025)	(338,925)	6,042,463

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(cont'd.)

31. FINANCIAL INSTRUMENTS (CONT'D.)

31.6 Market risk (cont'd.)

31.6.1 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.

		2023 RM Profit before tax	2022 RM Profit before tax
USD/RM	- strengthened 2% (2022: 2%)	549,413	14,817
	- weakened 2% (2022: 2%)	(549,413)	(14,817)
JPY/RM	- strengthened 2% (2022: 2%)	(19,812)	(17,761)
	- weakened 2% (2022: 2%)	19,812	17,761
EUR/RM	- strengthened 2% (2022: 2%)	(21,424)	(6,779)
	- weakened 2% (2022: 2%)	21,424	6,779
SGD/RM	- strengthened 2% (2022: 2%)	66,747	120,849
	- weakened 2% (2022: 2%)	(66,747)	(120,849)

31.6.2 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:

	2023 RM	2022 RM
Fixed rate instruments		
Financial asset		
Deposits with licensed banks	22,768,407	21,023,874
Financial liabilities		
Lease liabilities		
Loan and borrowing	(4,654,257)	(1,109,446)
Advance from ultimate holding company	(91,724,881)	(99,922,583)
	(30,510,592)	-
	<u>(126,889,730)</u>	<u>(101,032,029)</u>

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.

Cash flow sensitivity analysis for variable rate instruments

The Company does not have exposure to interest rate risk arising from floating rate instruments, and hence, sensitivity analysis is not presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

31. FINANCIAL INSTRUMENTS (CONT'D.)

31.7 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		
2023								
Financial assets								
Liquid investments	-	17,836,893	-	-	-	-	17,836,893	17,836,893
Staff loans	-	-	-	-	2,781,563	2,781,563	2,781,563	2,781,563
	-	17,836,893	-	-	2,781,563	2,781,563	20,618,456	20,618,456
Financial liabilities								
Derivative financial liabilities	-	213,767	-	-	-	-	213,767	213,767
Loan and borrowing	-	-	-	-	90,840,210	90,840,210	90,840,210	91,724,881
	-	213,767	-	-	90,840,210	90,840,210	91,053,977	91,938,648
2022								
Financial assets								
Liquid investments	-	48,914,051	-	-	-	-	48,914,051	48,914,051
Staff loans	-	-	-	-	2,858,495	2,858,495	2,858,495	2,858,495
	-	48,914,051	-	-	2,858,495	2,858,495	51,772,546	51,772,546
Financial liabilities								
Derivative financial liabilities	-	313,367	-	-	-	-	313,367	313,367
Loan and borrowing	-	-	-	-	99,195,515	99,195,515	99,195,515	99,922,583
	-	313,367	-	-	99,195,515	99,195,515	99,508,882	100,235,950
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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

31. FINANCIAL INSTRUMENTS (CONT'D.)

31.7 Fair value information (cont'd.)

Level 2 fair value(cont'd.)

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 (2022: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

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.
Staff loans	Discounted cash flows using a rate based on the current market rate of borrowing at the reporting date.

32. 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 2023 and 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(cont'd.)

33. 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 22.

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 17.

	2023 RM	2022 RM
Transactions with related companies:		
Commission income	73,736	28,599
Royalties payable	(11,062,622)	(10,977,511)
Sales	111,750,121	109,895,496
Purchases	(274,699,868)	(203,269,153)
Purchase of assets	(2,101,195)	(16,884,383)
Other expenses	(1,046,793)	(1,282,249)
Shared information technology services	(2,294,573)	(2,173,635)
Interest expense on advance from ultimate holding company	(510,592)	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

34. SEGMENTAL INFORMATION

(a) Business segment

Consumer business segment consists of manufacture and distribution of consumer products including "AJI-NO-MOTO®", flavour seasoning "Tumix®", menu seasoning "Seri-Aji®" and other seasonings. Industrial business segment consists of manufacture and distribution of monosodium glutamate for industry-use, industrial seasonings and related products.

	Consumer business segment RM	Industrial business segment RM	Total RM
At 31 March 2023			
Revenue	462,063,507	141,683,260	603,746,767
Results			
Segment profit	3,265,014	15,079,446	18,344,460
Interest income			468,003
Distribution from liquid investments			428,525
Gain on disposal of property, plant and equipment			357,708
Finance costs			(3,738,691)
Profit before tax			15,860,005
Tax credit			11,631,456
Profit for the year			27,491,461
At 31 March 2022			
Revenue	347,124,522	137,553,018	484,677,540
Results			
Segment profit	4,003,332	18,755,031	22,758,363
Interest income			1,171,680
Distribution from liquid investments			1,181,997
Gain on disposal of property, plant and equipment			214,278
Finance costs			(1,040,059)
Profit before tax			24,286,259
Tax expense			(7,290,034)
Profit for the year			16,996,225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

34. SEGMENTAL INFORMATION (CONT'D.)**(a) Business segment (cont'd.)**

	Consumer business segment RM	Industrial business segment RM	Total RM
At 31 March 2023			
Assets			
Segment assets	443,388,505	277,462,557	720,851,062
Current tax assets			12,671,242
Deferred tax assets			8,457,299
Total assets			741,979,603
Liabilities			
Segment liabilities	192,163,990	20,849,829	213,013,819
Total liabilities			213,013,819
Other segment information			
Capital expenditure	34,253,637	25,403,997	59,657,634
Depreciation of property, plant and equipment	10,372,096	7,692,401	18,064,497
Amortisation of intangible assets	1,680,276	1,246,166	2,926,442
Depreciation of right-of-use assets	995,988	738,668	1,734,656
At 31 March 2022			
Assets			
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
Liabilities			
Segment liabilities	197,500,533	27,528,574	225,029,107
Total liabilities			225,029,107
Other segment information			
Capital expenditure	55,712,021	41,318,475	97,030,496
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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(cont'd.)

34. SEGMENTAL INFORMATION (CONT'D.)

(b) Geographical segment

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

	Malaysia RM	Middle East RM	Other Asian countries RM	Others RM	Total RM
Revenue					
2023	345,694,551	132,590,243	118,228,337	7,233,636	603,746,767
2022	279,764,809	79,913,351	117,523,406	7,475,974	484,677,540

35. SIGNIFICANT EVENT

On 29 November 2022, the Company invited interested parties from the open market to make an offer to purchase the land located at and held under Lot 6269, Lot 49366, PT 22910, Lot 47088, PT4508 and Lot 22968, Jalan Kuchai Lama, Petaling, Kuala Lumpur for the Company's consideration. Accordingly, the Company has reclassified the land and related property, plant and equipment totaling to RM16.8 million to assets held for sale in the current financial year (see Note 12).

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 96 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 2023 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: 27 June 2023

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 96 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 27 June 2023.

Heng Wai Shen

Before me:

ROSLI BIN SAAD
No. PJS: W904
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 2023, 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 96.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, 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(l) - Significant accounting policies: Revenue and other income - Revenue and Note 19 - Revenue

The key audit matter

During the financial year ended 31 March 2023, the Company recognised revenue from sales of goods amounting to RM603,746,767.

We identified revenue recognition to be a key audit matter as revenue represented the most significant amount in the Company. We considered 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 evaluated the design and implementation and tested the operating effectiveness of key internal controls which govern revenue recognition;
- We 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, on a sample basis, whether the sales transactions before and after the financial year end have been recognised in the correct accounting period based on the terms of sales;
- We inspected, on a sample basis, credit notes issued after the financial year end and for those related to sales recorded during the current financial year, evaluated whether revenue has been reduced accordingly; and
- We 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 represent the underlying transactions and events in a manner that gives a true and fair view.

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

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

From the 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 Matter

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

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

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

Petaling Jaya, Selangor

Date: 27 June 2023

LIST OF PROPERTIES

AS AT 31 MARCH 2023

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)	47 years	71,525
Land and buildings Lot 22968, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	49,831 sq. m.	Leasehold expiring on 18.12.2067	1984 (Revaluation)	58 years	8,297,243
Land and buildings Lot 4508, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	16,187.6 sq. m.	Leasehold expiring on 5.7.2067	1984 (Revaluation)	53 years	3,006,429
Land and buildings Lot 6269, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Mining pool	22,211.7 sq. m.	Leasehold expiring on 2062	1984 (Revaluation)	58 years	1,477,250
Land and buildings Lot 22910, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Factory complex	8,093.4 sq. m.	Leasehold expiring on 15.3.2073	1974	49 years	1,586,460
Land and buildings Lot 49366, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Office, warehouse and factory complex	3,419 sq. m.	Leasehold expiring on 6.3.2064	1986	37 years	117,668
Land and buildings Lot 47088, Jalan Kuchai Lama, Petaling, Kuala Lumpur	Industrial land and store	5,904 sq. m.	Leasehold expiring on 20.1.2074	1975	48 years	2,133,825
Land & Buildings Land Lot No. 1583, Bandar Baru Enstek, Daerah Seremban, Negeri Sembilan	Office, warehouse and factory complex	187,218.8 sq. m.	Freehold	2019	4 years	277,736,480

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty-Second ("62nd") 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, which is the main venue of the AGM, at the Meeting Room of Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 29 August 2023 at 10:00 a.m. for the following purposes:-

AGENDA

- | | |
|--|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 March 2023 together with the Reports of the Directors and the Auditors thereon. | (Please refer to the Notes to the Notice of 62 nd AGM No. 1) |
| 2. To approve the payment of Directors' fees amounting to RM297,438 for the financial year ended 31 March 2023. | (Resolution 1) |
| 3. To approve the payment of Directors' benefits up to an amount of RM650,000 from 30 August 2023 until the date of the next Annual General Meeting of the Company. | (Resolution 2) |
| 4. To approve the gratuity payment of RM200,355.40 to Mr. Koay Kah Ee, the former Independent Non-Executive Director of the Company, Chairman of the Audit Committee and member of the Nomination Committee and Remuneration Committee of the Company respectively, in recognition and appreciation of his past service and contribution to the Company. | (Resolution 3) |
| 5. To approve the gratuity payment of RM113,133.33 to Encik Kamarudin Bin Rasid, the former Executive Director of the Company, in recognition and appreciation of his past service and contribution to the Company. | (Resolution 4) |
| 6. To approve the gratuity payment of RM160,758.33 to Mr. Dominic Aw Kian-Wee, the former Independent Non-Executive Director of the Company, Chairman of the Nomination Committee and member of the Audit Committee and Remuneration Committee of the Company respectively, in recognition and appreciation of his past service and contribution to the Company. | (Resolution 5) |
| 7. To re-elect the following Directors who are due to retire pursuant to Clause 119 of the Company's Constitution and being eligible, have offered themselves for re-election:- | |
| (a) Ms. Elaine Tan Ai Lin; | (Resolution 6) |
| (b) Mr. Yong Kum Cheng; and | (Resolution 7) |
| (c) Mr. Riichiro Osawa. | (Resolution 8) |
| 8. 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) Ms. Noriko Fujimoto; and | (Resolution 9) |
| (b) Mr. Cheong Heng Choy. | (Resolution 10) |
| 9. 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 11) |

NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

As Special Business

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

10. **ORDINARY RESOLUTION NO. 1:**

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

(Resolution 12)

"**THAT** pursuant 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;

THAT in connection with the above, pursuant to Section 85 of the Act to be read together with Clause 14 of the Constitution of the Company, that approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to the Act;

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."

11. **ORDINARY RESOLUTION NO. 2:**

- **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

(Resolution 13)

"**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 2023, 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**");

NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

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."

12. 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 2023

Explanatory Notes: -

1. Resolution 3 - Approval for Gratuity Payment to Mr. Koay Kah Ee

The proposed gratuity payment is a token of appreciation to Mr. Koay Kah Ee for his past service, dedication and contribution to the Company during his tenure in office as the Independent Non-Executive Director of the Company, Chairman of the Audit Committee and member of the Nomination Committee and Remuneration Committee of the Company respectively, in line with the Company's remuneration policy where Directors are entitled to receive a gratuity payment upon their resignation or retirement from office.

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

2. Resolution 4 - Approval for Gratuity Payment to Encik Kamarudin Bin Rasid

The proposed gratuity payment is a token of appreciation to Encik Kamarudin Bin Rasid for his past service, dedication and contribution to the Company during his tenure in office as an Executive Director of the Company, in line with the Company's remuneration policy where Directors are entitled to receive a gratuity payment upon their resignation or retirement from office.

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

NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

3. Resolution 5 - Approval for Gratuity Payment to Mr. Dominic Aw Kian-Wee

The proposed gratuity payment is a token of appreciation to Mr. Dominic Aw Kian-Wee for his past service, dedication and contribution to the Company during his tenure in office as the Independent Non-Executive Director of the Company, Chairman of the Nomination Committee and member of the Audit Committee and Remuneration Committee of the Company respectively, in line with the Company's remuneration policy where Directors are entitled to receive a gratuity payment upon their resignation or retirement from office.

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

4. Resolutions 6 to 10 - Re-election of Directors

Clause 119 of the Company's Constitution stipulates that a Director appointed by the Board either to fill a casual vacancy or as an addition to the existing Board, shall hold office until the conclusion of the next AGM of the Company and shall be eligible for re-election at such meeting. Ms. Elaine Tan Ai Lin, Mr. Yong Kum Cheng and Mr. Riichiro Osawa who were appointed to the Board on 24 February 2023, 1 April 2023 and 1 July 2023, respectively, being eligible, have offered themselves for re-election at the 62nd AGM of the Company pursuant to Clause 119 of the Company's Constitution.

Clause 120 of the Company's Constitution stipulates that one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office at each AGM and be eligible for re-election provided always that all Directors including the Managing Director shall retire from office at least once every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the general meeting at which he retires. Ms. Noriko Fujimoto and Mr. Cheong Heng Choy, being eligible, have offered themselves for re-election at the 62nd AGM of the Company pursuant to Clause 120 of the Company's Constitution.

For the purpose of determining the eligibility of the Director to stand for re-election at the 62nd 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 2023, including fit and proper assessment.

Based on the results of the annual evaluations, the Board of Directors is satisfied with the performance and contributions of the retiring Directors 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.

5. Resolution 12 - 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 ("**Act**") by its shareholders at the Sixty-First Annual General Meeting of the Company held on 30 August 2022 (hereinafter referred to as the "**Previous Mandate**"). The Company wishes to renew the said mandate at the 62nd AGM of the Company (hereinafter referred to as the "**New Mandate**") and seek for waiver of pre-emptive rights under Section 85 of the Act read together with Clause 14 of the Constitution of the Company.

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

NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

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.

Pursuant to Section 85 of the Act read together with Clause 14 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities.

That proposed Resolution 12, if passed, the shareholders of the Company shall agree to waive their statutory pre-emptive right and thus, would allow the Directors to issue new shares to any person under authority to issue shares pursuant to the Act without having to offer new shares to be issued equally to all existing shareholders of the Company prior to issuance.

6. Resolution 13 - 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 2023 for more information.

Notes to the Notice of the 62nd 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. The 62nd 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 62nd 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 62nd 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 62nd AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to eservices@sshsb.com.my during the 62nd AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded 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 2023 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this Meeting.
5. A member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A member may appoint more than one (1) proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy, failing which the appointment shall be invalid.

NOTICE OF ANNUAL GENERAL MEETING (cont'd.)

6. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the members to attend, participate, speak and vote at the Meeting and upon appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.
7. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited with the Company's Share Registrar, not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjournment thereof:-

Mode of submission	Designated address
Hard copy	Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan
Electronic means	Through Securities Services e-Portal at https://sshbsb.net.my

The lodging of the Form of Proxy does not preclude a member from attending and voting remotely at the 62nd 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 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 62nd 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 (MALAYSIA) BERHAD
[Reg. No. 196101000252 (4295-W)]



**SUSTAINABILITY
STATEMENT
2023**



ABOUT THIS STATEMENT

Introduction

The Ajinomoto brand is world-renowned as the first umami seasoning to be produced based on glutamic acid, an amino acid that functions as the building block of protein. The legacy of this initial success led to global expansion and the establishment of Ajinomoto (Malaysia) Berhad ("AMB" or "the Company") in 1961.

AMB is committed to creating a business that has sustainability at the heart of our operations. Our sustainability strategy is guided by Ajinomoto Group's Creating Shared Value (ASV) philosophy as we continue to stay true to our promise to contribute to the greater wellness of people worldwide to "**Eat Well, Live Well**".

We remain consistent in our sustainable practices and commitment to our Environmental, Social and Governance (ESG) objectives while upholding the ASV philosophy of focusing on promoting human welfare, contributing to agricultural security and addressing global sustainability issues.

AMB is pleased to report that our new eco-friendly state-of-the-art plant in Bandar Enstek Halal Hub in Negeri Sembilan is fully operational as of December 2022. It is equipped with solar panels that reduce our total electricity consumption supplied by TNB by 25% (or RM 151,000 per month). We also harvest rainwater for our landscaping and general cleaning purposes resulting in savings of RM 1,760 on consumption of treated city water. The new plant has been awarded the Green Building Index (GBI) Silver Provisional Certification.

AMB's ESG achievements is evidenced by a reduction of 17.9% in our total GHG emissions* for FYE 31 March 2023 in comparison with FYE 31 March 2022. Compared to the GHG emissions at our old plant at Kuchai Lama for FYE 31 March 2019, there was a reduction of 40%. Additionally, we are using natural gas to transition towards clean energy for FYE 31 March 2023.

The Company has initiated measures to assess and prepare for climate-related impacts in its governance, operations and value chain based on the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations.

In AMB's Sustainability Governance Structure, the Company's Risk Management Committee ("RMC") is further tasked with working in tandem with the Company's Environment, Social and Governance Committee ("ESGC").

The Company achieved zero reported incidents of corruption, zero reported complaints/cases and grievances and zero reported penalties and non-compliances for the reporting year. As a responsible corporate citizen, AMB strives to incorporate best practices in our business to minimise our environmental footprint, contribute purposefully to local communities and engage our stakeholders in an ethical manner.



* Based on 5-month data of our old plant at Kuchai Lama and 7-month data of Bandar Enstek Plant in FYE 31 March 2023.

ABOUT THIS STATEMENT

(cont'd.)



Key Sustainability Achievements

Fostering Ethical Business Practices



Risk Management Committee tasked with ESG risks including climate-related risks and operational risks.



Zero reported non-compliances.



Zero reported incidents of corruption.



Zero reported complaints and grievances

Promoting Better Health and Life



Zero recalls for health and safety reasons



Zero incidents of non-compliance regarding the labelling and marketing of our products.



High standards of food quality and safety with Halal and HACCP certification products.



Increased awareness of our healthy and nutritious products achieved via:

- 'Hi Ajinomoto MY' page: > 15,000 followers.
- Corporate social networking sites: > 92,000 followers
- Website: > 72,000 unique visitors/month
- Livestream: 4,000 participants

Regeneration of the Environment



Relocated to a resource-efficient plant awarded the Green Building Index Silver Provisional Certification.



*1.3% reduction in total electricity consumption compared to FYE 31 March 2022.



*17.9% reduction in total GHG emissions in comparison with FYE 31 March 2022.



*6.6% reduction in water consumption in comparison with FYE 31 March 2022.



ABOUT THIS STATEMENT

(cont'd.)

Empowering People and Communities



Adopted the Group's Kiken Yochi Training (hazard prediction) and Stop Work Policy as part of our OSH measures.



Achieved a total of 12,578 accumulated hours of employee training.



86 employees were trained in human rights practices in FYE 31 March 2023.



Contribution of programmes to more than 5000 beneficiaries including underprivileged children, students and national athletes.

* Based on 5-month data of our old plant at Kuchai Lama and 7-month data of Bandar Enstek Plant in FYE 31 March 2023.

Reporting Boundary and Scope

AMB's Sustainability Statement covers the period from 1 April 2022 until 31 March 2023 for the financial year ending in 2023 ("FYE 31 March 2023"). The scope of our sustainability performance reporting will cover operations at our previous plant in Kuchai Lama, Kuala Lumpur and our relocation to the new plant in Bandar Enstek Halal Hub, Negeri Sembilan as well as our new corporate office in Technology Park Malaysia, Kuala Lumpur.

Due to the decommissioning of our previous plant, our environmental disclosures for this reporting period are based on a 5-month period of data from the previous Kuchai Lama plant. For the remainder of the reporting period, environmental disclosures will encompass data from the new Bandar Enstek plant.

