

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

**Notes to the interim financial report for the period ended 30 Sept 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 so much affected by 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.

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**6 Dividends Paid**

The amount of dividends paid during the financial period under review is as follows:

	6 months ended 30/9/2009 RM'000	6 months ended 30/9/2008 RM'000
First and final dividend in respect of the financial year ended 31 March 2009, of 8% less 25% taxation and 9% tax exempt, paid on 16 September 2009	9,120	7,855

**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>					
6 months ended 30 Sept, 2009	92,916	14,345	28,943	3,875	140,079
6 months ended 30 Sept, 2008	83,484	13,470	20,964	3,375	121,293

**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 Sept 2009.

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**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 Sept 2009 is as follows:

	<b>RM'000</b>
Approved and contracted for	7,775
Approved but not contracted for	11,337
	<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 Sept 2009, are as follows:

	<b>3 month ended</b>	<b>6 month ended</b>
	<b>30/09/09</b>	<b>30/09/09</b>
	<b>RM'000</b>	<b>RM'000</b>
Commission income	315	491
Royalties payable	1,597	3,251
Sales	11,520	24,347
Purchases	30,858	56,472
Purchase of assets	40	347
Promotion expenses	75	149
Other expenses	155	223

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**

The Company's revenue registered a 8.0% and 15.5% growth respectively for the second quarter and financial period to date as compared to the previous year's respective corresponding period mainly due to increase in sales from both domestic and export markets achieved through better selling price and higher volume. This coupled with lower raw material prices aided by favorable foreign exchange has improved profit before tax by 6.8% and 11.9% higher for the second quarter and the first 6 months of the financial period ended 30 September 2009 respectively.

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

The Company's profit before tax for the second quarter under review of RM7.6 million was lower than the first quarter of RM8.8 million. This was mainly due to higher revenue recorded for the first quarter as a result of better export sales achieved during the first quarter and higher selling and marketing expenses incurred in the second quarter.

**3 Commentary on Prospects**

Based on information on the current recovery trend in both global and domestic economy and supported by overall improvement of business sentiment in the domestic private sector, the Board is confident that the 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 30/9/2009 RM'000</b>	<b>6 month ended 30/9/2009 RM'000</b>	<b>3 month ended 30/9/2008 RM'000</b>	<b>6 month ended 30/9/2008 RM'000</b>
Current tax expense :				
Malaysian income tax	1,595	3,462	1,466	3,041
Foreign tax	10	17	10	20
	<hr/> 1,605	<hr/> 3,479	<hr/> 1,476	<hr/> 3,061
Deferred tax expense	-	-	-	-
	<hr/> <b>1,605</b>	<hr/> <b>3,479</b>	<hr/> <b>1,476</b>	<hr/> <b>3,061</b>

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.

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**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 November 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 November 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 Sept 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>6 month ended 30 Sept 2009 RM'000</b>
Net profit attributable to ordinary shareholders of the Company	<u>12,932</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 November 2009

Chua Siew Chuan  
Company Secretary