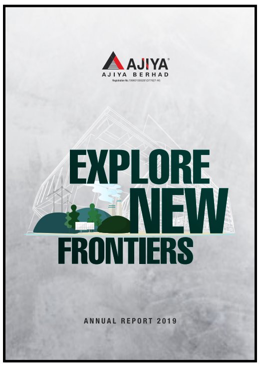
AJIYA

AJIYA BERHAD

Registration No.199601005281(377627-W)

EXPLORE NEW FRONTIERS

ANNUAL REPORT 2019



EXPLORE NEW FRONTIERS

At Ajiya Berhad, we constantly explore business opportunities to stay competitive.

Our Purpose is to build **trust and commitment together** in providing affordable and sustainable integrated building solutions for the community.

We strive to achieve and sustain the **leading position** in bringing innovative and sustainable building solutions to our business partners, clients and end users.

We believe that by upholding our mission of **exploring new frontiers** in finding innovative, environmental friendly and sustainable integrated building solutions to **enrich wellbeing** for the community, we are able to sustain our growth momentum and deliver long term value for the community.

AJIYA
AJIYA BERHAD

OUR PURPOSE

TO BUILD TRUST & COMMITMENT TOGETHER

OUR VISION

TO ENRICH WELLBEING FOR THE COMMUNITY

OUR MISSION

EXPLORE NEW FRONTIERS

OUR VALUES

1 CORE VALUES

- COMMITMENT
- TEAMWORK
- EFFICIENCY
- RESPONSIBILITY
- PROACTIVE
- KNOWLEDGE

2 CORE COMPETENCIES

- RELIABLE QUALITY PRODUCTS & PERFORMANCE
- EFFICIENT MANUFACTURING
- CUSTOMER FOCUS
- TECHNICAL COMPETENCY THROUGH COLLABORATION
- WIDE DISTRIBUTION NETWORK

3 CORE VALUE STREAMS [4P]

- PEOPLE
- PRODUCT
- PRICE
- PROCESS

24th ANNUAL GENERAL MEETING

VIP Hotel
Batu 1, Jalan Buloh Kasap, 85000 Segamat, Johor.
Thursday, 11.30 a.m.
23rd April 2020

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OUR NEW FEATURES IN THIS REPORT

To access our Annual Report, please download the QR code reader onto your smartphone by scanning the image on the left.

This report is available at www.ajiya.com.

We have provided cross-references. This icon tells you where you can find related information in our report.

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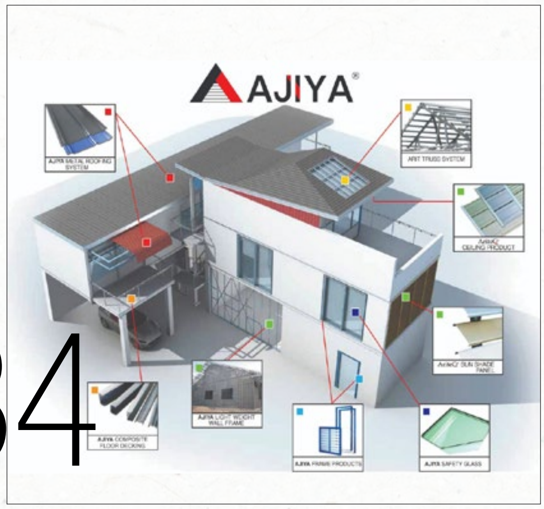

This report has been compiled with information that the Board and Management believe is relevant to stakeholders and that will provide them with a comprehensive view of the Group's performance for the financial year.

Ajiya Berhad continues to improve the quality of its reporting. To contact us, you may email us at "Contact Us" of www.ajiya.com

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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Dato' Dr. Mohd Aminuddin bin Mohd Rouse
(Independent Non-Executive Chairman)

MANAGING DIRECTOR

Dato' Chan Wah Kiang

NON-EXECUTIVE DIRECTOR

Mr. Yeo Ann Seck

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tan Seng Kee *(Senior)*
Dato' Theng Book
Ms. Low Peak Yih
Ms. Lee Xia Lien

AUDIT COMMITTEE
Mr. Tan Seng Kee *(Chairman)*
Dato' Theng Book
Ms. Low Peak Yih
Ms. Lee Xia Lien

NOMINATION COMMITTEE
Mr. Tan Seng Kee *(Chairman)*
Dato' Dr. Mohd Aminuddin bin Mohd Rouse
Dato' Theng Book

REMUNERATION COMMITTEE
Dato' Theng Book *(Chairman)*
Dato' Dr. Mohd Aminuddin bin Mohd Rouse
Mr. Tan Seng Kee

RISK MANAGEMENT COMMITTEE
Dato' Dr. Mohd Aminuddin bin Mohd Rouse *(Chairman)*
Mr. Tan Seng Kee
Dato' Theng Book

SECRETARIES
Ms. Chong Wui Koon
SSM PC No.202008000920
(MAICSA 7012363)
Ms. Leong Siew Foong
SSM PC No.202008001117
(MAICSA 7007572)

REGISTERED OFFICE
Suite 9D, Level 9
Menara Ansar
65, Jalan Trus,
80000 Johor Bahru, Johor
Tel : 07 – 224 1035
Fax : 07 – 221 0891

REGISTRAR
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony,
No.5, Jalan Professor Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya, Selangor.
Tel : 03-7890 4700
Fax: 03-7890 4670

AUDITORS
Ernst & Young
Chartered Accountants
B-15, Medini 9,
Persiaran Medini Sentral 1,
Bandar Medini Iskandar,
79250 Iskandar Puteri, Johor

PRINCIPAL BANKERS
AmIslamic Bank Berhad
AmInvestment Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE
Main Market of Bursa Malaysia Securities Berhad
Stock Code : 7609
Stock Name : AJIYA

WEBSITE
www.ajiya.com

CORPORATE STRUCTURE

AJIYA
AJIYA BERHAD

SUBSIDIARY COMPANIES		ASSOCIATE COMPANY
MALAYSIA COMPANIES	OVERSEAS COMPANIES	ASTEEL Ajiya Sdn Bhd

MALAYSIA COMPANIES

METAL BASE
Asia Roofing Industries Sdn Bhd
ARI Utara Sdn Bhd
ARI Timur (KB) Sdn Bhd
Ajiya STI Sdn Bhd
ARITEQ Eco Sdn Bhd

GLASS BASE
Ajiya Safety Glass Sdn Bhd
ASG Marketing Sdn Bhd
LTC Usaha Sdn Bhd

OVERSEAS COMPANIES

METAL BASE
Thai Ajiya Co.,Ltd

GLASS BASE
Thai Ajiya Safety Glass Co.,Ltd.

ASSOCIATE COMPANY

ASTEEL Ajiya Sdn Bhd

ABOUT US

AJIYA BERHAD ("AJIYA") AND ITS GROUP OF COMPANIES ("THE GROUP") STARTED AS A METAL ROLL FORMING COMPANY IN 1990 USING THE BRAND NAME "AJIYA". IN 1996, THE GROUP VENTURED INTO PRODUCTION OF HIGH VALUE-ADDED SAFETY GLASS PRODUCTS. AJIYA PRODUCTS CATER TO A WIDE VARIETY OF USERS, FROM INDUSTRIAL COMMERCIAL BUILDINGS TO COMMON RESIDENTIAL HOUSES.

Since its establishment, Ajiya has expanded from its base in Segamat, Johor to multiple geographically strategic locations to Northern, Southern, Central and Eastern regions of Malaysia. In response to growing competition, Ajiya had, in 2007 established its overseas presence in Thailand. To date, Ajiya has a network of 18 factories or warehouses with offices throughout Malaysia and Thailand.

Combining the key strengths of our Metal Division and Safety Glass Division, Ajiya proceeded to develop into a one-stop manufacturer of Industrialised Building System ("IBS") with our very own Ajiya Green Integrated Building System ("AGiBS"). AGiBS is a modern method of construction to increase productivity and quality at construction sites, align with CIDB's initiatives.

Ajiya was listed on the Second Board of Bursa Malaysia Securities Berhad in 1996 and in 2003, transferred to the Main Market.

Since its inception in 1990, Ajiya is committed to create long-term value to shareholders by delivering sustainable and profitable growth. Our corporate journey over the past years has been quite an adventure, some time smooth sailing, other time stormy. Each challenge was a lesson learnt and each success a reason for celebration.

Supported by its extensive network of factories across Malaysia, comprehensive range of innovative products, quality services, continuous improvements and prompt delivery, Ajiya commits to ensures consistency and customer satisfaction.

AJIYA METAL GROUP

Ajiya has established itself as one of the leading manufacturers in metal rollforming products under the brand name "AJIYA".

The Ajiya Metal Group comprises the following companies:-

- Asia Roofing Industries Sdn Bhd
- ARI Utara Sdn Bhd
- ARI Timur (KB) Sdn Bhd
- Ariteq Eco Sdn Bhd
- Ajiya STI Sdn Bhd
- Thai Ajiya Co., Ltd. (Thailand)

Asia Roofing Industries Sdn Bhd commenced operations in 1990, manufacturing metal tiles effect products, industrial metal roofing sheets and wall claddings. Over the years, it has expanded its mainstream products to metal frame products, structural products, architectural products, lightweight channel products and Ajiya Green Integrated Building System developed largely by its in-house Product Development and Process Improvement team.

Ajiya's products are renowned for its aesthetic design, quality and services. Our products are manufactured under stringent quality management system. We were accredited by SIRIM the MS ISO 9002:1994 in 1996. Our compliance status have since been updated to ISO 9001:2008 in 2009. Since then, we have continued our commitment to quality by complying to the latest ISO 9001:2015 in 2017. Ajiya's metal products received a boost in 2018, following the Perakuan Permatuhan Standard ("PPS") certification from CIDB for Self-Supporting Steel Roofing.

Ajiya is a ready supplier of components and integrated Industrialised Building System (IBS), certified by the Construction Industry Development Board (CIDB).

We are also granted by JKR as an official System Provider for Pre-fabricated Cold Formed Steel Roof Trusses in Malaysia. Our Composite Wall Panel Partition System is also certified by the Malaysian Fire and Rescue Department for its two-hour fire resistance. In January 2017, we were recognised by CIDB as a "Pusat Latihan Bertauliah IBS" for IBS Metal Structure Framing System.

Ajiya is committed to constantly striving for innovation and providing quality products to stay at the forefront of the market.

AJIYA GLASS GROUP

Ajiya diversified into safety glass processing business in 1996 through the setting up of Ajiya Safety Glass Sdn Bhd, under the brand name "AJIYA".

The Ajiya Glass Group comprises the following companies:-

- Ajiya Safety Glass Sdn Bhd
- ASG Marketing Sdn Bhd
- LTC Usaha Sdn Bhd
- Thai Ajiya Safety Glass Co., Ltd. (Thailand)

In the earlier days, the Glass Group produced tempered and laminated glass and later broadened to include insulating safety glass, decorative safety glass, security safety and storm protection safety glass, heat strengthened glass, curved tempered safety glass and Attoch. These products are widely used in industrial, commercial, recreational, office, residential building, as well as furniture and white goods. Our energy saving safety glass is a popular choice with developers, architects, engineers, planners, designers, contractors, green consultants and end users.

Ajiya believes quality is an essence for success. The Glass Group obtained BS EN ISO 9002:1994 accreditation in 1998 and have since updated to ISO 9001:2000 in 2002, followed by ISO 9001:2008 in 2010. In 2016, we obtained Product Certification Licence for Tempered Safety Glass and Laminated Safety Glass in Building, fully complying with MS1498:2011. In the same year, the Glass Group obtained "Perakuan Permatuhan Standard" for Tempered Safety Glass and Laminated Safety Glass in Building. Meanwhile, our Thai Ajiya Safety Glass Co., Ltd, was certified with SGS ISO 9001:2008 in 2013.

Ajiya Safety Glass is a founding member of Malaysia Green Building Council (malaysiaGBC), an organisation in Malaysia which is endorsed and supported by World Green Building Council. Ajiya will continue to spearhead the development of green building components for a sustainable built environment in Malaysia.

CORPORATE MILESTONES

1990

Incorporation of Asia Roofing Industries Sdn Bhd (ARI) on 24th August 1990.

1991

Setting up of ARI sales & marketing office in Cheras, KL. (1991-2002).

Commencement of ARI factory operation at rented premises in Lot 28, Segamat, Johor.

1993

Acquisition of ARITEQ Eco Sdn Bhd on 10th June 1993.

1994

Setting up of ARI sales & marketing office in Johor Jaya, Johor. (1994-2006)

1995

Commencement of ARI plant at Lot 153, Segamat, Johor, its present corporate head office and main factory.

Incorporation of Ajiya Safety Glass Sdn Bhd (ASG) on 8th November 1995.

Acquisition of ARI Utara Sdn Bhd (ARIU) on 14th December 1995.

1996

Incorporation of Ajiya Berhad on 14th February 1996.

Setting up of ARI sales & marketing office in Seberang Perai, Pulau Pinang. (1996-2004)

ASG plant commenced operation at Lot 575, Segamat, Johor, its present corporate head office and main factory.

1996

ARI was awarded MS ISO 9002:1994.

Ajiya Berhad was listed on the 2nd Board of the Bursa Malaysia Securities Berhad (then known as the Kuala Lumpur Stock Exchange) on 20th December 1996.

1997

ASG produced its first insulated and laminated glass.

Incorporation of ASG Marketing Sdn Bhd on 27th January 1997.

1998

ASG was certified BS EN ISO 9002:1994.

2000

Establishment of ARI plant at Lot 142,
Segamat, Johor.

2001

Establishment of ARI plant at Lot 152, Segamat, Johor.

2002

Commencement of ASG plant at Puchong, Selangor, its present marketing head office and factory.

Commencement of ARI plant at Puchong, Selangor. (2002-2008).

Establishment of ARI plant at Lot 29, Segamat, Johor.

Incorporation of Ajiya STI Sdn Bhd (ASTI) on 26th April 2002.

ASTI started its business at Cheras, K.L.

CORPORATE MILESTONES


2002

ASTI moved to Puchong, Selangor.

ASG was awarded MS ISO 9001:2000.

ASG was awarded the "Golden Client" by Pengarah Kastam Negeri Johor.

2003

Transfer listing of Ajiya Berhad from 2nd Board to the Main Board of the Bursa Malaysia Securities Berhad (then known as Kuala Lumpur Stock Exchange) on 1st December 2003.

2004

Establishment of ARIU plant in Sungai Petani, Kedah.

2005

Incorporation of ARI Timur (KB) Sdn Bhd (ARIKB) on 10th November 2005.

Establishment of ARIKB plant in Kota Bahru, Kelantan.

2006

Setting up of ARIU sales & marketing office in Sungai Petani, Kedah.

Establishment of ARIU sales & marketing office in Ipoh, Perak.

Establishment of ARI plant in Senai, Johor. (2006-2014)

2007

Incorporation of Thai Ajiya Co. Ltd (TAC) on 23th November 2007.

Setting up of ASG plant in Senai, Johor.

2008

TAC factory I commenced operation at rented premise in Pathumthani, Thailand.

Establishment of ARI plant in Bukit Kemuning, Selangor, its present marketing head office and factory.

Establishment of ASG warehouse in Bukit Kemuning, Selangor.

2009

Establishment of ASG plant in Bukit Minyak, Pulau Pinang.

Ajiya Berhad was elected the Industry Confederation Partner of the Malaysia Green Building Council .

ARI updated its quality commitment to ISO 9001:2008.

2010

Incorporation of Thai Ajiya Safety Glass Co. Ltd (TASG) on 2nd October 2010.

ASG updated its quality commitment to ISO 9001:2008.

2011

Establishment of ASG plant in Kuching, Sarawak.

Establishment of ARI plant at rented premises in Mentakab, Pahang.

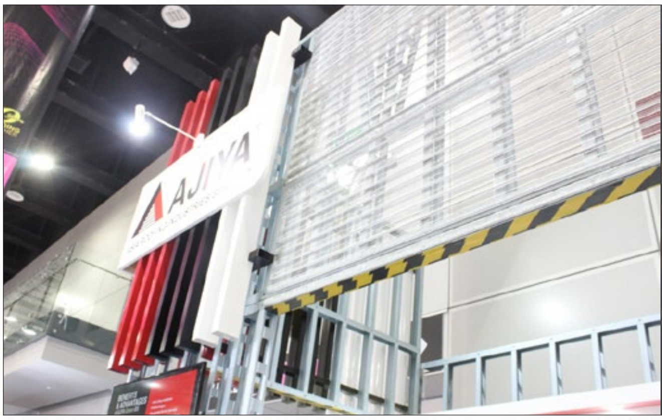
2013

Establishment of TAC plant II in Chonburi, Thailand. (2013-2017)

Establishment of TASG plant in Chonburi, Thailand.

TASG was awarded ISO 9001:2008.

CORPORATE MILESTONES




2014

Establishment of ASG warehouse in Buloh Kasap Segamat, Johor.

Establishment of ARI plant in Jalan Seelong, Mukim Tebrau, Johor.

ARITEQ Eco Sdn Bhd was awarded the certificate of appreciation being the highest sales tax payer in Segamat, Johor.

2015

ARIU was awarded the ISO 9001:2008 certification.

ARIKB was granted by JKR as truss system provider.

ARIU's "Composite Wall Panel Partition System" was certified by Jabatan Bomba Dan Penyelamat Malaysia for 2 hours fire resistance.

ARIU was certified by CIDB as an IBS Status company manufacturing IBS components, Lightweight Frame Building and Metal Roof Trusses.

ASG was awarded the best EPF contributor by the Kumpulan Wang Simpanan Segamat, Johor.

Ajiya celebrated its 25th anniversary with Golf Tournament and Gala Dinner.

Completed a Private Placement corporate exercise of up to 6,922,300 new ordinary shares of RM1.00 each in Ajiya, representing approximately 10% of the total issued and paid-up capital of the Company.

2016

ARIT was certified by CIDB as an IBS Status Company that manufactures "Lightweight Roof Trusses" IBS components.

Completed Ajiya Share Split of 1 existing ordinary share of RM1.00 each into 4 ordinary shares of RM0.25 each on 9 August 2016 following the listing of and quotation for 304,584,484 Subdivided Shares on the Main Market of Bursa Malaysia Securities Berhad.

Bonus issue of 1 warrant for every 2 subdivided shares, completed on 1 September 2016.

ARI was awarded the best EPF contributor by the Kumpulan Wang Simpanan Segamat, Johor.

Collaboration with Malaysia Green Building Council and Universiti Kebangsaan towards the marketing and organising of MGBC-PAM Architectural Design Competition 2016.

Signing of MOU with YKGI Holdings Berhad with the intention of establishing a long-term strategic business partnership in East Malaysia.

Strategic collaboration with Politeknik Port Dickson for the development of a friendly academic collaboration in developing programmes for the purpose of establishing a beneficial association.

ASG was accredited Product Certification Licence for Tempered Safety Glass in Building and Laminated Safety Glass in Building, in complying with MS 1498:2011.

ASG was certified by CIDB the Perakuan Pematuhan Standard (PPS) for Tempered Safety Glass in Building and Laminated Safety Glass in Building.

2017

ARI was recognised by CIDB as "Pusat Latihan Bertauliah Installer IBS Installer" for IBS Metal Structure Framing System.

ARI further updated its quality commitment to ISO 9001:2015.

ARI's "Composite Floor Slab System" was certified by Jabatan Bomba Dan Penyelamat Malaysia for 2 hours fire resistance.

ARI's "Mega Rib 30 PU Metal" was certified by Jabatan Bomba Dan Penyelamat Malaysia for fire resistance Class '0'.

ARI was certified by CIDB as an IBS Status company manufacturing the IBS components, Lightweight Frame Building and Metal Roof Trusses.

Strategic Collaboration with Politeknik Melaka for the establishment of an academic collaboration on program and activities based on Industrialised Building System (IBS) concept.

Collaboration between ARIU and Ascension Technology Sdn Bhd to promote affordable housing in Malaysia by using innovative construction technique.

ARIU patented its "Light Weight Wall Structure" in 2017.

2018

Establishment of ARI plant at rented premises in Kuantan, Pahang.

Incorporated ASTEEL Ajiya Sdn Bhd, a joint venture company with Asteel Resources Sdn Bhd for the sale of safety glass, supply and installation of AGiBS and trading of metal rollforming products in East Malaysia.

Ajiya participated in the en-bloc signing ceremony of the Malaysian Anti-Corruption Commission ("MACC") Corruption Free Pledge organized by the Federation of Malaysian Manufacturers ("FMM").

ARI was granted Product Certificate Licence by SIRIM for Self Supporting Steel Roofing, in complying with MS 2500:2012.

ARI was certified by CIDB the Perakuan Pematuhan Standard (PPS) for Self Supporting Steel Roofing.

AJIYA Team won the first runner up at PESTA TRIZ Competition 2018, organised by Malaysia TRIZ Innovation Association.

2019

Set up of Ajiya Mobile Hub as promotional vehicle with showroom and product gallery.

Installation of solar panels at the Group's factories.

EVENTS HIGHLIGHTS 2019

FEBRUARY

Representative of Ajiya joined The Town Hall Engagement with MESTECC.

MARCH

Training on Effective Problem Solving Through 8D & Facilitation Techniques.

Launching of Ajiya Mobile Hub, touring around Malaysia, visiting hardware shops nationwide.

APRIL

Workshop on "Sharing Knowledge, Expertise and Challenges on Developing the TRIZ Consulting Foundation Skills".

Annual General Meeting 2019.

Ajiya Cycling Club participated in the "Light It Up Blue & Cycling for Autism 2019"

Collaboration with UKM on research of thermal performance of AJIYA roofing products.

MAY

The Managing Director, Dato' Chan was invited to participate in "Bengkel Maklumbalas Kursus Program Diploma Kejuruteraan Awam", Politeknik Port Dickson.

Presentation of Long Service Award, Anugerah Pelajar Cemerlang and "Hero In Me" blood donor rewards during Annual Gathering.

Celebration of Hari Raya Aidilfitri at Bukit Kemuning plant.

Collaboration with TARUC to work towards our digital transformation goal.

EVENTS HIGHLIGHTS 2019

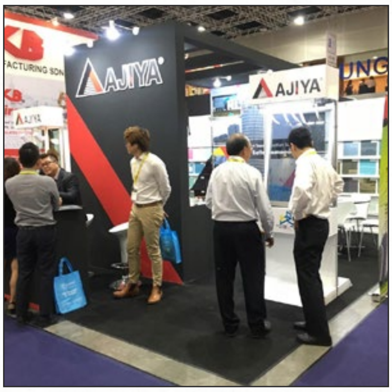
JUNE

TRIZ Level 2 Practitioner Workshop.

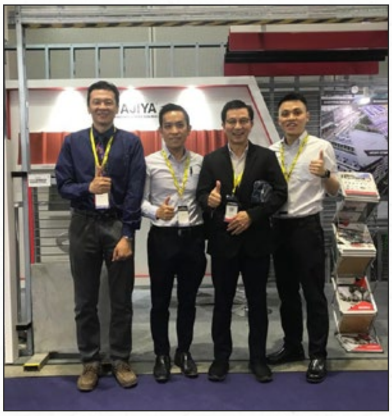
Ajiya Sport Club gathering activity.

Ajiya participated in the annual Kuala Lumpur Architecture Festival (KLAF).

JULY



Ajiya participated in the 20th International Architecture, Interior Design & Building Exhibition 2019 (ARCHIDEX).



Technical Visit by Bahagian Pembangunan Kontraktor dan Usahawan (BPKU), cawangan negeri Melaka.

AUGUST

Products briefing by Ajiya's representative at JKR, Bahagian Arkitek, JB.

Ajiya sponsored and participated in Tarcian Run 2019.

AJIYA embarked on Sales Transformation Journey.

Ajiya participated in the exhibition “Hari Terbuka JKR Kelantan”.

EVENTS HIGHLIGHTS 2019

SEPTEMBER

Mid-Autumn Festival Celebration.

Ajiya sponsor and participated in The Penang International Green Conference & Exhibition 2019 (PGIGCE).

5S Campaign “Gotong Royong” conducted at Foreign Worker Hostel.

OCTOBER

Factory Visit by Prima Wahyu Sdn Bhd to Bukit Kemuning plant.

Ajiya participated in KL Mayor Green Run 2019 Exhibition.

Ajiya as MGBC Platinum Partner 2019 & Event Main Sponsor to the forum themed “Sustainability: Thinking Out of The Green Building”.

Factory and technical visit by Institution of Engineers Malaysia (IEM).

UTAR student visited Puchong plant.

NOVEMBER

Supply Chain Awareness, Strategy And Integration Workshop.

Ajiya participated in MACCOPS exhibition.

Fire Drills conducted at factory premises.

Technical visit to Ajiya Sungai Petani plant by Fakulti Senibina, Perancangan dan Ukur, UITM Seri Iskandar, Perak.

JKR Kota Bharu visited Ajiya KB plant.

Ajiya participated in Green Expo 2019: Green Development and Innovation.

AWARDS & CERTIFICATIONS

DATO' DR. MOHD AMINUDDIN BIN MOHD ROUSE

INDEPENDENT NON-EXECUTIVE CHAIRMAN

BOARD MEETING ATTENDANCE IN 2019
4/5

AGED 74
MALAYSIAN
MALE

QUALIFICATIONS

- Bachelor of Science (Honours) in Biochemistry from University of Malaya
- Doctor of Philosophy in Agricultural Chemistry from University of Adelaide

BOARD COMMITTEES MEMBERSHIP

- Risk Management Committee (Chairman)
- Nomination Committee
- Remuneration Committee

Dato' Dr. Mohd Aminuddin was first appointed to the Board on 27-9-1996 and redesigned as Independent Non-Executive Chairman on 17-01-2012.

He was elected as Chairman of the Board on 27 September 1996. He is also the Chairman of Risk Management Committee and member of the Nomination Committee and Remuneration Committee of the Company.