Marketing, Sales, and Distribution activities from both operations will be included in the aggregate report disclosures for the purposes of this Statement.

Reporting Framework

AMB's Sustainability Statement was prepared with reference to the guidelines set out in the Main Market Listing Requirements and the Sustainability Reporting Guide (3rd edition) issued by Bursa Malaysia Securities Berhad, the Global Reporting Initiative (GRI) Standards as the reporting framework, and aligned with the United Nations' Sustainable Development Goals (UN SDGs).

Statement of Assurance

All data contained in AMB's Sustainability Statement FYE 31 March 2023 has been internally sourced, verified and validated by the respective business divisions and information owners. Moving forward, the Company remains diligent in continuously improving its data collection and analytics to enhance the accuracy and quality of information as well as improve disclosures.

Feedback

AMB's Sustainability Statement is part of the Company's Annual Report, which can be accessed via AMB's corporate website at <https://www.ajinomoto.com.my>

For any feedback or inquiries in relation to our statement, kindly reach out to us at <https://www.ajinomoto.com.my/customer-service>.

CREATING SHARED VALUE



Our Sustainability Journey

AMB's sustainability journey has been marked by numerous milestones throughout the years. Our first Sustainability Statement was published in 2017, aligning our sustainability disclosures with the Global Reporting Initiative (GRI) indicators. In FYE 31 March 2023, we expanded our scope to include 3 new material matters replacing 1 from the previous year, and maintained the adoption of 6 UN SDGs.

2023

- Risk Management Committee (RMC) incorporated under the new 3-tier Sustainability Governance Structure to include ESG risks.
- ESG Committee (ESGC) established parallel to the RMC to set up ESG strategy and implement action plans.
- RMC and the ESGC support the SMC's (Sustainability Management Committee's) role in the monitoring of risks and opportunities and implementation of the sustainability strategy for the Company.
- Conducted materiality re-assessment in line with Bursa Malaysia requirements and identified 14 material sustainability matters for the reporting year.
- Official relocation of manufacturing operations to Bandar Enstek, with eco-friendly design for improved efficiency, productivity and engagement.

2022

- The Sustainability Working Committee (SWC) and the Environmental Management System (EMS) Committee maintained their prior roles and functions, reporting to the Chief Production Officer.
- Maintained 12 material sustainability matters from previous year.
- Updated the digitalised human resource management system to improve the efficiency and productivity of employees' remote working arrangements.
- Transitioned from using poly-material plastic to recyclable mono-material plastic for packaging.

2021

- Environmental Management System (EMS) Committee was established parallel to the Sustainability Working Committee (SWC) to review and evaluate environmental-related issues and ensure implementation of the EMS, both reporting under the Chief Administration Officer.
- Maintained 12 material sustainability matters from previous year.
- Launched Work Style Innovation (WSI) initiative, which offers employees greater work flexibility and collaboration.

2020

- SWC monitored the sustainability progress of Environment, Economy and Social teams (consisting of 9 assigned divisions) in AMB.
- Maintained 12 material sustainability matters from previous year.
- Implementation of tailored programmes targeting capacity building to raise productivity.



CREATING SHARED VALUE

(cont'd.)

Corporate Message

As an established and respected food and seasoning manufacturer, our sustainability strategy is aligned with Ajinomoto Group's ASV philosophy which creates social and economic value leading to the realisation of our Vision. In the process of achieving our goals, we identified several critical and challenging issues with regards to Health and Well-being, Global Sustainability and Community Care and Support. These did not deter Management from continuing to spearhead long-term sustainable value creation for the Company and our stakeholders.

Corporate Message

Eat Well, Live Well

Ajinomoto (Malaysia) Berhad's Mission



Contribute to the world's food and wellness, and to Better Lives for the future.

Ajinomoto (Malaysia) Berhad's Vision

Be a "Global Customer-Centric Halal Food Company" to contribute in resolving People's Food and Health Issues through Our Specialties and Innovative Solutions.

Ajinomoto Group Creating Shared Value ("ASV")

Ajinomoto Group addresses global social issues across the value chain and aims to solve them through a wide-ranging business portfolio focused on food and amino science while creating values together with local communities and the wider society.

ASV ESG Focus Topics

Health and Well-being

Global Sustainability

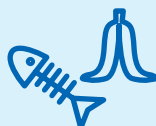
Community Care and Support

Focus on Global Sustainability



Reduction of GHG Emissions (CO₂)

50% of CO₂ emissions reduced by FYE 31 March 2026 from FYE 31 March 2019 baseline



Reduction of Food Loss

50% food loss to landfill reduction by FYE 31 March 2026 from FYE 31 March 2019 baseline



Zero Plastic Waste

Zero Plastic Waste by FYE 31 March 2031

* Food loss: Consists of food waste and food-based production waste

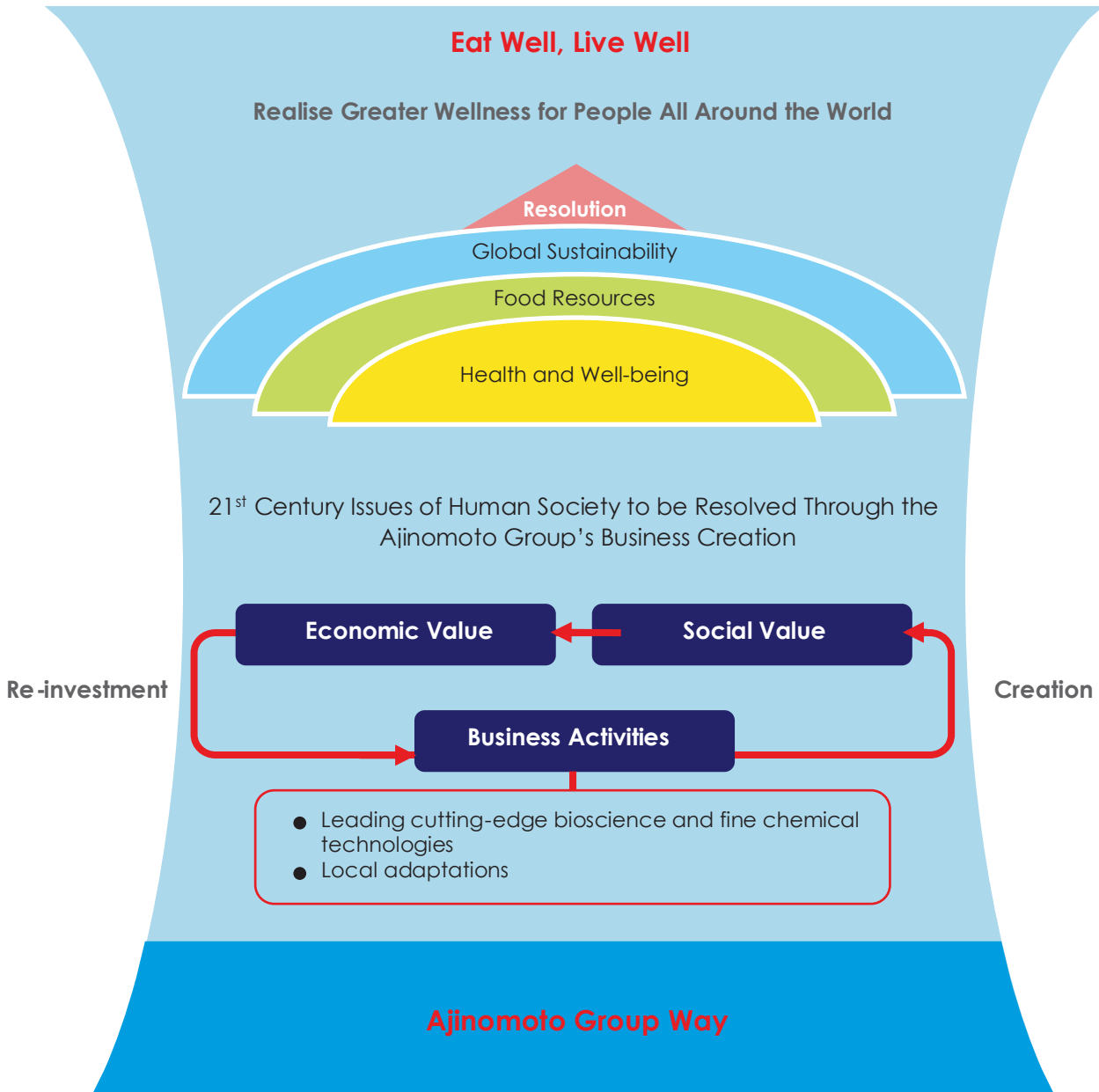
CREATING SHARED VALUE

(cont'd.)



The Ajinomoto Group Creating Shared Value ("ASV") philosophy aims to address major 21st century issues through Ajinomoto's business creation, leading cutting-edge bioscience technologies with local adaptations.

Ajinomoto Group Creating Shared Value ("ASV")



We have reviewed and further enhanced our targets for Reduction of GHG emissions (CO₂), Reduction of Food Loss and Zero Plastic Waste effective April 2023 as below:

<p>Reduction of GHG Emissions (CO₂)</p> <p>80% of CO₂ emissions reduced by FYE 31 March 2031 from FYE 31 March 2019 baseline</p>	<p>Reduction of Food Loss</p> <p>75% by FYE 31 March 2031 from FYE 31 March 2019 baseline</p>	<p>Zero Plastic Waste</p> <p>Zero Plastic Waste by FYE 31 March 2031</p>
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CREATING SHARED VALUE

(cont'd.)

Value Creation Model

To ensure the alignment of our long-term value creation with the Group's ASV philosophy, we have outlined our Value Creation Model which illustrates our sustainability approach as well as our capital inputs and key outputs that benefit our stakeholders and the overall environment.

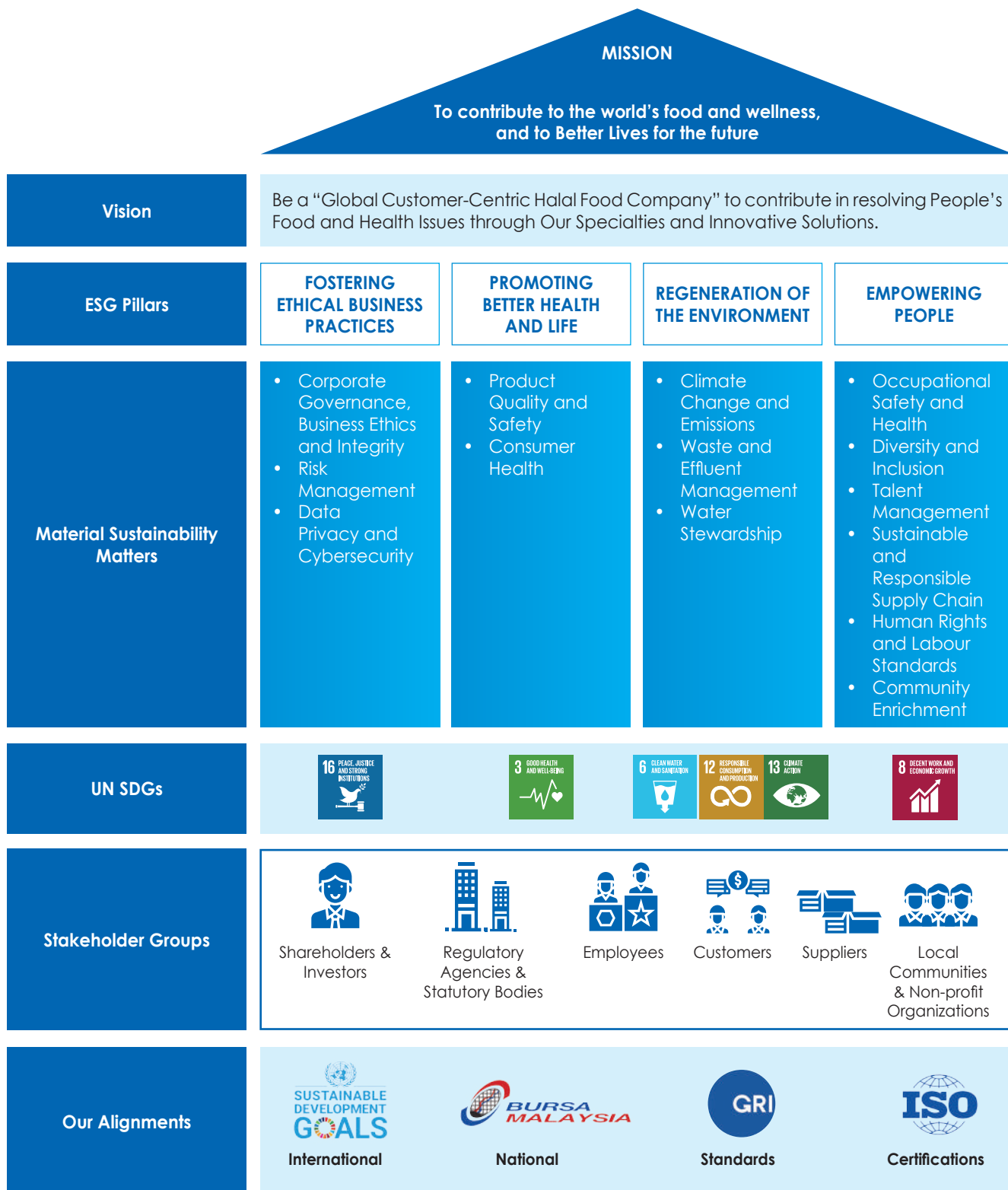
Capital Inputs	AMB Sustainability Approach	Key Outputs	Stakeholders
<p>Financial Our robust cash flow and balance sheet enable us to implement our corporate business strategy.</p>	<p style="text-align: center;">Group 2030 Vision</p> <div style="border: 1px dashed red; padding: 10px; margin-bottom: 10px;"> <p style="text-align: center;">Reduce environmental impact by 50%</p> <p style="text-align: center;">Help extend the life expectancy of 1 billion people</p> </div> <p style="text-align: center;"></p> <p style="text-align: center;">AMB's Corporate Mission</p> <ul style="list-style-type: none"> To contribute to the world's food and wellness, and to Better Lives for the future. <p style="text-align: center;">AMB's Corporate Vision</p> <ul style="list-style-type: none"> Be a "Global Customer-Centric Halal Food Company" to contribute in resolving People's Food and Health Issues <p style="text-align: center;">Addressing the following ESG focus topics</p> <p style="text-align: center;"></p> <ul style="list-style-type: none"> Health and Well-being Global sustainability Community Care and Support 	<p>Financial Please refer to Financial Statement Section of the Annual Report</p>	<ul style="list-style-type: none"> Shareholder/ Investors
<p>Natural We improve the efficiency of our facilities and minimise the environmental impacts of manufacturing operations.</p>		<p>Natural</p> <ul style="list-style-type: none"> ✓ Tracking annual CO₂ emissions intensity ✓ Tracking annual food loss compared to FYE 31 March 2019 baseline year. ✓ 118.51 tonnes in plastic waste reduction. 	<ul style="list-style-type: none"> Regulatory Agencies and Statutory Bodies Employees
<p>Manufactured Our manufacturing and packaging facilities, coupled with a nationwide distribution network to allow us to tap into a broad customer base.</p>		<p>Manufactured</p> <ul style="list-style-type: none"> ✓ Markets served: 33 countries ✓ Total production: 36,153 tonnes 	<ul style="list-style-type: none"> Customers Suppliers
<p>Intellectual Our business success is propelled by innovative products and services that meet our customers' needs, supported by effective</p>		<p>Intellectual</p> <ul style="list-style-type: none"> ✓ Launch of Seri-Aji Fried Banana and Fried Fritter Flour and AminoVITAL® products. 	<ul style="list-style-type: none"> Customers Suppliers
<p>Human We employ a broad and diverse talent pool to build an inclusive workforce with a unique perspective on multiple businesses</p>		<p>Human</p> <ul style="list-style-type: none"> ✓ New hire rate: 7.9% ✓ Turnover rate: 7.4% ✓ Average 17.9 training hours per employee 	<ul style="list-style-type: none"> Employees
<p>Social and Relationship We build close ties with our stakeholders while giving back to the community in which we operate.</p>		<p>Social and Relationship</p> <ul style="list-style-type: none"> ✓ 24% of suppliers engaged are locals. ✓ Total contributions: RM87,500 ✓ Total number of beneficiaries: 5000 people 	<ul style="list-style-type: none"> Suppliers Local Communities/ Non-profit Organisations ("NPOs")

CREATING SHARED VALUE

(cont'd.)

Our ESG Framework

AMB's ESG Framework defines the Company's Vision and Mission in relation to our commitments to the UN SDGs as well as our four Sustainability Pillars. Our Sustainability Pillars act as a guide to the Company's ESG initiatives throughout our value chain and provide a structure to categorise and prioritise our ESG matters to ensure sustainability across our operations.





CREATING SHARED VALUE

(cont'd.)

Sustainability Key Performance Indicators

Our Sustainability Key Performance Indicators (KPIs) are a manifestation of our commitment to improving our ESG performance. We track our progress on 8 sustainability topics each year to continue creating meaningful impact on the Company's sustainable development agenda. For this reporting period, we measure our Company's sustainability performance progress through the KPIs outlined below:

Sustainability Key Performance Indicators (KPIs)		
Topic	Target	Performance
Environmental		
<ul style="list-style-type: none"> GHG Emissions 	<ul style="list-style-type: none"> Reduce CO2 emissions by 10% in FYE 31 March 2023, from FYE 31 March 2019 baseline 	<ul style="list-style-type: none"> 15.6% decrease in total CO2 emissions compared to baseline year*
<ul style="list-style-type: none"> Effluent Quality 	<ul style="list-style-type: none"> Ensure treated effluent quality remains below regulatory limits for: Biological Oxygen Demand and Total Nitrogen 	<ul style="list-style-type: none"> All effluent parameters recorded were below the regulatory limits set by the DOE.
<ul style="list-style-type: none"> Zero Plastic Waste 	<ul style="list-style-type: none"> Zero plastic waste by FYE 31 March 2030 	<ul style="list-style-type: none"> 118.51 tonnes of plastic waste reduction achieved during reporting period
<ul style="list-style-type: none"> Food Loss 	<ul style="list-style-type: none"> Reduce food loss to landfills by 50% in FYE 31 March 2025, from FYE 31 March 2019 baseline 	<ul style="list-style-type: none"> 78.9% increase in total food loss to landfill compared to baseline year. This was due to product testing and development activities during the transition period in this financial year*
Social		
<ul style="list-style-type: none"> Accidents and injuries 	<ul style="list-style-type: none"> Maintain zero cases of serious accidents and zero lost-time injuries 	<ul style="list-style-type: none"> 1 work-related injury was reported, with a lost-time injury rate recorded at 0.12 per 1.67 million hours worked
<ul style="list-style-type: none"> Training and development 	<ul style="list-style-type: none"> Provide an average of 10 training hours per employee 	<ul style="list-style-type: none"> An average of 17.9 hours of training provided to employees throughout the reporting period.
<ul style="list-style-type: none"> Product-related non-compliances 	<ul style="list-style-type: none"> Maintain zero incidents of non-compliance pertaining to product quality and safety 	<ul style="list-style-type: none"> Zero non-compliances regarding product quality and safety, or labelling concerns.
Governance		
<ul style="list-style-type: none"> Anti-bribery and Anti-corruption 	<ul style="list-style-type: none"> 100% of management trained on Anti-bribery and Anti-corruption Policy 	<ul style="list-style-type: none"> 100% of management participated in AMB's internal company training on anti-corruption and anti-bribery practices.





* Based on 5-month data of Kuchai Lama Plant and 7-month data of Bandar Enstek Plant in FYE 31 March 2023

CREATING SHARED VALUE

(cont'd.)

Contribution to the UN SDGs

For FYE 31 March 2023, AMB's support of the United Nations' 2030 Agenda for Sustainable Development is reflected in our adoption of 6 UN SDGs that closely relate to the environmental, social and economic aspects of our operations.

