

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

**Notes to the interim financial report for the period ended 30 June 2009**

**A EXPLANATORY NOTES PURSUANT TO FRS 134**

**1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard (FRS) 134, *Interim Financial Reporting*, issued by the Malaysian Accounting Standard Board (MASB).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2009.

The interim financial statements should be read in conjunction with the annual audited financial statements for the year ended 31 March 2009.

**2 Seasonality or Cyclicity of Interim Operations**

The results of the Company's trading and operations are not affected by any seasonal or cyclical factors.

**3 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual or exceptional because of their nature, size or incidence during the financial period to date.

**4 Material Changes in Estimates**

There were no material changes in the nature and amount of estimates reported in prior financial years that have a material effect in the current interim period.

**5 Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial period under review.

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

**Notes to the interim financial report for the period ended 30 June 2009**

**A EXPLANATORY NOTES PURSUANT TO FRS 134**

**6 Dividends Paid**

There was no dividend paid in the current financial period to date.

**7 Segmental Reporting**

**a. Business Segment:**

Segmental reporting by business activities has not been prepared as the Company is principally engaged only in the manufacturing and selling of monosodium glutamate and other related products.

**b. Geographical Segment:**

Segmental reporting by geographical regions has been prepared for revenue, the Company's location of assets are predominantly in Malaysia.

	Malaysia RM'000	Middle East RM'000	Other Asian Countries RM'000	Others RM'000	Total RM'000
<b>Revenue</b>					
3 months ended 30 June, 2009	46,835	7,160	15,312	1,976	71,283
3 months ended 30 June, 2008	40,141	4,959	10,855	1,647	57,602

**8 Material Events Subsequent to the Balance Sheet Date**

There was no material event subsequent to the end of the quarter as at the date of this announcement that will affect the results of the financial period ended 30 June 2009.

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

**Notes to the interim financial report for the period ended 30 June 2009**

**A EXPLANATORY NOTES PURSUANT TO FRS 134**

**9 Effects of Changes in the Composition of the Economic Entity**

There were no changes in the composition of the Economic Entity during the current financial period under review.

**10 Contingent Liabilities**

As at the date of this report, there were no contingent liabilities which have become enforceable, or likely to become enforceable to the Company.

**11 Capital Commitments**

The amount of commitments for the purchase of plant and equipment not provided for in the interim financial statement as at 30 June 2009 is as follows:

	<b>RM'000</b>
Approved and contracted for	4,582
Approved but not contracted for	14,530
	<u>19,112</u>

**12 Related Party Transactions**

Transactions related to the holding company, Ajinomoto Co., Inc. and its subsidiaries for the period ended 30 June 2009, are as follows:

	<b>3 month ended</b>
	<b>30/06/09</b>
	<b>RM'000</b>
Commission income	176
Royalties payable	1,654
Sales	12,827
Purchases	25,614
Purchase of assets	307
Promotion expenses	261
Other expenses	68

These transactions have been entered into the normal course of business and have been established under negotiated terms.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES LISTING REQUIREMENTS**

**1 Review of Performance**

For the first financial quarter ended 30 June 2009, both domestic sales and exports have increased significantly. This is largely due to improved domestic consumer and business sentiments whilst improved exports was helped by the opening of the Dubai office, resulting in significant increase in exports to the Middle East. This, together with better selling prices and continued adoption of consistent and effective promotion and advertising strategies both domestic and overseas have contributed to the improvement in the first quarter sales by 24% as compared to previous corresponding quarter. Nevertheless, the increase in revenue to a certain extent was neutralized by higher cost of inputs, as a result profit before tax improved by 16% against the profit before tax of the same quarter of last year.

**2 Material Changes in the Quarterly Profit Before Taxation Compared to the Results of the Preceding Quarter.**

Compared against last quarter, revenue was higher by 17%, representing an increase of RM10.5 million, as compared to RM60.8 million achieved in the preceding quarter as a result of improvement in both domestic and export sales. Profit before tax for the quarter under review was substantially higher than the preceding quarter by RM5.3 million, principally due to higher sales and lower selling expenses in the current quarter as compared to the high expenses incurred from intensified selling and promotion activities during last quarter.

**3 Commentary on Prospects**

With anticipated improvement in the overall domestic labour market, business and consumer confidence underpinned by implementation of fiscal stimulus by the Government aimed at expediting economic recovery, the Board is confident that the good performance of the Company for the remaining quarters of the current financial year can be sustained.

**4 Variance of Actual Profit from Forecast Profit**

Not applicable as the Company did not publish any profit forecast.

**5 Taxation**

Tax expense comprises the following: -

	<b>3 month ended 30/06/09 RM'000</b>	<b>3 month ended 30/6/08 RM'000</b>
Current tax expense :		
Malaysian income tax	1,864	1,575
Foreign tax	10	10
	<hr/> 1,874	<hr/> 1,585
Deferred tax expense	-	-
	<hr/> 1,874	<hr/> 1,585

The effective tax rate of the tax provision for the quarter under review is slightly lower than the statutory tax rate, due to reinvestment allowances tax incentive enjoyed by the Company.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES LISTING REQUIREMENTS**

**6 Profit/(loss) on sale of Unquoted Investment and/or Properties**

There was no sale of unquoted investments and/or properties for the quarter under review and financial period to date.

**7 Particulars of Purchase or Disposal of Quoted Securities**

There was no purchase or disposal of quoted securities for the quarter under review.

**8 Status of Corporate Proposals**

There were no corporate proposals that have been announced by the Company as at the date of this report.

**9 Borrowings and Debt Securities**

As at the end of the period under review, the Company has no borrowings nor issued any debt securities.

**10 Off Balance Sheet Financial Instruments**

The Company does not have any financial instruments with off balance sheet risk as at 17th August 2009 the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

**11 Material Litigation**

There are no material litigation as at 17th August 2009, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

**13 Dividend Payable**

No dividend was proposed or declared for the current financial period ended 30 June 2009

**B ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES LISTING REQUIREMENTS**

**14 Basic Earnings Per Share**

Basic earnings per share for the current quarter and financial period to date are calculated based on the net profit attributable to ordinary shareholders and the number of ordinary shares outstanding.

	<b>3 month ended 30 June 2009 RM'000</b>
Net profit attributable to ordinary shareholders of the Company	<u>6,971</u>
Number of ordinary shares outstanding	<u><u>60,798</u></u>

Diluted earnings per share is not applicable for the Company.

*By Order of the Board*

Kuala Lumpur  
17th August 2009

Chua Siew Chuan  
Company Secretary