Dato' Dr. Mohd Aminuddin graduated with a Bachelor of Science (Honours) in Biochemistry from University of Malaya in 1969 and a Doctor of Philosophy in Agricultural Chemistry from University of Adelaide in 1974. He has served in the academic sector, holding various posts in University Putra Malaysia and University Sains Malaysia since 1969.

In 1983, he started his venture into the corporate sector, actively holding various positions in Kumpulan Guthrie Berhad, Berjaya Group Berhad, Konsortium Logistik Berhad, PNSL Berhad and Indah Water Konsortium Sdn Bhd.

Currently, Dato' Dr. Mohd Aminuddin is a director of Star Media Group Berhad, Tanco Holdings Berhad, Karambunai Corp Bhd, ManagePay Systems Bhd and Trustgate Berhad.

Dato' Dr. Mohd Aminuddin attended four out of five board meetings held during the financial year ended 30 November 2019.

DATO' CHAN WAH KIANG

MANAGING DIRECTOR

BOARD MEETING ATTENDANCE IN 2019
5/5

AGED 61
MALAYSIAN
MALE

QUALIFICATIONS

- Bachelor of Science (majoring in Chemistry and Biology) from Campbell University

BOARD COMMITTEES MEMBERSHIP

- NIL

Dato' Chan is the founder member of Ajiya Group of companies. He was appointed to the Board as Managing Director on 27-9-1996.

He holds a Bachelor of Science majoring in Chemistry and Biology from Campbell University, USA in 1983.

Dato' Chan started his career working in a paint manufacturer in 1984 and moved on to various manufacturing companies holding senior positions. With his extensive experience garnered from the manufacturing industry, he decided to venture into the roofing, and subsequently glass business.

Dato' Chan also holds directorship within the Ajiya Group and several other private limited companies. He is a substantial shareholder of the Company through his direct and deemed interest in the Company.

Dato' Chan attended all the five board meetings held during the financial year ended 30 November 2019.

PROFILE OF DIRECTORS

MR. TAN SENG KEE

BOARD MEETING ATTENDANCE IN 2019

5/5

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

AGED 63
MALAYSIAN
MALE

QUALIFICATIONS

- Bachelor of Law (Honours) from University of Malaya

BOARD COMMITTEES MEMBERSHIP

- Audit Committee (Chairman)
- Nomination Committee (Chairman)
- Remuneration Committee
- Risk Management Committee

Mr. Tan was appointed to the Board on 27-09-1996. He is the Chairman of the Audit Committee and Nomination Committee.

He is also a member of the Remuneration Committee and Risk Management Committee.

Mr. Tan holds a Bachelor of Law (Honours) degree from the University of Malaya in 1980.

Mr. Tan attended all the five board meetings held during the financial year ended 30 November 2019.

DATO' THENG BOOK

BOARD MEETING ATTENDANCE IN 2019

5/5

INDEPENDENT NON-EXECUTIVE DIRECTOR

AGED 60
MALAYSIAN
MALE

QUALIFICATIONS

- Bachelor of Science (majoring in Chemistry and Statistic)
- Diploma in Business Studies
- Bachelor of Law and Certificate of Legal Practice
- Qualified Mediator and Arbitrator

BOARD COMMITTEES MEMBERSHIP

- Remuneration Committee (Chairman)
- Audit Committee
- Nomination Committee
- Risk Management Committee

Dato' Theng was appointed to the Board on 02-05-2000. He is the Chairman of the Remuneration Committee.

He is also a member of the Audit Committee, Nomination Committee and Risk Management Committee of the Company.

Dato' Theng holds a Bachelor of Science majoring in Chemistry and Statistic. He also holds a Diploma in Business Studies, Bachelor of Law and Certificate of Legal Practice. He is a qualified Mediator and Arbitrator. He was in the commercial sector for about 10 years prior to commencing legal practice as an Advocate & Solicitor.

He also sits on the board of Samchem Holdings Berhad.

Dato' Theng attended all the five board meetings held during the financial year ended 30 November 2019.

MR. YEO ANN SECK

BOARD MEETING ATTENDANCE IN 2019

5/5

AGED 64
MALAYSIAN
MALE

NON-EXECUTIVE DIRECTOR

QUALIFICATIONS

- Businessman by Profession

BOARD COMMITTEES MEMBERSHIP

- NIL

Mr. Yeo was appointed to the Board on 27-09-1996.

He is a businessman by profession. He has vast experience in the building industry having been involved in the supply of building materials business.

He also sits on the board of several private limited companies.

Mr. Yeo attended all the five board meetings held during the financial year ended 30 November 2019.

MS. LOW PEAK YIH

BOARD MEETING ATTENDANCE IN 2019

5/5

AGED 44
MALAYSIAN
FEMALE

INDEPENDENT NON-EXECUTIVE DIRECTOR

QUALIFICATIONS

- Bachelor of Accountancy from RMIT University, Australia

BOARD COMMITTEES MEMBERSHIP

- Audit Committee

Ms. Low was appointed to the Board on 12-02-2009. She is a member of the Audit Committee.

She holds a Bachelor of Accountancy from RMIT University, Australia in 2000. She has more than 10 years experience in auditing and she is currently the Audit Manager in an accounting firm.

She also sits on the board of other private limited company.

Ms. Low attended all the five board meetings held during the financial year ended 30 November 2019.

PROFILE OF DIRECTORS

MS. LEE XIA LIEN

BOARD MEETING ATTENDANCE IN 2019

5/5

INDEPENDENT NON-EXECUTIVE DIRECTOR

AGED 38
MALAYSIAN
FEMALE

QUALIFICATIONS

- Bachelor of Accountancy from University of Hull, UK

BOARD COMMITTEES MEMBERSHIP

- Audit Committee

Ms. Lee was appointed to the Board on 30-04-2018. She is a member of the Audit Committee.

Ms. Lee holds a Bachelor of Accountancy from University of Hull, UK. She has vast experience in auditing and accounting. She started her career in a local audit firm since 2006 and holding various senior position in publication and property development industry. She is currently the Account Manager in a property development, engineering and construction company.

Ms. Lee has attended all the five board meetings held during the financial year ended 30 November 2019.

Note :
Save as disclosed, none of the Directors have:-

- *any family relationship with any other Director and/or major shareholders of the Company.*
- *any conviction of offences (other than traffic offences) within the past 5 years.*
- *any public sanction or penalty imposed on them by the relevant regulatory bodies.*
- *any conflict of interest with the Company other than the Recurrent Related Party Transaction disclosed in this Annual Report.*

PROFILE OF KEY SENIOR MANAGEMENT

TEE SING HUAT

Executive Director | **ARI Utara Sdn Bhd**

Aged 48 | Malaysian | Male

Mr. Tee obtained a Bachelor of Development Science (Hons) from National University of Malaysia (UKM). In 1996, he started his career in Asia Roofing Industries Sdn Bhd holding senior sales position. With his extensive experience garnered from the manufacturing industry, he was appointed as Director of ARI Utara Sdn Bhd ("ARI Utara") on 01-12-2004. He is responsible for the overall business operation of ARI Utara. He is also overseeing several divisions in East Region.

SIM CHEE LIANG

Executive Director | **Ajiya Safety Glass Sdn Bhd**

Aged 47 | Malaysian | Male

Mr. Sim obtained a Diploma in Business Administration from TAFE College in 1993. He started his career with MS.G Glazing Sdn Bhd in 1993, and later Prime Granite (M) Sdn Bhd before he joined Ajiya Safety Glass Sdn Bhd ("Ajiya Safety Glass") in 1999. Mr. Sim was appointed as Director of Ajiya Safety Glass on 15-08-2011. He is currently heading the Project Division of Sales & Marketing Department and East Malaysia. He is also overseeing several divisions in headquarter Segamat and export sales to Singapore.

CHIN SIEW FOO

Senior Executive Director (Sales & Marketing Division)
Ajiya Safety Glass Sdn Bhd

Aged 58 | Malaysian | Male

Mr. Chin graduated from Federal Institute of Technology with a Diploma in Civil Engineering in 1983 and Diploma in Marketing from Chartered Institute of Marketing, UK in 1996. He had worked in several building industries for over 20 years before he joined Ajiya Safety Glass in 2007. He was currently the Senior Executive Director (Sales & Marketing Division) of Ajiya Safety Glass. With his vast experience in overseas exposure, he is currently heading the Export Sales Division and Business Development overseas.

KONG CHEUN KOK

Executive Director | **Ajiya Safety Glass Sdn Bhd**

Aged 47 | Malaysian | Male

Mr. Kong obtained a Diploma in Business Administration from HELP College in 1993. He had worked in several different industries before joining Ajiya Safety Glass in 2000. He was appointed as Director of Ajiya Safety Glass on 15-08-2011. He is currently heading the Route Sales Division of Sales & Marketing Department. He is also overseeing several divisions of several branches.

LEE CHONG JIN

Director | **Ajiya STI Sdn Bhd**

Aged 60 | Malaysian | Male

Mr. Lee was appointed as Director of Ajiya STI Sdn Bhd ("ASTI") on 26-04-2002. Mr Lee holds a Bachelor in Engineering (Civil) and Minor in Management from McGill University, Canada in 1983.

He has more than 20 years of experiences in building materials industries. He started his career as Engineer and then move to become Marketing Manager before he joined Ajiya Group in 1999.

He is currently overseeing the technical and general administrative work of Ajiya Green Industrialised Building Solution and heads the Human Resources and General Administrative division.

Note :
Save as disclosed, none of the Key Senior Management has:-

- *any directorship in public companies and/or listed issuers.*
- *any family relationship with any other Director and/or major shareholders of the Company.*
- *any conviction of offences (other than traffic offences,) within the past 5 years.*
- *any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year.*
- *any conflict of interest with the Company.*

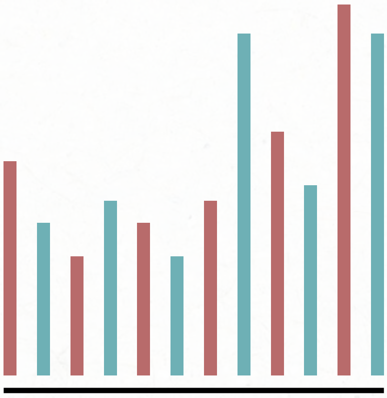
CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

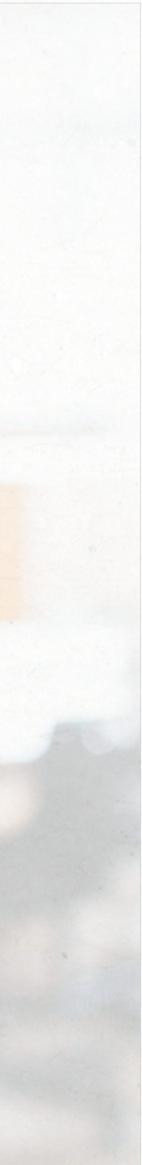
ON BEHALF OF THE BOARD OF DIRECTORS OF AJIYA BERHAD ("AJIYA" OR "THE GROUP"), IT IS MY GREAT PLEASURE TO PRESENT OUR ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019 (FY2019).

DATO' DR. MOHD AMINUDDIN BIN MOHD ROUSE

Independent Non-Executive Chairman



AJIYA IS LEVERAGING ON EVERY POSSIBLE OPPORTUNITY IN THE MARKET TO FURTHER DRIVE THE GROUP'S GROWTH AND TO ACHIEVE ITS VISION 2040, WHICH AIMS TO PROVIDE AFFORDABLE AND SUSTAINABLE INTEGRATED BUILDING SOLUTIONS FOR THE COMMUNITY.



REVIEW OF MACROECONOMIC AND INDUSTRY TREND

Global business environment has continued to be challenging over the last one year, including in Malaysia. Similar to 2018, the macroeconomic challenges in 2019 were largely contributed by slower growth across advanced and emerging economies, weaker business confidence and the resulting effect on the supply chain as well as the rising protectionism due to the United States-China trade spat. The World Bank has forecasted the global economy's gross domestic product to grow in 2019 by post-crisis low of just 2.4%. In the case of Malaysia, the Government expects the growth to remain moderate at 4.7% in 2019, similar to the preceding year. Effects of external vulnerabilities, fluctuations of commodity prices and slower domestic economic activities were among the challenges that impacted local businesses.

The Malaysian construction and property sectors, in particular, were adversely affected by a myriad of issues including lack of large-scale construction jobs, intensifying property glut across the commercial and residential segment as well as strict financing conditions by banking institutions. Malaysia's Ministry of Finance estimated the local construction sector to expand by only 1.7% for the full-year 2019, following a marginal increase of 0.4% in the first half of 2019. For comparison, the Malaysian construction sector grew by 4.2% in 2018.

Amid the ongoing industry-wide challenges, pockets of opportunities are still available for construction-related players in Malaysia. The resumption of national mega-infrastructure projects and the Government's efforts to encourage the development of more affordable properties are expected to spur more opportunities in the local construction and property sectors. As one of the leading building materials suppliers in Malaysia, Ajiya is well-positioned to benefit from the sectors' improving prospects. In addition, the growing interest among the property developers to embrace Industrialised Building System (IBS) will spur the demand for the Group's AGiBS or AJIYA Green Integrated Building System. Rest assured, Ajiya is leveraging on every possible opportunity in the market to further drive the Group's growth and to achieve its Vision 2040, which aims to provide affordable and sustainable integrated building solutions for the community. This would be made possible by the Management's improved strategic decisions and business direction.

AS ONE OF **THE LEADING BUILDING MATERIALS SUPPLIERS IN MALAYSIA**, AJIYA IS WELL-POSITIONED TO BENEFIT FROM **THE SECTORS' IMPROVING PROSPECTS**.

CHAIRMAN'S STATEMENT

REVIEW OF FINANCIAL PERFORMANCE

In 2019, the slowdown in business activities of the Malaysian construction and property sectors have caused unfavourable implications on industry players, including Ajiya. The sector-wide challenges, which include lack of large scale construction jobs and the property glut, have resulted in lower demand for Ajiya's metal and safety glass products. This in turn has affected the Group's financial performance in FY2019. However, amid such challenges, Ajiya has continued to be profitable and is supported by a sturdy balance sheet. This was made possible through the Group's strategic measures to weather through these challenges.

During the financial year under review, the Group recorded a total revenue of RM325.29 million as compared to RM382.25 million in FY2018. This was due to the weaker demand witnessed in the sector. The reduced top line has in turn led to lower profit before tax of RM5.95 million in FY2019. In comparison, the Group posted a profit before tax of RM31.71 million in the preceding financial year. The significant year-on-year difference in profit before tax was also due to the one-off gains seen in FY2018 namely the RM6.8 million gain on disposal of property in Thailand and a realisation of foreign currency exchange gain of RM4.6 million from the repayment of loan from Thai Ajiya Safety Glass Co. Ltd. to Ajiya.

AJIYA HAS CONTINUED TO BE PROFITABLE AND IS SUPPORTED BY A STURDY BALANCE SHEET

During the financial year under review, the Group recorded a total revenue of RM325.29 million as compared to RM382.25 million in FY2018.

SUSTAINABILITY & CORPORATE GOVERNANCE

Ajiya places sustainability and stellar corporate governance at the core of its business operations. Similar to any other profit-oriented business entity, the Group strives to achieve improved business performance and stronger profitability. However, the focus on its bottom line does not mean that Ajiya will compromise on the sustainability and corporate governance agenda. While the Group aims to maximise shareholders' value, integrity, transparency and dedication remain high on the Board's list of priorities.

Ajiya's Board of Directors, the Management and the employees are guided by the Group's Code of Ethics and Conduct, which has been in force since 2013. The Board recognises that a good corporate governance is essential for business sustainability and enhancement of shareholders value.

The Board continues to evaluate and reinforce its corporate governance approach from time to time. In terms of building a more sustainable business environment within the Group, Ajiya focuses on three areas namely, economy, environment and society to drive its sustainability development.

Ajiya's Vision 2040 "To Enrich Wellbeing For The Community", clearly summarises the Group's ultimate objective of empowering the society through its high-quality and sustainable product offerings, whilst remaining focused on being the leading metal rollforming and safety glass producer in the Southeast Asia region and beyond.

For more details, the measures implemented across the Group with the aim to strengthen corporate governance and business sustainability have been elaborated further in our Corporate Governance Overview Statement, Audit Committee Report, Statement on Risk Management and Internal Control and Sustainability Statement of this Annual Report.

More information can be found on page 44 under Corporate Governance Statement and page 64 under Sustainability Statement

PROSPECTS

Moving into FY2020, the outlook for the Malaysian construction and property sectors is expected to remain challenging. However, the sectors are likely to see some improvements in the market activities as large-scale infrastructure projects by the Government may resume and property developments is expected to pick up after a slowdown in FY2019. As for the Group's outlook, Ajiya is cautiously optimistic that its performance for FY2020 will be satisfactory.

Ajiya expects to maintain its financial resilience going forward, underpinned by its strategic business decisions that among others, strive to improve operational efficiency, optimise costs, increase revenue in hand as well as drive better demand for the Group's metal, safety glass and AGiBS offerings. Several of these strategies such as the adoption of Industrial Revolution 4.0 to improve efficiency have already been undertaken since mid 2018, with the outcomes to be witnessed from FY2020 onwards in the form of improved financial numbers. Ajiya also installed solar panels on the roofs of its production plants to reduce electricity costs over the long run. Ajiya's commitment in the use of green energy for a better environment is detailed in the Sustainability Statement of this Annual Report. I would like to assure all stakeholders of Ajiya that the Management is leaving no stones unturned to achieve firmer foundation for sustainable long term growth.

Ajiya's metal roll-forming division is expected to see continued increase in sales volume that will help the Group to further expand its production capacity, moving forward. The Group's AGiBS is also an offering under the metal roll-forming division, and with the increased efforts by the Government to promote adoption of IBS in Malaysia, the Management of Ajiya foresees better demand for AGiBS and other metal products offered by the Group.

As for the safety glass division, it is likely to see continued stiff competition, particularly from China. Nevertheless, the Group is actively engaging with prospective clients in Malaysia and beyond, to increase the demand for its safety glass products. Ajiya will offer better value proposition to its clients in the form of pricing and other benefits in order to attract greater sales. At the same time, the Group will also continue to take cost rationalisation measures to ensure that its safety glass division is profitable.

ACKNOWLEDGEMENT

In closing, I would like to thank all shareholders of Ajiya for your unwavering support and loyalty to the Group, amid the ongoing challenges. Supported by the strategic decisions made by the Board and the Management of Ajiya, I strongly believe the Group will be better positioned moving forward to deliver value to shareholders and to improve its financial performance. On this note, I would also like to convey my sincere appreciation to the Management and employees of Ajiya for their untiring commitment in taking the Group to greater heights.

Ajiya is poised to become a leading player in the building materials segment of Malaysia and the region, with a stronger presence in the IBS business over the long run. With continued great support from all Ajiya's stakeholders, I am confident that this will be possible to achieve.

MANAGEMENT DISCUSSION AND ANALYSIS

AJIYA IS PRINCIPALLY INVOLVED IN THE MANUFACTURING AND SUPPLY OF BUILDING MATERIALS, WITH A 30-YEAR EXPERIENCE IN THE CONSTRUCTION INDUSTRY.

AJIYA IS POISED TO BECOME A LEADING PLAYER IN THE BUILDING MATERIALS SEGMENT OF MALAYSIA AND THE REGION, WITH A STRONGER PRESENCE IN THE IBS BUSINESS OVER THE LONG RUN.

GROUP BUSINESS OVERVIEW

Ajiya is principally involved in the manufacturing and supply of building materials, with a 30-year experience in the construction industry. The Group was established in 1990 as a metal roll forming company and ventured into the business of high value-added safety glass products manufacturing in 1996.

In the same year, Ajiya was listed on Bursa Malaysia Securities Berhad's Second Board. Meanwhile in 2003, the Group's listing status was later transferred to the Main Market of Bursa Malaysia. Underpinned by its fundamental principle to provide affordable building materials and unique solutions, Ajiya products cater to a wide variety of users, from industrial commercial buildings to common residential houses. The Group's business operations comprise of 2 main business units:-

METAL PRODUCTS

Manufacturing of metal roofing system, metal frame products, structural products, roof tile effect products, architectural products, light-weight channel products and Ajiya Green Integrated Building System ("AGiBS"). AGiBS is Ajiya's very-own Industrialised Building System ("IBS") solutions that is developed by combining the Group's key strengths in the Metal Products and Safety Glass divisions. AGiBS is apt for the development of affordable and quality homes at a quick turnaround time.

DURING THE FINANCIAL YEAR UNDER REVIEW, THE GROUP RECORDED A TOTAL REVENUE OF RM325.29 MILLION

SAFETY GLASS

Production of tempered and laminated safety glass, insulating safety glass, decorative safety glass, heat strengthened glass, curve tempered safety glass, Attoch, security, safety and storm protection safety glass that are used for industrial, commercial, recreational, office, and residential buildings, as well as furniture and white goods.

Ajiya has an extensive footprint across Malaysia, notably in the Northern, Southern, Central and Eastern regions of the region, and thus enabling it to be a leading building materials supplier in Malaysia. In its pursuit to expand its business horizon beyond Malaysia, the Group has also ventured into Thailand and has nearly 13 years of experience operating in the country. To date, Ajiya has a network of 18 factories or warehouses with offices throughout Malaysia and Thailand. With an extensive network of factories, a wide range of affordable priced products, excellent quality services, and continuous improvements, Ajiya is committed to delivering customers satisfaction.

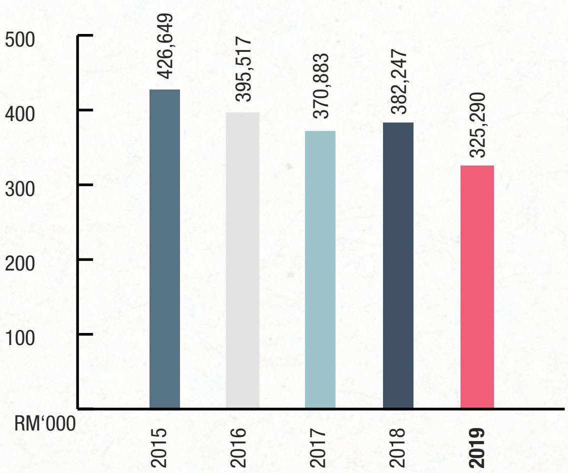
Moving forward, the Group is guided by its ambitious Vision 2040, which seeks to position Ajiya as a leading entity that provides affordable and sustainable integrated building solutions for the community in the markets it operates in. The Group also continually strives to build a greater demand for its IBS solutions - the AGiBS - considering the projected strong demand growth for IBS products among construction and property players in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

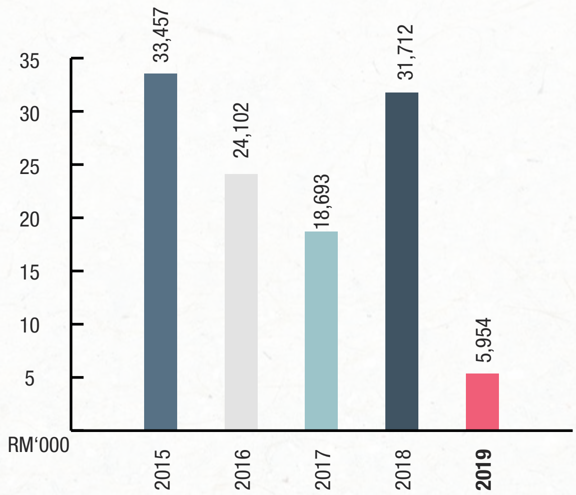
FINANCE RESULT REVIEW

FINANCIAL HIGHLIGHTS	2019 (RM'000)	2018 (RM'000)	2017 (RM'000)	2016 (RM'000)	2015 (RM'000)
Revenue	325,290	382,247	370,883	395,517	426,649
Profit Before Tax	5,954	31,712	18,693	24,102	33,457
Profit After Tax	4,277	27,397	15,523	18,890	27,822
Net Profit Attributable to Equity Holders	5,074	24,588	13,646	14,494	21,947
Total Assets	475,048	479,269	468,369	466,129	475,177
Total Borrowings	5,265	1,799	6,515	9,668	29,960
Net Assets	413,773	411,245	397,546	391,030	377,675
Shareholders' Fund	351,660	343,201	329,349	322,228	310,941

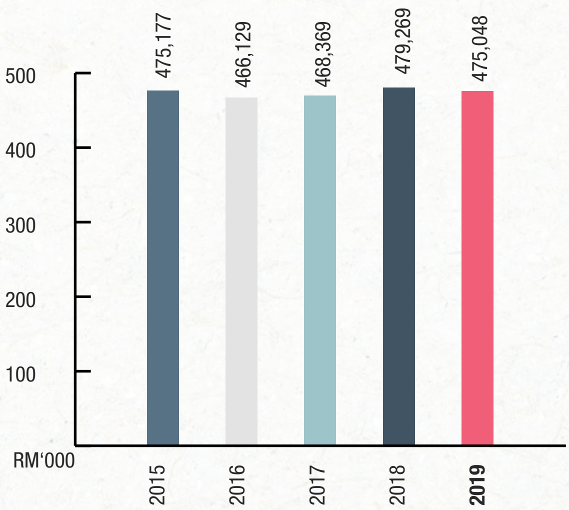
Revenue



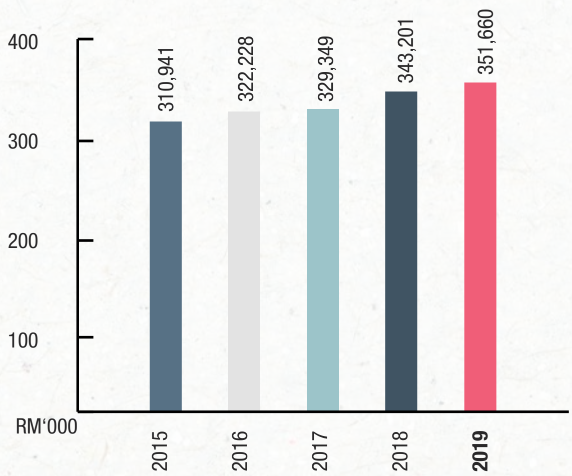
Profit Before Tax



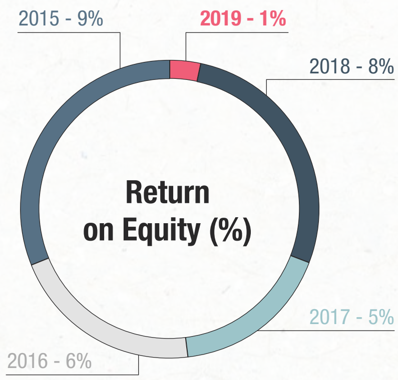
Total Assets

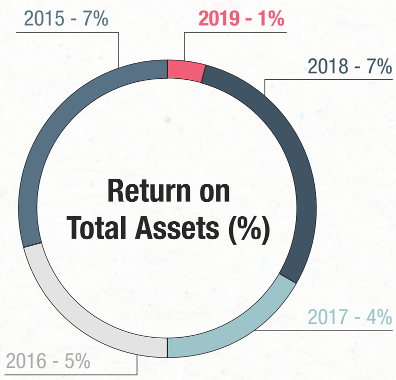


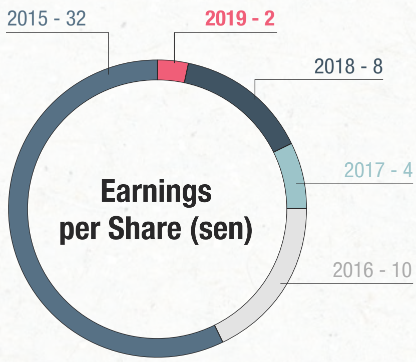
Shareholders' Fund

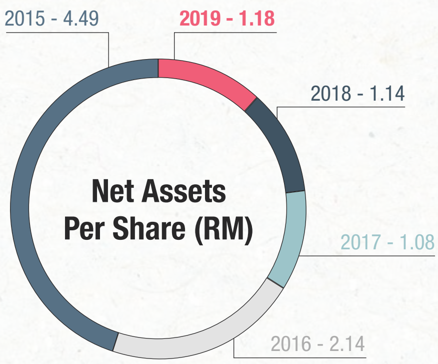


FINANCIAL HIGHLIGHTS	2019	2018	2017	2016	2015
Return on Equity (%)	1	8	5	6	9
Return on Total Assets (%)	1	7	4	5	7
Gearing Ratio (%)	2	Net Cash	Net cash	2	8
Earnings per Share (sen)	2	8	4	10	32
Net Assets Per Share (RM)	1.18	1.14	1.08	2.14	4.49
Gross Dividend per Share (sen)	-	-	1	2	5
Price Earning Ratio	25	7	14	6	13
Gross Dividend Yield (%)	-	-	1.64	3.39	1.18
Share Price as at the Financial Year End (RM)	0.42	0.57	0.61	0.59	4.22









MANAGEMENT DISCUSSION AND ANALYSIS

Ajiya registered a total revenue of RM325.29 million in FY2019 as compared to RM382.25 million in the preceding financial year. On a year-on-year ("y-o-y") basis, the Group's revenue has dropped by 14.9% due to the lower demand for its products under the metal products and safety glass segments, which were affected by the ongoing market challenges.