AMB's Prioritised UN SDGs			
Fostering Ethical Business Practices	<ul style="list-style-type: none"> Zero significant risk of corruption identified across all departments in annual risk assessment. 86 employees received anti-corruption training in FYE 31 March 2023 via employees' induction programme. 	Target 16.5: Substantially reduce corruption and bribery in all their forms.	
Promoting Better Health and Life	<ul style="list-style-type: none"> Recorded lost time injury rate of 0.12 per 1.67 million hours worked. Promoted convenient, delicious and low salt cooking through digital and community engagement activities. 	Target 3D: Strengthen the capacity for early warning, risk reduction and management of national health risks.	
Regeneration of The Environment	<ul style="list-style-type: none"> Maintained all treated effluents below safe regulatory limits for biological oxygen demand and total nitrogen parameters. Consistent periodic tracking of water consumption and water consumption intensity to monitor potential impacts on water resources. 	Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials.	
	<ul style="list-style-type: none"> Expanded the range of MSG products with recyclable mono-plastic packaging. Studied and improved on current recycling practices for food waste. 	Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	
	<ul style="list-style-type: none"> Tracked total CO₂ emissions and intensity breakdowns for Scope 1 and Scope 2. Installation of solar panels for renewable energy generation. Transition from fuel oil and liquid petroleum gas to fully natural gas in the latest manufacturing facility. 	Target 13.2: Integrate climate change measures into national policies, strategies and planning.	
Empowering People and Communities	<ul style="list-style-type: none"> Implementation of flexi-working arrangements as part of "Work Style Innovation" initiative Maintained the Kiken Yochi training as AMB's hazard identification and control process. 	Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and people with disabilities	



CREATING SHARED VALUE

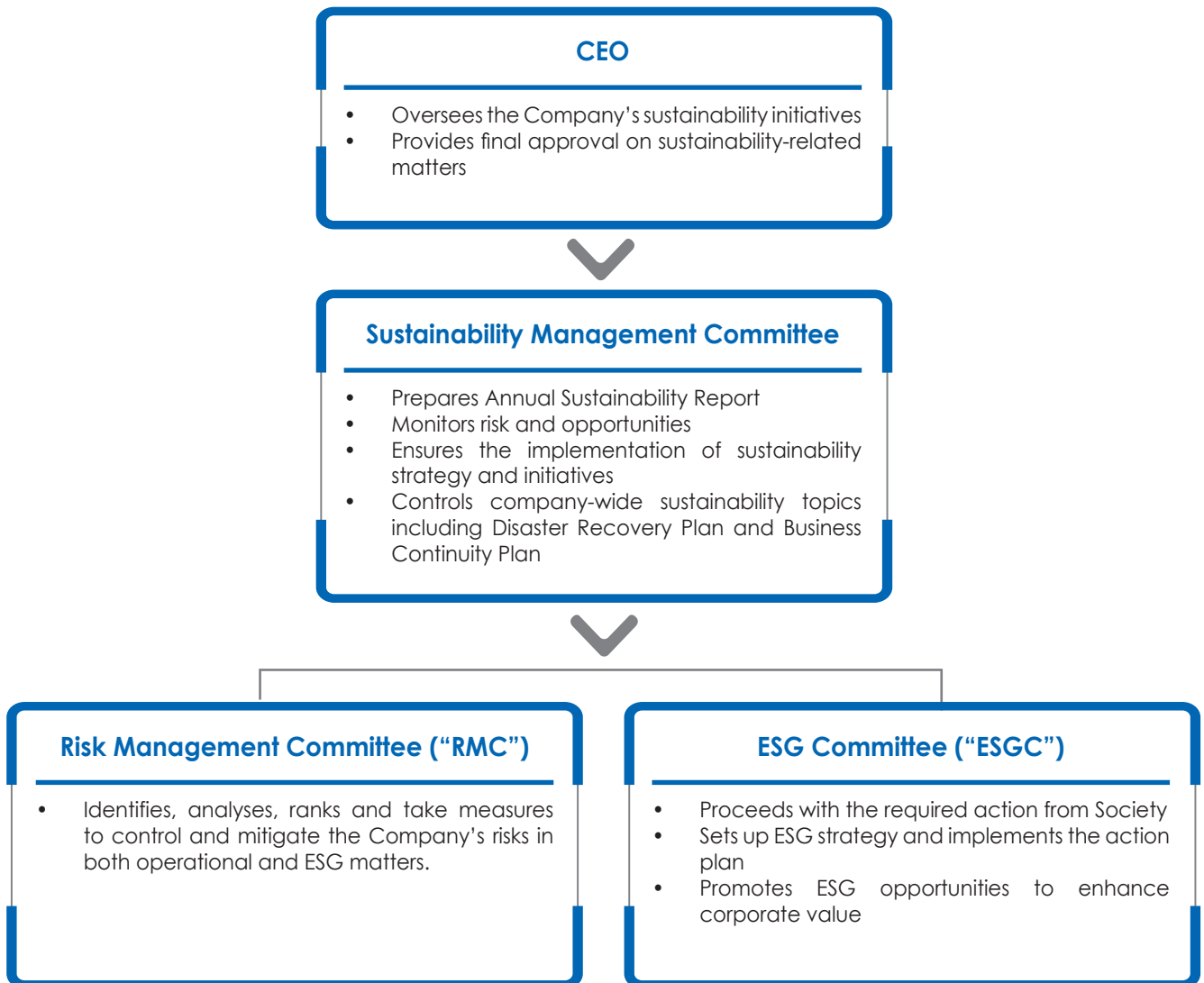
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How Sustainability is Governed

Our Sustainability Governance Structure was established to lead the ESG management of our Company. AMB's Managing Director/Chief Executive Officer (MD/CEO) oversees AMB's sustainability initiatives and direction, as well as approves sustainability-related matters. The MD/CEO is supported by the Sustainability Management Committee (SMC) which monitors material ESG risks and opportunities and ensures the implementation of sustainability strategies and initiatives.

Effective FYE 31 March 2023, the Risk Management Committee's (RMC's) role has been enhanced to support the SMC together with the Environment, Social and Governance Committee (ESGC). The RMC identifies, analyses, ranks and takes measures to mitigate the Company's operational and ESG risks, while the ESGC sets the ESG targets and action plans as well as manages the required ESG actions from multiple entities.

SUSTAINABILITY GOVERNANCE STRUCTURE



CREATING SHARED VALUE

(cont'd.)



TCFD Recommended Disclosures

AMB acknowledges the impact of climate change on the environment, people and our organisation. We are committed to sustainable pathways to align with emissions reductions that meet the goal of limiting global temperature increases between 1.5°C - 2°C above pre-industrial levels according to the Paris Agreement.

This reporting year, the Company embarked on the journey to align our climate-related disclosures with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. The TCFD disclosure framework is outlined by 4 pillars: Governance, Strategy, Risk Management and Metrics & Targets.

Governance

AMB has initiated efforts to encapsulate climate change awareness and mitigation into the Company's governance framework.

Climate-related roles and responsibilities	
Board	
<ul style="list-style-type: none"> The Board proactively includes climate-related considerations in the Company's governance and risk management. The Board oversees the company's sustainability initiatives, including climate-related initiatives. The Board is updated on the Company's latest key risk management issues and activities including climate-related issues on a quarterly basis via the Risk Management Committee. 	
Management	
<ul style="list-style-type: none"> The Management monitors climate-related risks and opportunities. The Management ensures the implementation of sustainability strategies and initiatives, including climate-related strategies and initiatives. Manages the Company's material sustainability matters including climate-related mitigation and adaptation plans. 	

AMB's latest climate governance approach enables the Company to actively include climate-related considerations into our company-wide decision-making process. To support this, training on ESG leadership and ESG risk management which includes climate-related matters is provided to all Board members, officers and Heads of Departments.

Strategy

As the impacts of climate change and its related physical and transition risks are expected to intensify into the future, we anticipate upcoming challenges for our business and operations. From these challenges we have also identified opportunities for potential cost savings, improved efficiencies and alignment with market expectations.

The following table outlines the identification of AMB's potential transition and physical risks, impacts and opportunities.



CREATING SHARED VALUE

(cont'd.)

Transition Risks: Climate-Related Risks, Impacts and Opportunities

Risk	Description	Impact	Opportunities
Policy and Legal Medium term (6-10 years) to long-term (>11 years)	<ul style="list-style-type: none"> Regulations imposed for regulatory environmental compliance. Standards imposed on low-carbon production. Future implementation of carbon tax or other carbon pricing mechanism. 	<ul style="list-style-type: none"> Potential costs incurred from penalties and fines. Increased costs for production and fulfilling demands. Increased costs incurred from carbon pricing mechanism. 	<ul style="list-style-type: none"> Accomplishment of long-term best practice management to prevent non-compliance. Increased demands for eco-friendly products due to imposed regulations and standards. Reduction of AMB's reliance on carbon-intensive materials and processes.
Technology Short term (1-5 years) to long-term (>11 years)	<ul style="list-style-type: none"> Challenges in research and development (R&D) to develop products that improve resource use and reduce waste production. Challenges in the adoption of new technology and new low-carbon production processes. 	<ul style="list-style-type: none"> Additional costs for research and development. Incurred upfront costs from investments in new technology and its implementation. 	<ul style="list-style-type: none"> Resource savings upon adoption of new products that save resources and produce less waste. Cost and resource savings upon successful implementation of new technology and low-carbon production processes.
Market Short term (1-5 years) to long-term (>11 years)	<ul style="list-style-type: none"> Customer behaviour and conventional consumerism patterns and packaging preferences. 	<ul style="list-style-type: none"> Customer product preferences may fluctuate when new eco-packaging is introduced and affect overall revenue. 	<ul style="list-style-type: none"> Opportunity to lead better consumption patterns and new trends and preferences in the market as well as improving brand reputation.
Reputation Short term (1-5 years) to long-term (>11 years)	<ul style="list-style-type: none"> Increased stakeholder concerns about climate impacts and expectations for climate action from the Company where non-action may affect brand reputation. 	<ul style="list-style-type: none"> Revenue affected by negative stakeholder sentiment which influences product demands. 	<ul style="list-style-type: none"> Opportunity to strengthen brand reputation via the supply of more products with eco-based features.

CREATING SHARED VALUE

(cont'd.)



Physical Risks: Climate-Related Risks, Impacts and Opportunities

Risk	Description	Impact	Opportunities
Acute Short term (1-5 years) to long-term (>11 years)	<ul style="list-style-type: none"> Potential short-term extreme climate-related events i.e., heat waves, floods, landslides, etc. 	<ul style="list-style-type: none"> Short-term extreme climate-related events may cause reduced production capacity, high cost of impact on workforce, and damages to assets. 	<ul style="list-style-type: none"> Opportunity to innovate and adopt technological facilities or advanced processes that can withstand or circumvent the impacts of acute climate-related events in advance of industry peers.
Chronic Long-term (>11 years)	<ul style="list-style-type: none"> Potential long-term effects such as extreme variability in weather patterns, i.e., high temperatures, intense rain, etc. 	<ul style="list-style-type: none"> Long-term climate-related impacts may affect the volume of raw materials available and increase their costs, which affect the overall operating costs, capital costs and insurance costs to manage impacts. Long-term disruption in AMB's supply chain may cause reduced revenue from lower output. 	<ul style="list-style-type: none"> Opportunity to adopt innovative technology, materials and processes that withstand long-term climate impacts in advance of industry peers.

AMB's business strategy will guide future actions towards climate risk mitigation and climate impact adaptation for the Company and reduce the carbon footprint of our products as part of our value chain.



CREATING SHARED VALUE

(cont'd.)

Risk Management

Our climate-related risks are identified, assessed and managed consistently each year and the related processes are embedded in the Company's current risk management framework. The table below describes in detail how AMB identifies our climate-related risks, how the climate-related risks are managed and how climate-related risk management is integrated into AMB's risk management framework:

Risk Management	
Identification of Climate-related Risks	
<ul style="list-style-type: none"> AMB's risk management framework is guided by the Risk Management Guideline System as established by the parent company, Ajinomoto Co., Inc. (AjiCo). Risks including climate-related risks are identified, assessed and risk action plans developed with continuous monitoring and embedment at each division where significant risks identified are escalated to the Board. The identification of key risks, including climate-related risks, is based on the assessment of their criticality or risk level, which is determined by how their consequences affect organisational goals and their likelihood of occurrence. This is conducted at least once each financial year. 	
Managing Climate-related Risks	
<ul style="list-style-type: none"> The RMC and ESGC are responsible for ensuring sustainability and climate risk management are proactively managed by monitoring potential impacts of climate change on the Company's operations. The SMC is responsible for planning mitigation actions for the identified risks with the support of the RMC and the ESGC* The identified climate-related risks are managed according to their assessed criticality or risk level. AMB has also prepared contingency plans and standard procedures in the event of climate-related adverse events i.e., the Emergency Reporting Procedure. Examples of AMB's climate risk management include the Disaster Recovery Plan, and Business Continuity Plan. 	
Integration of Climate-related Risk Management into AMB's Risk Management Framework	
<ul style="list-style-type: none"> Comprehensive oversight and group-wide monitoring of climate-related risks. Each business division is provided with the opportunity to report located risks and the respective risk status. The risk details, action plans for identified risks are recorded and referenced for the rest of the group, i.e., Risk Management Progress Report, and continuously monitored. 	

* RMC: Risk Management Committee, ESGC: ESG Committee, SMC: Sustainability Management Committee.

Metrics and Targets

For FY2023, the Company maintained our climate-related annual performance metrics, based on the Group's targets for energy and emissions. This is reflected in our Scope 1 and Scope 2 GHG emissions performances. Additionally, the Company also tracks sources that may contribute to climate change, such as food losses (which represent production and resource inefficiencies) and plastic waste across all AMB divisions. The table below outlines our climate-related metrics and targets:

Metrics and Targets	
Metric	Target
<ul style="list-style-type: none"> GHG Emissions (Scope 1 and Scope 2) 	<ul style="list-style-type: none"> Reduce CO2 emissions by 10% in FYE 31 March 2023, from FYE 31 March 2019 baseline
Metric	Target
<ul style="list-style-type: none"> Other climate-related metrics monitored by the Company 	<ul style="list-style-type: none"> Reduce food loss by 50% in FYE 31 March 2025, from FYE 31 March 2019 baseline Zero plastic waste by FYE 31 March 2030

STAKEHOLDER ENGAGEMENT

AMB engages with our stakeholder groups locally and internationally through various channels to understand their concerns and address critical issues which, consequently, have a positive impact on our ESG progress and practices. The following table outlines our stakeholder groups, their concerns and how we engage with and respond to them:

Why They Are Important	How We Engage	Topics Raised	AMB's Response
Regulatory Agencies and Statutory Bodies			
<ul style="list-style-type: none"> Regulatory Agencies and Statutory Bodies determine national laws and regulations, influence our operations and have potential cost implications in our respective markets 	<ul style="list-style-type: none"> External audits by accredited bodies. Periodic inspections by regulatory agencies: <ul style="list-style-type: none"> Department of Environment ("DOE") Department of Occupational Safety and Health ("DOSH") Ministry of Health ("MOH") Department of Islamic Development Malaysia ("JAKIM") Active engagement with agencies and associations throughout the year 	<ul style="list-style-type: none"> Compliance Environmental emissions and discharges Security issues Labour practices and health issues 	<ul style="list-style-type: none"> Ajinomoto Group Policy on Human Rights Compliance with the following key laws and legislation: <ul style="list-style-type: none"> Environmental Quality Act 1974 Employment Act 1955 Minimum Wages Act 2018 Malaysian Anti-Corruption Commission Act 2009 Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) Regulation 2020 Food Act 1983 Obtain Certification such as ISO, HALAL and HACCP from accredited bodies. Compliance with the guidelines set out by the Ministry of International Trade and Industry ("MITI") to operate during the 'new normal'
Shareholders / Investors			
<ul style="list-style-type: none"> Shareholders and investors provide the financial capital to sustain our growth and are entitled to receive a return on their investment and updates on the Company's developments. 	<ul style="list-style-type: none"> Annual general meeting of shareholders Analyst meetings on financial results when necessary 	<ul style="list-style-type: none"> Group financial performance Business Strategy Governance 	<ul style="list-style-type: none"> Reported economic performance Comprehensive corporate governance structure Prevention of bribery and corruption via policies and countermeasures



STAKEHOLDER ENGAGEMENT

(cont'd.)

Why They Are Important	How We Engage	Topics Raised	AMB's Response
Customers / Consumers			
<ul style="list-style-type: none"> Each of our customers and their feedback have an impact on the short-term and long-term sustainability of our business and operations. 	<ul style="list-style-type: none"> Daily contact with customer service centre Regular posts on websites and social media platforms Organised virtual plant tours by appointment Annual consumer survey Daily Sales and technical visits Regular consumer promotions 	<ul style="list-style-type: none"> Support Services Inventory Supply Commitment Product Quality Commodity Pricing Customer/consumer satisfaction and feedback 	<ul style="list-style-type: none"> Quality assurance evaluation Customer satisfaction evaluation Customer voice monitoring
Employees			
<ul style="list-style-type: none"> Our workforce is fundamental in our fulfilment of high-quality products for the market. We ensure that the best talents are retained for us to deliver the Company's business strategy. 	<ul style="list-style-type: none"> Annual employee engagement survey Periodic internal meetings and discussions Whistle-blower programme when necessary Regular trainings throughout the year Periodic Food Industry Employee Union ("FIEU") meetings and discussions Daily intranet portal Internal newsletter ("SUARA") and the Ajinomoto Group's FB ("Workplace") Regular healthy living programmes 	<ul style="list-style-type: none"> Governance and policy systems Employee welfare Health, safety and well-being Compensation benchmark Career development Retirement planning Company awareness activities Staff engagement 	<ul style="list-style-type: none"> Ajinomoto Group Shared Policy on Whistle-blowing Ajinomoto Group Shared Policy on Human Rights Provided comprehensive benefits to employees Salary benchmarking and review of wages every 3 years Extensive safety and health training including Kiken Yochi training Training provided for employee development Implementation of ISO 45001:2018 for OHS Management Townhall sessions to gather employee feedback Collective Agreement to maintain industrial harmony. Nutritional awareness and health promotions.

STAKEHOLDER ENGAGEMENT

(cont'd.)



Why They Are Important	How We Engage	Topics Raised	AMB's Response
Suppliers			
<ul style="list-style-type: none"> Our suppliers provide critical materials and products that enable us to fulfil our business functions and in turn we provide mutual support to grow their respective businesses. 	<ul style="list-style-type: none"> Day-to-day business communications Purchasing Policy and Guideline briefing when necessary Annual supplier evaluation and audit Periodic purchasing contract 	<ul style="list-style-type: none"> Service Delivery Project Scope Payment schedule Pricing of services Service and product quality 	<ul style="list-style-type: none"> Engaged with local suppliers for raw materials and packaging Fair and transparent transactions Ajinomoto Group Shared Policy for Suppliers
Local Communities and Non-Profit Organisations ("NPOs")			
<ul style="list-style-type: none"> Strong community participation is essential to our overall brand acceptance and continuity of operations. 	<ul style="list-style-type: none"> Dialogue with neighbourhood residents when necessary Regular social contribution and community service/engagement programmes throughout the year 	<ul style="list-style-type: none"> Community living Food and nutrition issues Environmental impacts and preservation Health and well-being 	<ul style="list-style-type: none"> Campaigns to educate communities about nutrition and healthy eating through advances in amino acid technologies Charity activities Provided post-graduate scholarships Plant tour



OUR EXTERNAL STAKEHOLDER PERSPECTIVES

For this reporting period, we distributed online forms to representatives from each external stakeholder group and obtained their feedback on our business and sustainability performance. The section below presents their views and opinions throughout our engagement for FYE 31 March 2023:

Regulatory Agencies and Statutory Bodies

100% of Regulatory Agencies and Statutory Bodies agree that the public is becoming more concerned about or aware of sustainable business practices. 67% of our Regulatory Agencies and Statutory Bodies scored a 7 out of 9 in terms of AMB's efficiency in providing updates to comply with relevant rules and regulations.

AMB's efforts to align with the 12th Malaysia Plan's sustainability themes such as Environmental Sustainability, Economic Empowerment and Social Re-engineering were acknowledged with an average score of 7 out of 9 by the representatives from this stakeholder group.

Customers and Consumers

We value our customers' loyalty to our products. Over the years, we have established trust among our customers with 54.3% gaining trust in our products from advertisements and the remaining 45.7% from family members.