Despite the competitive operating environment, the Group continued to be profitable in the financial year under review. Its profit before tax was recorded at RM5.95 million in FY2019, although it was a decline from the profit before tax of RM31.71 million posted in the previous financial year. The sharp difference in profit before tax on a year-on-year basis was largely a result of the one-off gains seen by Ajiya in FY2018. For context, the Group registered a RM6.8 million gain on disposal of property in Thailand and a realisation of foreign currency exchange gain of RM4.6 million in FY2018.

Moving forward, Ajiya is continually working on streamlining its business costs and increasing its operational efficiency. Among the initiatives undertaken are the adoption of Industrial Revolution 4.0, organisation restructuring and strategic manpower planning, liquidating non-productive assets, adoption of green sustainable energy sources such as solar roof to reduce electricity costs as well as better management of outstanding debts and payment terms of customers.

In FY2019, Ajiya's operations in its home market, Malaysia, remained as the predominant contributor to the Group's overall top line. About 92% or RM299.51 million of the Group's total revenue in FY2019 came from Ajiya's local plants, while the overseas plants delivered RM25.78 million.

Revenue	2019 (RM'000)	2018 (RM'000)
Local Plant	299.51	354.52
Oversea Plant	25.78	27.73

Ajiya's continued financial resilience is also reflected in its balance sheet, with the Group deemed as highly capable to meet its financial obligations and well-positioned to undertake future capacity expansion. Ajiya's sturdy financial position signals the Group's preparedness to withstand the impact of any potential external vulnerabilities on its operation in the future.

As of end-FY2019, the Group sits on a net cash position of RM41.08 million, with its cash and cash equivalents worth RM46.34 million against the total borrowings of RM5.26 million. Such a good net cash position is vital for the Group as it serves as a buffer against any unforeseen market uncertainties, if any. In addition, the Group could also tap into the internal cash in order to capture any future business opportunities that may arise.

Ajiya's net asset value has improved in FY2019 to RM413.77 million, as compared to RM411.24 million in the preceding financial year. Meanwhile, the Group's net assets per share has continued to increase to RM1.18 as of 30 November 2019 from RM1.14 on 30 November 2018. It is worth noting that Ajiya's net assets per share stood at RM1.08 in FY2017.

Its current ratio, which is a liquidity indicator that measures Ajiya's ability to pay short-term obligations, has seen a significant improvement in FY2019. The current ratio has improved to about 5.70 times, up from 4.88 times in FY2018.

Ajiya is committed to improving its financial performance with the ultimate of maximising shareholders' value and delivering sustainable long-term earnings growth. This will be achieved by tweaking the Group's business decisions and strategies as and when necessary to better suit the market and economic conditions.

REVIEW OF OPERATIONS

The market challenges experienced in FY2019 across the construction and property sectors required Ajiya to be resilient and capable to withstand unfavourable impact on the business, if any. With this in mind, the Board and the Management of Ajiya has focused extensively on improving the Group's operational efficiency that would optimise usage of resources, embracing cost-saving measures and diversifying customer base.

The Group is also currently undertaking several initiatives guided by its Digital Transformation Roadmap, aimed at enhancing Ajiya's digital capability in the key areas of enterprise architecture, cyber security, governance and network infrastructure. The adoption of Industrial Revolution 4.0 ("IR 4.0") is one of the initiatives being undertaken at present. Ajiya's Digital Transformation Roadmap is estimated to take between three to five years to complete, focusing on software and hardware investment and the integration of the Group's entire system.

MANAGEMENT DISCUSSION AND ANALYSIS

METAL PRODUCTS

Under this Division, Ajiya has manufactured and supplied various high-quality metal products across Malaysia and into other regional markets. Backed by three decades of experience in the market, Ajiya stands among the leading players in fabricated steel products, in particular, metal roofing system, metal frame products, structural products, architectural products, light-weight channel products as well as its very-own IBS solutions, the AGiBS.

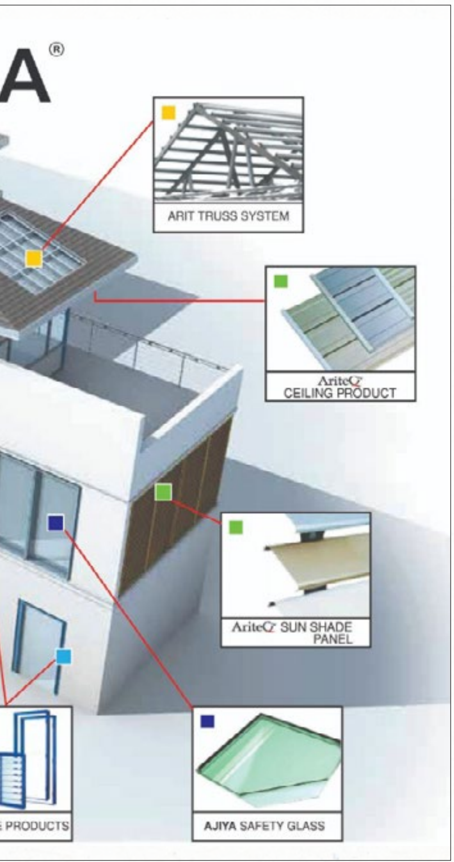
In FY2019, the Metal Products Division contributed RM228.522 million or 70% to Ajiya's total revenue. Malaysia remains the main market for Ajiya's metal products in FY2019, contributing nearly 95% of the Metal Products Division's total revenue. Meanwhile, the remaining 5% of revenue is derived from the Division's operations in Thailand.

While the Division's performance during the financial year under review was affected by the challenging market environment, it has remained resilient on the back of continued demand for its metal products as well as the strategic measures undertaken by the Group. This successfully ensured the operational efficiency of the Division's 10 manufacturing factories, which are located across Malaysia and Thailand. Below is the list of the major factories and the respective installed capacity:

METAL FACTORY	INSTALLED CAPACITY 2019 (MT)
Shah Alam, Selangor	44,000
Segamat, Johor	96,000
Jalan Seelong, Johor	25,000
Mentakab, Pahang	8,000
Kuantan, Pahang	13,000
Sungai Petani, Kedah	70,000
Kota Bharu, Kelantan	23,000
Thai Ajiya Co., Ltd, Thailand	21,000

METAL PRODUCTS DIVISION CONTRIBUTED RM228.522 MILLION OR 70% TO AJIYA'S TOTAL REVENUE AND RM7.962 MILLION TO ITS PROFIT BEFORE TAX IN FY2019.

The patented AGiBS comprises of 8 series of housing components, namely Ajiya Light Weight Metal Wall Frames, Ajiya Metal Roofing Products, ARIT Truss System/ Components, AriteQ Ceiling Products, AriteQ Sunshade/Louvre Products, Ajiya Safety Glass & Sash, Ajiya Metal Frame Products and Ajiya Composite Floor Decking Products.



As at end-FY2019, the Division's manufacturing factory ran at an average utilisation rate of about 30%. Moving into FY2020, we expect to see some improvement in the capacity utilisation rate, subject to market conditions and the demand for Ajiya's metal products.

The customers of our metal products are national distributors, developers, trading companies and contractors. In line with the Group's vision "To Enrich Wellbeing for the Community", Ajiya will continue to deliver quality products and services that addresses the needs of the society.

Over the last several years, Ajiya's unique offering of its in-house IBS solutions, AGiBS, has emerged to contribute positively to the Division's performance. The patented AGiBS comprises of 8 series of housing components, namely Ajiya Light Weight Metal Wall Frames, Ajiya Metal Roofing Products, ARIT Truss System/Components, AriteQ Ceiling Products, AriteQ Sunshade/Louvre Products, Ajiya Safety Glass & Sash, Ajiya Metal Frame Products and Ajiya Composite Floor Decking Products.

With increasing interest for IBS products in Malaysia and the region, AGiBS will be the key growth engine for the Group in the future. This will be spurred by the strong demand for affordable homes in Malaysia, coupled with the government's push for property players to adopt IBS.

Ajiya continuously holds training workshops focused on the adoption of AGiBS in construction projects. The Group takes pride in its AGiBS training centre, which is one of the very first in Malaysia accredited by the Construction Industry Development Board ("CIDB") of Malaysia as a "Pusat Latihan Bertauliah IBS Installer" for IBS Metal Structure Framing System - Level 1. Such accreditation from a national body provides the Group the credibility to penetrate further into the IBS market.

AJIYA'S UNIQUE OFFERING OF ITS IN-HOUSE IBS SOLUTIONS, AGiBS, HAS EMERGED TO CONTRIBUTE POSITIVELY TO THE DIVISION'S PERFORMANCE.

THE GROUP TAKES PRIDE IN ITS AGiBS TRAINING CENTRE, WHICH IS ONE OF THE VERY FIRST IN MALAYSIA ACCREDITED BY THE ("CIDB")

The AGiBS solutions is expected to see stronger demand going forward, given that there will be construction and property development projects coming up that will be initiated by government-linked institutions such as Lembaga Kemajuan Kelantan Selatan ("KESEDAR"), Pusat Giant Mara and the Ministry of Rural Development, among others. The Government has also allocated budget for several developments such as Klinik Desa and Projek Pembangunan Semula Sekolah Daif, which could benefit Ajiya.

Meanwhile, in the private sector, with the increase in labour costs as a result of the higher minimum wage level, many construction sector are now adopting IBS. As known by many, the IBS solutions are more cost efficient in terms of labour cost and they also shorten construction delivery time. In line with this, it is expected that there would be an increase in demand for the Group's AGiBS and at the same time, potentially increase the demand for Ajiya's other related range of products in the Metal Products and Safety Glass Divisions.

MANAGEMENT DISCUSSION AND ANALYSIS

APART FROM CONTINUING ITS COLLABORATION WITH THE GOVERNMENT AUTHORITIES, AJIYA'S PRIORITY WOULD BE, AMONGST OTHERS, CONDUCT OF PROMOTIONAL ACTIVITIES TO ESCALATE AWARENESS OF SAFETY GLASS USAGE AND INDIRECTLY CREATE BETTER DEMAND FOR LOCALLY (MADE IN MALAYSIA) PROCESSED SAFETY GLASS.

SAFETY GLASS

Being one of the largest safety glass processors in Southeast Asia, Ajiya has an extensive experience of 24 years in the safety glass business. The Group offers a broad range of high-quality products for various types of uses such as industrial, commercial, recreational, office, residential building, as well as furniture and white goods. Among the safety glass products manufactured and supplied by Ajiya are tempered and laminated glass, insulating safety glass, decorative safety glass, security safety and storm protection safety glass, heat strengthened glass, curved tempered safety glass and Attoch.

In FY2019, Ajiya's Safety Glass Division continued to be hit by stiff competition due to oversupply of safety glass products in the industry, aside from the ongoing market challenges such as higher raw material and labour costs. Amid such conditions, the Division contributed RM97 million or 30% to the Group's total revenue. Malaysia remains the main market for Ajiya's safety glass products in FY2019, contributing nearly 85% of the Safety Glass Division's total revenue.

Under the Division, Ajiya owns a total of 5 manufacturing plants for Safety Glass Division, located across Malaysia and Thailand. It is worth noting that Ajiya's safety glass plant utilisation rate averaged 30% to 40% in FY2019, which is higher than FY2018's utilisation rate of 29%. Below is the list of the factories and their respective installed capacities:

SAFETY GLASS FACTORY	INSTALLED CAPACITY 2019 (MT)
Puchong, Selangor	18,000
Segamat, Johor	43,000
Bukit Minyak, Pulau Pinang	5,000
Senai, Johor	13,000
Thai Ajiya Safety Glass Co., Ltd, Thailand	10,000

OVER THE PAST FEW YEARS, THE LOCAL REGULATORS AND INDUSTRY ASSOCIATIONS HAVE ESTABLISHED AND IMPROVED THE MALAYSIAN STANDARDS FOR SAFETY GLASS

In considering of the challenges facing the Safety Glass Division, Ajiya has undertaken a number of strategic measures to ensure efficiency and reduce unnecessary operational costs in order to protect its margins.

The Group has been actively involved in leading industry associations such as Malaysia Green Building Council (malaysiaGBC), Safety Glass Processors Association of Malaysia (SGPAM) and Federation of Malaysian Manufacturers (FMM) to further bolster its presence in the Malaysian market. In addition, Ajiya has also been cooperating with CIDB, Standard and Industrial Research Institute of Malaysia (SIRIM), Malaysian Investment Development Authority (MIDA) and Ministry of International Trade And Industry (MITI) in various programmes and activities related to the safety glass industry. This is not limited to events on corporate social responsibility only, but also those events or programmes that directly contribute to Ajiya's efforts in building its branding awareness and recognition across the country.

Over the past few years, the local regulators and industry associations have established and improved the Malaysian Standards for Safety Glass, which is aimed to regulate safety standards for local and imported safety glass for Malaysian market, especially with the growing and influx of imported products from various countries.

Those MS standards established are:
- MS 1135 : 2009 (Float Glass)
- MS 2397 : 2016 (Coated Glass)
- MS 1498 : 2017 (Tempered & Laminated Safety Glass)
- MS 2666 : 2016 (Insulated Glass)

Moving forward, Ajiya hopes that these standards' requirements will be made mandatory to be included in all tender documents in order to improve the demand of safety glass while taking care of safety aspects generally. For the coming years, apart from continuing its collaboration with the government authorities, Ajiya's priority would be, amongst others, conduct of promotional activities to escalate awareness of safety glass usage and indirectly create better demand for locally (made in Malaysia) processed safety glass.

The Group will continue to explore on widening its customer base by strengthening its marketing and sales team. Ajiya will also focus on the manufacturing of safety glass products that see strong demand from customers, in addition to its ongoing cost-optimisation efforts.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS AND FUTURE PLANS

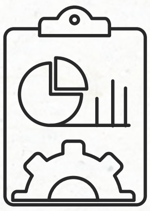
METAL PRODUCTS DIVISION

The growth momentum of the Malaysian construction sector is expected to pick up in 2020, following the resumption of several large-scale infrastructure projects by the government. According to the Economic Outlook 2020 report by the Ministry of Finance, the domestic construction sector is projected to expand by 3.7% in 2020 as compared to a weak growth of just 1.7% a year earlier. The increased push for property developers to build more affordable homes in Malaysia is also expected to stimulate construction activities. However, the overall growth of the residential and commercial properties could likely remain subdued and weigh down the sector's overall performance.

Under such positive market conditions due to the revival of several large-scale infrastructure projects, the demand for metal products as crucial and fundamental building materials should improve. Hence, this is also likely to place Ajiya as one of the beneficiaries in the market moving forward, with the Group expected to ride on the continued growth of the local construction sector. Given our extensive reach within Malaysia and our long-built experience in supplying quality metal products, Ajiya is expected to see an increase in the demand for our metal products. Ajiya is also confident to secure more jobs that will be dished out as part of the revival of the previously-delayed mega infrastructure projects in the country.

In addition, Ajiya foresees a better growth contribution to come from its AGiBS solutions given the wider IBS technology adoption in Malaysia. The Malaysian government has been pushing for IBS to be utilised in building both public and private housing developments, as the technology has proven to be safer, quicker, more cost-effective and yields more consistent construction quality compared with conventional means. Ajiya's AGiBS, which could complete the construction of a building within eight months compared to 24 months under conventional means, is expected to attract more interest from property developers with greater IBS adoption.

The Group also intends to diversify the reach of AGiBS beyond Malaysia and Thailand, into other Southeast Asian countries. It will undertake several strategic measures to position AGiBS as a better product compared to its rivals in terms of pricing, product benefits and others.



A BETTER GROWTH CONTRIBUTION TO COME FROM ITS AGIBS SOLUTIONS GIVEN THE WIDER IBS TECHNOLOGY ADOPTION IN MALAYSIA

SAFETY GLASS DIVISION

In a move to further expand its safety glass division, Ajiya plans to offer more niche products to its markets. One of the niche safety glass products identified is ATTOCH, a retrofitting solution of existing/old facades which transform existing single pane glass facade into energy-saving double glazing glass to improve indoor comfort and saves electricity cost. In addition, another niche product is nano clean coating, which is a self-cleaning photocatalytic film coating for glass.

Ajiya is also actively working towards widening the customer base of its Safety Glass Division, particularly in locations that were previously untapped. The Group will aggressively promote its safety glass products in more foreign markets including Southeast Asia, the Oceania countries, Taiwan, Japan, India and others. Despite the stiff competition in the market, especially due to products from China, Ajiya is positive that it will see an increase in demand for its safety glass products, underpinned by the Group's quality offerings. Ajiya's decades-long experience in processing and supplying safety glass products also provides confidence to prospective clients in the Group's ability to offer high-quality products at competitive prices. We will continue to expand sales of processed and value-added products, building on the Group's leading edge in technology.

Meanwhile, Ajiya is also in a comfortable position to absorb any future increase in demand for its safety glass products, considering that its production plants are currently running in the range of 30% to 40%.

Overall, the Group will stay vigilant, agile and flexible to uphold its position, while investing resources to enhance the technical capabilities of our operations, amid changes in market dynamics. In its pursuit to diversify its income stream, Ajiya will continue to explore potential opportunities in the country's upcoming cycles of the large-scale solar (LSS) projects. While the Group's bid for a solar project under LSS3 as announced on Bursa Securities on 24 July 2019 was unsuccessful, it will capitalise on the bidding experience for future large-scale solar projects, if any.

Moving forward, Ajiya is focused on strengthening its efficiency in order to further improve its business operations. With IR 4.0 initiatives, the Group is looking at efficiency in terms of operation cost. Ajiya will also dedicate more attention on building brand visibility and gaining market share by focusing on its sales and marketing strategies. The launch of AJIYA Mobile Hub, a small renovated truck to promote the Group's sustainable building materials, is seen as a step in the right direction.

MANAGEMENT DISCUSSION AND ANALYSIS

ANTICIPATED OR KNOWN RISKS

COMPETITION RISK

The Group witnesses competition from a number of sides, particularly from the existing business rivals in the metal, safety glass and IBS segments, as well as the new entrants into these industries. Ajiya also faces competition from other countries that export their products into Malaysia. Particularly, China-based manufacturing companies that operate in an export subsidy-oriented environment present a stiff competition to the Group's product offerings.

Ajiya's competitive strengths such as our established track record of 30 years in our metal and safety glass production businesses, large customer base, diverse product range and in-house technology development put us in a strong position to fend off competition. The Group will strive to remain competitive by keeping track of customers and distributors' expectations, as well as market trends and needs. This will be supported by investments in research and development activities to anticipate where the future is headed.

The Group's innovative AGiBS solutions will be a major catalyst that will put Ajiya ahead of its industry competitors. AGiBS is an effort by the Group to use existing products to provide one-stop building solutions for affordable housing at competitive cost, quick turnaround time, sustainable and is eco-friendly. Given the increasingly high need for affordable yet faster completion of properties, AGiBS stands to benefit from the demand in the domestic IBS segment.

MARKET RISK

The slowdown in economic growth, both in Malaysia as well as globally, presents a significant risk towards the demand for the Group's products in the market. With the sentiment of consumers likely to be affected due to the dampened macroeconomic conditions, the Group may be susceptible to lower sales in the metal and safety glass segments. Meanwhile, the country's manufacturing sector has been affected due to the increased imports from China. Given the increased competition in the market due to the influx of products from China, particularly in the safety glass industry, domestic manufacturers are forced to downsize, lower their margins or offer products with greater value-added in order to retain their market share.

Ajiya is well aware of the current market conditions and has taken a number of measures to ensure that its businesses could weather the business challenges. The Group will initiate strategic collaborations, partnerships and alliances, on both domestic and international fronts to ensure the resilience of our operations and increase market reach. We will also continue to explore new ways to increase the demand for our products in the near to medium term.

The focus on operational efficiency will be stepped up in the coming years as Ajiya will undertake a slew of measures in its pursuit of achieving a firmer foundation for a more sustainable and inclusive growth in the long term. These include the Company's Digital Transformation towards IR4.0, the continuation of the Group's austerity drive and the approach to optimise the use of our resources during this tough time.

AJIYA WILL UNDERTAKE A SLEW OF MEASURES IN ITS PURSUIT OF ACHIEVING A FIRMER FOUNDATION FOR A MORE SUSTAINABLE AND INCLUSIVE GROWTH IN THE LONG TERM

INFORMATION TECHNOLOGY ("IT") RISK

Over the years, in order to meet operational challenges in the business environment, Ajiya has continuously invested in IT infrastructure and system.

The Group has managed IT-related risks by upgrading data servers, anti-virus software, customer records, accounting packages for efficient tracking of financials and human resources management systems, among others. These initiatives were undertaken in order to make sure that the integrity of our records is well intact in the event of any possible disruptions.

Ajiya takes IT risks in its business operations seriously and carries out regular test and review of its IT system to ensure preparedness in such an unlikely event. In the current age of IT, various new risks have emerged through the use of social media and managing current digital era risks have become critical. The Group continuously reviews the policies and procedures to mitigate these IT risks.

PRODUCTION COSTS

The weak ringgit conditions have been a key factor in raw materials cost increase. The ringgit's depreciation against US dollar had forced manufacturers to either absorb the higher production costs and accept a lower margin, or pass the additional cost to the customers. The Group has mitigated this with financial instruments in place to reduce the impact of foreign exchange fluctuations on its margins.

In addition, the increase in minimum wage mandated by the Government as well as the requirement for the employers in Malaysia to defray the foreign workers' levy have added to the production costs. Such rise in labour costs is not complemented with improved productivity, but increases the strain in a company's operating costs. Ajiya continues to explore possible ways to increase labour productivity amid the rise in wages. This will be done by engaging in greater automation, innovations to fit customers' needs and the training and development of staff.

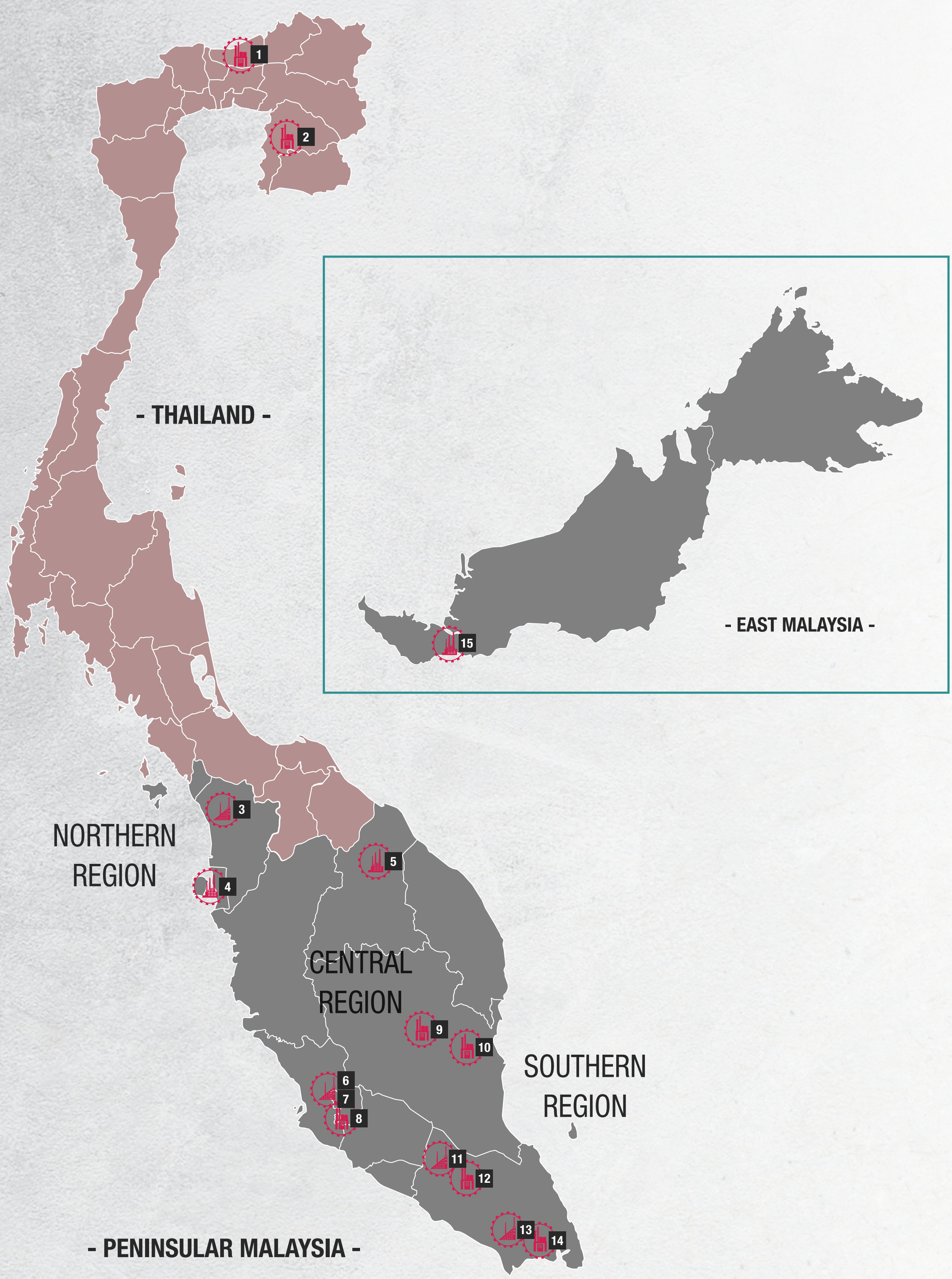
DIVIDEND POLICY

The Board of Directors highly values the shareholders' continued support and confidence in Ajiya, as the Group maneuvers through the market challenges to achieve its Vision 2040.

Ajiya's ongoing initiatives to build a more resilient and successful business operations such as the adoption of IR4.0 that will bear fruit in the longer term. Hence, it is instrumental for the Group to conserve cash for future use as well as to maintain a strong buffer against any potential shocks, considering the increasing market challenges and economic slowdown.

After due consideration, the Board decided that no dividend payment shall be recommended for the financial year ended 30 November 2019. The decision was made in order to enable the Group to reinvest its earnings for a better future growth. However, the Board also wishes to reiterate that the payment of dividends would be resumed at the earliest possible opportunity, once the Board deems the Group to be in a comfortable position to distribute dividends.

OPERATION NETWORK



OPERATION NETWORK

1 Thai Ajiya Co. Ltd.
Pathumthani, Thailand

2 Thai Ajiya Safety Glass Co. Ltd.
Chonburi, Thailand

3 ARI Utara Sdn Bhd
Sungai Petani, Kedah

4 Ajiya Safety Glass Sdn Bhd
Bukit Minyak, Pulau Pinang.

5 ARI Timur (KB) Sdn Bhd
Kota Bharu, Kelantan

6 Asia Roofing Industries Sdn Bhd
Shah Alam, Selangor

7 Ajiya Safety Glass Sdn Bhd
Shah Alam, Selangor

8 Ajiya Safety Glass Sdn Bhd
Puchong, Selangor

9 Asia Roofing Industries Sdn Bhd
Mentakab, Pahang

10 Asia Roofing Industries Sdn Bhd
Kuantan, Pahang

11 Ajiya Safety Glass Sdn Bhd
Segamat, Johor

12 Asia Roofing Industries Sdn Bhd
Segamat, Johor

13 Asia Roofing Industries Sdn Bhd
Jalan Seelong, Johor

14 Ajiya Safety Glass Sdn Bhd
Senai, Johor.

15 ASTEEL Ajiya Sdn Bhd
Kuching, Sarawak

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD OF DIRECTORS (THE "BOARD") OF AJIYA BERHAD (THE "COMPANY" OR "AJIYA") AND ITS SUBSIDIARIES (THE "GROUP") IS PLEASED TO PRESENT THIS CORPORATE GOVERNANCE OVERVIEW STATEMENT WHICH PROVIDES AN OVERVIEW OF THE CORPORATE GOVERNANCE PRACTICES APPLIED BY THE GROUP DURING THE FINANCIAL YEAR, WITH REFERENCE TO THE PRINCIPLES AND PRACTICES SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE ("THE CODE"OR "MCCG") IN PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (BURSA SECURITIES).

This Statement is supported with the Corporate Governance Report ("CG Report") of the Company detailing the application of each practice set out in the Code. The CG Report is available on the Company's website at www.ajiya.com.

Corporate Governance Culture

The Board of Directors take cognizance that a good corporate governance is essential for business sustainability and enhancing shareholders value. The Board continues to place emphasis on the importance of adherence to the principles of good governance practices and promoting good corporate integrity throughout the Group. Towards this, the governance practices at Ajiya are guided by its performance objectives, standard operating policy and procedures, core values, vision and mission statement to ensure that the Group operate with integrity and in compliance with rules and regulations.

Principles of The Code

The three (3) principles set out in the Code are:-

a) Board Leadership and Effectiveness
b) Effective Audit and Risk Management
c) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

For the financial year 2019, Ajiya has adopted 31 out of the total 36 recommended practices of the Code with the following exception:-

- **Practice 7.1 :** Detailed disclosure on named basis the remuneration breakdown of individual directors.
- **Practice 7.2 :** The Board discloses on a named basis the top five senior management's remuneration component in bands of RM50,000.
- **Step Up 7.3 :** Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.
- **Practice 11.2 :** Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.
- **Practice 12.3 :** Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate voting in absentia and remote shareholders' participation at General Meetings.

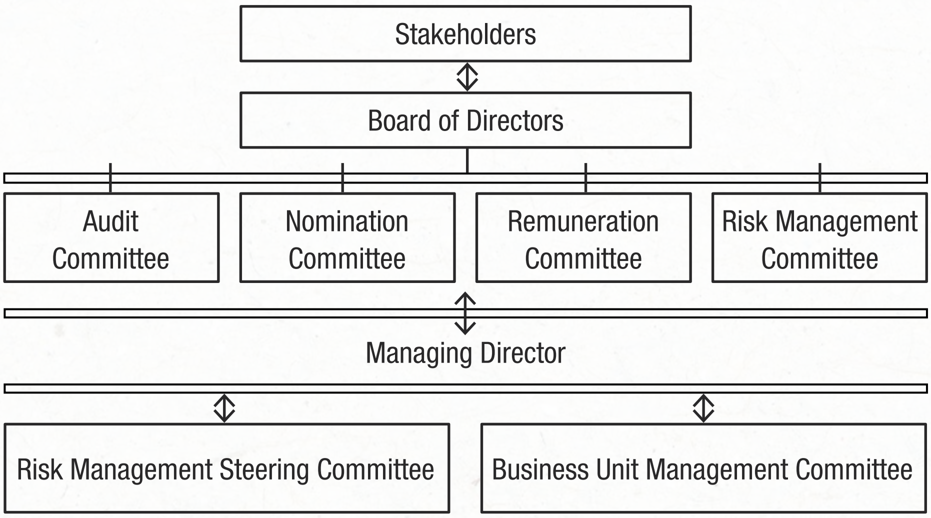
The Board has conducted a review of its practices with reference to the Code in March 2020 based on the Ajiya CG Gap Analysis prepared by the Company Secretaries. As a good governance initiative, the Board has decided to conduct such review on annual basis, as part of the Board's focus area in relation to corporate governance for the year.

The explanation for departure is further disclosed in the CG Report 2019.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. Board Structure



2. Board Roles and Responsibilities

The Board has the overall responsibility to determine the strategic direction, investment proposals and long term success of the Group. The Board exercises oversight on the proper conduct of business, risk management, internal controls and sustainability issues. The Board also ensure the effectiveness of corporate governance practices in order to remain relevant with the development of best practices and regulations.

The Board has delegated specific functions to the following Board Committees to assist the Board in the execution of its responsibilities:-

- Audit Committee ("AC")
- Nomination Committee ("NC")
- Remuneration Committee ("RC")
- Risk Management Committee ("RMC")

Each of the Board Committee has its own function and responsibilities and operate within its defined Terms of Reference approved by the Board. The ultimate responsibility for decision making lies with the Board.

As for the day-to-day operation, the Board delegated its authorities to the Management Team lead by the Managing Director. The responsibilities and authorities of the Management Team are clearly defined in the Group's Policies and Procedures Manual.

3. Role of Chairman and Managing Director

The roles of the Chairman and Managing Director are distinct and separate and the positions are held by different individuals. This segregation ensure a balance of power and authority. In this regard, the Board Chairman of the Company is held by an Independent Non-Executive Chairman.

The Chairman is responsible for the effective conduct and smooth functioning of the Board. The Chairman promotes active engagement among Directors. The Chairman ensures that decisions are taken on a sound and well-informed basis and that strategic issues are considered by the Board.

The Managing Director is responsible for managing the overall business operation and resources of the Group. He is also responsible to ensure due execution of strategies plans, policies and achievement of the Group's corporate vision. The Managing Director is supported by the Management Team to ensure the concerns and issues raised in respect of the Group's daily operations are properly executed.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

4. **Company Secretaries**

   The Board has direct access to the advice of the Company Secretaries. The Company Secretaries advise the Board on matters relating to corporate governance best practices, corporate disclosure obligations, security laws and regulations, Board policies and compliance with the Company's Constitution, statutory and regulatory requirements.

5. **Access to Information and Independent Advice**

   The Board has full and unrestricted access to information pertaining to the Group's business and affair. The Board interacts with the Management Team for further clarification as and when they deem necessary for informed decision making and effective discharge of the Board's responsibilities. The Board is provided with agenda and board papers prior to each Board meeting. The Board may seek independent professional advices at the expense of the Company on specific issue, where necessary and in appropriate circumstance to enable the Board to discharge its duties effectively.

6. **Board Charter**

   The Board has adopted its Board Charter since 24 July 2013 which outlines the duties and responsibilities of the Board, Board Committees and matters reserved for the Board. The roles of the Chairman, Managing Director, Independent Directors are also clearly defined in the Board Charter.

   The Board Charter is reviewed periodically to ensure it reflects the Board's roles and responsibilities and compliance with the prevailing regulations. The latest update to the Board Charter was approved by the Board on 24 October 2018.

   The Board Charter is available for reference on the Company's website at www.ajiya.com.

7. **Code of Ethics and Conduct**

   The Group has in place its Code of Ethics and Conduct to promote ethical behavior throughout the Group. The Code is approved and adopted by the Board on 24 July 2013 and the last review was carried out on 24 October 2018. The Code provides guidance for proper standards of ethical conduct and sound and prudent business practices for Directors and employees based on principles of integrity, responsibility, trust, discipline and diligence.

   The Code of Ethics and Conduct is available for reference on the Company's website at www.ajiya.com.

8. **Whistle Blowing Policy**

   The Board has adopted a Whistle Blowing Policy approved by the Board on 24 July 2013 which provides the handling of wrongdoings and protection to whistle blowers. This Policy facilitates the reporting of suspected and/or known misconducts, wrongdoing, corruption and instances of fraud and abuse involving the resources of the Group.

   The Whistle Blowing Policy is available for reference on the Company's website at www.ajiya.com.

9. **Board's Key Focus Areas in Relation to CG Practices**

9.1 **Key Matters 2019**

FOCUS AREA	ACTIVITIES
Finance and Operations	• Reviewed, discussed and endorsed the Group's budget 2019 • Reviewed and approved quarterly financial results and annual audited financial statements • Reviewed internal audit findings • Reviewed and approved Risk Management Framework and Report
Strategic Plans	• Reviewed and endorsed the Group's vision mission and core values statement • Discussed on business direction, major investment, potential business diversification and joint venture • Reviewed the implementation status of digital transformation towards Industry 4.0
Corporate Governance & Sustainability	• Reviewed Sustainability Report, Statement on Risk Management and Internal Control • Reviewed Board composition and effectiveness • Discussed on resources and succession planning of the Group

9.2 **Looking Ahead to 2020**

a) Anti Bribery & Corruption
The Group will take steps to strengthen our compliance with relevant regulatory requirements in relation to policies and procedures on anti-bribery and corruption.

b) Continue our effort on Embracing Innovation and Digital Transformation
Ajiya has started its journey on digitalization since mid 2018. The Board shall continues to embark on various initiatives to enhance our digital capability towards industry 4.0.

c) Board Policies
Review of Board Policies to ensure effectiveness and compliance with evolving regulatory and best practices as well as the changing needs of the Group.

II) BOARD COMPOSITION

1. **Board Composition and Diversity**

There was no change in the Board's composition during the financial year. The Board currently comprises seven (7) members with majority being Independent Non-Executive Directors. The composition are as follows:-

- Independent Non-Executive Chairman
- Managing Director
- Non-Executive Director
- 4 Independent Non-Executive Directors

The profile of each Director is set out in the Directors' Profile of this Annual Report.

This composition complied with the provisions as set out in the Bursa Securities Main Market Listing Requirement ("MMLR") to have at least two (2) directors or one-third of the Board (whichever is higher) are Independent Directors. Practice 4.1 of the MCCG stipulated that at least half of the Board comprises of Independent Directors. The Board of Ajiya has adopted a higher governance standard in its Board composition.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognised that a well diverse Board will leverage differences in opinions, perspective, knowledge and industry experience which are essential to ensure the Company retains its competitive advantage. As such, the present composition of the Board reflected a mix of profiles in terms of gender, age, ethnicity, experience and skill appropriate to the business of the Group.

A review of the Board Diversity Matrix was conducted during the financial year and the Board considered that its present composition is optimal with the requisite mix of skills, experience and qualities to lead the Group.

The Board is of the view that, while it is important to promote gender diversity on the Board, the selection criteria based on merit and contribution that the candidate will bring to the Board remain our priority. Hence the Board does not set any specific target for female Directors but the Board endeavours to promote more female Directors on the Board, as guided by the Board Diversity Policy of the Company. Currently there are 2 female members on the Board, representing 29% of the total Board members.

The current Board composition and diversity is as tabled below:-

Director	Gender		Age				Ethnic		Industry Knowledge/ Experience			
	Male	Female	35-39 years	40-49 years	60-69 years	70-79 years	Bumiputera	Chinese	Legal	Accounting	Manufacturing & Construction	Science
Dato' Dr. Mohd Aminuddin bin Mohd Rouse	✓					✓	✓					✓
Dato' Chan Wah Kiang	✓				✓			✓			✓	✓
Mr. Tan Seng Kee	✓				✓			✓	✓			
Dato' Theng Book	✓				✓			✓	✓			✓
Mr. Yeo Ann Seck	✓				✓			✓			✓	
Ms. Low Peak Yih		✓		✓				✓		✓		
Ms. Lee Xia Lien		✓	✓					✓		✓		

The Board also values the merits of gender diversity at management and executive level for better decision making and competitive advantages. As at current date, 31% of the managerial and executive positions of the Group are held by female employees.

2. Appointment to The Board

Appointment of new Board members is governed by the Company's Nomination Policy. The newly appointed Director during the year is required to stand for election at the next Annual General Meeting.

In evaluating the suitability of candidates, the Nomination Committee will consider the benefit of all aspects in order to strengthen the Board's existing skill and diversity before submitting the recommendation to the Board for decision. For appointment of Independent Director, consideration will also be given on whether the candidates meet the requirements of independence as defined in the MMLR. Candidates will be sourced from a wide range of independent source, apart from relying on the recommendation from the existing Board member, management and major shareholders.

3. Re-election of Directors

In accordance with the Company's Constitution, one third of the Directors shall retire by rotation at every Annual General Meeting and that a Director who is appointed during the year shall retire at the next Annual General Meeting. The Constitution also provided that all Directors shall retire from office once at least in each three years but shall be eligible for re-election.

In this regards, Dato' Chan Wah Kiang and Mr Tan Seng Kee shall retire and be eligible for re-election to the Board subject to the shareholders' approval at the 24th Annual General Meeting.

4. Board Independence

The Board comprises of 2 Non-Independent Directors and a strong presence of 5 Independent Directors. The participation of a majority of Independent Directors in the Board ensure the interest of all stakeholders are safeguarded and that the relevant issues are subjected to independent judgment and objective deliberation by the Board.

The tenure of Independent Directors of the Company is tabled as below:-

INDEPENDENT DIRECTORS	TENURE
Mr. Tan Seng Kee	Above 12 years
Dato' Theng Book	Above 12 years
Ms. Low Peak Yih	11 years
Dato' Dr. Mohd Aminuddin bin Mohd Rouse	8 years
Ms. Lee Xia Lien	2 years

The Board Charter provides that the tenure of an Independent Director shall not exceed a cumulative term of nine years. The Board may, subject to the assessment of the Nominating Committee, recommend for such Director to remain as Independent Director subject to annual shareholders' approval.

The Nomination Committee reviews the independence of Independent Directors annually based on the specific criteria. Following the annual assessment conducted through the Nomination Committee and the half-yearly confirmation from each Independent Director, the Board concurred with the Nomination Committee to retain Mr. Tan Seng Kee, Dato' Theng Book and Ms Low Peak Yih as Independent Directors subject to the shareholders' approval at the forthcoming Annual General Meeting.

The Board is of the view that their tenure of service does not in any way interfere with their ability to act in the best interest of the Company. They possess the character of integrity, calibre and objective judgement as Independent Directors. Their experience and knowledge of the Group's operation and their insights of the industry have provided a check and balance in the Board's deliberations and decision making process. All the Independent Directors contribute positively and discharge their duty with due care and diligent. The Board believes that their expertise in legal and account field bring an external perspective, constructively challenge and scrutinize the performance of the Group.

Mr. Tan Seng Kee and Dato' Theng Book shall be subjected to 2 tiers voting process at the forthcoming Annual General Meeting as they have served the Company for cumulative terms of more than 12 years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

5. Directors' Meeting Attendance and Time Commitment

The Board ordinarily schedules five (5) board meetings in a year to discuss matters relating to the overall performance of the Group. Additional meetings are convened as and when necessary.

The Board members have discharged their roles and responsibilities for the financial year ended 30 November 2019. The attendance of each Director at meetings is tabled below:-

DIRECTORS	NO. OF MEETINGS ATTENDED					
	Board	AC	NC	RC	RMC	AGM
Dato' Dr. Mohd Aminuddin bin Mohd Rouse	4/5	n/a	1/1	2/2	1/2	1/1
Dato' Chan Wah Kiang	5/5	n/a	n/a	n/a	n/a	1/1
Mr. Tan Seng Kee	5/5	5/5	1/1	2/2	2/2	1/1
Dato' Theng Book	5/5	5/5	1/1	2/2	2/2	1/1
Mr. Yeo Ann Seck	5/5	n/a	n/a	n/a	n/a	1/1
Ms. Low Peak Yih	5/5	5/5	n/a	n/a	n/a	1/1
Ms. Lee Xia Lien	5/5	5/5	n/a	n/a	n/a	1/1

To ensure that the Directors devote sufficient time to focus on and to discharge their responsibilities effectively, each member of the Board shall holds not more than five (5) directorships in public listed companies. The Directors are also required to inform the Chairman and/or Company Secretaries should they wish to accept new directorship in other public listed companies, as outlined in the Company's Board Charter.

An annual meeting calendar with the scheduled meeting dates for each Board meeting, Board Committees meeting and Annual General Meeting is prepared and circulated in advance to all Directors. The meeting agenda and board papers are distributed seven (7) days in advance in hard copy and/or electronically to the Directors for deliberations during Board meeting. Reminders are also sent in advance electronically to the Directors prior to the meetings.

6. Directors' Training and Development

The Directors acknowledges the importance of continuous training to keep abreast with regulatory updates and development in the business environment. The Board evaluates the training needs of Directors through assessment during the year. The Company Secretaries regularly provided to the Board the appropriate training programmes.

Information on updates of companies act, corporate governance practices and related regulatory requirements are provided to the Board members by the Company Secretaries at the Board meetings.

The training programmes attended by the Directors during the year are tabulated as below.

Attended By	Seminar/Program/Briefing
Dato' Aminuddin bin Mohd Rouse	• Companies of the Future – The Role for Boards • Non-Financials – Does it Matter • Cyber Security in the Boardroom
Dato' Chan Wah Kiang	• As Speaker for "Industry Revolution 4.0 and Impact on Career" • As Speaker for Inaugural Symposium 2018 on "Sustainable and Smart Built Environment" • As Speaker for "Innovative Sustainable and Smart Building Solutions" • As Forum Panelist on "Productivity and Quality Towards Professionalism"
Mr. Tan Seng Kee	• Cyber Security in the Boardroom • Corporate Governance and Anti-Corruption
Dato' Theng Book	• Advocacy & Malaysian Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 • Recent Developments in Construction Law • The Role of the Board in Risk Management of Legal Issues During Mergers and Acquisitions • Corporate Governance and Anti-Corruption
Mr. Yeo Ann Seck	• Sales Tax 2018 - Management of Exemption Facilities
Ms. Low Peak Yih	• Sunzi's The Art of War for Leadership Development
Ms. Lee Xia Lien	• Introduction to MBRS

Key Training/Seminar Programme in Summary	
Corporate Governance	25%
Finance & Taxation	19%
Digitization & IT Security	19%
Leadership & Management	19%
Sustainability	12%
Industrial Knowledge & Regulatory	6%

CORPORATE GOVERNANCE OVERVIEW STATEMENT

7. Board Assessment

The Board through the Nomination Committee undertakes an annual assessment on effectiveness of the Board, Board Committees, individual Directors, Board Committees members as well as Independent Directors. The annual assessment was conducted according to the procedures set out in its Evaluation Policy.

The Nomination Committee comprises entirely of Independent Non-Executive Directors. The Committee is chaired by the Senior Independent Non-Executive Director.

The Nomination Committee assists the Board on nomination of new members to the Board and Board Committees, conducts annual assessment of the Board and ensure the Board comprises the requisite mix of skills. The roles and responsibilities of the Nomination Committee are guided by its Terms of Reference.

The Nomination Committee met once during the financial year ended 30 November 2019 and all members have attended the meeting. The pertinent issues discussed and recommendation made by the Committee are reported by the Committee Chairman to the Board.

The activities carried out by the Nomination Committee for the financial year included the following:-

- Reviewed the size and composition of Board, taking into account the complexity of the Group's operation. This was carried out based on the Board Diversity Matrix.
- Conducted annual assessment of the effectiveness of the Board, Board Committees and each individual Directors.
- Assessed the independence of the Independent Directors and reviewed the retention of Independent Directors who have served the Board for more than nine (9) and twelve (12) years.
- Recommended to the Board for re-election of Directors who were due for retirement by rotation and eligible for re-election at the forthcoming Annual General Meeting.

Based on the results of the assessment carried out for the current financial year, the Nomination Committee was satisfied with the performance of each Director and the Board Committees. The Nomination Committee also satisfied that the Board has the right size and the Board composition is well balanced. Areas requiring improvement were identified and the Board has considered and accepted the recommendations.

There was no appointment of new member to the Board during the financial year.

III Remuneration

The Board has in place a Remuneration Policy setting out the remuneration principles and guidelines for Directors and Key Senior Management. The structure of the Remuneration Policy is aligned with the business strategies and long term objectives of the Group, to attract and retain the right talent in the Board and Key Senior Management. The remuneration packages commensurate with the success of the Group's business and individual's contribution and commitment.

The Board is assisted by the Remuneration Committee in implementing this Policy. The roles and responsibilities of the Committee are guided by its Terms of Reference.

The Remuneration Committee had held two (2) meetings during the financial year and all members have attended the meeting. The Remuneration Committee reviewed and recommended to the Board the remuneration for the Executive Director and further recommended the Non-Executive Directors' fees and benefits, subject to shareholders' approval at the Annual General Meeting.

The remuneration of Directors of the Company for the financial year ended 30 November 2019 categorised into appropriate components are as follows:-

	GROUP	COMPANY
Executive Director		
Salary	816,240	
Bonus and Incentive	241,982	
Other Benefits *	101,954	4,000
Fees	40,000	20,000
Non-Executive Directors		
Salary	180,000	
Other Benefits *	41,600	20,000
Fees	120,000	120,000
Total	1,541,776	164,000

* Inclusive of meeting allowance paid to the Directors for each Board meeting attended.