AMB strives to reduce our environmental impact while at the same time meeting the needs of our customers. Hence, as continuing consumers of AMB's products who have witnessed our transition into the green industry, 65.7% of them strongly believe in our capability of implementing ESG initiatives.

The majority of our customer base (88.6%) is willing to pay for the upgrade as part of our ongoing efforts to innovate and transition to green, certified organic products. To keep up with current dietary trends and the lifestyles of our customers, we are developing a variety of eco-friendly food products (e.g., plant-based or vegan, fermented, etc.), and a large proportion of our customers (91.4%) are looking forward to this.

We continue to enhance and maintain product quality with 71.4% of our customers being satisfied with our products and 68.6% being very satisfied with the up-to-date information about our products on our website.

As we focus on promoting better health and life, we strive to ensure our products meet our customers' expectations and we continue to improve the value of our brand in terms of nutrition and dietary trends.

Suppliers

AMB engages directly with suppliers in our business operations and the sustenance of our value chain. 100% of suppliers agree that AMB's ESG practices in the evaluation criteria during the tender process are comprehensive. 50% of suppliers agree that the tender process and appointment were completed in a clear and transparent manner.

50% of suppliers agree that AMB's ESG practices in the supplier evaluation during the tender process aid in establishing their internal criteria before procuring goods, and that AMB's safety and health measures in procuring materials have an effect on them as suppliers. 50% of suppliers also agree that AMB's green supply chain practices influenced them to operate in a sustainable manner.

Local Communities and Non-Profit Organisations (NPOs)

AMB's Corporate Responsibility ("CR") activities directly impact local communities and NPOs. 50% of the local community and NPO representatives gave a rating of 9 out of 9 for the Company's efforts in promoting awareness about nutrition and healthy living. This stakeholder group also rated an average of 7.5 out of 9 in terms of the impact AMB's awareness initiatives on healthy diet and nutrition have on them. 50% of local communities and NPOs strongly agree that AMB's collaboration involving health and rehabilitation institutes facilitates the knowledge of glutamic and amino acids in a healthy diet. 100% agreed that their collaboration with AMB has been advantageous in practising a nutritious diet in the long-run.

OUR MATERIAL SUSTAINABILITY MATTERS



The importance of AMB's material sustainability matters, both to our stakeholders as well as the business, propels us in determining focus areas and potential impacts in terms of the economy, society and environment. Through this identification, AMB is empowered to maintain economic vitality while being a responsible corporate citizen.

Materiality Assessment Process

In FYE 31 March 2023, AMB established our corporate office at Technology Park Malaysia, Kuala Lumpur and our new eco-friendly factory in Bandar Enstek, Negeri Sembilan. Considering these new developments, AMB conducted a materiality re-assessment this year to identify, assess and prioritise the Company's latest material sustainability matters, in alignment with Bursa's latest requirements. Below is an overview of the materiality assessment process conducted for FYE 31 March 2023:

01

Identification of Material Matters

Relevant material matters for the current reporting year were identified by the Sustainability Committee.

02

Input from Stakeholders

Stakeholders ranked each material sustainability matter in relation to both the business and stakeholders themselves via the online assessment tool.

03

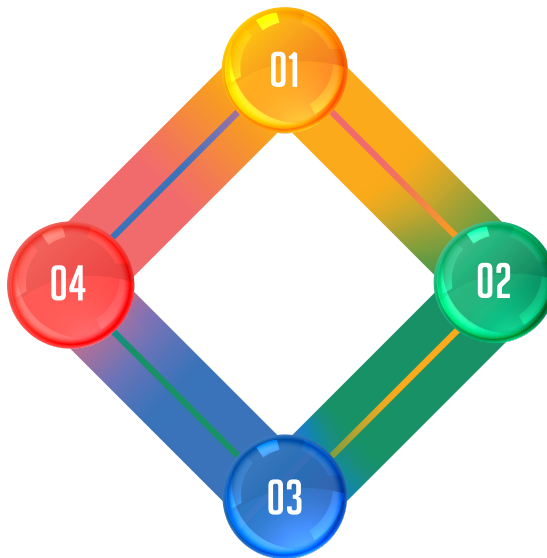
Analysis of Survey Input

Stakeholders' responses were collected and tabulated via a materiality matrix to visualise the prioritisation of material sustainability matters.

04

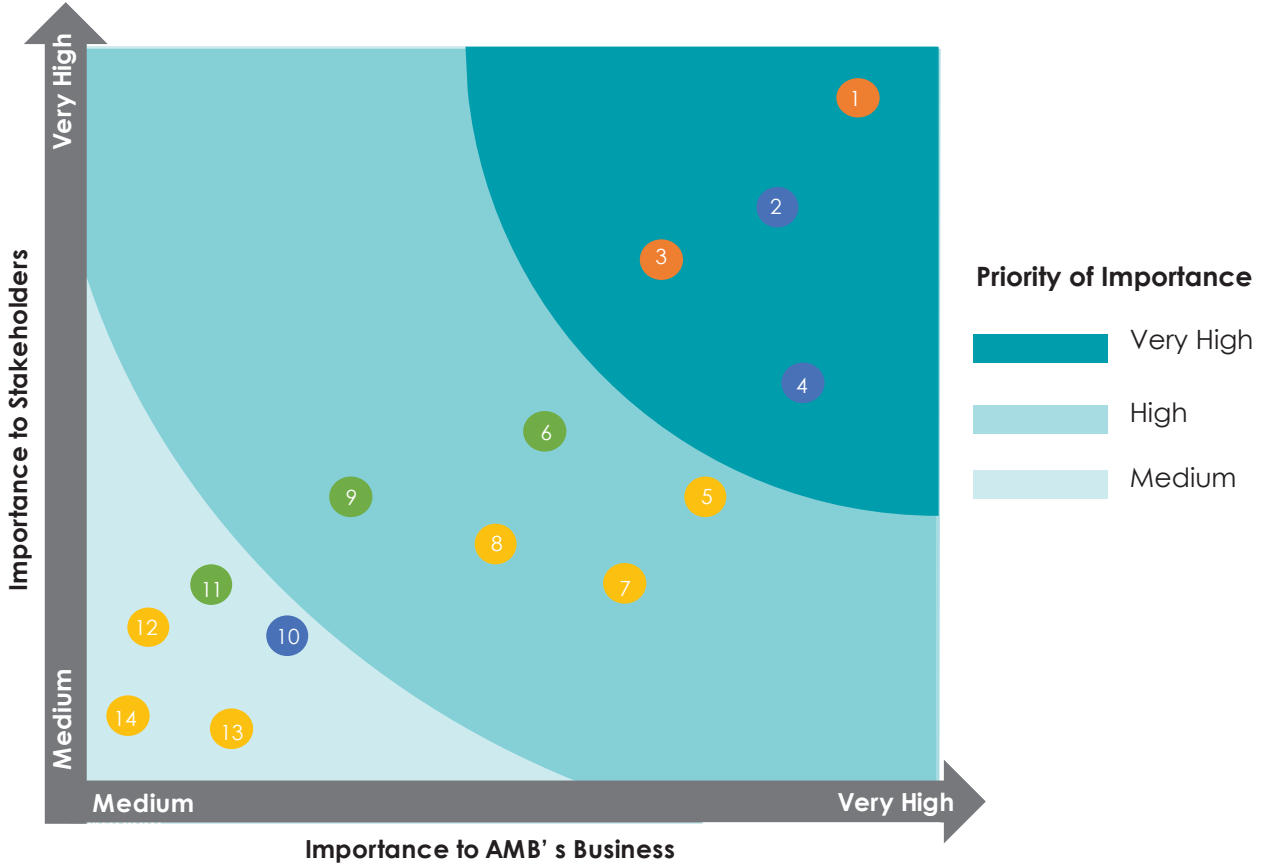
Verification of Materiality Matrix

The materiality matrix was reviewed and validated by the Sustainability Committee and Board of Directors.



OUR MATERIAL SUSTAINABILITY MATTERS (cont'd.)

Materiality Matrix



Fostering Ethical Business Practices	Promoting Better Health and Life	Regeneration of the Environment	Empowering People and Communities
2 Corporate Governance, Business Ethics and Integrity	1 Product Quality and Safety	6 Waste and Effluent Management	5 Occupational Safety and Health
4 Risk Management	3 Consumer Health	9 Climate Change and Emissions	7 Sustainable and Responsible Supply Chain
10 Data Privacy and Cybersecurity		11 Water Stewardship	8 Human Rights and Labour Standards
			12 Community Enrichment
			13 Talent Management
			14 Diversity and Inclusion

OUR MATERIAL SUSTAINABILITY MATTERS

(cont'd.)



For FYE 31 March 2023, **Product Quality and Safety, Corporate Governance, Business Ethics and Integrity, Consumer Health** and **Risk Management** were the highest-ranked material sustainability matters. AMB's consistent focus on ensuring the quality and safety of our products, and emphasising responsible, ethical governance and management is reflected in this latest materiality matters ranking.

There was a significant increase in the importance of Human Rights and Labour Standards for AMB's business and stakeholders for FYE 31 March 2023. This is most likely due to the increase in demand for AMB's range of products which influences the volume of food production and, consequently, the size of the workforce.

To better align AMB's current reporting with the latest Bursa requirements and our parent company Ajinomoto Co. Incorporated's (AjiCo's) focus areas, the following three (3) material sustainability matters were newly introduced for FYE 31 March 2023:

New Material Sustainability Matters

Consumer Health

Consumer Health was introduced because of the emphasis on AMB's core product value offerings as well as active initiatives on consumer health awareness, research and development.

Risk Management

Risk Management was introduced as AMB showcased a more structured Risk Management Committee, incorporating it into the latest sustainability governance structure.



Data Privacy and Cybersecurity

Data Privacy and Cybersecurity was introduced in alignment with the latest Bursa requirements as well as in relation to AMB's efforts in ensuring the privacy and security of customer data as well as that of the Company, in its activities throughout the value chain.

There were three (3) material sustainability matters that remained the same priority for FYE 31 March 2023 in comparison to the previous financial year. They were Product Quality and Safety, Corporate Governance, Business Ethics and Integrity as well as Sustainable and Responsible Supply Chain.

Mapping of Material Sustainability Matters






The Group acknowledges that each material sustainability matter is linked to specific UN SDGs and has a direct or indirect impact on different stakeholder groups. The mapping of our material sustainability matters with the relevant stakeholders, GRI indicators and UN SDGs is illustrated below:

Material Sustainability Matters	GRI Indicator	Stakeholder Groups	Relevant UN SDGs
Fostering Ethical Business Practices			
Corporate Governance, Business Ethics and Integrity	2-23: Policy Commitments 2-26: Mechanisms for seeking advice and raising concerns 2-27: Compliance with laws and regulations 205: Anti-Corruption 2016	<ul style="list-style-type: none"> Regulatory Agencies and Statutory Bodies Shareholders/ Investors Customers/ Consumers Employees 	 



OUR MATERIAL SUSTAINABILITY MATTERS





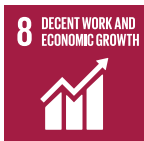



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Material Sustainability Matters	GRI Indicator	Stakeholder Groups	Relevant UN SDGs
Fostering Ethical Business Practices			
Risk Management	2-13: Delegation of Responsibility for Managing Impacts 2-25: Processes to Remediate Negative Impacts 3-3: Management of Material Topics	<ul style="list-style-type: none"> Regulatory Agencies and Statutory Bodies Shareholders/ Investors Customers/ Consumers Employees 	
Data Privacy and Cybersecurity	418: Customer Privacy 2016	<ul style="list-style-type: none"> Regulatory Agencies and Statutory Bodies Shareholders/ Investors Customers/ Consumers 	
Promoting Better Health and Life			
Product Quality and Safety	416: Customer Health and Safety 2016 417: Marketing and Labelling 2016	<ul style="list-style-type: none"> Regulatory Agencies and Statutory Bodies Customers/ Consumers Suppliers 	
Consumer Health	416: Customer Health and Safety 2016 417: Marketing and Labelling 2016	<ul style="list-style-type: none"> Shareholders/ Investors Customers/ Consumers 	
Regeneration of the Environment			
Water Stewardship	303: Water and Effluents 2018	<ul style="list-style-type: none"> Regulatory Agencies and Statutory Bodies Local Communities and NPOs 	 
Waste and Effluent Management	306: Waste 2020	<ul style="list-style-type: none"> Regulatory Agencies and Statutory Bodies Local Communities and NPOs 	

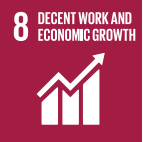


OUR MATERIAL SUSTAINABILITY MATTERS

(cont'd.)



Material Sustainability Matters	GRI Indicator	Stakeholder Groups	Relevant UN SDGs
Regeneration of the Environment			
Climate Change and Emissions	302: Energy 2016 305: Emissions 2016	<ul style="list-style-type: none"> Regulatory Agencies and Statutory Bodies Shareholders/ Investors 	 
Empowering People and Communities			
Occupational Safety and Health	403: Occupational Health and Safety 2018	<ul style="list-style-type: none"> Regulatory Agencies and Statutory Bodies Employees 	 
Human Rights and Labour Standards	407: Freedom of Association and Collective Bargaining 2016 408: Child Labour 2016 409: Forced or Compulsory Labour 2016	<ul style="list-style-type: none"> Regulatory Agencies and Statutory Bodies Employees 	 
Sustainable and Responsible Supply Chain	2-6: Activities, value chain and other business relationships 204: Procurement Practices 2016 414: Supplier Social Assessment 2016	<ul style="list-style-type: none"> Shareholders/ Investors Suppliers Customers/ Consumers Local Communities and NPOs 	
Talent Management	401: Employment 2016 404: Training and Education 2016	<ul style="list-style-type: none"> Employees 	

OUR MATERIAL SUSTAINABILITY MATTERS (cont'd.)

Material Sustainability Matters	GRI Indicator	Stakeholder Groups	Relevant UN SDGs
Empowering People and Communities			
Diversity and Inclusion	401: Employment 2016 405: Diversity and Equal Opportunity 2016 406: Non-discrimination 2016	<ul style="list-style-type: none"> Employees 	
Community Enrichment	413: Local Communities 2016	<ul style="list-style-type: none"> Customers/ Consumers Local Communities and NPOs (including Academies and Local Authorities) 	 

FOSTERING ETHICAL BUSINESS PRACTICES



CORPORATE GOVERNANCE, BUSINESS ETHICS AND INTEGRITY

AMB incorporates high corporate governance standards together with an ethical business culture and integrity in our operations, to ensure continued confidence and trust from our stakeholders. This is supported by the following codes and policies which are communicated to our employees:

AMB's Codes and Policies
<p>Code of Conduct</p> <ul style="list-style-type: none"> The Code describes the Company's expectations for the standards of professional conduct when doing business on behalf of AMB, and acts as a point of reference to support day-to-day decision-making. Encompasses issues ranging from the environment, human rights, product quality and business transactions.
<p>Whistle-blowing Policy</p> <ul style="list-style-type: none"> The Policy provides a safe space for employees to report any inappropriate conduct within AMB. The Policy ensures that whistle-blowers are protected from potential reprisals and corrective and preventive measures can be implemented in the event of confirmed misconduct.
<p>Anti-Corruption and Bribery Policy</p> <ul style="list-style-type: none"> The Policy outlines AMB's zero-tolerance for Board members, employees and business associates to engage in improper solicitation, bribery and other corrupt actions in line with the Malaysian Anti-Corruption Commission ("MACC") Act 2009.
<p>Director's Fit and Proper Policy</p> <ul style="list-style-type: none"> The Policy outlines the baseline criteria for the fit and proper review and assessment of candidates' appointments to the Board or the re-election of Directors.

The Company's policies are reviewed periodically or upon the announcement of new updates, to ensure alignment with the latest government mandates. The Whistleblowing Policy and Anti-Corruption and Bribery Policy are also communicated to 100% of employees periodically, especially to new employees during on-boarding programmes. We are pleased to state that there were no incidents of corruption, grievances or non-compliances reported in FYE 31 March 2023.

AMB has also adopted a proactive approach to identify, assess and address any potential corruption risk in all our operations. Our Risk Management Committee conducts annual Risk Management Assessments whose findings are reported to the Board. There were no significant risks of corruption detected through our operations for FYE 31 March 2023.



FOSTERING ETHICAL BUSINESS PRACTICES

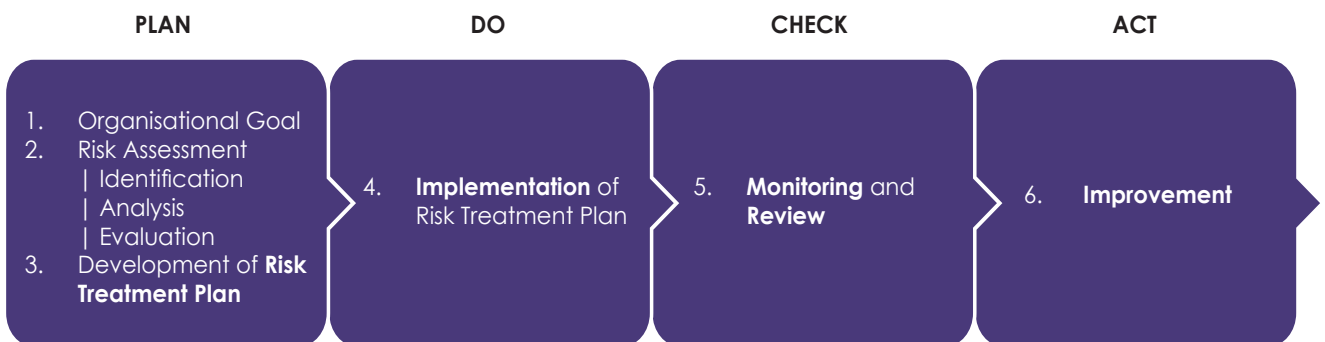
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Risk Management

Our risk management process is in place to manage identified risks as well as capitalise on opportunities originating from internal and external issues or requirements that will affect AMB's business performance. The Risk Management Committee (RMC) is appointed by the Company to prepare, mitigate, prevent and resolve any possible critical risks that may arise within or outside the Company.

With the restructuring of the RMC in FYE 31 March 2023, its role now includes providing support to the Sustainability Management Committee (SMC) by identifying, analysing, ranking and taking measures to control and mitigate operational as well as ESG risks for the Company. Other aspects of AMB's risk management such as grievance mechanisms are also maintained under the purview of the RMC

RISK MANAGEMENT PROCESS



The following table outlines the ESG risks identified for FYE 31 March 2023:

ESG Risk	Description of Risk and Impacts	Our Response
Environment		
Natural Disasters	<ul style="list-style-type: none"> Sudden catastrophic or adverse events such as floods, landslides, etc. that may affect people's safety and cause damages to the Company's facilities, machinery and materials. 	<ul style="list-style-type: none"> Prepared contingency plans for natural disaster. Continuation of periodic monitoring of the weather, the facilities' environment and the drainage system. Implementation of early warning system.
Social		
Labour Issues	<ul style="list-style-type: none"> Matters of employment and retention of competent key personnel including local manpower which may impact ongoing and future operations. 	<ul style="list-style-type: none"> Implementation of manpower planning and action plan to attract and retain local talent. Provided relocation support for employees to the new plant.
Occupational Safety and Health Accidents	<ul style="list-style-type: none"> Issues related to occupational safety and health may include accidents that may result in injuries or fatalities to the workforce, impacting productivity and the Company's reputation. 	<ul style="list-style-type: none"> Conducted Hazard Identification, Risk Assessment and Risk Control (HIRARC). Set-up action plans for identified safety hazards Continuation of training and re-training of AMB's workforce.
Governance		
Compliance Issues	<ul style="list-style-type: none"> Non-compliances of legislation and unethical or illegal conduct may cause financial penalties and losses due to violations of existing laws and regulations as well as damaging brand reputation. 	<ul style="list-style-type: none"> Monitored new product development and new raw material compliance. Ensured updated standard procedures and work instructions to ensure clear control of system operation

FOSTERING ETHICAL BUSINESS PRACTICES

(cont'd.)



Data Privacy and Cybersecurity

Data privacy and cybersecurity measures are critical in ensuring consumer's and employees' personal details and information about business operations and transactions are safeguarded against cybersecurity threats, manipulation and fraud.