The number of Directors whose total remuneration falls within the following bands for the financial year is as follows:-

	No. of Directors	
RANGE OF REMUNERATION (RM)	Executive	Non-Executive
50,000 and below	-	5
200,001 to 250,000	-	1
1,200,001 to 1,300,000	1	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B :
EFFECTIVE AUDIT AND RISK MANAGEMENT

I AUDIT COMMITTEE

1. Audit Committee

The Audit Committee of the Board comprises entirely of Independent Non-Executive Directors. The Chairman of the Audit Committee is the Senior Independent Non-Executive Director, he is not the Chairman of the Board.

None of the members of the Audit Committee are former key audit partners. The Terms of Reference stated that the Audit Committee shall not appoint a former key audit partner as its member unless he has observed a cooling off period of at least two years.

The Terms of Reference of the Audit Committee are available on the Company's website at www.ajiya.com. More information about the activities carried out by the Audit Committee during the year are set out in the Audit Committee Report of this Annual Report.

2. Independence of External Auditors

The Audit Committee maintains a formal and professional relationship with the External Auditors in seeking their professional advice to ensure compliance with applicable standards and statutory requirements.

The Committee met with the External Auditors without the presence of executive Board members and Management twice during the financial year. The External Auditors also attended the Annual General Meeting held during the financial year. The work of the Committee in relation to the External Auditors is set out in the Audit Committee Report of this Annual Report.

During the financial year, the Audit Committee conducted an assessment on the independence and performance of the External Auditors. The Audit Committee also reviewed the nature and extent of non-audit services by the External Auditors to the Group.

Pursuant to the External Auditors' policy, the engagement and concurring partner responsible for the Group's audit are rotated at least once every five (5) financial years. The current audit engagement partner for the Group took effect from 1 December 2017.

The Audit Committee was satisfied with the External Auditors' overall performance, suitability and independence and recommended to the Board on the re-appointment of the External Auditors and the Board had endorsed the recommendation. The proposed re-appointment is subject to the shareholders' approval.

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has established a sound system and framework of risk management and internal controls. The Board is assisted by the Risk Management Committee in identifying and reviewing the framework and process for managing risk within the Group. The Risk Management Committee comprises entirely of Independent Non-Executive Directors.

Risk Management Committee is supported by Risk Management Steering Committee ("RMSC") to ensure a risk management framework is embedded throughout the Group. The roles and responsibilities of the Risk Management Committee are guided by its Terms of Reference.

The Board through the Audit Committee, continued to review the effectiveness of the Group's internal control system. With these controlling functions, the RMSC, Internal Audit Department as well as the Risk Management Committee and Audit Committee, the Board is of the view that the system of internal control and risk management in place during 2019, is sound and sufficient to safeguard the Group's assets and shareholders' interest.

A review of the state of risk management and internal controls within the Group during the financial year is set out in the Statement on Risk Management and Internal Control of this Annual Report.

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

1. Communication with Stakeholders

The Board continuously committed to ensure a timely and equal dissemination of information to its shareholders and various stakeholders.

The Group had formalized an Investor Relation Policy and Disclosure Policy in handling disclosure of material information to shareholders and investors. The policies ensure communication with the public are made in accordance with the obligation imposed by Bursa Securities and other regulators. Investors' feedback and enquiries may be directed to " Contact Us" section of the Company's website.

The Group engages with its stakeholders through various channels, including the Company's corporate website, announcement via Bursa Link, quarterly results, annual reports, general meetings, dialogues with investing public and financial analysts, roadshows with local communities and customers and participation in industrial association activities and institutional forum. Further details on community engagement and partnership building are available in the Sustainability Report of this Annual Report.

Notwithstanding the above, the Board is always mindful of the legal requirement governing the release of material and price-sensitive information.

2. Conduct of General Meetings

The general meetings remain the principal event for dialogue and interaction between the Directors and shareholders.

The notice of the Annual General Meeting is dispatched to shareholders at least 28 days before the date of the meeting.

At the General Meetings, the Managing Director presents an overview of the Group's business and prospect to the shareholders. Shareholders are invited to raise questions during the open question and answer session.

The Chairman also shared with shareholders the responses to questions submitted in advance by the Minority Shareholders Watchdog Group during the financial year, which were displayed at the Annual General Meeting.

All resolutions were put to vote by poll at the last Annual General Meeting. To ensure effective meeting procedures, the Company has leveraged on information technology where electronic polling system was adopted. An independent scrutineer was appointed to validate the votes cast.

Minutes of last Annual General Meeting is made available to the shareholders at the Company's website www.ajiya.com.

The Corporate Governance Overview Statement was approved by the Board of Directors on 3 March 2020.

ADDITIONAL DISCLOSURE STATEMENTS

1. Directors' Responsibilities Statement

The Directors are required under the Companies Act, 2016 ('the Act"), to prepare financial statements which have been drawn up in accordance with the applicable approved accounting standards which give a true and fair view of the financial position of the Company and of the Group as at the end of the financial year and of the results and cash flows of the Company and the Group for the financial year.

In addition, the Main Market Listing Requirements set out that the Board must ensure an additional statement is included in the Company's Annual Report explaining the Board's responsibility for preparing the annual audited financial statements.

The Directors are of the view that, in preparing the financial statements of the Company and the Group for the year ended 30 November 2019, the Board has adopted appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgements and estimates and that the financial statements are prepared on the going concern basis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Directors are responsible for ensuring that the Company keeps adequate accounting records that disclose with reasonable accuracy the financial position of the Company and the Group to enable them to ensure that the financial statements comply with the requirements of the Companies Act, 2016 and all applicable accounting standards in Malaysia.

The Directors also have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group, and to detect and prevent fraud and other irregularities.

The Statement by Directors pursuant to Section 251(2) of the Companies Act, 2016 is set out on page 86 of this Annual Report.

2. Audit Fees and Non-Audit Fees

Details of audit fees and non-audit fees paid to the Company's External Auditors for the financial year ended 2019 were as follows:

	Audit Fees (RM)	Non-Audit Fees (RM)
Group	206,600	22,500
Company	102,600	22,500

The non-audit services rendered are in respect of the review of Statement of Risk Management and Internal Control and the review of Malaysian Financial Reporting Standards for financial year ended 2019.

3. Material Contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year by the Company and its subsidiaries which involve the interest of the Directors and substantial shareholders.

4. Utilisation of Proceeds

There were no proceeds raised from the Company's corporate proposal during the financial year under review.

5. Revaluation of Landed Properties

The Company did not have a revaluation policy on landed properties.

6. Employees Share Option Scheme

The Group has not implemented the Employees Share Option Scheme during the financial year under review.

7. Recurrent Related Party Transactions of a Revenue Nature ("RRPT")

The Company had, at the last Annual General Meeting, obtained a shareholders' mandate for RRPT entered into by the Company and the Group. The details of the RRPTs are disclosed in Note 32 of the Financial Statements for the financial year ended 30 November 2019 and in the Circular to Shareholders dated 24 March 2020.

THE AUDIT COMMITTEE OVERSEEING THE FINANCIAL REPORTING, INTERNAL CONTROL SYSTEM, EXTERNAL AUDITING, GOVERNANCE CONTROL AND REGULATORY COMPLIANCE OF THE GROUP.

THE BOARD IS PLEASED TO PRESENT THE AUDIT COMMITTEE REPORT FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019.

1. COMPOSITION

The Audit Committee was established on 12 November 1996 with duties and responsibilities guided by its Terms of Reference.

The Audit Committee consists of four (4) members, all of whom are Independent Non-Executive Directors. The Chairman of the Audit Committee is the Senior Independent Non-Executive Director, who is not the Chairman of the Board. All members of the Committee possess professional experience in either finance or legal aspect. They are financially literate and able to understand, analyse and objectively review matters under the purview of the Audit Committee.

All the Independent Non-Executive Directors satisfy the test of independence under the Bursa Malaysia Securities Berhad Main Market Listing Requirement ("MMLR"). The composition of the Audit Committee meets the requirement of paragraph 15.09(1) of the MMLR and Practice 8.1, 8.2, 8.3, 8.4 and 8.5 under Principles B set out in the MCCG 2017.

Chairman : Mr. Tan Seng Kee
(Senior Independent Non-Executive Director)

Members : Dato' Theng Book
(Independent Non-Executive Director)

Ms. Low Peak Yih
(Independent Non-Executive Director)

Ms. Lee Xia Lien
(Independent Non-Executive Director)

2. MEETINGS

The Audit Committee held five (5) committee meetings during the financial year 2019. The meetings are properly convened with notice and agenda distributed prior to the meetings.

At the invitation of the Committee, the Managing Director, Financial Controller, Head of Internal Auditor and External Auditors attended the meeting to brief the Committee on specific issues. Other Board members and relevant members of the Management Team also attended the meetings by invitation.

The External Auditors attended all the Audit Committee meetings held during the financial year. A separate meeting between the Audit Committee and the External Auditors without the presence of executive Board members and Management of the Group was held twice during the financial year to discuss on audit feedback.

All proceedings of the Audit Committee meetings are duly minuted and confirmed at the next Audit Committee meeting. Minutes of the Audit Committee meetings are included in the Board meeting papers to keep the Board updated on activities of the Audit Committee. The Chairman of the Audit Committee also briefed to the Board matters of significant concern raised in the Audit Committee meeting.

The attendance of members at meetings held during the year is tabled as follows:-

Audit Committee Members	No. of Meetings Attended
Mr. Tan Seng Kee	5/5
Dato' Theng Book	5/5
Ms. Low Peak Yih	5/5
Ms. Lee Xia Lien	5/5

AUDIT COMMITTEE REPORT

3. TERMS OF REFERENCE

The Terms of Reference of the Audit Committee are available on the Company's website at www.ajiya.com.

4. SUMMARY OF ACTIVITIES

During the financial year, the Audit Committee carried out the following activities:-

(i) Financial Reporting

a. Quarterly Financial Results
The Audit Committee reviewed the quarterly financial results for the four quarters 2019 of the Company and the Group, held on 22 January 2019, 26 April 2019, 29 July 2019 and 22 October 2019.

b. Audited Financial Statements
On 8 March 2019, the Audit Committee discussed with the Management and the External Auditors, the audited financial statements for the financial year ended 30 November 2018.

c. Adoption of MFRS 9 and 15
The Audit Committee took note of the changes of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers which came into effect on 1 January 2018. The Group has adopted both the MFRS 9 and MFRS 15 during financial year 2019.

There were no significant impacts on the financial performance or position of the Group on adoption of MFRS 15 while the adoption of MFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing MFRS 139's incurred loss approach with a forward-looking expected credit loss approach, as disclosed in Note 2.2 of the Financial Statements for financial year ended 2019.

The Audit Committee remains focus on ensuring the integrity of the financial reporting. At each meetings held, the Audit Committee reviewed the reports presented by the Group Financial Controller. The Audit Committee deliberated and analysed with the Management and the External Auditors to ensure the quarterly financial results and annual financial statements are prepared in compliance with applicable financial reporting standards and regulatory requirements, before submission to the Board for approval.

(ii) External Audit

a. The Audit Committee had on 22 January 2019, reviewed with the External Auditors, the Audit Report for the year 2018. In the meeting, the Audit Committee deliberated with the External Auditors their comments on significant accounting and auditing issues and suggestions for improvement.

b. The Audit Committee reviewed with the External Auditors the final draft of Financial Statements for the financial year ended 30 November 2018, held on 8 March 2019. At the meeting, the External Auditors presented their response to the key audit matters in the draft Financial Statements for the year ended 30 November 2018.

c. On 29 July 2019, the Audit Committee reviewed with the External Auditor the Audit Planning Memorandum 2019 outlining areas of significant focus, audit approach, engagement team, audit timetable, group scoping, areas of audit emphasis, key audit matters, internal control considerations and proposed audit fees.

The External Auditors also explained to the Committee the mechanism of MFRS 15 and MFRS 9, amendment to the approved accounting standards and new application on financial reporting disclosure.

At the meeting, the External Auditors have provided a written assurance on their independence in relation to the audit engagement for financial year ended 2019, in accordance with the By-law (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

d. In the same meeting held on 29 July 2019, the Audit Committee reviewed and approved the provision of non-audit services by External Auditors for the financial year 2019. The Audit Committee having reviewed the nature and amount of the non-audit fees, was satisfied that the non-audit services would not impair the independence of the External Auditors.

The details of the audit fees and non-audit fees paid to the External Auditors for the financial year ended 2019 are set out in the Additional Disclosure Statements of this Annual Report.

e. The Audit Committee held two private sessions with the External Auditors in July 2019 and October 2019 without the presence of the executive Board members and Management, for a greater exchange of free views and opinion concerning audit matters. There were no major concerns raised that needed the attention of the Board of Directors. The External Auditors also reported the Management had rendered cooperation to the External Auditors during the course of audit.

f. The Audit Committee had in October 2019 conducted a review of the External Auditors' performance, suitability and independence of the External Auditors based on, amongst others, the calibre of External Auditors, the quality process, sufficiency of resources, independency and objectivity, audit scope and planning, audit fees and communication. The results was tabled to the Audit Committee at its meeting held on 14 January 2020. The Audit Committee was satisfied with the External Auditors' competency and independence.

(iii) Internal Audit

a. The Audit Committee reviewed and approved the annual Audit Plan 2019 at the meeting held on 22 January 2019. The Annual Audit Plan was developed based on risk based approach, pirotising on high risk areas.

At the same meeting, the Head of Internal Audit also presented the status of audit plan for the whole last financial year 2018, all were completed according to the plan.

b. The Audit Committee reviewed and deliberated the results of audit carried out by the Internal Auditors at the meeting held on 22 January 2019, 26 April 2019, 29 July 2019 and 22 October 2019. The Audit Committee discussed the audit findings and recommendations for improvement as well as status of implementation of corrective actions.

The Head of Internal Audit also updated the Committee status of audit plan against the schedule date at each meeting.

c. During the year, the Audit Committee conducted an assessment on Internal Auditors' performance. The assessment focused on the scope, adequacy of resources and manpower competency, as well as collaboration with External Auditors. The Audit Committee was satisfied with the performance and effectiveness of the Internal Auditors.

d. The Audit Committee reviewed the Statement on Risk Management and Internal Control year 2018 presented by the Head of Internal Audit at the meeting held on 8 March 2019. The said statement has been reviewed by the External Auditors.

e. At each Audit Committee held quarterly, the Audit Committee reviewed the Internal Auditors' findings on whistle blowing cases, if any.

(iv) Related Party Transaction

a. At each Audit Committee meeting, the Committee reviewed the Related Party Transaction and Recurrent Related Party Transaction entered into by the Company and/or its subsidiaries with related parties and ensure disclosure requirements of the Main Market Listing Requirements are adhered to.

b. On 8 March 2019, the Audit Committee reviewed the Circular to Shareholders in relation to the Proposed New and Renewal of Shareholders' Mandate for RRPT of a revenue or trading nature.

(v) Annual Report

a. The Audit Committee had, on the 8 March 2019, reviewed and recommended for the Board's approval the Corporate Governance Overview Statement, CG Report, Audit Committee Report as well as the Annual Report 2018.

AUDIT COMMITTEE REPORT

(vi) Alteration of Company's Constitution

a. On the 8 March 2019, the Audit Committee reviewed and recommended for the Board's approval the alteration or amendment of the Company's Constitution, to be in line with the prevailing regulatory requirements particularly the Companies Act 2016, Main Market Listing Requirement and the new Malaysian Code on Corporate Governance.

5. ANNUAL ASSESSMENT OF AUDIT COMMITTEE

The Board through the Nomination Committee, carried out an annual assessment on the performance of the Audit Committee and each individual Committee members. The assessment was conducted based on self and peer rating model.

Based on the assessment, the Board is satisfied that the Audit Committee and its members have discharged their duties, function and responsibilities in accordance with the Audit Committee's Terms of Reference.

6. TRAINING AND REGULATORY UPDATING

During the financial year, the Audit Committee members had attended relevant training programmes and seminars, details as set out in the Corporate Governance Overview Statement of this Annual Report.

7. INTERNAL AUDIT FUNCTION

The Group's internal audit function is performed by its in-house Internal Audit Department. The Internal Audit Department provides independent and objective assurance on the state of risk management and internal control of key operation and governance procedures within the Group based on risk-based approach. The Head of Internal Audit has direct access to the Chairman of Audit Committee.

The Internal Audit Department carried out its duties according to the Internal Audit Charter and guided by the International Standards for Professional Practice of Internal Auditing Issued by the Institude of Internal Auditors. The Internal Audit Charter was endorsed by the Audit Committee and approved by the Board, setting out the objective, authority, scope and responsibilities of the Internal Audit Department.

The Internal Audit function is independent of the activities of other operating departments. The Internal Audit Department prepared annual audit plan which was reviewed and approved by the Audit Committee. During the financial year, the Internal Audit Department carried its duties according to the audit plan. The audit covered the reviews of adequacy and effectiveness of internal controls, the extent of compliance of the key processes with the established Group policies, procedures and statutory requirements.

The Internal Auditors reported audit findings and follow up on status implementations of agreed audit recommendations or relevant corrective actions to ensure these corrective actions were implemented accordingly. The Internal Audit reports are presented to the Audit Committee for deliberation on quarterly basis.

The cost incurred in relation to the Internal Audit function for the financial year under review was RM210,000.00.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

PARAGRAPH 15.26(B) OF MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD REQUIRES THE BOARD OF DIRECTORS OF A PUBLIC LISTED COMPANY TO INCLUDE IN ITS ANNUAL REPORT A STATEMENT ABOUT THE STATE OF THE COMPANY'S RISK MANAGEMENT AND INTERNAL CONTROL. THIS STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH THE 'STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL : GUIDANCE FOR DIRECTORS OF LISTED ISSUERS'.

THIS STATEMENT DOES NOT COVER ASSOCIATE COMPANY WHERE RISK MANAGEMENT AND INTERNAL CONTROL ARE MANAGED BY THEIR MANAGEMENT TEAM.

BOARD'S RESPONSIBILITY

The Group recognizes that effective risk management and a sound system of internal control are fundamental to good corporate governance. The Board acknowledges its responsibility to maintain a good risk management and internal control system to address all key risks which the Group considers relevant and material to its operations while the Management plays an integral role in assisting the implementation of the Board's policies on risk management and internal control.

In view of the inherent limitations in any system of risk management and internal control, the Board recognizes that the system is designed to manage rather than eliminate the risks of failure to achieve business objectives and plans, and therefore can only provide reasonable and not absolute assurance against material misstatement of management and financial information, financial loss or fraud.

RISK MANAGEMENT

The Group has established a Risk Management Framework which is guided by the ISO 31000:2018 Risk Management – Guidelines. This framework outlines the policy and ongoing processes for identifying, evaluating, managing and monitoring of the key risks faced by the Group. The Risk Management is embedded in the Group's Management system.

The Board has established a Risk Management Committee ("RMC") to oversee the implementation of risk management framework and risk management activities of key risks in the Group. The RMC is assisted by Risk Management Steering Committee ("RMSC") who shall ensure effective implementation and maintenance of the Risk Management Framework. RMSC is chaired by the Managing Director and supported by several Heads of Departments. The Head of departments and business units are responsible for managing the risks in their department or business unit. Changes in the key business risks or emergence of new key risks shall also be highlighted and discussed in the monthly management meeting.

During the year, the Group's business units and key process owners have conducted their risk assessments and internal controls reviews. These risk assessments were then assessed by the RMSC and the risk report was compiled. RMC reviewed the risk report which highlighted the risk management philosophy, risk governance structure, risk appetite, process, risk management and internal controls. The Board has approved the risk appetite statement for adoption in the Group.

INTERNAL CONTROL SYSTEM

Key elements of internal control are:

- Organisation Structure
  The Group has a clearly defined organisational structure with clear lines of responsibilities and appropriate levels of delegation and authority.

- Policies and Procedures
  The Group has established internal policies and procedures covering key business units and operations. These policies and procedures are regularly reviewed and updated to ensure its relevance to address the changing environment, operational requirement and changes of risk.

- Audit Committee
  The Board has empowered the Audit Committee with the duty of reviewing and monitoring the effectiveness of the Group's risk management and system of internal control. The Audit Committee reviews the Group's financial reports, internal and external audit reports, and with the assistance of Internal Audit department, the internal control system.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM (CONT'D)

- Internal Audit Function
  The Group's Internal Audit department performed periodic audits on the various operating units within the Group according to the internal audit plan approved by the Audit Committee.

  The audit includes reviews on the appropriateness of internal control and the implementation as well as compliance with existing policies and procedures and statutory requirements. Based on the audit performed, areas for improvement of the controls and implementation are highlighted to the Audit Committee on a quarterly basis for review and deliberation. Followups on status of implementation of agreed action plans are also conducted to ensure corrective action are implemented accordingly.

  Audit reviews were carried out half yearly for selected key processes of the subsidiary in Thailand to ensure the relevant procedures are in place. The Group Internal Audit Department had followed up on remedial actions agreed to be taken by the relevant department to ensure the matters were satisfactorily addressed.

ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Managing Director and Financial Controller that the Group's risk management and internal control have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

The External Auditors, Messrs Ernst and Young have reviewed this Statement on Risk Management and Internal Control pursuant to guidance published in Recommended Practice Guide 5 (RPG5)(revised): Guidance for Auditors on Review of Directors 'Statement on Risk Management and Internal Control' issued by Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the financial year ended 30th November 2019.

The External Auditors has reported to the Board that nothing has come to their attention that causes them to believe that this Statement has not been prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control : Guidance for Directors of Listed Issuers or is factually inaccurate.

CONCLUSION

The Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control system for the year under review and is of the view that the Group's risk management and system of the internal control is generally adequate to safeguard the interests of shareholders, customers, employees and Group's assets.

The Board and the Management will continue to take necessary measures to maintain and where required, to improve the Group's risk management and internal control system in meeting the Group's strategic objectives.

This statement was approved by the Board of Directors on 3 March 2020 .

SUSTAINABILITY STATEMENT

THIS SUSTAINABILITY STATEMENT EXHIBITS HOW THE AJIYA GROUP OF COMPANIES HAVE EMBODIED THE SPIRIT OF SUSTAINABILITY DURING THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019.

ECONOMY

ENVIRONMENT

SOCIAL

SUSTAINABILITY STATEMENT

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

Ajiya is committed to the United Nations Sustainable Development Goals ("UNSDGs") and continues to align our business model, operating strategies and corporate culture with sustainable practices and solutions in line with the UNSDG agenda.

This Sustainability Statement focuses on the sustainability developments by our Group of Companies ("Ajiya Group") throughout the financial year 2019.

As one of the leading metal roll-forming and safety glass processing manufacturers in Malaysia, we carry out sustainability efforts to ensure long term and consistent growth in performance and operations. We aim to produce great products sustainably and impact the world positively.

SUSTAINABILITY GOVERNANCE

Having impeccable leadership is important in driving long term results. This year, we expanded our sustainability structure to include a dedicated sustainability team as a mark of our commitment to providing eco-efficient and responsible service to our stakeholders to achieve satisfactory business performance along economic, environmental and social dimensions. The table below further clarifies the sustainability structure.

ACHIEVE OUR VISION 2040, 'TO ENRICH WELLBEING FOR THE COMMUNITY' BY PRODUCING HIGHLY RECYCLABLE METAL ROLL FORMING PRODUCTS AND ENERGY EFFICIENT SAFETY GLASS PRODUCTS, SUPPLYING GREEN BUILDING MATERIALS NATIONWIDE FOR A SUSTAINABLE FUTURE.

BOARD OF DIRECTORS

- Ensures all businesses embrace sustainability with commitments
- Approves sustainability strategy

MANAGEMENT TEAM

- Approves sustainability targets and disclosures
- Oversees implementation of sustainability strategy

SUSTAINABILITY TEAM

- Develops sustainability strategy and recommend revisions to the management
- Evaluates overall sustainability risks and opportunities
- Oversees departments/functions in ensuring robustness of system of sustainability management
- Considers input of all departments/ functions in sustainability processes
- Develops plan and timeline for disclosure

ON-GROUND MEMBERS

- Supports strategy implementation
- Ensures processes and controls are in place within its departments/ functions
- Reports on performance of processes and controls
- Reports management targets

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is important in safeguarding the future and growth of the Group. Thus, we have identified and engaged a diverse group of stakeholders.

STAKEHOLDERS	KEY FOCUS AREA	METHODS OF ENGAGEMENT
Shareholders	• Profitability • Dividend • Shareholders' value/responsibility	• Annual General Meetings • Company website • Annual Reports
Clients/Customers, Suppliers and Industry Partners	• Product and service quality • Timely delivery of products/ projects • Payment terms and timeliness • Product innovation	• Customer satisfaction survey and supplier evaluation form • Customer service platforms including phone calls and emails • Face-to-face meetings • Events and site visits
Regulators and Government Authorities	• Compliance with laws and regulations • Certifications/awards • Industry best practices and updates	• Compliance and certification exercises • Periodic site visits and audits • Company representation at initiatives/technical working groups • Briefings and trainings
Employees	• Business performance and direction • Career development • Learning and development • Employee welfare and benefits • Employee wellness • Health and safety	• Regular communications via email circulation • Annual performance appraisal • Forums, trainings and workshops • Sports clubs i.e. Y2K and One AJIYA Club • Employee events including festive celebrations and annual gathering
Local Community, Industry Associations, Academia and Non-Governmental Organisations ("NGOs")	• Company reputation and branding • Corporate social responsibility • Best management practices and industry-related research • Partnerships	• Community outreach and development programmes • Public events e.g. forums and symposiums • Annual Report • Educational site visits • Briefings and trainings

SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT

We continue our sustainability efforts by mapping the Group's initiatives against the 17 Sustainable Development Goals (SDGs) by United Nations (UN) and have identified the goals that we are contributing to. To do so, we utilized the following process to identify the materiality of the SDGs.

PROCESS	ELABORATION
Identification	We identified the UN SDGs that we have contributed the most in the Group. From there, we derive the 8 material sustainability issues across our Group by convening the response internally from the Group's Management Team through an online questionnaire. For future reports, we are looking to obtain responses from external stakeholders as well for a better picture of valued topics. The 8 distinct sustainability themes concluded from our findings in 2019 are shown in the materiality matrix.
Prioritisation	When prioritising material sustainability issues, we take the following into account: • Perspectives and interests of internal and external stakeholders; • Factors that may affect our financial stability and economic growth; and • Significance of the economic, environmental and social impact.
Internal Scope	The scope of materiality covers our Group's business operations in metal roll-forming and safety glass processing in Malaysia for the financial year ended 30 November 2019.
Review	Governed by the Board of Directors, the Management Team reviews and oversees the planning and implementation of sustainability practices in a continuous and systematic manner.

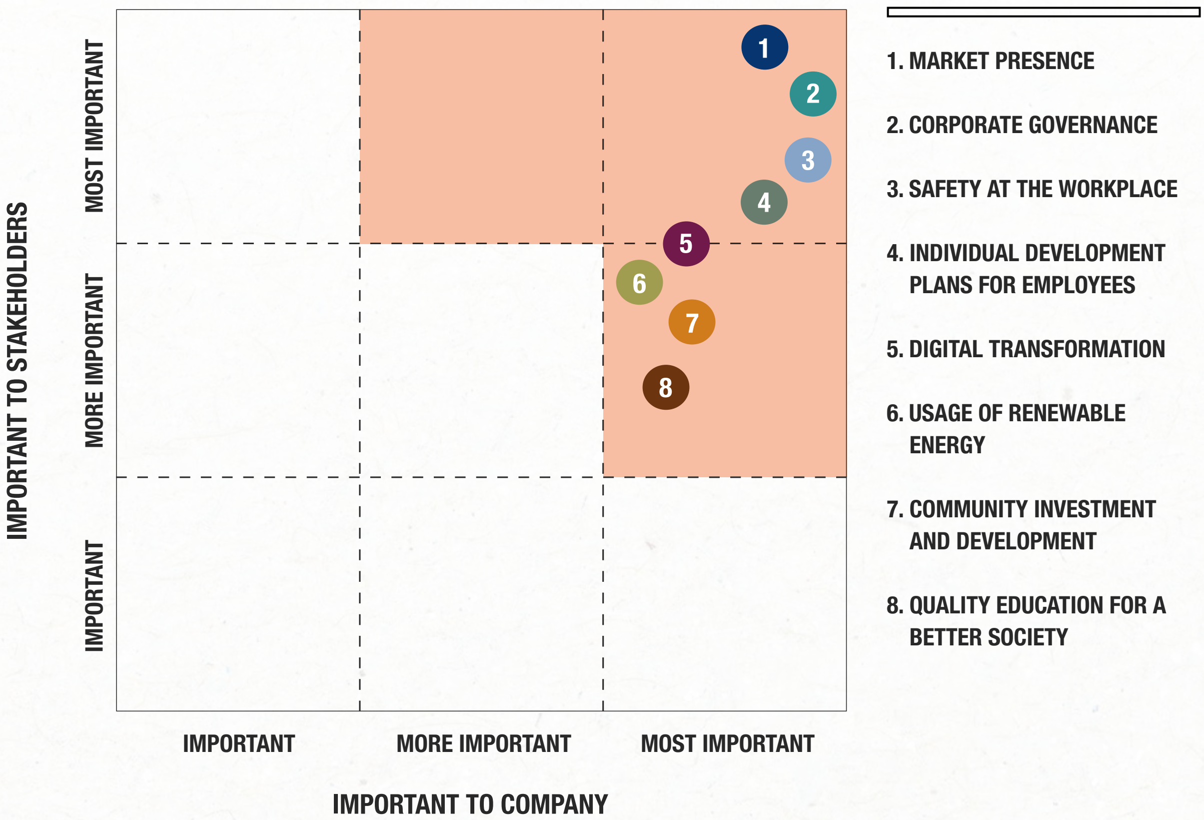
MATERIAL SUSTAINABILITY TOPICS

TOPIC	DESCRIPTION	SDG
	MARKET PRESENCE To improve market presence and brand recognition for better business and economy	SDG 9: Industry, innovation, & infrastructure
	CORPORATE GOVERNANCE To ensure that good governance is practiced throughout the Group for business sustainability and also enhancing shareholders value	SDG 16: Peace, justice, and strong institutions
	SAFETY AT THE WORKPLACE To ensure the safety of employees in production line to minimise accidents & maximise available manpower	SDG 8: Decent work & sustainable economic growth
	INDIVIDUAL DEVELOPMENT PLAN FOR EMPLOYEES To increase opportunities for employee's career growth and advancement to broaden their skills and add value to the company	SDG 8: Decent work & sustainable economic growth
	DIGITAL TRANSFORMATION To embrace technological advancement in all aspects of business to improve productivity	SDG 9: Industry, innovation, & infrastructure
	USAGE OF RENEWABLE ENERGY To expand and upgrade the infrastructure and technology to supply renewable energy for the company's usage by reducing the need for unrenewable energy in daily operations	SDG 7: Affordable and clean energy
	COMMUNITY INVESTMENT AND DEVELOPMENT To invest in community development, nurturing skills from the ground to ensure the community can sustain themselves	SDG 17: Partnership for the goals
	QUALITY EDUCATION FOR A BETTER SOCIETY To invest in quality education to nurture the future generations	SDG 4: Quality Education

SUSTAINABILITY STATEMENT

MATERIALITY MATRIX

The materiality matrix depicts the importance of a topic in line with the interest of our stakeholders as well as the Group as a whole.



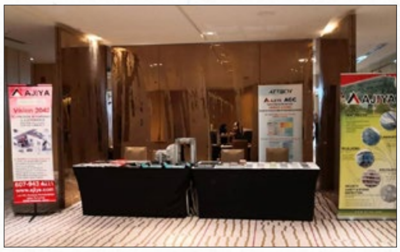
1 MARKET PRESENCE

TO PUSH TOWARDS A GREENER MALAYSIA, AJIYA AIMS TO INCREASE THE GROUP'S MARKET PRESENCE TO PROMOTE THE USAGE OF SUSTAINABLE BUILDING MATERIALS.

AJIYA's products are highly recyclable, thus a better alternative to non-recyclable building materials. At the same time, AJIYA produces building materials with better insulation, thus reducing electricity needed to cool buildings. To promote towards a greener Malaysia, AJIYA aims to increase the Group's market presence to promote the usage of sustainable building materials.

As a long-time supporter of green building materials, AJIYA is a co-founder of Malaysia Green Building Council (malaysiaGBC) and has been supporting its efforts since its inception. In 2019, AJIYA has participated in a number of events under malaysiaGBC. Some of these events include Green Development & Innovation Expo 2019, KL Eco Run, Penang International Green Conference 2019, International Greentech and Eco Products Exhibition, as well as having our Managing Director, Dato' Chan Wah Kiang as guest speaker at Biz@ARCHIDEX during the exhibition.

Aside from participating in events and exhibitions through malaysiaGBC, the Group was also involved in several other exhibitions independently. Exhibitions participated independently includes ARCHIDEX, Kuala Lumpur Architectural Festival, Malaysia Carnival of Cooperatives' Products & Services (MACCOPS), and Hari Terbuka JKR Kelantan, to name a few.



SUSTAINABILITY STATEMENT

Moreover, AJIYA also launched AJIYA Mobile Hub to promote our sustainable building materials. The Mobile Hub is a motor vehicle renovated to become a transportable sample showroom. The Mobile Hub has travelled across Kedah, Penang, Perak, Negeri Sembilan, Johor as well as Malacca, visiting numerous locations including hardware shops, goverment agencies and higher learning institutions.

To supplement the mobile showroom, we have also started a Facebook page to promote the Mobile Hub activities. Initiated in March 2019, the Facebook page has organically attracted tremendeous likes and our Facebook posts have reached more than 33,000 people with close to 5,000 unique engaged users who have commented, liked, or shared our posts.

AJIYA aims to continue promoting our green building materials for usage of green building materials in modern construction. This is in line with UN's SDG 9, target 9.1, developing quality, reliable, sustainable, and resilient infrastructure. We hope that promoting the usage of our high quality green products can contribute to improved and sustainable green buildings.

AJIYA MOBILE HUB

> 33,000
PEOPLE REACHED

≈ 5,000
UNIQUE ENGAGED USERS

2 CORPORATE GOVERNANCE

The Board continues to place emphasis on the importance of adherence to the principles of good governance practices throughout the Group.

The Group also has a structured framework that allows for standardised and structured operations. Further details of the corporate governance practices applied by the Group during the financial year is available in the Corporate Governance Overview Statement of the Annual Report 2019 and the CG Report 2019.

Aside from the seminars and training attended by the Board of Directors as disclosed in the corporate governance overview statement in this annual report, the AJIYA Group also believes in empowering our Management Team through education and training to perform better in corporate governance functions. As such, we encourage our employees to participate in relevant governance training. Below are the list of training sessions and seminars attended by our middle Management Team.

TRAINING PROGRAMMES

- Addressing Misconduct Issues & Enhancing Effective Communication At Workplace
- Getting Ready For 2018 Form EA Preparation
- Important Industrial & higher Court Decisions of 2018
- National Tax Seminar 2019
- Permit Perburuhan Akta Kerja 1955
- Risk Assessment Awareness Briefing
- SST Tax Seminar
- SST Tax Seminar
- Strategic Performance Management Towards Workforce Excellence
- Sustainability Awareness
- Recent Developments In Listing Requirements And Common Pitfalls In Chapter 10
- Key Amendments To Listing Requirements Arising From Companies Act 2016

OUR DEDICATION TOWARDS TRAINING THE MANAGEMENT TEAM FOR BETTER CORPORATE GOVERNANCE STEMS FROM UN SDG 16, TARGET 16.6, DEVELOP EFFECTIVE, ACCOUNTABLE, AND TRANSPARENT INSTITUTIONS. WE BELIEVE THAT WE CAN CONTINUE TO CONTRIBUTE POSITIVELY TO MALAYSIA'S ECONOMY BY HAVING GOOD CORPORATE GOVERNANCE.

3 SAFETY AT THE WORKPLACE

IN 2019, THE NUMBER OF INCIDENCES REPORTED THROUGHOUT THE ENTIRE GROUP IS 19 FROM LAST YEAR'S FIGURES WHICH STOOD AT 26. MOVING FORWARD, THE GROUP IS AIMING TO FURTHER REDUCE THE NUMBER INCIDENCES.

WE FERVENTLY HOPE TO IMPROVE WORKPLACE SAFETY FURTHER IN 2020, CREATING A SECURE AND SAFE WORK ENVIRONMENT FOR ALL.

Being in the manufacturing business, it is vital that our employees and workers remain safe when within our premises. Continuing our efforts from 2018, we remain compliant with the Occupational Safety and Health Act 1994 (OSHA). The OSHA committee meets quarterly to ensure safety actions are taken in complying with the relevant rules and regulations.

In addition to the OSHA committee, we have also formed a Fire Hazard and Safety Committee. The Committee is tasked to meet quarterly to conduct, discuss, and evaluate fire safety within our factory branches. As of November 2019, the Committee had undergone fire safety training "Latihan Kesedaran Awam" by Bomba and also organised a fire drill to alert employees the importance of fire safety and timely evacuation. The Committee aims to further improve fire safety at the workplace in 2020.

Moreover, the Group also had Emergency Preparedness and Response Planning Training at Sungai Petani branch. The training was attended by managers and executives whereby they learnt about how to prepare and plan for emergency response to disasters such as fire, floods, explosions, bomb threats, as well as chemical spillage. The aim of this is to set guidelines in place to best respond to such tragedies in a way that is helpful to the authorities to mitigate the issues.

Aside from the two mentioned action plans, the Group has also held other safety training and precautionary measures throughout the Group. Below are the list of training held in the name of increasing safety awareness at the workplace.

TRAINING PROGRAMMES
Emergency Preparedness & Response Planning
Electrical Safety Awareness
Kesedaran Awam Bagi Pasukan Tindakan Kecemasan
Hazard, Risk Assessment Training
"Latihan Kesedaran Awam", fire safety training

In 2019, the number of incidences reported throughout the entire Group is 19. This is a huge drop from last year's figures which stood at 26. Moving forward, the Group is aiming to further reduce the number of incidence.

AJIYA's efforts towards safety at the workplace are in line with UN SDG 8, target 8.8, promote safe and secure working environments for all workers. We fervently hope to further improve workplace safety in 2020, creating a secure and safe work environment for all.

4 INDIVIDUAL DEVELOPMENT PLANS FOR EMPLOYEES

Our employees are of paramount importance in ensuring the continuous success of the Group. Adding value to the people within the Group equates to adding value to the Group. Hence, we are always looking forward to refining and improving the knowledge and skills of our employees.

OUR EMPLOYEES ARE OF PARAMOUNT IMPORTANCE IN ENSURING THE CONTINUOUS SUCCESS OF THE GROUP

In August, we have embarked on a Sales Transformation Journey (STJ). The STJ coalition team members are assigned to work in pairs with a specific task that improves the performance of the sales team. Meetings will be convened monthly with the sales consultant to monitor the progress of the team members. So far, a call reporting system is in place to record the call rate of each sales representative. A sales training module and a more extensive incentive scheme are implemented to drive better business results from the sales and marketing team.

SUSTAINABILITY STATEMENT

Aside from STJ, the Group also sends the Management Team to TRIZ Inventive Problem Solving programme. The participants learn the techniques on problem solving, situational analysis, and forecasting and estimating methods. The goal of the programme is that the Management Team is able to break down complicated situations and respond with critical thinking and innovative solutions.

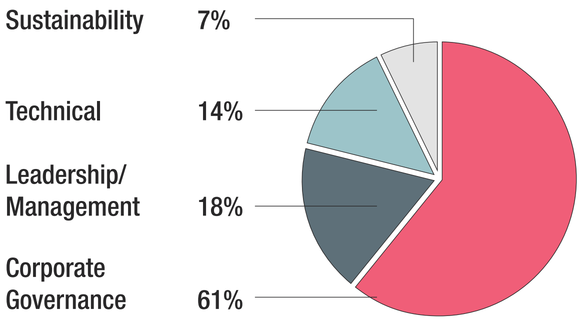
The TRIZ Inventive Problem Solving programme is followed up with a TRIZ Knowledge Sharing session. This follow up programme shares knowledge and expertise learnt during the first session. At the same time, the Management Team also communicates the challenges faced when developing the TRIZ consulting foundation skills. This creates a productive and supportive circle, fostering progression and self-improvement.

Aside from the TRIZ programmes, the Group also nurtures young talents within the company. In October, the Group sent one of the sustainability team members to participate in The Cooler Earth Summit organised by CIMB Bank. This is to improve the Group's sustainability reporting and adoption of progressive sustainability efforts.

In addition, various training programmes related to corporate governance, management and technical were arranged for the employees during the financial year, continuously enhancing their skills and competencies at work.

The Group's endeavours in individual development plans for employees are in line with UN SDG 8, target 8.5, which is to achieve full and productive employment and decent work for all. We hope that the participation of aforementioned activities can add value to our employees who will perform better at the workplace.

KEY TRAINING PROGRAMES



5 DIGITAL TRANSFORMATION

Ajiya understands that keeping up with today's technology is key to staying relevant and successful. In the pursuit of increased efficiency and productivity, the Information and Communications Technology (ICT) team is looking into adoption of new systems and technologies within the Group.

In 2019, the Group has upgraded from using the Enterprise Resource Planning (ERP) system. This prevalent system enables quick approval and processing with more reliable data sharing, amplifying the efficiency of the entire process.

Aside from the upgrading of ERP system, the Group is also looking to upgrade our email server provider to an email server provider with more comprehensive packages. This is to allow for more secure communication via email internally and with external parties. With comprehensive communication functions and a simpler layout, this conversion plan is expected to increase efficiency in communication.

Additionally, the ICT team has also migrated the antivirus software to use a more secure provider. Simultaneously, the team has also elected to update the firewall to use more secure system providers. The decisions to change security and antivirus providers is to increase the security of data within the Group.

Concurrently, the ICT team is exploring the possibilities of using cloud storage for information backup instead of physical backup in 2020. This is not only to save valuable physical space required to store the backup information, but also enable for easier sharing of information, documents, and files with external parties. While considering the usage of cloud storage, the ICT team is looking to improve on reducing inefficiencies during annual hardware renewals and end of life support as well as further protecting the Group's data from ransomware attacks.

OUR EFFORTS ARE IN LINE WITH UN SDG 9, TARGET 9.5, TO UPGRADE THE TECHNOLOGICAL CAPABILITIES OF INDUSTRIAL SECTORS. OUR FACILITIES ARE CONTINUALLY BEING UPGRADED, AND LOOKING FORWARD FOR MORE IN FUTURE.

These efforts are in line with UN SDG 9, target 9.5, to upgrade the technological capabilities of industrial sectors. Our facilities are continually being upgraded, and we are looking forward to doing more in the upcoming year.

IN 2019, THE GROUP HAS UPGRADED FROM USING THE ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM.

ASIDE FROM THE UPGRADING OF ERP SYSTEM, THE GROUP IS ALSO LOOKING TO UPGRADE OUR EMAIL SERVER PROVIDER TO AN EMAIL SERVER PROVIDER WITH MORE COMPREHENSIVE PACKAGES.

SUSTAINABILITY STATEMENT

6 USAGE OF RENEWABLE ENERGY

AS ELECTRICITY IS ONE OF AJIYA'S COMMONLY USED RESOURCES, AJIYA HAS DECIDED TO DO OUR PART IN CONTRIBUTING TO NATION BUILDING AND EMBED SUSTAINABILITY INTO OUR DAILY OPERATIONS THROUGH INVESTING IN RENEWABLE ENERGY

As electricity is one of Ajiya's commonly used resources, Ajiya has decided to do our part in contributing to nation building and embed sustainability into our daily operations through investing in renewable energy

Since July 2019, Ajiya has installed solar panels at ten of our factory locations, amounting to a solar capacity of 2.3MWp. Moving forward, Ajiya is planning to install 1MWp more.

According to NEM calculator by SEDA Malaysia, our installed solar capacity is equivalent to avoiding approximately 45,000 tonnes of carbon dioxide from being emitted into the atmosphere each year which is comparable to approximately 710,000 tree seedlings grown for 10 years to absorb the carbon dioxide.

In 2020, AJIYA is planning to progress even further by making green energy even more accessible to Malaysians. To do so, AJIYA is collaborating with local solar photovoltaic system providers to combine solar panels with metal roofing. This could play a crucial part in the transition to a lower-carbon society as we understand how green energy can help reduce climate change.

Additionally, AJIYA has also submitted a tender for Large Scale Solar (LSS) 3 during the financial year. We hope to be able to expand the capacity of available solar energy in Malaysia. Although our bid for LSS 3 was unsuccessful, it capitalises our bidding experience for future large-scale solar projects in future.

Our goals and actions are in line with UN SDG 7, Target 7.2, which is to increase the share of renewable energy substantially in the global energy mix. At the same time, this also shows our support to the agenda of the Ministry of Energy, Science Technology, Environment and Climate Change (MESTECC) in increasing renewable energy for electricity generation from 2% to 20%. We are looking forward to working towards using and promoting the usage of green energy for a better environment.

7 COMMUNITY INVESTMENT AND DEVELOPMENT

With our Group's purpose being 'To Build Trust and Commitment Together', we go the extra mile to extend our help to our local community. In 2019, we engaged and contributed to a few groups which consists of professionals, students, government officials, as well as the local needy.

In enriching the lives of professionals in Malaysia, we hosted technical factory visits in our branches all over Malaysia. The factory visits start with a briefing about Ajiya Group, followed by a showing of the corporate video. The visitors are then brought to the factory floor for a tour by our production team representative who explains the manufacturing processes.

WITH OUR GROUP'S PURPOSE BEING 'TO BUILD TRUST AND COMMITMENT TOGETHER', WE GO THE EXTRA MILE TO EXTEND OUR HELP TO OUR LOCAL COMMUNITY. IN 2019, WE ENGAGED AND CONTRIBUTED TO A FEW GROUPS WHICH CONSISTS OF PROFESSIONALS, STUDENTS, GOVERNMENT OFFICIALS, AS WELL AS THE LOCAL NEEDY.

We hosted various groups of professionals, government officials, and students alike. Our visitors includes representatives from Kumpulan Wang Simpanan Pekerja (KWSP), Malacca branch Bahagian Pembangunan Kontraktor & Usahawan (BPKU), as well as Putrajaya Holdings Sdn Bhd, students from Universiti Teknologi MARA (UiTM), as well as Universiti Tunku Abdul Rahman (UTAR) among others. We aim to host as many factory visits as possible, allowing fellow professionals to have opportunities to learn more about sustainable building materials manufacturing processes.

Aside from technical factory visits, we also organise Ajiya Green Integrated Building System (AGiBS) training whereby we train participants the fabrication of wall systems using AGiBS. This value added activity aims to increase the participant's knowledge of integrated building systems as well as to promote its usage in modern construction. To date, we have effectively hosted twelve AGiBS training sessions, participated by professionals and students from various external entities.

ASIDE FROM SHARING KNOWLEDGE AND EXPERTISE WITHIN THE INDUSTRY, AJIYA HAS ALSO DONATED TO THE LOCAL NEEDY TO IMPROVE COMMUNITY LIFE.

Aside from sharing knowledge and expertise within the industry, AJIYA has also donated to the local needy to improve community life. The list of benefactors of the donated amount includes Hemodialysis Centre, Pertubuhan Rumah Anak Yatim, Hospital Segamat, Pertubuhan Membantu Pesakit Parah Miskin Malaysia, Pertubuhan Kebajikan Skizofrenia Malaysia, as well as Persatuan Kebajikan Bekas Kakitangan Kastam Selangor, among others. This is also on top of the other physical item donations that have gone to benefactors such as Resource and Education For Autistic Children (Reach Segamat), Persatuan Kebajikan Kasih Segamat and SMJK Seg Hwa.

WE AIM TO CONTRIBUTE TO REACHING THE UN'S SDG 17, ENHANCING THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT BY SHARING KNOWLEDGE, EXPERTISE, AND FINANCIAL RESOURCES.

Through our efforts in community investment and development, we aim to contribute to reaching the UN's SDG 17, target 17.16, enhancing the global partnership for sustainable development by sharing knowledge, expertise, and financial resources. We hope to be able to make a greater positive impact under this SDG next year, doing our part to drive partnerships for the goals.

8 QUALITY EDUCATION FOR A BETTER SOCIETY

Ajiya believes that education is the key to economic development and progress of social wellbeing.

As part of our commitment to empower and nurture the tertiary education penetration, we contribute through a few courses of action such as contributing to improve vocational education in the construction industry, providing opportunities for research, as well as supporting education institutions.

Ajiya contributes in improving vocational education through participation of curriculum advisory panels. One instance is where the Managing Director, Dato' Chan Wah Kiang represents Ajiya as a panel advisor, providing guidance to finalise the best curriculum for civil engineering syllabus at Politeknik Port Dickson.

Moreover, the Group has also collaborated with Tunku Abdul Rahman University College (TARUC) and Universiti Kebangsaan Malaysia (UKM), providing research opportunities to students. TARUC students have been tasked to research manufacturing systems that would improve efficiency and productivity of the manufacturing process of building materials. This provides opportunities for research and education as well as push for development of technology in Malaysia.

AJIYA BELIEVES THAT EDUCATION IS THE KEY TO ECONOMIC DEVELOPMENT AND PROGRESS OF SOCIAL WELLBEING.

SUSTAINABILITY STATEMENT

Students at UKM are tasked to research the effectiveness in thermal insulation of Ajiya's roofing. Research results can help promote the usage of AJIYA's green building materials while providing research opportunities to local youths. This collaboration is beneficial for both AJIYA Group and the students as students can better understand the ins and outs of green building materials and the Group can ensure the range of products are indeed sustainable and suitable for constructing green buildings.

Aside from partnering with Politeknik Port Dickson, TARUC and UKM, the Group also provides scholarships to students of higher lerning education institutions to further pursuit their tertiary studies. At the same time, Ajiya has sponsored numerous other university events such as TARCian Run 2019, SMJK SEG HWA, SJKC Union CyberJaya, and Tzu Chi International School KL.

Apart from scholarships, we also work along with other higher learning institutions such as Universiti Teknologi Mara Melaka, Universiti Malaysia Sarawak as well as Universiti Teknikal Malaysia Melaka to offer internship program for the students. This internship programmes help to prepare the students for professional works in future.

In addition, we also award the children of our employees for achieving excellent academic results. This award is a sign of encouragement and recognition of the children's achievement in education.

Supporting quality education is one of our core ways in achieving our Vision 2040, 'To Enrich Wellbeing For The Community'. Our goal and actions are in line with UN SDG 4, target 4.4, which is to increase the number of youth and adults who have relevant skills. We are working towards equipping youths with skills for employment and decent jobs.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 November 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are manufacturing and trading of roofing materials, manufacturing and trading of all kinds of glass, trading of building materials and investment holding.

Other information relating to the subsidiaries are disclosed in Note 15 to the financial statements.

RESULTS

	Group RM	Company RM
Profit net of tax	4,276,752	1,943,398
Profit net of tax attributable to:		
Owners of the parent	5,073,823	1,943,398
Non-controlling interest	(797,071)	-
	4,276,752	1,943,398

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are :

Dato' Dr Mohd Aminuddin bin Mohd Rouse (Chairman)
Dato' Chan Wah Kiang (Managing Director)
Yeo Ann Seck
Dato' Theng Book
Tan Seng Kee
Low Peak Yih
Lee Xia Lien

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are :

Chan Wah Hang
Tee Sing Huat
Tey Hiang Heng
Chan Wah Beow
Lee Chong Jin
Sim Chee Liang
Kong Cheun Kok
Chau Hwa Kwang
Chin Siew Foo
Amonthep Punyapongpat
Somchai Punyapongpaet
Tan Chor Ho (appointed 15 July 2019)
Tee Bee Lan (resigned 25 November 2019)
Lee Boon Fie (resigned on 3 June 2019)

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 32 to the financial statements.