AMB has taken measures to ensure data privacy and security via the following regulations, standards and instructions: AMB's Data Privacy and Security Regulations, Standards and Instructions:

AMB's Data Privacy and Security Regulations, Standards and Instructions

AMB Information Security Regulation

- Describes AMB's basic policy regulation on information usage and management by providing the basic rules and procedures on information security in the Company.

IT Document Management SOP

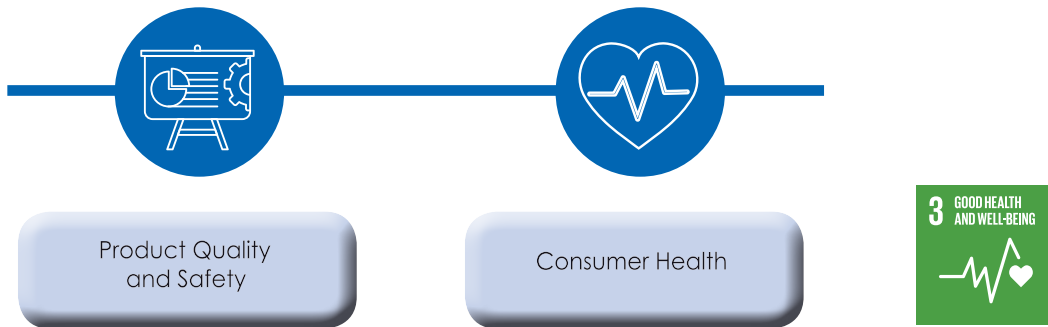
- Describes the recommended practices for managing information from physical documents in the Company.

IT Document Management Work Instruction

- Describes specific work instructions to guide the use and management of confidential information.

The above regulations, standards and instructions provide guidelines for AMB's personnel to prevent unauthorised and unintended disclosure of information to third parties, wrongful use of information and consequently, ensuring proper management of personal and classified information within the Company. There were zero substantiated complaints reported concerning breaches of customer privacy and losses of customer data in FYE 31 March 2023.

PROMOTING BETTER HEALTH AND LIFE



PRODUCT QUALITY AND SAFETY

Reflecting our motto of "Eat Well, Live Well", we have continued to meet the preferences and expectations of our consumers by providing healthy and quality products with transparent advertising and labelling as part of our marketing practices.

Food Safety and Quality Assurance

High standards of food safety and quality are a prerequisite at AMB. As such, we adhere to Ajinomoto Group's Shared Policy on Food Safety. This has enabled AMB to expand to international markets such as the Middle East and Brunei. AMB's products are certified Halal and annual audits conducted internally and externally with the certification bodies below ensure continuous compliance:

 <p>MS 1500:2019 Malaysian Standard on Halal Food General Requirements</p>	 <p>MS 1480:2019 Hazard Analysis and Critical Control Point ("HACCP")</p>	 <p>ISO 9001:2015 Quality Management System</p>	 <p>Good Manufacturing Practice ("GMP")</p>
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AMB's finished products are checked during the packing phase at the production lines and samples from the packed products are sent to our lab for further quality inspections. As part of AMB's Quality Policy, we integrated the Food Defence and Food Fraud Programme as part of the HACCP annual audit beyond regulatory requirements.

In FYE 31 March 2023, as part of the Food Defence Programme, we completed the re-assessment at our new plant and conducted a threat assessment. We have and will continue to conduct awareness training on Food Defence for all employees involved. As for food fraud, a new checklist has been introduced to conduct an evaluation of our raw materials during the development stage to address risks before the purchase of materials. Due to our stringent approach, we recorded zero recalls for health and safety reasons.

PROMOTING BETTER HEALTH AND LIFE

(cont'd.)

Responsible Marketing and Labelling

It is AMB's responsibility to conduct marketing and advertising activities ethically and to the highest standards, by providing accurate and balanced information about our brands and products. We adhere to the Malaysian Code of Advertising Practice, the Malaysian Food Regulation and the regulations of our international customers.

1 Ingredient List

Allows customers to identify the composition of the product they are consuming.



2 Allergen Information

Critical for the prevention of health complications (i.e., anaphylaxis) for individuals with food allergies.



3 Halal Certification

Provides assurance to consumers that the product has obtained Halal certification.



4 Safety Information

Communicates important information for the safety of consumers when using the product.



5 Nutritional Value

Assists consumers in making informed purchasing decisions that cater to their dietary needs.



We are pleased to disclose zero incidents of non-compliance regarding the labelling and marketing of our products.

Putting Our Customers' Satisfaction First

In this era of the 'new normal', we have begun fully utilising online platforms especially social media as a primary means to reach out to customers and the community. Our engagement approach includes online survey forms to identify current customer perceptions and monitor potential issues relating to our products. We have also put in place our GRASP (annual tracking on usage, attitudes and evaluation of communications regarding MSG and Ajinomoto products) and CONTRAST (Consumer trend research) initiatives.

GRASP

Objective

- To reveal and understand consumers' attitudes towards MSG and how MSG is penetrating the market in order to enhance its image and usage intention.
- To understand consumers' attitudes towards AJI-NO-MOTO® and investigate how to foster a more positive image for the brand as well as a better understanding of the product, in order to construct a solid marketing future strategy.

Sample Size : 300 women aged 20~39 (main cooker and primary decision maker of grocery for the household)
Frequency : Annually

RESULTS

AJI-NO-MOTO®
Brand Awareness: **99%**

AJI-NO-MOTO®
Usage Experience: **88.3%**

PROMOTING BETTER HEALTH AND LIFE (cont'd.)

CONTRAST

<p>Objective</p> <ul style="list-style-type: none"> To grasp the brand awareness, usage, and attitude towards seasoning products in each country. <div style="background-color: #e6f2ff; padding: 10px; border-radius: 10px; margin-top: 10px;"> <p>Sample Size : 550 women aged 20-49 (main cooker and primary decision maker of grocery for the household)</p> <p>Frequency : Annually</p> </div>	<p>RESULTS</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Brand Awareness</th> <th style="text-align: center;">Brand Usage Experience</th> </tr> </thead> <tbody> <tr> <td>TUMIX ®</td> <td style="text-align: center;">15%</td> <td style="text-align: center;">54.2%</td> </tr> <tr> <td>"RASA SIFU"</td> <td style="text-align: center;">10.5%</td> <td style="text-align: center;">42.3%</td> </tr> <tr> <td>Seri-Aji ® Fried Rice</td> <td style="text-align: center;">29.1%</td> <td style="text-align: center;">56.1%</td> </tr> <tr> <td>Seri-Aji ® Seasoned Flour</td> <td style="text-align: center;">8.1%</td> <td style="text-align: center;">36.2%</td> </tr> </tbody> </table>		Brand Awareness	Brand Usage Experience	TUMIX ®	15%	54.2%	"RASA SIFU"	10.5%	42.3%	Seri-Aji ® Fried Rice	29.1%	56.1%	Seri-Aji ® Seasoned Flour	8.1%	36.2%
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Customer-Friendly Approach

In order to increase customer loyalty, we established an online consumer page, 'Hi Ajinomoto MY' on our social media platforms. Through this, we also aim to foster good relationships with consumers via Facebook and Instagram. The page contains information on our products, campaigns, promotions and updates on trending content. As of 15 April 2023, the 'Hi Ajinomoto MY' page gained 15,568 followers.



CONSUMER HEALTH

Health is a major concern around the world. As such, people are becoming more conscious of dietary habits and lifestyle choices that promote well-being and lead to more fulfilling lives. In support of healthier lifestyles, AMB has been consistently reducing the levels of sugar and sodium in our products for the benefit of our consumers.

The Magic of Umami

The magic of umami started with a bowl of *kombu tofu* soup, where it was discovered that glutamic acid (a type of amino acid) gave the meal its distinctive taste. The taste was named umami and today, our AJI-NO-MOTO® Umami seasoning is used widely in many homes and restaurants.

Our Focus on Value Nutrition Without Compromise

In line with Ajinomoto Group's Policy of Nutrition Without Compromise, we promote healthy living by improving nutritional balance while preserving the delicious taste of daily diets with our products through partnerships with our suppliers, distributors/customers, academies, local authorities, NGOs and the local community.

In support of the 'delicious salt reduction' practice using umami, we are adopting Ajinomoto Group's 'Smart Salt' project, which aims at reducing salt in our products.

A series of delicious, reduced-salt and balanced set meals for active individuals were promoted actively through online platforms such as the corporate website and social media. This initiative aims to increase public awareness and cultivate the habit of having nutritious and balanced diets through the enjoyment of delicious food every day.

PROMOTING BETTER HEALTH AND LIFE

(cont'd.)



COMMITMENT TO NUTRITION

1

WITHOUT
COMPROMISING
TASTE

2

WITHOUT
COMPROMISING
ACCESS

3

WITHOUT
COMPROMISING
THE LOCAL WAY OF LIFE

Our efforts in advocating healthier lifestyles are also in tandem with Ajinomoto Group's 2030 target to extend the healthy life expectancy of 1 billion people by increasing the current reach to 700 million consumers, providing products and information that promote nutritious, delicious, reduced-salt foods and well-balanced meals. 100% of our products were assessed in terms of health and safety impacts before launching.

Breakthroughs at Ajinomoto

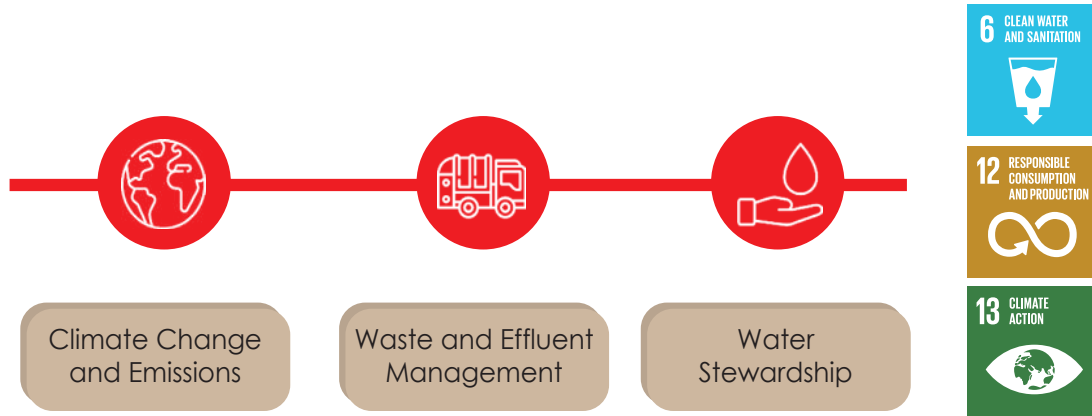
AMB's products are innovated through the function of amino acids, which are essential for human life. These amino acids, besides containing glutamate to enhance taste, act as a supplement for sports players. The three types of amino acids known as leucine, isoleucine and valine (also known as Branched-chain Amino Acids (BCAAs) aid in muscle recovery, improve endurance and build muscle mass more efficiently when taken in combination with other amino acids, carbohydrates or whey protein.

aminoVITAL® is the Number 1 Brand in Japan and has sold well in the Malaysian market. It is the only jelly drink with amino acids in Malaysia. aminoVITAL® contains 3,000 mg of amino acids, mainly. It also provides energy at 112 Kcal per pouch which is suitable for endurance sports players such as runners, cyclists, triathlon contestants, swimmers, golfers and hikers.

Moving forward, we recognise consumer health preferences as an opportunity to promote more activities that improve nutrition.



REGENERATION OF THE ENVIRONMENT



At AMB, environmental conservation has become part of our DNA. To align our sustainability measures across our operations, we are guided by the principles of our Environmental Policy which outline our overall commitment to protect and preserve the environment.

Our environmental data represents 5 months in Kuchai Lama (the old plant) and 7 months in Bandar Enstek (the new plant). In relocating to our new plant, we went through a decommissioning of production processes.

AMB's Bandar Enstek plant has obtained the Green Building Index (GBI) Silver Provisional Certification, which certifies that the structure and the application of processes are environmentally responsible and resource-efficient throughout the plant's life-cycle. Key advancements in our Bandar Enstek plant are energy-efficient design and the incorporation of renewable energy which significantly reduces utility costs and carbon emissions as well as harvesting of rain water for landscaping and general cleaning purposes.

CLIMATE CHANGE AND EMISSIONS

Reducing Our Energy Consumption

Reducing energy consumption and using energy efficiently are AMB's priorities as we strive to manage our climate change impact and reduce our environmental footprint. Through our efforts at eliminating energy waste, we ensure the sustainability of our business while contributing to a low carbon economy.

Energy Efficiency in Our Operations

AMB practises an energy-saving culture in our offices with a controlled air-conditioning system set at an optimum temperature of 25°C that is automatically switched on and off at the main building of our plant. Additionally, with our hybrid work arrangement in our new plant, we aim to cut our total energy consumption. On our production site, although most of our forklifts are diesel-operated, AMB aims to have full usage of electric chargeable forklifts by 2025.

REGENERATION OF THE ENVIRONMENT

(cont'd.)



Renewable Energy Sourcing and Generation

At AMB's new plant, solar photovoltaic (PV) systems have been installed as part of our strategic direction to reduce fossil fuel consumption and our carbon footprint.



Solar power generation has been fully implemented at the Bandar Enstek manufacturing plant since October 2022. Up until March 2023, the solar PV systems achieved an average of 25% energy offset from our total electricity consumption. In total, the Company invested RM9.8 million in our solar PV systems equipped with 4,170 kWp capacity. Moving forward, AMB is working towards sourcing or purchasing renewable energy (i.e., through the Corporate Green Power Programme) to have the remaining 75% covered.

Energy Consumption

Performance

Operations	Types of Fuel	FYE 31 March 2021	FYE 31 March 2022	FYE 31 March 2023
Kuchai Lama	Diesel (Kilo-litres)	27	34	26
	Light Fuel Oil (Kilo-litres)	4,528	4,643	2,686
	Liquid Petroleum Gas (Tonnes)	563	598	278
Bandar Enstek	Diesel (Kilo-litres)			10
	Natural Gas (Sm3)			595,645

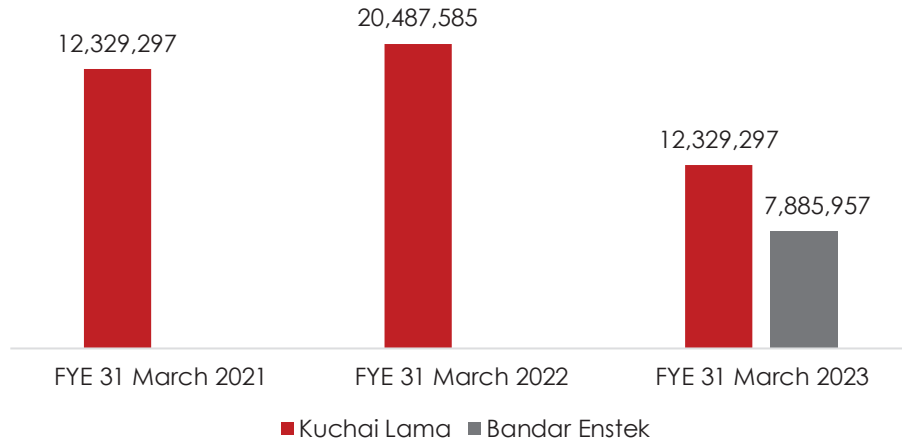
In FYE 31 March 2023, there were reductions in all types of fuel at our Kuchai Lama plant where operations completely ceased in December 2022. Diesel consumption dropped 23.5% compared to the previous year. In comparison with FYE 31 March 2022, light fuel oil was lower by 42.1% and liquid petroleum gas by 53.5%. Generally, the lower fuel consumption at the Kuchai Lama plant was due to the decommissioning of processes in preparation for the relocation to our new plant. In addition, the major source of energy for our production processes in our new plant comes from natural gas as a cleaner form of fuel replacing the Liquefied Petroleum Gas (LPG) and Light Fuel Oil used in our previous production plant.



REGENERATION OF THE ENVIRONMENT

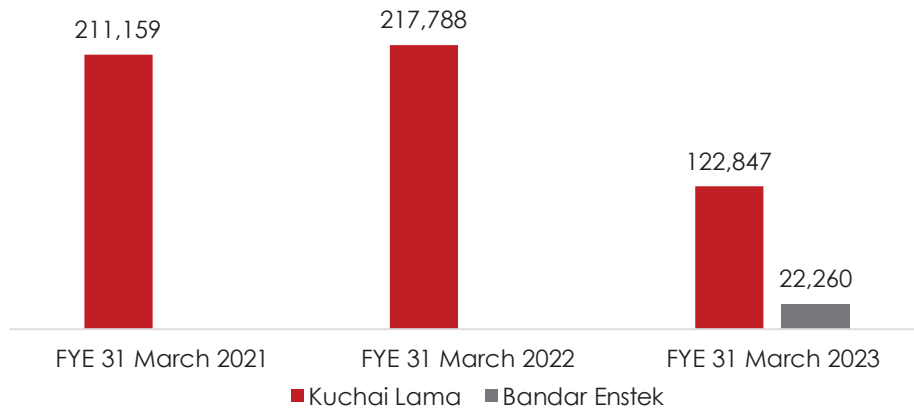
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Electricity Consumption from Grid (kWh)

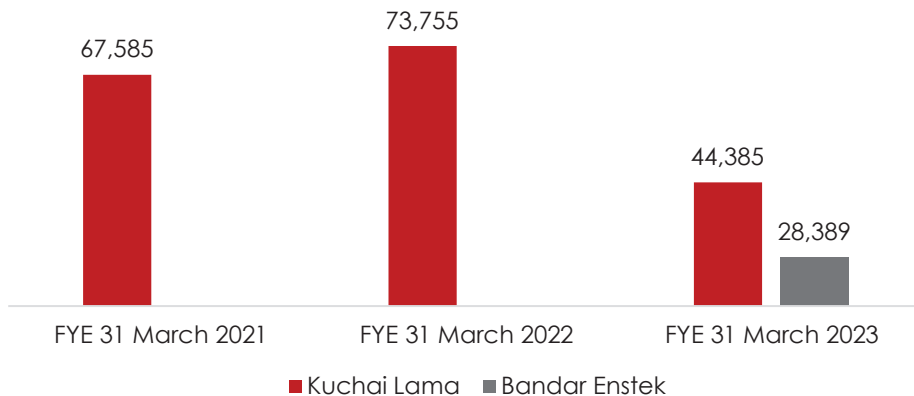


A decrease of 8,158,288 kWh (39.8%) was recorded from last year at our Kuchai Lama plant with 100% electricity sourced from the Tenaga Nasional Berhad (“TNB”) grid. In FYE 31 March 2023, our Bandar Enstek plant consumed 7,885,957 kWh of grid-sourced electricity, supported by the supply of energy from solar PV systems as part of our clean energy initiative. Bandar Enstek plant recorded an electricity intensity of 539 kWh/Tonne compared to 573 kWh/Tonne in the Kuchai Lama plant.

Energy Consumption from Fuel (GJ)



Energy Consumption from Electricity (GJ)



REGENERATION OF THE ENVIRONMENT

(cont'd.)



In FYE 31 March 2023, the total energy consumption of fuel and electricity from both plants combined was 25.3% lower than FYE 31 March 2022*.

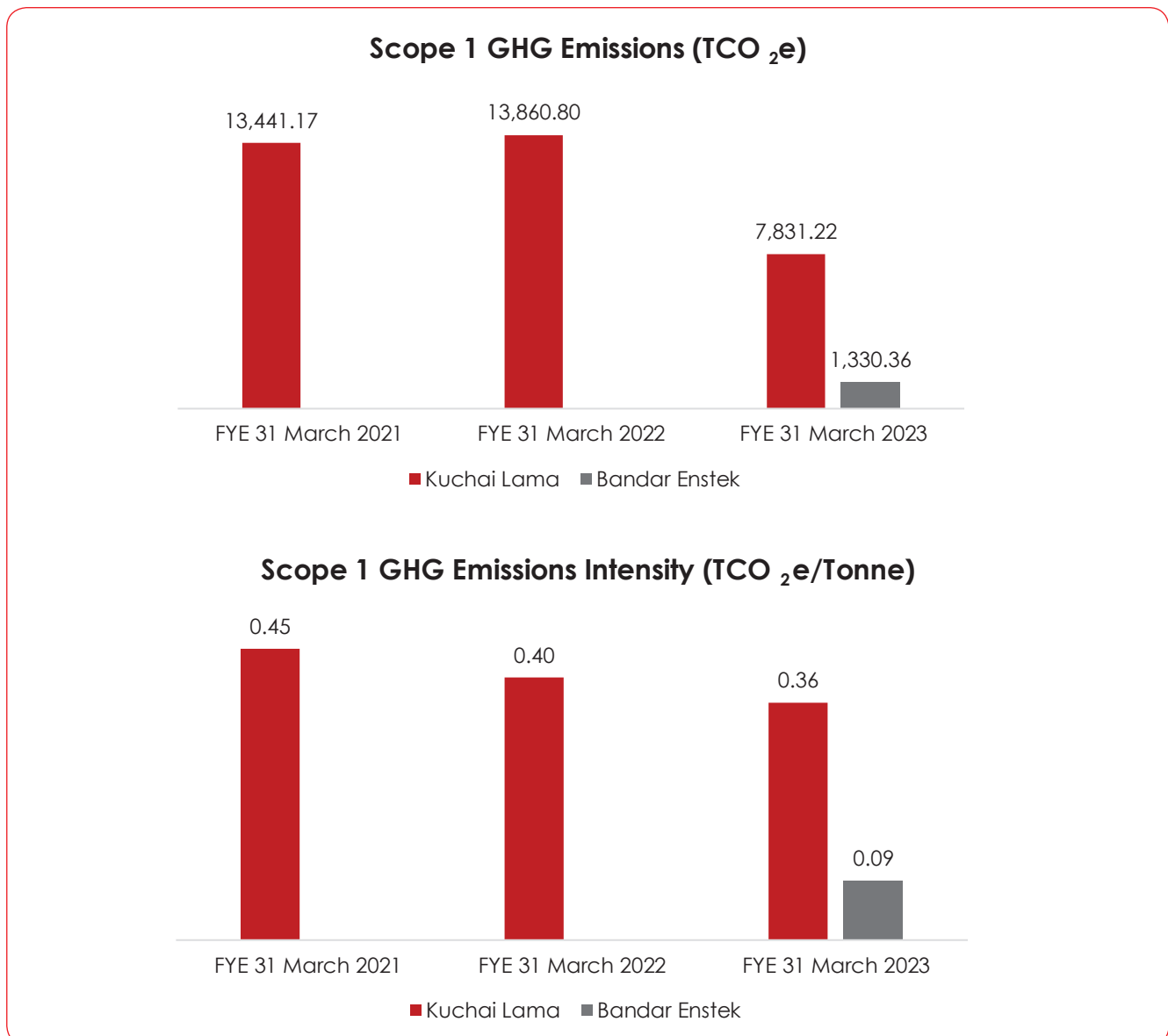
There was a 43.6% and 39.8% decrease in energy consumption from fuel and electricity respectively in Kuchai Lama for FYE 31 March 2023 in comparison with the previous year. Bandar Enstek recorded 28,389 GJ of grid-sourced electricity and 6,822 GJ of solar-powered electricity, for a total energy consumption of 35,211 GJ.

* Based on 5-month data of Kuchai Lama Plant and 7-month data of Bandar Enstek Plant in FYE 31 March 2023.

GHG Emissions

We determined our Scope 1 and Scope 2 greenhouse gas ("GHG") emissions for this reporting period and included our findings in this statement. We initiated monitoring employee commutes for Scope 3 emissions beginning in 2023.

Performance

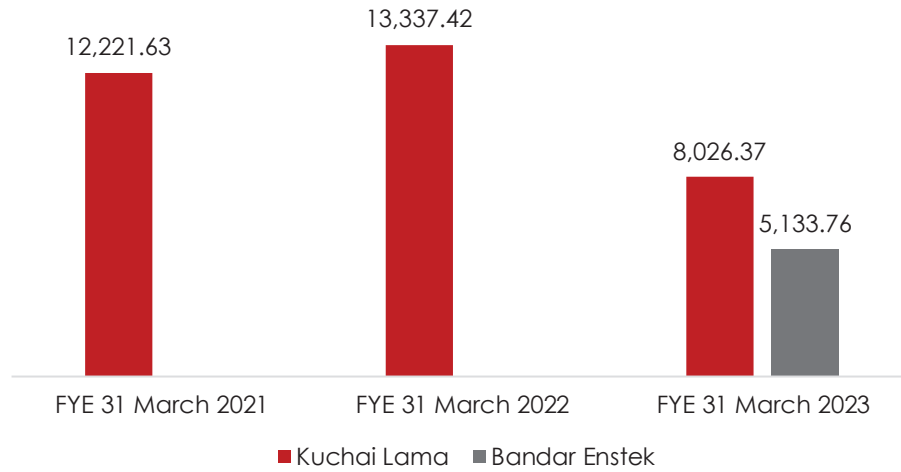


For FYE 31 March 2023, Kuchai Lama saw a decrease of 43.5% in Scope 1 emissions compared to the previous year. Lower GHG emissions were recorded this year due to the decommissioning of our operations at the Kuchai Lama plant. This was also reflected in the 10% reduction in Scope 1 GHG emissions intensity for Kuchai Lama.

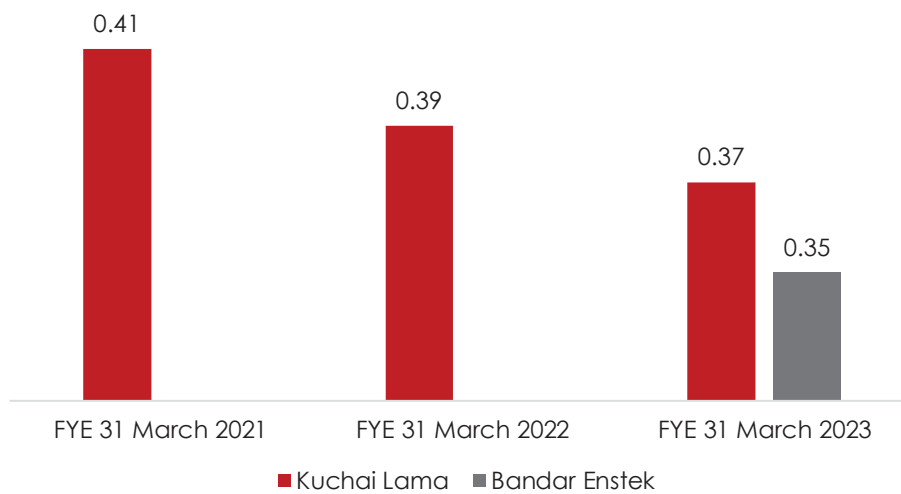


REGENERATION OF THE ENVIRONMENT (cont'd.)

Scope 2 GHG Emissions (TCO₂e)



Scope 2 GHG Emissions Intensity (TCO₂e/ Tonne)



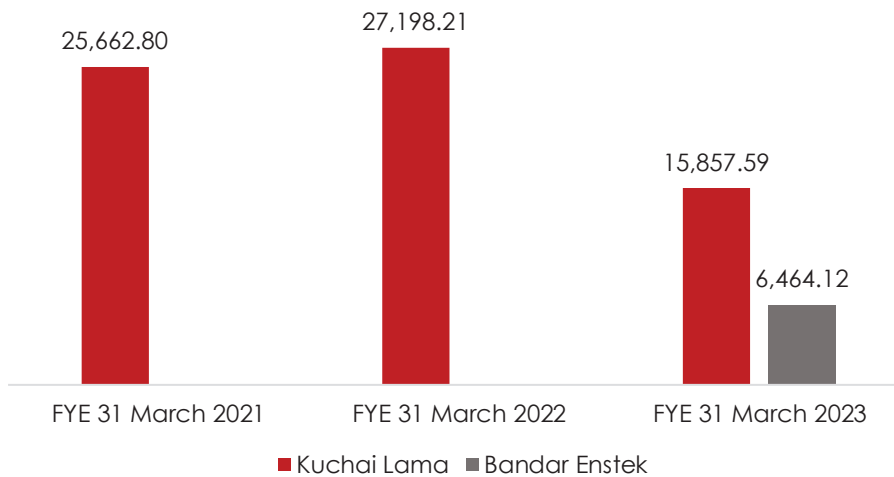
Scope 2 GHG emissions recorded a 39.8% decrease in FYE 31 March 2023 in comparison with FYE 31 March 2022 at the Kuchai Lama plant as we gradually ceased operations. In our relocation, there was a 5.1% drop in Scope 2 GHG emissions intensity compared to last year.

REGENERATION OF THE ENVIRONMENT

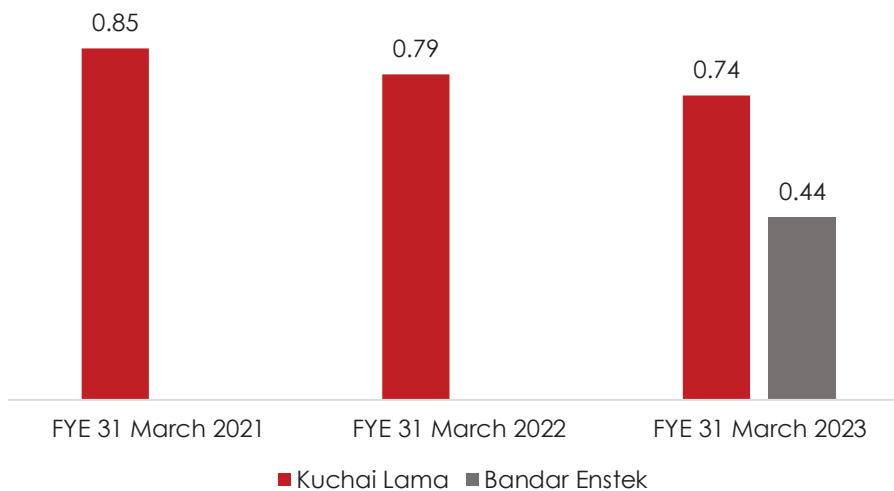
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Total GHG Emissions (TCO₂e)



Total GHG Emissions Intensity (TCO₂e/Tonne)



In FYE 31 March 2023, the total GHG emissions recorded for Kuchai Lama decreased by 40% in comparison with our FYE 31 March 2019 baseline. There was also a total GHG emissions reduction of 41.7% in comparison with the previous year. For FYE 31 March 2023, the GHG emissions intensity in Kuchai Lama decreased by 10.8% compared to our FYE 31 March 2019 baseline value. It is also 6.3% lower than the previous year.



REGENERATION OF THE ENVIRONMENT

(cont'd.)

WASTE AND EFFLUENT MANAGEMENT

Reducing Plastic Waste

AMB's fully automated packaging ensures that our products are safe for consumption while our efforts to reduce plastic use and adopt recyclable environmentally friendly packaging materials have made a positive impact in Malaysia as well as in the countries where we export our products to. Aligned with Ajinomoto Group's "Zero Plastic Waste by 2030" target, we aim to use plastic minimally and switch to mono-material packaging materials that are environmentally-friendly.

We are pleased to report that we have reduced our reliance on plastic pallets by using alternative paper slip-sheets in our manufacturing facilities with only 2.6 tonnes of plastic pallets utilised.

We continuously conduct feasibility studies to introduce thinner packaging materials. We also recycled 0.44 tonnes of jumbo bags as part of our plastic recycling initiative. The following table summarises the details of our plastic waste reduction efforts:

Plastic Reduction Initiative	Amount of Plastic Reduced (Tonne)
Replace CHEP pallet with slip sheet	88.80
Reduce thickness or size of packaging	3.42
Mono-material packaging	24.67
Others	1.62
Total plastic reduction	118.51

Reducing Food Waste

AMB aims to reduce food waste by 75% across the entire production process by 31 March FYE 2031, starting from improving manufacturing processes to the recycling of rejected products. The food waste (or excess organic material) is converted into animal feed for livestock and utilised as fertiliser, managed by special contractors. As of FYE 31 March 2023, Kuchai Lama recorded 81.64 tonnes of food waste while Bandar Enstek recorded 189.3 tonnes.

Waste Management

Waste management is critical in our operations and we adopt the 4Rs (Reduce, Reuse, Recycle, and Recover) in our efforts to reduce the amount of waste generated. Our waste segregation centre is operated at an optimal scale with four designed lanes consisting of plastic, paper and recycled paper waste as well as treated plastic. Once segregation is done at the four lanes, the remaining waste will be collected and categorised as general waste.

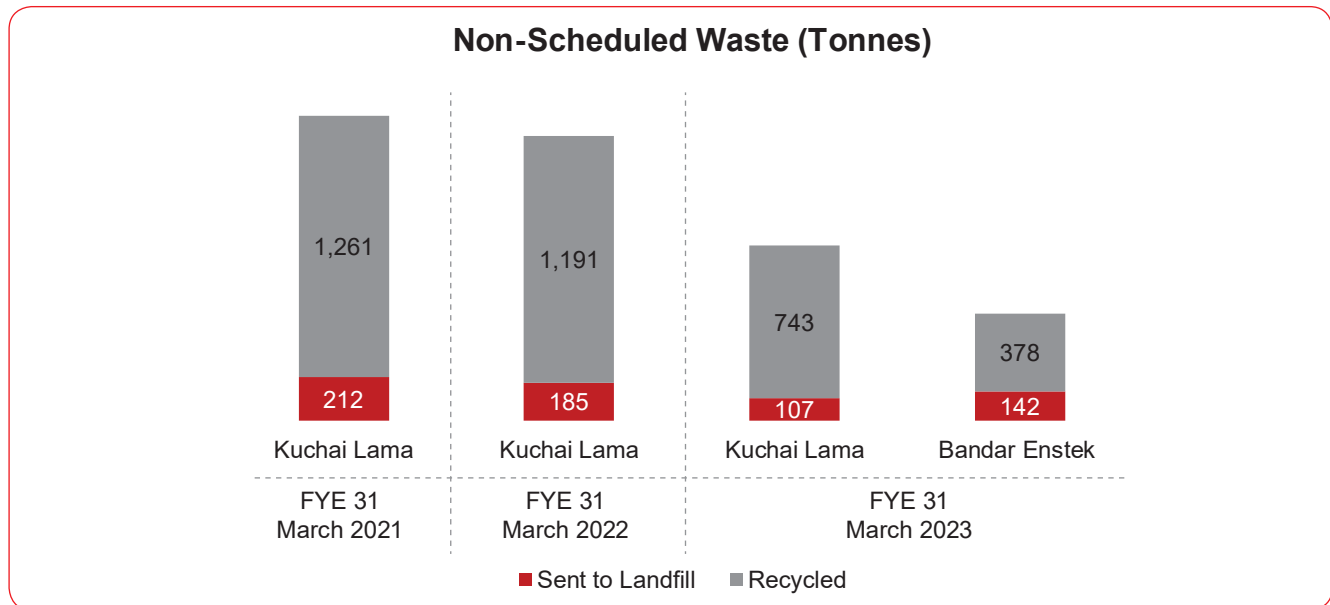
AMB engaged third-party contractors for waste segregation and licenced contractors for waste disposal. We manage and ensure proper collection and disposal on a monthly basis. The recycle ratio from the report generated will be set as our final KPI.

Types of Wastes	Disposal Methods (Tonnes)	
	Sent to Landfill	Recycled
SW 421 (A mixture of scheduled wastes)	0.06	
SW 410 (Rags, plastics, papers or contaminated filters)	0.15	
SW 109 (Waste containing mercury or its compound)	0.10	
SW 409 (Disposed containers, contaminated bags or equipment)	0.06	
SW 305 (Spent lubricating oil)		0.27
SW 110 (Waste from electrical and electronic assemblies)		4.34

REGENERATION OF THE ENVIRONMENT

(cont'd.)

Performance



The increase in recycled waste of 365 tonnes from FYE 31 March 2022 to FYE 31 March 2023 in our old plant was mainly because more waste was disposed of in our relocation to the new plant at Bandar Enstek.

In FYE 31 March 2023 at our new plant, there was a difference of 236 tonnes of non-scheduled waste between waste disposed to the landfill and recycled waste where most of the waste was recycled. This was due to the efficiency of our waste segregation methods with recycling bins placed in canteens and common areas of the office.

Wastewater Treatment Plant (“WWTP”) at Bandar Enstek

Our operations generate significant quantities of wastewater. To safeguard the health of our communities and the environment, it is vital that this wastewater is appropriately treated before it is released into the environment. 100% of the water that AMB discharges complies with all applicable water quality standards and regional environmental laws, including Standard A of the Environmental Quality (Industrial Effluent) Regulations 2009.

We ensure a stringent process of quality assurance with a COD online analyser for hourly readings of the treated industrial effluent conducted by internal personnel and a third-party laboratory for external assurance.



REGENERATION OF THE ENVIRONMENT (cont'd.)

Key Advancements of Our New Wastewater Treatment Plant (WWTP):

The WWTP at Bandar Enstek is designed to discharge 600 m³ wastewater per day and as of FYE 31 March 2023, the WWTP discharged an average of 300m³ per day. Hence, the plant is designed to cater for future business expansion.

Our WWTP is equipped with new membrane technology for the separation of sludge instead of the conventional settling tank which utilises the gravity-based method. This has reduced our WWTP size and improved its efficiency. AMB is working towards the use of ferric chloride as an oxidising agent to remove the colour in the chemical phase of the plant.

Our relocation to the Bandar Enstek plant has enabled us to comfortably meet the Environmental Quality Act 1974: Environmental Quality (Industrial Effluent) Regulations 2009 Standard A requirements as compared to the Standard B requirements in Kuchai Lama.

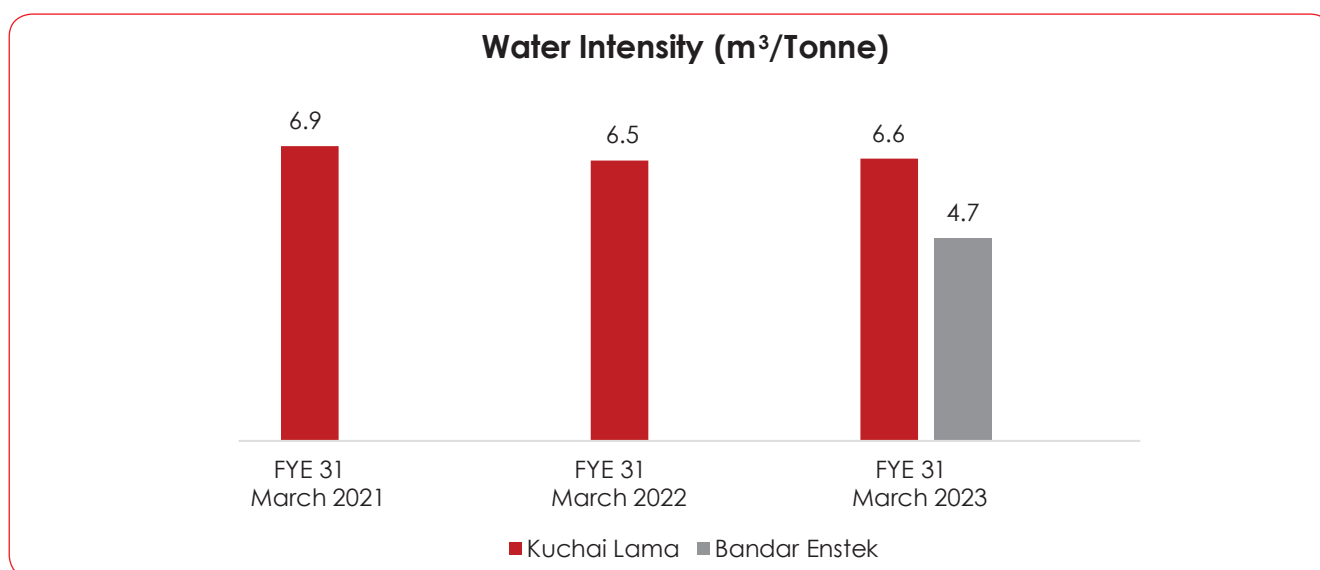
Standard A Industrial Effluent Parameters	Standard A Limits	AMB's Parameter Performance
COD	80 mg/L	33.7 mg/L
Ammoniacal Nitrogen	10 mg/L	0.8 mg/L
Colour	100 ADMI	48.6 ADMI
BOD	20 mg/L	6.2 mg/L

WATER STEWARDSHIP

Water Efficiency

We are committed to responsible water stewardship by managing our water use in a manner that is equitable, sustainable and beneficial in the markets in which we operate. Our newly installed rainwater harvesting system in the Bandar Enstek plant is the start of our vision to nurture possibilities for exploring more initiatives in water consumption efficiency. Rainwater collected from the tank is used for landscaping purposes at our site and we maintain the hygiene of our products which only use treated city water.