INDEMNIFYING DIRECTOR OR OFFICER

No indemnities have been given or insurance premium paid, during or since the end of the year, for any person who is or has been a director or officer of the Company.

DIRECTORS' INTERESTS

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

	<------------------- Number of Ordinary Shares ------------------->			
	1 December 2018	**Bought**	**Sold**	**30 November 2019**
Dato' Chan Wah Kiang	60,568,640	-	-	60,568,640
Yeo Ann Seck	43,927,944	-	-	43,927,944
Dato' Dr Mohd Aminuddin Bin Mohd Rouse	40,000	-	-	40,000
Lee Xia Lien	20,000	-	-	20,000
Indirect/deemed interest				
Dato' Chan Wah Kiang #	30,975,652	-	-	30,975,652

	<----------------- Number of Warrants 2017/2021 ----------------->			
	1 December 2018	**Bought**	**Sold**	**30 November 2019**
Dato' Chan Wah Kiang	27,520,820	-	-	27,520,820
Yeo Ann Seck	19,691,000	-	-	19,691,000

Deemed interest through Avia Kapital Sdn. Bhd. by virtue of Section 8(4) of the Companies Act 2016.

By virtue of Section 8(4) of the Companies Act 2016, Dato' Chan Wah Kiang and Yeo Ann Seck are also deemed interested in shares of all the subsidiaries to the extent the Company has an interest.

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

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps :

 (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

 (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

OTHER STATUTORY INFORMATION (CONT'D)

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration are disclosed in Note 7 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 3 March 2020.

DATO' CHAN WAH KIANG **DATO' THENG BOOK**

STATEMENT BY DIRECTORS & STATUTORY DECLARATION

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

We, Dato' Chan Wah Kiang and Dato' Theng Book, being two of the directors of Ajiya Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 91 to 157 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 Group and of the Company as at 30 November 2019 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 3 March 2020.

DATO' CHAN WAH KIANG

DATO' THENG BOOK

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

I, Tan Siew Hoon, being the officer primarily responsible for the financial management of Ajiya Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 91 to 157 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed Tan Siew Hoon)
on 3 March 2020

TAN SIEW HOON

Before me,

No. J276
Nur Amreeta Kaur Gubachen Singh
Pesuruhjaya Sumpah
Johor Bahru

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AJIYA BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ajiya Berhad, which comprise the statements of financial position as at 30 November 2019 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 91 to 157.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 November 2019, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 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 report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and 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' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

1. Adequacy of allowance for obsolete and slow-moving inventories

As at the reporting date, the carrying amount of the inventories amounted to approximately RM71,669,000. The inventories represent 15% of the Group's total assets. As at 30 November 2019, the Group's allowance for obsolete and slow-moving inventories amounted to approximately RM4,640,000.

Management judgement is involved in determining the adequacy of allowance, hence this is considered a key audit matter in our audit.

Our audit procedures included, amongst others:

- obtaining an understanding of management's process in determining the allowance for obsolete and slow-moving inventories;
- assessing the consistency of management's application of the Group's policy in respect of the allowance for obsolete and slow-moving inventories;
- observing physical inventory counts conducted by the management at selected locations and inspecting the physical condition of inventories;-
- testing the reliability of the inventory ageing analysis by tracing to inventories records on sampling basis;
- evaluating the net realisable values by comparing selling prices of the inventories subsequent to year end on sampling basis;
- assessing the adequacy of allowance with reference to ageing data and respective net realisable value.

The disclosures on inventories are included in Note 2.19, Note 3.2(c) and Note 19 to the financial statements.

2. Recoverability of trade receivables

As at the reporting date, the Group has net trade receivables amounting to approximately RM92,402,000, which represents 19% of the Group's total assets, and the associated impairment losses of trade receivables was approximately RM12,358,000. The determination as to whether a trade receivable (either for a specific transaction or for a customer's overall balance) is collectible involves management judgement, where management will consider specific factors such as the age of the debt, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of counterparties. Given its magnitude and the judgement involved, this is considered a key audit matter in our audit.

Our audit procedures included, amongst others:

- obtaining an understanding of the Group's control over the credit process, impairment review process and the Group's policy on impairment of trade receivables;
- assessing the reliability of the trade receivable ageing report used by management in assessing and monitoring the debtors' profile;
- considering the ageing of trade receivables and assessing whether adequate allowance for impairment has been provided for by assessing the assumptions used by the management. This includes considering post year-end payment records, historical payment patterns and any correspondence with customers on expected settlement dates or disputes;
- assessing the consistency of management's application of the methodology in respect of impairment for trade receivables. Specifically we considered how events during the year supported management's assumptions.
- reviewing the reasonableness of the management's classification of its financial instruments and the significant assumptions used when applying the Expected Credit Loss model under MFRS 9.

The disclosures on trade receivables and impairment of trade receivables are included in Note 2.21, Note 3.2(d) and Note 20 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AJIYA BERHAD (INCORPORATED IN MALAYSIA)

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 directors' report (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the annual report which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and 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 Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and 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 on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and 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 Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and 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 Group or 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 Group and 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 Group and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AJIYA BERHAD (INCORPORATED IN MALAYSIA)

- 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 Group's and the Company's internal control.

- 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 Group's or the Company's ability 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 Group and 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 Group or the Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, related safeguards.

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 Group and of the Company for the current year and are therefore the key audit matters. 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

Other matters

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.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Tan Jin Xiang
03348/01/2022 J
Chartered Accountant

Johor Bahru, Malaysia
Date: 3 March 2020

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Revenue	4	325,289,586	382,246,783	-	5,250,000
Cost of sales	5	(278,717,074)	(317,548,250)	-	-
Gross profit		46,572,512	64,698,533	-	5,250,000
Other items of income					
Interest income		3,108,034	2,591,004	1,213,317	1,878,407
Other operating income		5,288,353	15,558,106	1,647,898	341,493
Other items of expense					
Administrative expenses		(49,023,680)	(51,282,990)	(745,522)	(761,492)
Share of profit of associate	16	178,067	353,399	-	-
Finance costs	6	(169,702)	(205,976)	(62,259)	-
Profit before tax	7	5,953,584	31,712,076	2,053,434	6,708,408
Income tax expense	10	(1,676,832)	(4,315,545)	(110,036)	(413,073)
Profit net of tax		4,276,752	27,396,531	1,943,398	6,295,335
Other comprehensive income:					
Foreign currency translation		2,286,336	(4,287,026)	-	-
Other comprehensive income for the year, net of tax		2,286,336	(4,287,026)	-	-
Total comprehensive income		6,563,088	23,109,505	1,943,398	6,295,335
Profit net of tax attributable to:					
Owners of the parent		5,073,823	24,587,418	1,943,398	6,295,335
Non-controlling interest		(797,071)	2,809,113	-	-
		4,276,752	27,396,531	1,943,398	6,295,335
Total comprehensive income attributable to:					
Owners of the parent		7,398,112	20,306,545	1,943,398	6,295,335
Non-controlling interest		(835,024)	2,802,960	-	-
		6,563,088	23,109,505	1,943,398	6,295,335
Earnings per share attributable to owners of the parent (sen per share)					
Basic	11	1.70	8.19		
Diluted	11	1.70	8.19		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2019

		Group		Company	
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Assets					
Non-current assets					
Property, plant and equipment	12	152,325,090	159,007,086	-	-
Investment properties	13	22,005,210	21,479,106	-	-
Land use rights	14	2,290,885	2,343,284	-	-
Investments in subsidiaries	15	-	-	53,087,074	51,687,074
Investment in associate	16	731,466	553,399	200,000	200,000
Other receivables	20	2,110,404	1,451,824	-	-
Other investments	17	110,520	15,696,212	-	10,507,040
Amounts due from subsidiaries	18	-	-	3,300,000	5,700,000
		179,573,575	200,530,911	56,587,074	68,094,114
Current assets					
Inventories	19	71,669,196	80,018,751	-	-
Trade and other receivables	20	101,583,100	107,593,213	1,000	39,137
Amounts due from subsidiaries	18	-	-	2,418,740	2,973,448
Other current assets	21	423,588	666,056	-	-
Tax recoverable		1,254,221	2,394,042	110,516	71,760
Other investments	17	74,202,215	-	50,216,785	-
Cash and bank balances	22	46,342,211	88,005,338	3,071,043	38,123,094
Non-current assets held for sale	23	-	60,843	-	-
		295,474,531	278,738,243	55,818,084	41,207,439
Total assets		475,048,106	479,269,154	112,405,158	109,301,553
Equity and liabilities					
Current liabilities					
Loans and borrowings	24	5,264,654	1,577,500	2,031,653	-
Trade and other payables	25	46,460,999	55,474,773	234,211	345,371
Tax payable		133,480	60,807	-	-
		51,859,133	57,113,080	2,265,864	345,371
Net current assets		243,615,398	221,625,163	53,552,220	40,862,068
Non-current liabilities					
Deferred tax liabilities	26	8,020,657	9,499,519	-	-
Deferred income	27	1,394,767	1,190,393	-	-
Loans and borrowings	24	-	221,321	-	-
		9,415,424	10,911,233	-	-
Total liabilities		61,274,557	68,024,313	2,265,864	345,371

STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Net assets		413,773,549	411,244,841	110,139,294	108,956,182
Equity attributable to equity holders of the Company					
Share capital	28	98,878,598	98,878,598	98,878,598	98,878,598
Treasury shares	28	(4,217,075)	(3,456,789)	(4,217,075)	(3,456,789)
Foreign currency translation reserve	29	3,585,672	1,261,383	-	-
Other reserve	29	3,436,850	728,997	-	-
Retained earnings	29	249,976,384	245,789,196	15,477,771	13,534,373
		351,660,429	343,201,385	110,139,294	108,956,182
Non-controlling interest		62,113,120	68,043,456	-	-
Total equity		413,773,549	411,244,841	110,139,294	108,956,182
Total equity and liabilities		475,048,106	479,269,154	112,405,158	109,301,553

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019

	<---- Attributable to owners of the parent ----							
	<---- Non-Distributable ----			---->	Distributable			
	Share capital (Note 28)	Treasury shares (Note 28)	Foreign currency translation reserve (Note 29(a))	Other reserve (Note 29(b))	Retained earnings (Note 29(c))	Total	Non-controlling interest	Total
	RM	RM	RM	RM	RM	RM	RM	RM
2019								
Opening balance at 1 December 2018	98,878,598	(3,456,789)	1,261,383	728,997	245,789,196	343,201,385	68,043,456	411,244,841
Effect of adopting MFRS 9	-	-	-	-	(886,635)	(886,635)	(217,459)	(1,104,094)
As restated as at 1 December 2018	98,878,598	(3,456,789)	1,261,383	728,997	244,902,561	342,314,750	67,825,997	410,140,747
Total comprehensive income	-	-	2,324,289	-	5,073,823	7,398,112	(835,024)	6,563,088
Transactions with owners								
Purchase of treasury shares	-	(760,286)	-	-	-	(760,286)	-	(760,286)
Return of capital to non-controlling interest	-	-	-	-	-	-	(650,000)	(650,000)
Acquisition of non-controlling interest (Note 15)	-	-	-	2,707,853	-	2,707,853	(4,107,853)	(1,400,000)
Dividends (Note 30)	-	-	-	-	-	-	(120,000)	(120,000)
Closing balance at 30 November 2019	98,878,598	(4,217,075)	3,585,672	3,436,850	249,976,384	351,660,429	62,113,120	413,773,549

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019

	<------------ Attributable to owners of the parent					------------>		
	<------ Non-Distributable			------>	Distributable			
	Share capital (Note 28)	Treasury shares (Note 28)	Foreign currency translation reserve (Note 29(a))	Other reserve (Note 29(b))	Retained earnings (Note 29(c))	Total	Non-controlling interest	Total
	RM	RM	RM	RM	RM	RM	RM	RM
2018								
Opening balance at 1 December 2017	98,878,598	-	5,542,256	728,997	224,199,240	329,349,091	68,196,496	397,545,587
Total comprehensive income	-	-	(4,280,873)	-	24,587,418	20,306,545	2,802,960	23,109,505
Transactions with owners								
Purchase of treasury shares	-	(3,456,789)	-	-	-	(3,456,789)	-	(3,456,789)
Return of capital to non-controlling interest	-	-	-	-	-	-	(466,000)	(466,000)
Dividends (Note 30)	-	-	-	-	(2,997,462)	(2,997,462)	(2,490,000)	(5,487,462)
Closing balance at 30 November 2018	98,878,598	(3,456,789)	1,261,383	728,997	245,789,196	343,201,385	68,043,456	411,244,841

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

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019

	Non-distributable share capital RM	Treasury shares RM	Distributable retained earnings RM	Total RM
2019				
Opening balance at 1 December 2018	98,878,598	(3,456,789)	13,534,373	108,956,182
Total comprehensive income	-	-	1,943,398	1,943,398
Purchase of treasury shares	-	(760,286)	-	(760,286)
Closing balance at 30 November 2019	98,878,598	(4,217,075)	15,477,771	110,139,294

	Non-distributable share capital RM	Treasury shares RM	Distributable retained earnings RM	Total RM
2018				
Opening balance at 1 December 2017	98,878,598	-	10,236,500	109,115,098
Total comprehensive income	-	-	6,295,335	6,295,335
Purchase of treasury shares	-	(3,456,789)	-	(3,456,789)
Transactions with owners				
Dividends (Note 30)	-	-	(2,997,462)	(2,997,462)
Closing balance at 30 November 2018	98,878,598	(3,456,789)	13,534,373	108,956,182

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Operating activities				
Profit before tax	5,953,584	31,712,076	2,053,434	6,708,408
Adjustments for:				
Amortisation of land use rights	52,399	51,435	-	-
Depreciation of property, plant and equipment	9,040,351	9,997,659	-	-
Depreciation of investment properties	220,878	220,204	-	-
Fair value gain on other investments	(36,408)	(266,077)	-	(334,701)
Reversal of impairment loss on trade receivables	(1,380,620)	(1,084,553)	-	-
Reversal of inventories written down	-	(612,001)	-	-
Property, plant and equipment written off	212,053	5,142	-	-
Dividend received	-	-	-	(5,250,000)
Interest expense	169,702	205,976	62,259	-
Interest income	(3,108,034)	(2,591,004)	(1,213,317)	(1,878,407)
Realisation of foreign currency reserves	-	(4,856,954)	-	-
Share of profit of associate	(178,067)	(353,399)	-	-
Unrealised loss/(gain) on foreign exchange	650,843	(165,793)	87,728	(6,792)
Gain on disposal of property, plant and equipment	(217,311)	(7,818,025)	-	-
Gain on disposal of non-current assets held for sale	(49,157)	-	-	-
Allowance for obsolete inventories	1,695,833	608,590	-	-
Amortisation of government grant	(104,256)	(13,375)	-	-
Impairment loss on trade receivables	793,363	1,293,317	-	-
Total adjustments	7,761,569	(5,378,858)	(1,063,300)	(7,469,900)
Operating profit/(loss) before changes in working capital	13,715,153	26,333,218	990,104	(761,492)
Changes in working capital				
Decrease/(Increase) in inventories	6,653,721	(4,421,614)	-	-
Decrease in trade and other receivables	4,302,294	5,841,039	38,137	81,173
Decrease in other current assets	172,600	133,095	-	-
(Decrease)/Increase in trade and other payables	(8,788,998)	1,918,730	(111,160)	149,744
Total changes in working capital	2,339,617	3,471,250	(73,023)	230,917
Cash generated from/(used in) operations	16,054,770	29,804,468	917,081	(530,575)
Interest paid	(169,702)	(205,976)	(62,259)	-
Tax paid	(4,553,129)	(6,347,423)	(233,100)	(436,757)
Tax refunded	2,609,929	28,367	84,308	279
Net cash flows generated from/(used in) operating activities	13,941,868	23,279,436	706,030	(967,053)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Investing activities				
Interest received	3,108,034	2,591,004	1,213,317	1,878,407
Net dividend received from subsidiaries	-	-	-	5,250,000
Repayment from subsidiaries	-	-	2,954,708	18,440,531
Purchase of property, plant and equipment	(2,000,518)	(4,849,197)	-	-
Purchase of investment properties	(746,982)	-	-	-
Acquisition of land use rights	-	(736,202)	-	-
Acquisition of other investments	(58,580,113)	(10,087,099)	(39,709,745)	(4,999,778)
Investment in associate/subsidiary	-	(200,000)	(1,400,000)	(200,000)
Proceeds from disposal of non-current assets held for sale	110,000	-	-	-
Proceeds from disposal of property, plant and equipment	1,739,393	15,091,945	-	-
Withdrawal/(Placement) of deposits with maturity exceeding 90 days	41,000,000	(41,000,000)	36,000,000	(36,000,000)
Net cash flows used in investing activities	(15,370,186)	(39,189,549)	(941,720)	(15,630,840)
Financing activities				
Repayment of loans and borrowings	(1,605,216)	(4,716,395)	-	-
Drawdown of loans and borrowings	4,992,063	-	1,943,925	-
Receipt of government grant	308,630	1,203,768	-	-
Purchase of treasury shares	(760,286)	(3,456,789)	(760,286)	(3,456,789)
Acquisition of non-controlling interest	(1,400,000)	-	-	-
Return of share capital to non-controlling interest	(650,000)	-	-	-
Dividends paid to non-controlling interest	(120,000)	(2,490,000)	-	-
Dividends paid	-	(2,997,462)	-	(2,997,462)
Net cash flows generated from/(used in) financing activities	765,191	(12,456,878)	1,183,639	(6,454,251)
Net (decrease)/increase in cash and cash equivalents	(663,127)	(28,366,991)	947,949	(23,052,144)
Cash and cash equivalents at 1 December	47,005,338	75,372,329	2,123,094	25,175,238
Cash and cash equivalents at 30 November (Note 22)	46,342,211	47,005,338	3,071,043	2,123,094

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

1. Corporate information

Ajiya Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad. The registered office of the Company is located at Suite 9D, Level 9, Menara Ansar 65, Jalan Trus, 80000 Johor Bahru, Johor Darul Ta'zim. The principal place of business of the Company is located at Lot 153, Kawasan Perindustrian, Batu 3, Jalan Genuang, 85000 Segamat, Johor Darul Ta'zim.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are manufacturing and trading of roofing materials, manufacturing and trading of all kinds of glass, trading of building materials and investment holding.

Other information relating to the subsidiaries are disclosed in Note 15 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have also been prepared on a historical basis, except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM").

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 December 2018, the Group and the Company adopted the following amendments to MFRSs mandatory for annual financial periods beginning on or after 1 December 2018:

Description	Effective for annual periods beginning on or after
MFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 140 Transfers of Investment Property (Amendments to MFRS 140)	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycle	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

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

2.2 Changes in accounting policies (cont'd)

The adoption of the above new and amended standards and annual improvements did not have significant impact on the financial performance or position of the Group and of the Company other than as follows:

MFRS 9 Financial Instruments

MFRS 9 Financial Instruments replaces MFRS 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment; and hedge accounting.

The effect of adopting MFRS 9 is as follows:

(i) Classification and measurement

Under MFRS 9, the Group's and the Company's debt financial instruments are measured at amortised cost. The classification is based on two criteria: the Group's and the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the "SPPI criterion").

The assessment of the Group's and the Company's business model was made as of the date of initial application, 1 December 2018. The assessment of whether contractual cash flows on financial assets comprised solely of payments of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The assessment of the Group's and the Company's business model was made as of the date of initial application, 1 December 2018. The assessment of whether contractual cash flows on financial assets comprised solely of payments of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Trade and other receivables previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.

The Group and Company have not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's and the Company's financial liabilities.

The classification and measurement requirements of MFRS 9 had no impact to the Group's and the Company's statement of financial position and statement of other comprehensive income.

In summary, upon the adoption of MFRS 9, the Group and the Company had the following required or elected reclassifications as at 1 December 2018.

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

2.2 Changes in accounting policies (cont'd)

(i) Classification and measurement (cont'd)

	MFRS 9 measurement category
	Amortised cost
MFRS 139 measurement category	RM
Group	
Loans and receivables	
Trade and other receivables	107,593,213
Company	
Loans and receivables	
Trade and other receivables	39,137

(ii) Impairment

The adoption of MFRS 9 has changed the Group's and Company's accounting for impairment losses for financial assets by replacing MFRS 139's incurred loss approach with a forward-looking expected credit loss ("ECL") approach.

MFRS 9 requires the Group and Company to record an allowance for ECLs for all financial assets not held at fair value through profit or loss and contract assets.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and Company expects to receive.

For trade and other receivables, the Group and Company applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group and Company have established a provision matrix that is based on the Group's and the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company considers a financial asset to be in default when contractual payment are 180 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external indicates that the Group and the Company are unlikely to receive outstanding contractual amounts in full amount before taking into account any credit enhancements held by the Group and the Company.

The cumulative effect of adoption of MFRS 9 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated.

Upon the adoption of MFRS 9, the Group and the Company recognised additional impairment on the Group's and the Company's trade and other receivables of RM1,104,094 which resulted in a decrease in retained earnings of the same amount.

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

2.2 Changes in accounting policies (cont'd)

(ii) Impairment (cont'd)

Set out below is the reconciliation of the ending impairment allowances in accordance with MFRS 139 to the opening loss allowances determined in accordance with MFRS 9:

	Allowance for impairment under MFRS 139 as at 1 December 2018 RM	Adjustment	ECL under MFRS 9 as at 1 December 2018 RM
Group			
Loans and receivables			
Trade and other receivables	12,851,353	1,104,094	13,955,447

(iii) Hedge accounting

The Group and the Company do not apply hedge accounting and as such the hedging requirements of MFRS 9 did not have an impact on the Group's and the Company's financial statements.

2.3 Standards and interpretations issued but not yet effective

The standards and amendments that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
MFRS 16 Leases	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015–2017 Cycle	1 January 2019
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to references to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3: Business Combinations - Definition of a Business	1 January 2020
Amendments to MFRS 101: Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

2.3 Standards and interpretations issued but not yet effective (cont'd)

The directors are of the opinion that the standards, amendments and interpretations above will have no material impact on the financial statements in the year of initial adoption other than as discussed below:

MFRS 16 Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early permission is permitted but not before an entity applies MFRS 15. As at 30 November 2019, the Group have commitments from non-cancellable operating leases amounting to RM344,716, as further detailed in Note 31(b). The Group plans to adopt MFRS 16 using modified retrospective approach and the full impact of MFRS 16 is currently being reviewed by management to determine the extent of these commitments will result in the recognition of right-of-use assets and interest expenses on lease liabilities for future payments, effect of income statement and the classification of cash flows of the Group. Other than the commitments above, the Group elected to apply exemption for commitments expiring within 12 months and low value assets under the requirements of MFRS 16.

2.4 Current versus non-current classification

Assets and liabilities in the statement of financial position are presented based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and of its subsidiaries as at 30 November 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

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

2.6 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019

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

2.7 Fair value measurement

Fair value is 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group or by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset 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.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Policies and procedures are determined by senior management for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided by senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The senior management decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

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

2.7 Fair value measurement (cont'd)

At each reporting date, the senior management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed according to the accounting policies of the Group and of the Company. For this analysis, the senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The senior management, in conjunction with the external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, classes of assets and liabilities are determined based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.8 Foreign currencies

(a) Functional and presentation currency

The Group's and the Company's financial statements are presented in Ringgit Malaysia which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

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

2.8 Foreign currencies (cont'd)

(c) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rate of exchange prevailing at the reporting date and their statement of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The Company and its subsidiary assess their revenue arrangements against specific criteria in order to determine if the Company and its subsidiary are acting as principal or agent. The Company and its subsidiary have concluded that they are acting as principal in all of their revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from the sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods have passed to the customers.

Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

(c) Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate ("EIR"), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the profit or loss.

(d) Rental income

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

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

2.10 Employee benefits

(a) Short term benefits

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

(b) Defined contribution plans

The Group makes contributions to the Employees Provident Fund ("EPF") in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.11 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

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

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

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

2.11 Taxes (cont'd)

(b) Deferred tax (cont'd)

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

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

(i) where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

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

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress are not depreciated as these assets are not available for use. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	**Over the lease period**
Buildings	50 years
Plant and machinery	7 to 15 years
Other assets	5 to 10 years

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

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

2.14 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. The depreciation policy for investment properties is in accordance with that for property, plant and equipment as described in Note 2.13.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the profit or loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.13 up to the date of change in use.

2.15 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.16 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(a) As lessee

Finance leases which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation. The land use rights are recognised as a reduction of rental expense over the lease term on a straight-line basis.

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

2.16 Leases (cont'd)

(b) As lessor

Leases in which the Group do not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.17 Investment in subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investment in subsidiaries is accounted for at cost less impairment losses.

2.18 Investment in associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associate is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

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

2.19 Inventories

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

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

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

2.20 Impairment of non-financial assets

At each reporting date, an assessment is made as to whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment calculation are based on detailed budgets and forecast calculations, which are prepared separately for each CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

Goodwill is tested for impairment annually at reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

For assets other than goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the recoverable amount of the asset or CGU is estimated. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

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

2.21 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do no contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group's and the Company's financial assets comprise of financial assets at amortised cost (debt instruments) and financial assets at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019

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

2.21 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost comprise of its trade and other receivable balances and cash and bank balances.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

This category generally applies to other investments. For more information on other investments, refer to Note 17.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Group's and Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

2.21 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Derecognition (cont'd)

When the Group and the Company have transferred its rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continues to recognise the transferred asset to the extent of the Group's and the Company's continuing involvement. In that case, the Group and the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019

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

2.21 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

(c) Offsetting of financial instruments

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

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

2.22 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, net of any outstanding bank overdrafts.