Performance



Water consumption for FY2023 at our Kuchai Lama plant decreased 37.2% and intensity increased slightly (1.5%) compared to last year. Moving forward, we continue to improve our initiatives to preserve this valuable resource.

EMPOWERING PEOPLE AND COMMUNITIES



AMB is committed to empowering our stakeholders and the general public, from suppliers to employees, customers and local communities. In doing so, we strive to embed sustainable practices across our value chain by ensuring the health, safety and well-being of our employees and contributing to society through CR programmes during the year.

OCCUPATIONAL SAFETY AND HEALTH

AMB puts the safety of our employees first to ensure their well-being in carrying out their day-to-day functions. In order to create a safety-first culture, AMB conducts a variety of safety training programmes for the benefit of our employees. AMB strictly adheres to the Occupational Safety and Health ("OSH") Act 1994 and Ajinomoto Group's Shared Policy on Occupational Safety and Health.

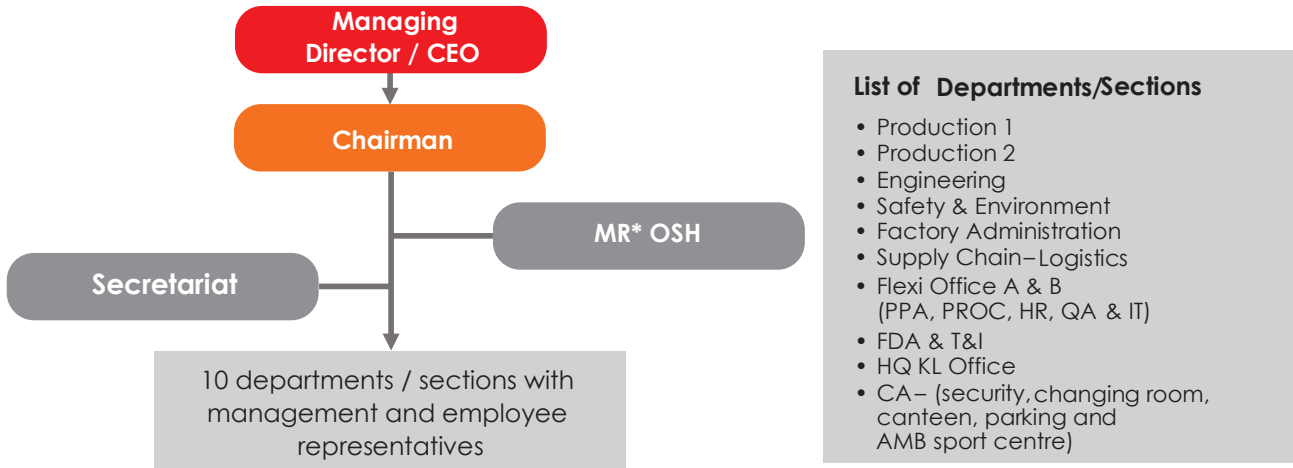
To further strengthen our commitment to safety, zero lost time injury rates were incorporated in FYE 31 March 2023 as part of our internal target. At AMB, safety is integrated across our operations through the implementation of our Occupational Safety and Health ("OSH") Management System which was developed according to the ISO 45001 standards.

Hazard Identification, Risk Assessment and Risk Control

Our OHS Committee is in place to oversee AMB's safety systems and programmes and ensure their effectiveness. This is supported by:

- Monthly meetings to discuss appropriate corrective actions required for accidents
- Development of annual safety plans
- Initiation of programmes to increase awareness of health and safety issues among employees.

EMPOWERING PEOPLE AND COMMUNITIES (cont'd.)



AMB organised employee engagement sessions monthly to manage, identify and assess workplace hazards and potential risks. We have adopted Ajinomoto Group’s Kiken Yochi Training (which refers to hazard prediction) for the benefit of our employees. Additionally, our Stop Work Policy enables employees to refrain from working when they believe a situation is unsafe or may cause injuries.

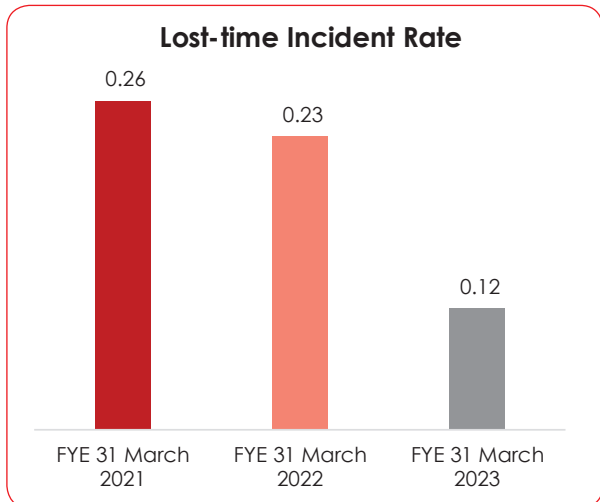
OSH Training

Our safety training and awareness programmes remained effective with over 2,525 employees participating in over 2,701 hours of these programmes. Topics covered in FYE 31 March 2023 included:

- Chemical Spillage and Handling
- First Aid
- Safety Lifting and Excavation
- Forklift Theory
- Road Safety Awareness
- Evacuation Drill
- Noise Awareness

Performance

	FYE 31 March 2021	FYE 31 March 2022	FYE 31 March 2023
Number of work-related fatalities	0	0	0
Number of recordable work-related injuries	2	2	1
Lost-time incidents	2	2	1



In FYE 31 March 2023, only one work-related injury was recorded involving an employee with a reach truck. Out of 1,665,600 total hours worked, the company recorded a 0.12 Lost-Time Incident Rate (“LTIR”). This indicated an improvement compared to the previous two years. We continue our efforts to achieve our target of zero LTIR in our operations.

EMPOWERING PEOPLE AND COMMUNITIES (cont'd.)



DIVERSITY AND INCLUSION

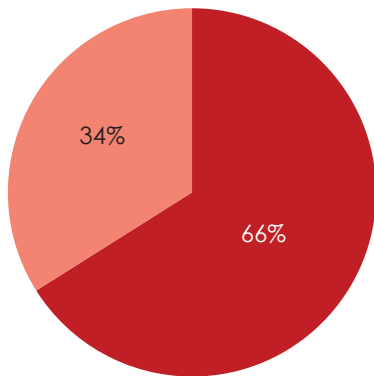
Promoting an All-Inclusive Workplace

AMB's aim of fostering a diverse, gender-balanced and inclusive organisation drives our commitment to provide equal opportunities and fair treatment to all employees. We are cognisant that a workforce with varied skill sets and diverse perspectives contributes to innovation and the success of the business and we have zero tolerance for discrimination of any kind.

Performance

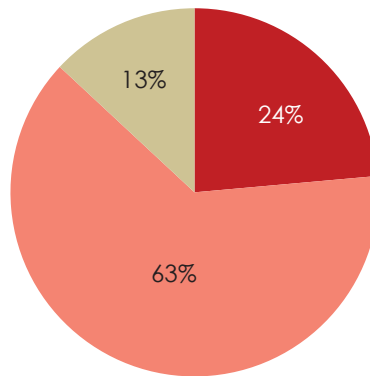
The Company provides equal employment opportunities for both men and women regardless of age group, who are equipped with the relevant skills and knowledge.

Employee by Gender in FYE 31 March 2023



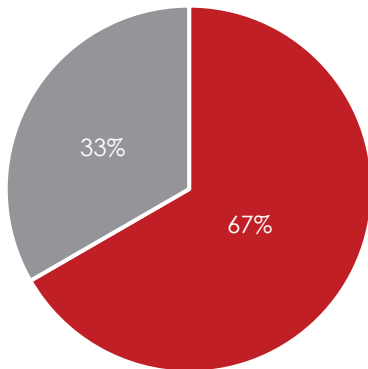
■ Men ■ Women

Employee by Age Group in FYE 31 March 2023



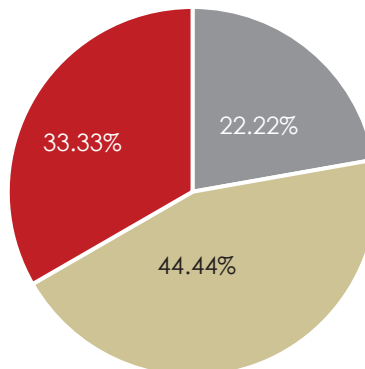
■ <30 ■ 30-50 ■ >50

Board of Directors by Gender*



■ Men ■ Women

Board of Directors by Age Group*



■ 30-50 ■ 51-60 ■ >60

*Composition of our Board as of May 2023.



EMPOWERING PEOPLE AND COMMUNITIES

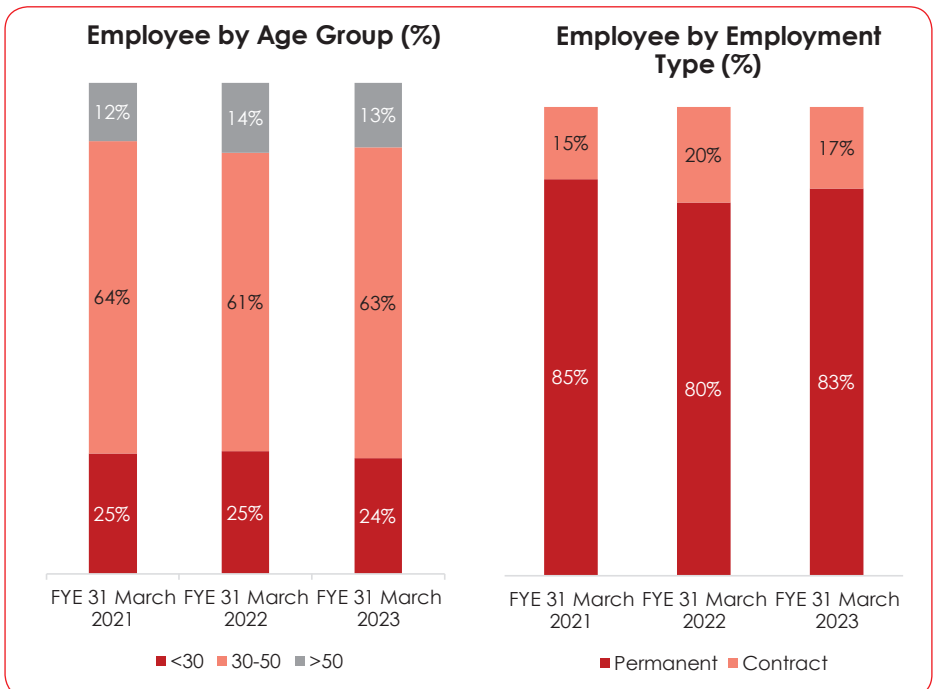
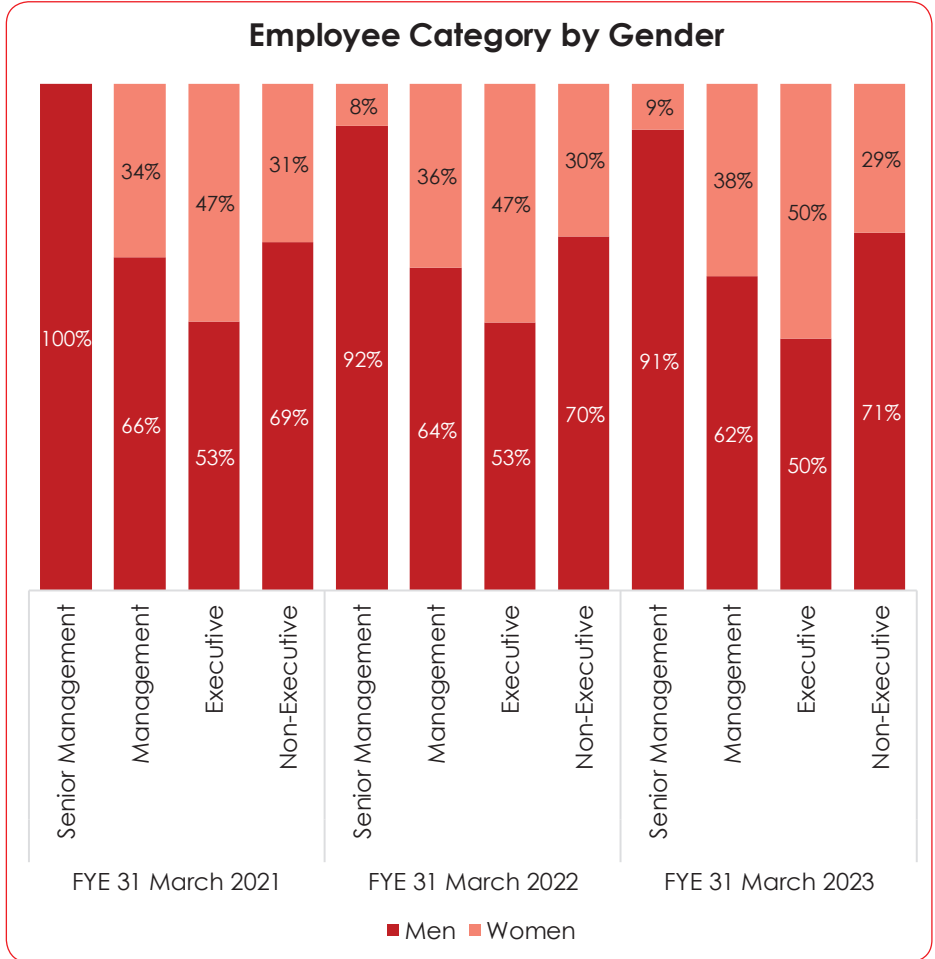
(cont'd.)

In FYE 31 March 2023, AMB had 239 women (34%) and 465 men (66%) in the workforce. The majority age group of employees in AMB was between 30 and 50 years of age consisting of 446 employees (63%). This was followed by 166 employees below 30 years of age (24%), and only 92 employees (13%) are above 50 years old.

In terms of Board diversity, AMB's Board of Directors consists of 33% women which is in compliance with the Malaysian Code of Corporate Governance recommendations. The Board consists of Directors from all age groups ranging from 30 years old to above 60 years old. The Company has in place a Board Charter, Director's Fit and Proper Policy and a Remuneration of Directors and Senior Management Policy as part of its corporate governance measures.

The following employee distribution was recorded for FYE 31 March 2023 in comparison with the 2 previous years in terms of employee category by gender, employee by age group and employee by employment type:

AMB provides equal opportunity for those seeking temporary or long-term employment. The Company's workforce consists of both permanent and contract employees.



EMPOWERING PEOPLE AND COMMUNITIES

(cont'd.)

Employee Benefits

AMB provides extensive benefits to all our employees for a rewarding and fulfilling career and to encourage job satisfaction. As we transition to our new plant, our employees are provided with relocation compensation of RM5,000 and those who commute daily receive an allowance for each day of attendance. All AMB staff also receive the following benefits:



Performance

Parental Leave	Men	Women
Number of employees that took Parental Leave	23	10
Number of employees that returned after Parental Leave	23	10
Number of employees that returned to work after Parental Leave ended that were still employed 12 months after their return to work	23	10

Flexible Working Arrangement

The establishment of a hybrid working environment has allowed us to cater to the diverse lifestyles and personal needs of our employees. By transitioning from the conventional presence-based approach to one that emphasises performance delivery, they can achieve a healthier work-life balance.

Flexibility is also seen in the form of an open office concept. We encourage close teamwork, promote a workplace community and increase productivity by removing physical barriers.



EMPOWERING PEOPLE AND COMMUNITIES

(cont'd.)

TALENT MANAGEMENT

Fostering an Engaging Culture

AMB strives to create a workplace culture that is engaging and high in job satisfaction. As such, we provide employee engagement opportunities to retain our existing talent pool and recruit new potential employees, enabling them to share their real-time feedback, ideas and suggestions directly with senior management. Following were the engagement opportunities provided in FYE 31 March 2023:

FYE 31 MARCH 2023 EMPLOYEE ENGAGEMENT

Annual Employee Engagement Survey

In this survey by Willis Tower Watson, we recorded a participation of 100% from a total of 18 categories and achieved an Employee Sustainable Score of 86%.

Town Hall Session

Town Hall Session was conducted with **700** attendees to communicate company information.

ASV and AGP Training

Training was conducted with **500** attendees to increase AMB members' awareness and deepen their understanding of the bigger picture of Ajinomoto Group Philosophy.

Dialogue Session

Dialogue session with the President of Ajinomoto Co. Inc, Tokyo, Mr Fujie was conducted with 142 attendees to communicate the Ajinomoto Group 2030 Roadmap.

AMB Management Policy Briefing

AMB Management Policy Briefing was conducted with **131** attendees to clarify values and actions required from AMB employees towards embedding the Group's vision and mission.

Strategic Talent Retention

AMB is committed to the betterment of our employees in terms of staying relevant and up-to-date on current trends as well as through improving knowledge, skill sets and job competency. In FYE 31 March 2023 AMB invested RM97,000 in employee training programmes achieving a total of 12,578 training hours, the highest in comparison to previous years.

EMPOWERING PEOPLE AND COMMUNITIES (cont'd.)



Details of the training programmes which took place in FYE 31 March 2023 are as follows:

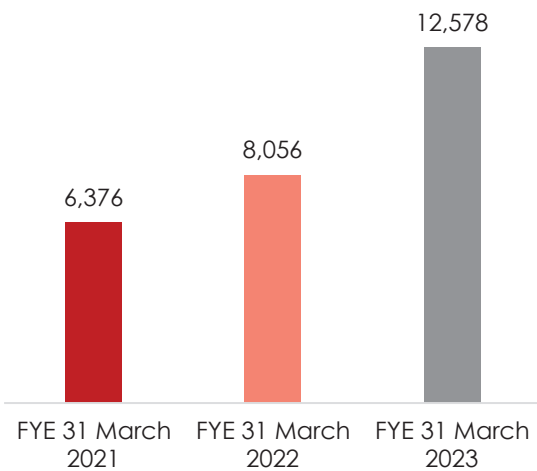
Talent Development Initiatives in 2023

7 Habits of Highly Effective People	A leadership programme for promoted executives. Required training: 20 employees
Root Cause Analysis "Toyota Style Problem Solving Skills"	A programme for young leaders in problem solving and decision making to enhance skills in resolving operational issues. Required training: 26 employees
Operational Excellence ("OE") Training	A programme to embed the mindset of OE for all AMB staff while realising the benefits of OE implementation. Required training: 189 employees

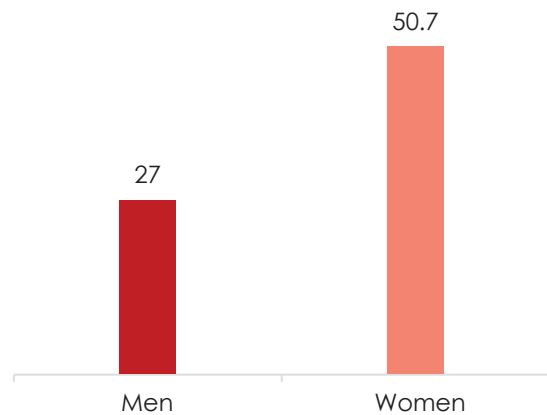
A wide range of training programmes were held to boost our employees' skills amounting to an average of 17.9 hours per employee. A performance appraisal was conducted to evaluate the personal growth of respective employees, both executives and non-executives. In FYE 31 March 2023, 204 executives and 340 non-executives received performance appraisals.

Performance

Total Training Hours



Average Training Hours by Gender in FYE 31 March 2023



EMPOWERING PEOPLE AND COMMUNITIES (cont'd.)

Training Hours by Employee Category in FYE 31 March 2023



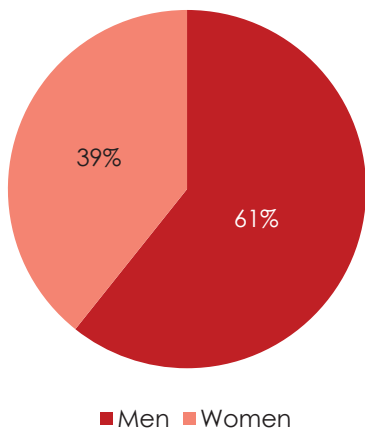
The total training hours for FYE 31 March 2023 increased by 56.13% from the previous year, with this year being the highest in total training hours recorded. In our efforts to equip our workforce with relevant skills and knowledge, we provided training for all levels of employee categories. Our management staff had the highest average training hours followed by the executive staff.

On boarding at AMB

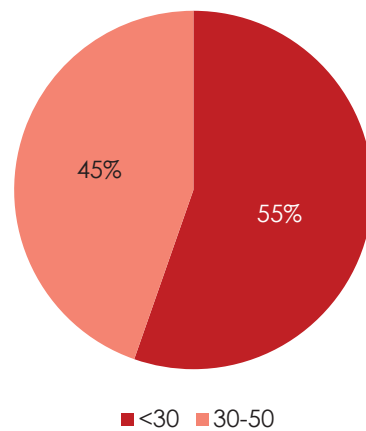
Performance

We recognise that a dynamic and all-inclusive workforce is essential for the continued success of our business. Hence, AMB strives to engage new and qualified employees while retaining our existing and experienced talent pool.

New Hire by Gender in FYE 31 March 2023



New Hire by Age Group in FYE 31 March 2023



In FYE 31 March 2023, the new hire rate was 7.9%, with 34 men (61%) and 22 women (39%) hired. As we promote the motivation and personal growth of the younger generation, 31 (55%) new hires were from the age group of below 30 years while 25 new employees (45%) hired were from the age group of 30 to 50 years.

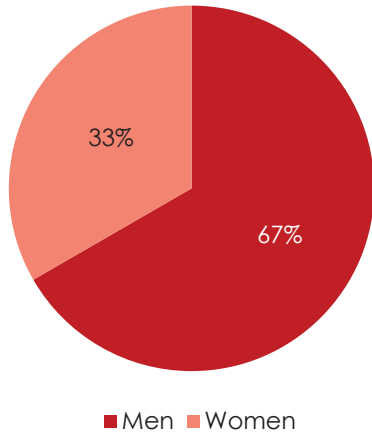
EMPOWERING PEOPLE AND COMMUNITIES

(cont'd.)

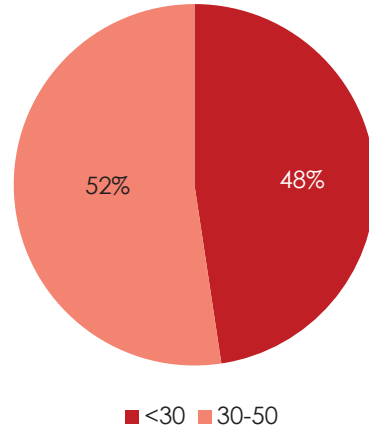


The turnover rate for FY2023 was 7.4%. The highest recorded resignation was in the age group between 30 and 50 years old (52%), and the lowest recorded percentage was in the age group below 30 years old (48%).

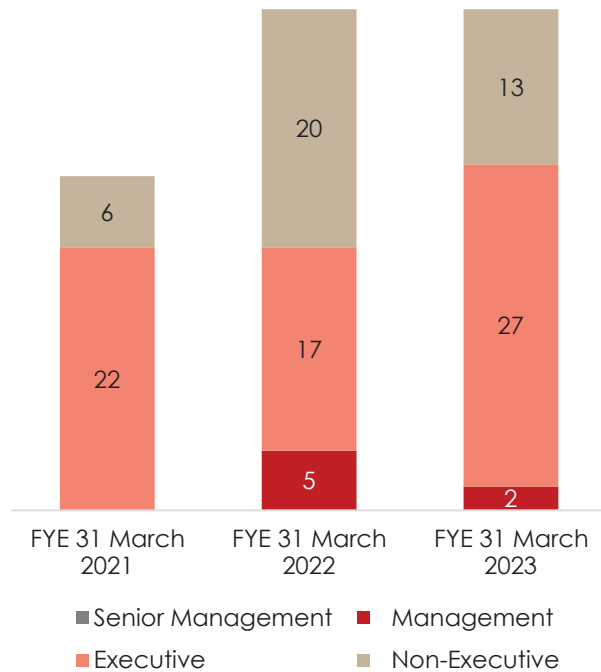
Employee Turnover by Gender in FYE 31 March 2023



Employee Turnover by Age Group in FY2023



Employee Turnover by Employee Category





EMPOWERING PEOPLE AND COMMUNITIES

(cont'd.)

SUSTAINABLE AND RESPONSIBLE SUPPLY CHAIN

AMB recognises our responsibility to ensure our products are made and packed with sustainable raw materials, produced with the utmost care and consideration for our customers. As such, we uphold the highest standards at every stage of our supply chain, aligning ourselves with Ajinomoto Group's aim of achieving 100% sustainable procurement.

In 2021, we introduced the environmentally friendly mono-material packaging of our 72g AJI NO-MOTO® Umami Seasoning (Flavour Enhancer) with a "Recycle" logo to encourage customers to recycle post-consumption, leading to a reduction in waste. With such initiatives in place, AMB's aim is to achieve zero-plastic waste by financial year 2030.

For FYE 31 March 2023, the information for Raw Materials and Packaging Materials is as below:

Raw Materials (Tonnes)	Packaging Materials (Tonnes)
Monosodium glutamate (MSG): 12,621	Corrugated box: 957.4
Glutamic Acid: 9,805	Polyolefin packaging (PO mix): 150.79
Sugar: 796	Non-PO mix packaging: 34.90
Salt: 660	Mono-material packaging: 21.13
Corn Starch: 430	

Responsible Supplier Management

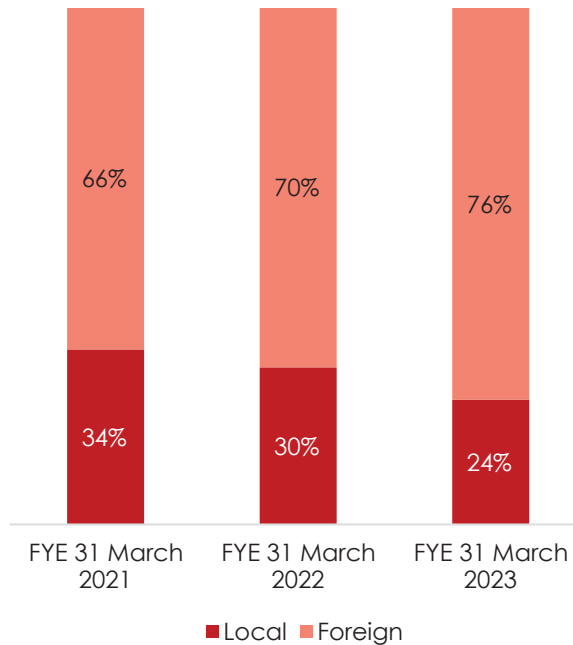
We are committed to stringent quality standards for the outsourcing of our goods and services according to our terms and conditions for the appointment of materials suppliers. Our suppliers adhere to the Group's Shared Policy for Suppliers, via AMB's Purchasing Policy to maintain non-violations in the yearly supplier evaluation. The annual performance evaluation for our main suppliers also includes sustainability-related metrics. 100% of new suppliers will undergo a new supplier development assessment, including those for both raw materials and packaging materials.



EMPOWERING PEOPLE AND COMMUNITIES (cont'd.)



Proportion of Spending



Performance

In FYE 31 March 2023, there was a decrease in the proportion of spending for local suppliers and an increase in foreign suppliers compared to FYE 31 March 2022 and FYE 31 March 2021. In FYE 31 March 2023, after stopping the MSG Purification process at our Kuchai Lama plant, we started the MSG repacking process at Enstek. This resulted in purchasing only a few key raw materials locally, but an increase in purchases from foreign suppliers of MSG mainly in Indonesia for repacking.

HUMAN RIGHTS AND LABOUR STANDARDS

AMB strongly advocates human rights in our business, recognising that it is fundamental to treat everybody with dignity, respect and equality. While staying committed to Ajinomoto Group's Policy on Human Rights, we adhere to international standards such as the Universal Declaration of Human Rights and the International Labour Organization ("ILO") Declaration on Fundamental Principles and Rights at Work.

AMB respects fundamental labour rights such as freedom of association and collective bargaining rights. 226 of our employees are covered by collective bargaining agreements. Additionally, compensation and benefits are reviewed according to prevailing local market rates and practices.



EMPOWERING PEOPLE AND COMMUNITIES (cont'd.)

AMB upholds the following principles in the Ajinomoto Group's Policy on Human Rights:

GROUP SHARED POLICY ON HUMAN RIGHTS

KEY PRINCIPLES:



In line with our commitment to human rights, we continuously promote awareness and ensure adherence to Ajinomoto Group's Human Rights Policy during On-Boarding programmes and employee briefings. In FYE 31 March 2023, 155 employees received training in human rights practices which we incorporate as part of our work culture. As a result of our continuous efforts, we recorded zero substantiated complaints of human rights violations.

EMPOWERING PEOPLE AND COMMUNITIES

(cont'd.)



COMMUNITY ENRICHMENT

AMB recognises that the impact of our business operations goes beyond the sphere of our consumers and business partners. As such, in FYE 31 March 2023, we continued to support and reach out to local communities through our initiatives which reflect our legacy and corporate motto of 'Eat Well, Live Well'.

Year	FYE 31 March 2021	FYE 31 March 2022	FYE 31 March 2023
Amount (RM)	More than 15,000	251,000	87,500
Beneficiaries	Contest participants among general public, and over 500 underprivileged households	2,453 people; 11 associations	5000 people; 2 associations; 1 school; 12 orphanage homes

As a company that values the communities we live in, our ongoing efforts to uplift and empower them have been evident throughout the years. Our overall contribution to the community amounted to RM87,500 for FYE 31 March 2023.

In April 2022, AMB initiated the 'Spread the Goodness of Ramadhan Through Seri-Aji®' campaign for underprivileged children. We contributed ingredients for cooking fried rice and AMB products to more than 500 children from 12 orphanages.

In support of sports culture, AMB played a hands-on role in a nutritional educational programme serving well-balanced meals, namely Winning Meals Kachimeshi®, to three national athletes under the Ajinomoto Group's, ASEAN Victory Project. The meals were specially curated by nutritionists to meet the needs and training targets of the athletes. This programme was held from March to July 2022 to prepare these national athletes for the 31st SEA Games in Vietnam.

Additionally, AMB hosted the 'Sports Nutrition Awareness Project' at Malaysia Pahang Sports School (SSMP). Over 400 student athletes from SSMP benefitted from health talks by sports nutritionists as well as Winning Meals Kachimeshi® servings, and information provided by the sports nutrition information corner set-up by AMB.



CONCLUSION

While adapting to the 'new normal', AMB has maintained resilience and perseverance in furthering our sustainability agenda. For this, we are grateful to our employees who have shown remarkable dedication and focus in achieving our ESG goals and targets, despite challenging times. Moving forward, AMB is positioned to contribute to a sustainable future and make further strides in our sustainability journey as we continue to be steadfast in our commitment for people to **'Eat Well, Live Well.'**

GRI CONTENT INDEX



Statement of use	Ajinomoto (Malaysia) Berhad has reported the information cited in this GRI content index for the period 1 April 2022 until 31 March 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 2: General Disclosures 2021	2-1 Organisational details	4, Annual report, pg XX
	2-2 Entities included in the organisation's sustainability reporting	6
	2-3 Reporting period, frequency and contact point	6
	2-4 Restatements of information	NA
	2-5 External assurance	6
	2-6 Activities, value chain and other business relationships	Annual report, pg XX
	2-7 Employees	49-57
	2-8 Workers who are not employees	51
	2-9 Governance structure and composition	14
	2-10 Nomination and selection of the highest governance body	27-28, Official webpage, see notes
	2-11 Chair of the highest governance body	14
	2-12 Role of the highest governance body in overseeing the management of impacts	14-18
	2-13 Delegation of responsibility for managing impacts	14-18
	2-14 Role of the highest governance body in sustainability reporting	14
	2-15 Conflicts of interest	27-29, Official webpage, see notes
	2-16 Communication of critical concerns	14-15, 18, 27-29
	2-17 Collective knowledge of the highest governance body	15
	2-18 Evaluation of the performance of the highest governance body	Official webpage, see notes
	2-19 Remuneration policies	Official webpage, see notes
	2-20 Process to determine remuneration	Official webpage, see notes
	2-21 Annual total compensation ratio	Annual report, pg XX
	2-22 Statement on sustainable development strategy	8-14
	2-23 Policy commitments	27-29
	2-24 Embedding policy commitments	27-29
	2-25 Processes to remediate negative impacts	14-18, 19-20, 27-29
	2-26 Mechanisms for seeking advice and raising concerns	19-20, 27-29
	2-27 Compliance with laws and regulations	12, 19-20, 27-31
	2-28 Membership associations	NA
	2-29 Approach to stakeholder engagement	19-22
	2-30 Collective bargaining agreements	60
GRI 3: Material Topics 2021	3-1 Process to determine material topics	23-25
	3-2 List of material topics	24-26
GRI 203: Indirect Economic Impacts 2016	3-3 Management of material topic	61
	203-1 Infrastructure investments and services supported	61



GRI CONTENT INDEX

(cont'd.)

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 204: Procurement Practices 2016	3-3 Management of material topic	58-59
	204-1 Proportion of spending on local suppliers	59
GRI 205: Anti-corruption 2016	3-3 Management of material topic	27-29
	205-1 Operations assessed for risks related to corruption	27-28
	205-2 Communication and training about anti-corruption policies and procedures	12-13, 19-20
	205-3 Confirmed incidents of corruption and actions taken	27-28
GRI 301: Materials 2016	3-3 Management of material topic	58
	301-1 Materials used by weight or volume	58
	301-2 Recycled input materials used	42-43
GRI 302: Energy 2016	3-3 Management of material topic	35-37
	302-1 Energy consumption within the organisation	36-38
	302-4 Reduction of energy consumption	36-38
GRI 303: Water and Effluents 2018	3-3 Management of material topic	44-45
	303-2 Management of water discharge-related impacts	44
	303-4 Water discharge	44
	303-5 Water consumption	45
GRI 305: Emissions 2016	3-3 Management of material topic	35-36, 39
	305-1 Direct (Scope 1) GHG emissions	39
	305-2 Energy indirect (Scope 2) GHG emissions	40
	305-4 GHG emissions intensity	39-41
	305-5 Reduction of GHG emissions	39-41
GRI 306: Waste 2020	3-3 Management of material topic	42
	306-1 Waste generation and significant waste-related impacts	42-43
	306-2 Management of significant waste-related impacts	42-43
	306-3 Waste generated	42-43
	306-4 Waste diverted from disposal	42-43
	306-5 Waste directed to disposal	42-43
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	58
GRI 401: Employment 2016	3-3 Management of material topic	50-51, 53-55
	401-1 New employee hires and employee turnover	56-57
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	52-53
	401-3 Parental leave	53

GRI CONTENT INDEX

(cont'd.)



GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topic	46-48
	403-1 Occupational health and safety management system	46-48
	403-2 Hazard identification, risk assessment, and incident investigation	46-48
	403-4 Worker participation, consultation, and communication on occupational health and safety	46-48
	403-5 Worker training on occupational health and safety	47
	403-8 Workers covered by an occupational health and safety management system	46-48
	403-9 Work-related injuries	47-48
	403-10 Work-related ill health	47-48
GRI 404: Training and Education 2016	3-3 Management of material topic	53-55
	404-1 Average hours of training per year per employee	55
	404-2 Programmes for upgrading employee skills and transition assistance programmes	53-55
	404-3 Percentage of employees receiving regular performance and career development reviews	54
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topic	49-51
	405-1 Diversity of governance bodies and employees	49-51
GRI 406: Non-discrimination 2016	3-3 Management of material topic	60
	406-1 Incidents of discrimination and corrective actions taken	60
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3 Management of material topic	60
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	60
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topic	60
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	NA
GRI 413: Local Communities 2016	3-3 Management of material topic	61
	413-1 Operations with local community engagement, impact assessments, and development programmes	61
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topic	58-59
	414-1 New suppliers that were screened using social criteria	58
GRI 416: Customer Health and Safety 2016	3-3 Management of material topic	31
	416-1 Assessment of the health and safety impacts of product and service categories	31
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	31



GRI CONTENT INDEX

(cont'd.)

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 417: Marketing and Labelling 2016	3-3 Management of material topic	31
	417-1 Requirements for product and service information and labelling	31
	417-2 Incidents of non-compliance concerning product and service information and labelling	31
	417-3 Incidents of non-compliance concerning marketing communications	NA
GRI 418: Customer Privacy 2016	3-3 Management of material topic	29
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	29

TCFD CONTENT INDEX



TCFD Recommendation	References / Location
Governance	Sustainability Statement FYE 31 March 2023, page 15
Strategy	Sustainability Statement FYE 31 March 2023, page 15-17
Risk Management	Sustainability Statement FYE 31 March 2023, page 17-18
Metrics and Targets	Sustainability Statement FYE 31 March 2023, page 19



Number of Ordinary Shares Held	CDS Account No.

PROXY FORM

Contact No.	Email Address

I / We, _____ (FULL NAME AND NRIC / PASSPORT NO. / REGISTRATION NO.)

of _____ (FULL ADDRESS)

being a member of **AJINOMOTO (MALAYSIA) BERHAD** hereby appoint:-

***First Proxy "A"**

Full Name (in Block):-	NRIC/ Passport No.:-	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address:-			

*and

***Second Proxy "B"**

Full Name (in Block):-	NRIC/ Passport No.:-	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address:-			

100%

*or failing him/her, the CHAIRMAN OF THE MEETING, as *my / our proxy to attend and vote for *me / us and on *my / our behalf at the Sixty-Second Annual General Meeting ("AGM") of Ajinomoto (Malaysia) Berhad to be held on a virtual basis hosted on Securities Services e-Portal at <https://sshb.net.my/> at the broadcast venue, which is the main venue of the AGM, at the Meeting Room of Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 29 August 2023 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 2023 together with the Reports of the Directors and the Auditors thereon. (Note 1)			
2.	To approve the payment of Directors' fees amounting to RM297,438 for the financial year ended 31 March 2023.	1		
3.	To approve the payment of Directors' benefits up to an amount of RM650,000 from 30 August 2023 until the date of the next Annual General Meeting of the Company.	2		
4.	Approval for gratuity payment of RM200,355.40 to Mr. Koay Kah Ee.	3		
5.	Approval for gratuity payment of RM113,133.33 to Encik Kamarudin Bin Rasid.	4		
6.	Approval for gratuity payment of RM160,758.33 to Mr. Dominic Aw Kian-Wee.	5		
7(a).	To re-elect Ms. Elaine Tan Ai Lin who is due to retire pursuant to Clause 119 of the Company's Constitution.	6		
7(b).	To re-elect Mr. Yong Kum Cheng who is due to retire pursuant to Clause 119 of the Company's Constitution.	7		
7(c).	To re-elect Mr. Riichiro Osawa who is due to retire pursuant to Clause 119 of the Company's Constitution.	8		
8(a).	To re-elect Ms. Noriko Fujimoto who is due to retire pursuant to Clause 120 of the Company's Constitution.	9		
8(b).	To re-elect Mr. Cheong Heng Choy who is due to retire pursuant to Clause 120 of the Company's Constitution.	10		
9.	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.	11		
Special Business				
10.	Ordinary Resolution No. 1: Authority to Issue Shares pursuant to the Companies Act 2016	12		
11.	Ordinary Resolution No. 2: Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	13		

* Strike out whichever is not applicable

Signed this _____ day of _____ 2023

* 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. The 62nd 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 62nd 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 62nd 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 62nd AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to eservices@sshsb.com.my during the 62nd AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded 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 2023 (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 with the Company's Share Registrar, not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjournment thereof:-

Mode of submission	Designated address
Hard copy	Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan
Electronic means	Through Securities Services e-Portal at https://sshsb.net.my

The lodging of the Form of Proxy does not preclude a member from attending and voting remotely at the 62nd 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 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 62nd 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>

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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

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AJINOMOTO (MALAYSIA) BERHAD

[Reg. No. 196101000252 (4295-W)]

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