2.23 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.24 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

2.25 Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders and a corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit or loss.

2.26 Contingencies

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019

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

2.27 Segment reporting

For management purposes, the Group is organised into operating segments based on their geographical location which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.28 Non-current assets held for sale

Non-current assets is transferred to non-current assets held for sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. For this to be the case, the property must be available for immediate sale in its present condition, subject only to the terms that are usual and customary for sales of such property and its sale must be highly probable.

For the sale to be highly probable:

- The Board must be committed to a plan to sell the property and an active programme to locate a buyer and complete the plan must have been initiated.
- The property must be actively marketed for sale at a price that is reasonable in relation to its current fair value, and
- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification

Non-current assets, other than those measured at fair value, which are classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

2.29 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

3. Significant accounting judgements, estimates and assumptions

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

3. Significant accounting judgements, estimates and assumptions (cont'd)

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making its judgment on whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of plant and equipment

The cost of plant and machinery for the roofing, metal, safety glass manufacturing is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and equipment to be within 7 and 15 years. These are common life expectancies applied in the manufacturing industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at 30 November 2019 is disclosed in Note 12.

(b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

3. Significant accounting judgements, estimates and assumptions (cont'd)

3.2 Estimates and assumptions (cont'd)

(b) Taxes (cont'd)

The Group and the Company establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the Group's and the Company's domicile.

(c) Inventories

The allowance for inventory obsolescence of the Group is based on the estimation of net realisable value of inventories. The management considers all the facts relating to the inventories and the operating environment at the time the estimates are made. Where the actual realised values of the inventories differ from the original estimate, such differences will be taken to profit or loss in the period in which the inventories are sold.

(d) Impairment of loans and receivables

The impairment loss on trade receivables of the Group is based on the management's evaluation of collectability and ageing analysis of the receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current credit-worthiness and the past collection history of the debtors. If the financial conditions of the debtors of the Group were to deteriorate, additional provision may be required.

4. Revenue

	Group	
	2019 RM	**2018 RM**
Type of goods or service		
Sales of goods	324,523,416	381,503,646
Delivery services	766,170	743,137
	325,289,586	382,246,783
Timing of revenue recognition		
Recognised at a point in time	325,289,586	382,246,783
Geographical markets		
Malaysia	299,505,410	354,517,174
Thailand	25,784,176	27,729,609
	325,289,586	382,246,783

Revenue of the Company in the prior year represented dividend income.

5. Cost of sales

Cost of sales represents cost of inventories sold and construction services provided.

6. Finance costs

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Interest expense on term loans	169,702	205,976	62,259	-

7. Profit before tax

The following items have been included in arriving profit before tax:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Employee benefits expense (Note 8)	39,779,727	41,330,862	-	-
Amortisation of land use rights (Note 14)	52,399	51,435	-	-
Amortisation of government grant (Note 27)	(104,256)	(13,375)	-	-
Auditors' remuneration				
- Auditors of the Company				
- Statutory audit	203,000	174,500	99,000	80,500
- Underprovision in prior year	3,600	19,070	3,600	25,070
- Other services	22,500	82,500	22,500	82,500
- Other auditors				
- Statutory audit	80,868	76,638	-	-
Reversal of impairment loss on trade receivables (Note 20)	(1,380,620)	(1,084,553)	-	-
Reversal of inventories written down	-	(612,001)	-	-
Depreciation of				
- Property, plant and equipment (Note 12)	9,040,351	9,997,659	-	-
- Investment properties (Note 13)	220,878	220,204	-	-
Dividend income	-	-	-	(5,250,000)
Directors' remuneration (Note 9)	2,809,324	3,951,117	164,000	154,000
Fair value gain on other investments	(36,408)	(266,077)	-	(334,701)
(Gain)/loss on disposal of property, plant and equipment	(217,311)	(7,818,025)	-	-
Gain on disposal of asset held for sale	(49,157)	-	-	-

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7. Profit before tax (cont'd)

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Interest expense on term loans	169,702	205,976	62,259	-
Interest income	(3,108,034)	(2,591,004)	(1,213,317)	(1,878,407)
Property, plant and equipment written off	212,053	5,142	-	-
Impairment loss on trade trade receivables (Note 20)	793,363	1,293,317	-	-
Allowance for obsolete inventories	1,695,833	608,590	-	-
Realised (gain)/loss on foreign exchange	(421,348)	(5,210,362)	-	39,745
Unrealised loss/(gain) on foreign exchange	650,843	(165,793)	87,728	(6,792)
Rental income of land and buildings	(633,600)	(509,405)	-	-
Rental expense of land and buildings	596,774	557,737	-	-

8. Employee benefits expense

	Group	
	2019 RM	2018 RM
Wages and salaries	34,951,169	35,702,390
Defined contribution plan	2,882,789	2,975,829
Social security contributions	466,736	443,918
Other staff related expenses	1,479,033	2,208,725
	39,779,727	41,330,862

9. Directors' remuneration

The details of directors' remuneration during the year are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Directors of the Company				
Executive:				
Salary	816,240	816,240	-	-
Bonus and incentive				
- current year	197,900	384,361	-	-
- prior year	44,082	12,827	-	-

9. Directors' remuneration (cont'd)

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Directors of the Company (cont'd)				
Executive: (cont'd)				
Other benefits	101,954	101,946	4,000	4,000
Fees	40,000	55,000	20,000	20,000
	1,200,176	1,370,374	24,000	24,000
Non-Executive (but holding executive position in subsidiaries):				
Salary	180,000	180,000	-	-
Other benefits	22,600	24,600	1,000	3,000
Fees	20,000	20,000	20,000	20,000
	222,600	224,600	21,000	23,000
Non-executive:				
Other emoluments	19,000	17,000	19,000	17,000
Fees	100,000	90,000	100,000	90,000
	119,000	107,000	119,000	107,000
Total	1,541,776	1,701,974	164,000	154,000
Directors of subsidiaries				
Executive:				
Salaries and other emoluments				
Executive:				
Salary	1,201,524	1,333,440	-	-
Bonus and incentive				
- current year	97,000	625,921	-	-
- prior year	(223,921)	(41,252)	-	-
Other benefits	144,528	160,531	-	-
Fees	40,717	182,103	-	-
	1,259,848	2,260,743	-	-
Non-executive:				
Fees	7,700	(11,600)	-	-
Total	1,267,548	2,249,143	-	-
Grand total	2,809,324	3,951,117	164,000	154,000

10. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 30 November 2019 and 2018 are:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Statement of comprehensive income:				
Current income tax:				
Malaysian income tax	3,077,768	5,575,469	214,767	414,923
Under/(over)provision in prior years	90,802	(487,298)	(104,731)	(1,850)
Real property gains tax	(12,876)	-	-	-
	3,155,694	5,088,171	110,036	413,073
Deferred income tax (Note 26):				
Relating to origination and reversal of temporary differences	(1,758,288)	(442,668)	-	-
Overprovision in prior years	279,426	(329,958)	-	-
	(1,478,862)	(772,626)	-	-
	1,676,832	4,315,545	110,036	413,073

Reconciliation between tax expense and accounting profit

The reconciliations between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 November 2019 and 2018 are as follows:

	2019 RM	2018 RM
GROUP		
Profit before tax	5,953,584	31,712,076
Taxation at Malaysian statutory tax rate of 24% (2018: 24%)	1,428,860	7,610,898
Different tax rates in other countries	(74,754)	(297,925)
Expenses not deductible for tax purposes	468,400	637,198
Income not subject to taxation	(489,056)	(2,243,951)
Effect of utilisation of reinvestment allowances	(13,970)	(573,419)
Real property gains tax	(12,876)	-
Under/(Over)provision of income tax in prior years	90,802	(487,298)
Under/(Over)provision of deferred tax in prior years	279,426	(329,958)
Income tax expense recognised in profit or loss	1,676,832	4,315,545

10. Income tax expense (cont'd)

Reconciliation between tax expense and accounting profit (cont'd)

	2019 RM	2018 RM
COMPANY		
Profit before tax	2,053,434	6,708,408
Taxation at Malaysian statutory tax rate of 24% (2018: 24%)	492,824	1,610,018
Income not subject to taxation	(376,804)	(1,272,452)
Expenses not deductible for tax purposes	98,747	77,357
Overprovision of income tax in prior year	(104,731)	(1,850)
Income tax expense recognised in profit or loss	110,036	413,073

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2018: 24%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

11. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 30 November:

	Group	
	2019 RM	2018 RM
Profit net of tax attributable to owners of the parent used in the computation of basic and diluted earnings per share (RM)	5,073,823	24,587,418
Weighted average number of ordinary shares for basic earnings per share computation	297,699,791	300,099,011
Basic earnings per share (sen)	1.70	8.19

As at the reporting date of current and previous financial year, diluted earnings per share is equal to basic earnings per share as the effects of assumed conversion of outstanding warrants as disclosed in Note 28(c) were not included in the calculation of the diluted earnings per share because they are anti-dilutive.

12. Property, plant and equipment

Group	*Lands and buildings RM	Plant and machinery RM	#Other assets RM	Total RM
Cost				
At 1 December 2017	140,352,916	129,483,548	22,131,434	291,967,898
Additions	205,125	3,167,377	1,476,695	4,849,197
Disposals	(8,451,597)	(6,224,384)	(813,763)	(15,489,744)
Written off	-	(53,787)	(33,551)	(87,338)
Reclassification	-	86,260	(86,260)	-
Transfer to investment properties (Note 13)	(4,099,690)	-	-	(4,099,690)
Transfer from investment properties (Note 13)	2,660,476	-	-	2,660,476
Exchange differences	262,475	222,016	38,565	523,056
At 30 November 2018 and 1 December 2018	130,929,705	126,681,030	22,713,120	280,323,855
Additions	27,520	540,469	1,432,529	2,000,518
Disposals	-	(1,826,888)	(740,139)	(2,567,027)
Written off	-	(868,903)	(14,957)	(883,860)
Reclassification	-	13,000	(13,000)	-
Exchange differences	1,690,167	1,135,766	196,077	3,022,010
At 30 November 2019	132,647,392	125,674,474	23,573,630	281,895,496
Accumulated depreciation				
At 1 December 2017	18,085,689	79,993,256	18,629,332	116,708,277
Charge for the year (Note 7)	2,049,195	6,604,891	1,343,573	9,997,659
Disposals	(575,492)	(3,970,317)	(748,205)	(5,294,014)
Written off	-	(53,611)	(28,585)	(82,196)
Transfer to investment properties (Note 13)	(246,529)	-	-	(246,529)
Transfer from investment properties (Note 13)	63,000	-	-	63,000
Exchange differences	26,983	107,955	35,634	170,572
At 30 November 2018 and 1 December 2018	19,402,846	82,682,174	19,231,749	121,316,769
Charge for the year (Note 7)	1,994,866	6,132,883	912,602	9,040,351
Disposals	-	(344,184)	(700,761)	(1,044,945)
Written off	-	(659,234)	(12,573)	(671,807)
Exchange differences	164,044	591,465	174,529	930,038
At 30 November 2019	21,561,756	88,403,104	19,605,546	129,570,406
Net carrying amount				
At 30 November 2018	111,526,859	43,998,856	3,481,371	159,007,086
At 30 November 2019	111,085,636	37,271,370	3,968,084	152,325,090

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

***Land and buildings**

Group	Freehold Lands and buildings RM	Leasehold Lands and buildings RM	Total RM
Cost			
At 1 December 2017	111,197,084	29,155,832	140,352,916
Additions	-	205,125	205,125
Disposals	(8,451,597)	-	(8,451,597)
Transfer to investment properties (Note 13)	-	(4,099,690)	(4,099,690)
Transfer from investment properties (Note 13)	2,660,476	-	2,660,476
Exchange differences	262,475	-	262,475
At 30 November 2018 and 1 December 2018	105,668,438	25,261,267	130,929,705
Additions	10,320	17,200	27,520
Exchange differences	1,690,167	-	1,690,167
At 30 November 2019	107,368,925	25,278,467	132,647,392
Accumulated depreciation			
At 1 December 2017	12,999,807	5,085,882	18,085,689
Charge for the year	1,632,597	416,598	2,049,195
Disposals	(575,492)	-	(575,492)
Transfer to investment properties (Note 13)	-	(246,529)	(246,529)
Transfer from investment properties (Note 13)	63,000	-	63,000
Reclassified as held for sale	26,983	-	26,983
At 30 November 2018 and 1 December 2018	14,146,895	5,255,951	19,402,846
Charge for the year	1,575,783	419,083	1,994,866
Exchange differences	164,044	-	164,044
At 30 November 2019	15,886,722	5,675,034	21,561,756
Net carrying amount			
At 30 November 2018	91,521,543	20,005,316	111,526,859
At 30 November 2019	91,482,203	19,603,433	111,085,636

Other assets comprise tools, office equipment, furniture and fittings, signboards, forklift, motor vehicles, capital work-in-progress, computer and software.

Assets pledged as security

Property, plant and equipment with net book value amounting to RM63,692,838 (2018: RM67,716,633) are negatively pledged to a financial institution for bank borrowings as referred to in Note 24

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

Assets under construction

During the financial year, other property, plant and equipment of the Group included capital work-in-progress which comprised expenditures incurred for plant and machinery being installed and factory building in the course of construction amounting to RM1,676,282 (2018: RM1,152,451).

13. Investment properties

	Group	
	2019 **RM**	**2018** **RM**
At Cost		
At beginning of year	22,501,622	21,153,218
Reclassified as held for sale	-	(90,810)
Additions	746,982	-
Transfer from property, plant and equipment (Note 12)	-	4,099,690
Transfer to property, plant and equipment (Note 12)	-	(2,660,476)
At end of year	23,248,604	22,501,622
Accumulated depreciation		
At beginning of year	1,022,516	648,750
Depreciation (Note 7)	220,878	220,204
Reclassified as held for sale	-	(29,967)
Transfer from property, plant and equipment (Note 12)	-	246,529
Transfer to property, plant and equipment (Note 12)	-	(63,000)
At end of year	1,243,394	1,022,516
Net carrying amount	22,005,210	21,479,106

Investment properties with net book value amounting to RM20,931,101 (2018: RM20,381,163) are negatively pledged for bank borrowings as referred to in Note 24.

As at the reporting date, the fair value of the investment properties were estimated by the directors at RM32,254,000 (2018: RM32,343,000). In arriving at their estimate, the directors considered the results of the valuations performed by independent valuers on 30 November 2018 and recent transacted prices for similar properties during the current financial year.

The fair value as at 30 November 2018 was determined based on valuation conducted by independent professional valuers by using comparison method. The comparison method involves comparing and adopting recent transactions as a yardstick and sale evidences involving other similar properties in the vicinity. The Group has assessed that the highest and best use of its properties do not differ from their current use.

The significant unobservable valuation input is the estimate price per square foot which ranges between RM10 to RM447 (2018: RM10 to RM456).

14. Land use rights

	Group 2019 RM	Group 2018 RM
Cost		
At beginning of year	3,377,152	2,640,950
Additions	-	736,202
At end of year	3,377,152	3,377,152
Accumulated amortisation		
At beginning of year	1,033,868	982,433
Amortisation for the year (Note 7)	52,399	51,435
At end of year	1,086,267	1,033,868
Net carrying amount	2,290,885	2,343,284

15. Investments in subsidiaries

	Company 2019 RM	Company 2018 RM
Unquoted shares, at cost:		
- In Malaysia	29,071,074	27,671,074
- Outside Malaysia	24,016,000	24,016,000
	53,087,074	51,687,074

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Equity interest held (%) 2019	Equity interest held (%) 2018
Asia Roofing Industries Sdn. Bhd.	Malaysia	Manufacturing and trading of metal roll forming products	100	100
ARI Utara Sdn. Bhd. *	Malaysia	Manufacturing and marketing of metal roll forming products	80	60
Ajiya Safety Glass Sdn. Bhd.	Malaysia	Manufacturing and trading of all kinds of glass	70	70
Ajiya STI Sdn. Bhd. *	Malaysia	To carry on business as manufacturers, commission agents, manufacturers' agents, contractors, sub-contractors and dealers in all types of metal products and building materials	60	60

15. Investments in subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Equity interest held (%) 2019	2018
Ariteq Eco Sdn. Bhd. @*	Malaysia	Manufacturing of metal, zinc and aluminium products for roof building, ceiling, window and door frame and other similar products	100	100
ARI Timur (KB) Sdn. Bhd. @*	Malaysia	Manufacturing of metal, zinc and aluminium products for roof building, ceiling, building materials and other similar products	60	60
ASG Marketing Sdn. Bhd. #	Malaysia	Marketing and sales of safety glass and other glass related products. Ceased operation in 2016	100	100
Thai Ajiya Co. Ltd. @*	Thailand	To provide, design and install metal sheet roofing and insulator materials	60	60
Thai Ajiya Safety Glass Co. Ltd. *	Thailand	Processing and trading of all kinds of glasses related products	100	100
LTC Usaha Sdn. Bhd. *	Malaysia	Property holding	100	100

@ Equity interest held through Asia Roofing Industries Sdn. Bhd.
# Equity interest held through Ajiya Safety Glass Sdn. Bhd.
* Audited by firms of auditors other than Ernst & Young.

Acquisition of non-controlling interests

During the financial year, the Company acquired an additional 20% equity interest in ARI Utara Sdn. Bhd. from its non-controlling interests for a cash consideration of RM1,400,000. On the date of acquisition, the carrying value of the additional interest acquired was RM4,107,853. The difference between consideration and the book value of the interest acquired of RM2,707,853 is reflected in equity as other reserves.

Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests ("NCI") is as follows:

	2019 RM	2018 RM
Proportion of equity interest held by non-controlling interests:		
ARI Utara Sdn. Bhd. ("ARIU")	20%	40%
Ajiya Safety Glass Sdn. Bhd. ("ASG")	30%	30%
Carrying amount of NCI		
ARIU	4,177,366	8,216,557
ASG	51,457,803	53,034,988

15. Investments in subsidiaries (cont'd)

Material partly-owned subsidiaries (cont'd)

	2019 RM	2018 RM
Profit/(Loss) allocated to NCI		
ARIU	116,642	319,295
ASG	(1,523,653)	2,398,250

The summarised financial information of these subsidiaries, based on amounts before inter-company eliminations, is as follows:

Summarised statement of financial position as at 30 November 2019

	ARIU RM	ASG RM
Non-current assets	8,871,198	94,046,311
Current assets	29,743,862	101,919,448
Non-current liabilities	4,607,000	3,561,000
Current liabilities	13,121,232	20,878,750
Net assets	20,886,828	171,526,009

Summarised statement of financial position as at 30 November 2018

	ARIU RM	ASG RM
Non-current assets	9,812,888	103,206,348
Current assets	37,368,235	93,653,807
Non-current liabilities	7,058,322	5,299,000
Current liabilities	19,581,409	14,777,861
Net assets	20,541,392	176,783,294

Summarised statement of profit or loss for 2019:

	ARIU RM	ASG RM
Revenue	54,775,975	82,317,718
Profit/(loss) for the year	583,212	(5,078,843)

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15. Investments in subsidiaries (cont'd)

Material partly-owned subsidiaries (cont'd)

Summarised statement of profit or loss for 2018:

	ARIU RM	ASG RM
Revenue	66,455,497	105,742,095
Profit for the year	798,238	7,994,165

Summarised cash flow information for year ended 30 November 2019:

	ARIU RM	ASG RM
Operating activities	8,485,402	(5,096,508)
Investing activities	1,807,464	(10,947,181)
Financing activities	(10,790,405)	2,033,555
Net decrease in cash and cash equivalents	(497,539)	(14,010,134)

Summarised cash flow information for year ended 30 November 2018:

	ARIU RM	ASG RM
Operating activities	5,123,736	14,636,705
Investing activities	(601,739)	(9,152,736)
Financing activities	(5,331,613)	(11,267,805)
Net decrease in cash and cash equivalents	(809,616)	(5,783,836)

16. Investment in associate

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cost	200,000	200,000	200,000	200,000
Share of post-acquisition reserves	531,466	353,399	-	-
	731,466	553,399	200,000	200,000

16. Investment in associate (cont'd)

Details of the associate is as follows:

Name of associate	Country of incorporation	Principal activities	Equity interest held (%) 2019	Equity interest held (%) 2018
Asteel Ajiya Sdn. Bhd. *	Malaysia	Manufacturing, supply and/or install an industrial building system.	40	40

* Audited by firms of auditors other than Ernst & Young.

	2019 RM	2018 RM
Current assets	2,244,829	1,560,383
Non-current assets	5,381,416	3,597,552
Current liabilities	(1,632,412)	(1,264,005)
Non-current liabilities	(4,165,169)	(2,510,433)
Equity attributable to shareholders	1,828,664	1,383,497
Proportion of the Group's ownership interest in the associate	40%	40%
Group's carrying amount of the investment	731,466	553,399

	2019 RM	2018 RM
Revenue	6,341,609	1,962,878
Cost of sales	(4,650,462)	(751,981)
Other income	1,618	1,429
Administrative expenses	(1,007,226)	(328,829)
Profit before tax	685,539	883,497
Income tax expense	(240,372)	-
Profit for the year	445,167	883,497
Proportion of the Group's ownership interest in the associate	40%	40%
Group's share of profit for the year	178,067	353,399

The associate had no contingent liabilities or capital commitments as at 30 November 2019.

17. Other investments

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Fair value through profit or loss				
Non-current				
- Quoted shares in Malaysia	110,520	101,852	-	-
- Unit trust	-	15,594,360	-	10,507,040
Total	110,520	15,696,212	-	10,507,040
Current				
- Unit trust	60,764,253	-	48,086,242	-
- Bonds	5,089,874	-	-	-
- Money market funds	3,021,730	-	-	-
- Quoted equity instruments	5,326,358	-	2,130,543	-
Total	74,202,215	-	50,216,785	-

18. Amounts due from subsidiaries

		Company	
	Note	2019 RM	2018 RM
Current			
Interest bearing at 4% per annum	(a)	2,418,740	2,455,016
Interest free	(b)	-	518,432
		2,418,740	2,973,448
Non-current			
Interest bearing at 4% per annum	(a)	3,300,000	5,700,000

(a) This amount is unsecured, bears interest at 4% per annum and is repayable by monthly installments of RM200,000 each.

(b) This amount is unsecured, non-interest bearing and is repayable on demand.

19. Inventories

	Company	
	2019 RM	**2018 RM**
Raw materials	60,637,490	70,881,713
Work-in-progress	88,463	133,991
Finished goods	8,590,036	8,622,913
Inventories in transit - raw materials	2,353,207	380,134
Total inventories at the lower of cost and net realisable value	71,669,196	80,018,751

During the period, the amount of inventories recognised as an expense in cost of sales of the Group was RM225,915,565 (2018: RM266,175,353).

20. Trade and other receivables

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Non-current				
Other receivables				
Other receivables	69,868	-	-	-
Due from associate	2,040,536	1,451,824	-	-
	2,110,404	1,451,824	-	-
Current				
Trade receivables				
Third parties	104,760,209	115,824,002	-	-
Less: Allowance for impairment	(12,358,424)	(12,851,353)	-	-
Trade receivables, net	92,401,785	102,972,649	-	-
Other receivables				
Sundry deposit	2,049,499	561,505	1,000	1,000
Other receivables	6,337,007	3,908,708	-	38,137
Amount due from associate	1,002,768	358,310	-	-
Less: Allowance for impairment	(207,959)	(207,959)	-	-
Other receivables, net	9,181,315	4,620,564	1,000	39,137
	101,583,100	107,593,213	1,000	39,137
Total trade and other receivables	103,693,504	109,045,037	1,000	39,137
Add: Cash and bank balances (Note 22)	46,342,211	88,005,338	3,071,043	38,123,094
Debt instruments measured at amortised cost	150,035,715	197,050,375	3,072,043	38,162,231

20. Trade and other receivables (cont'd)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2018: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

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

	Group	
	2019 RM	**2018 RM**
Neither past due nor impaired	48,999,985	49,463,490
1 to 30 days past due not impaired	18,097,695	22,142,199
31 to 60 days past due not impaired	8,324,179	10,875,006
61 to 90 days past due not impaired	9,762,885	5,201,954
91 to 120 days past due not impaired	6,782,440	2,904,642
More than 121 days past due not impaired	434,601	12,385,358
	43,401,800	53,509,159
Impaired	12,358,424	12,851,353
	104,760,209	115,824,002

Receivables that are neither past due nor impaired

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

None of these balances have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM43,401,800 (2018: RM53,509,159) that are past due at the reporting date but not impaired. These receivables are unsecured in nature.

Based on past experience and the absence to date of any adverse information, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

20. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

Receivables that are impaired

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

	Group	
	2019 RM	**2018 RM**
At 1 December	12,851,353	15,678,870
Effect of adopting MFRS 9	1,104,094	-
As restated	13,955,447	15,678,870
Charge for the year (Note 7)	793,363	1,293,317
Written off	(1,009,766)	(3,036,281)
Reversal of impairment loss (Note 7)	(1,380,620)	(1,084,553)
At 30 November	12,358,424	12,851,353

(b) Other receivables

Other receivables are non-interest bearing and are generally on 30 to 90 days (2018: 30 to 90 days) terms.

(c) Amount due from associate

The amounts due from associate which mainly arose from sale of plant and machinery, are unsecured and repayable over 3 to 5 years.

21. Other current assets

	Group	
	2019 RM	**2018 RM**
Prepaid operating expenses	423,588	656,192
Advances to suppliers of raw materials and property, plant and equipment	-	9,864
	423,588	666,056

22. Cash and bank balances

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash at banks and on hand	46,342,211	22,597,111	3,071,043	2,123,094
Fixed deposits with licensed bank	-	65,408,227	-	36,000,000
Cash and bank balances	46,342,211	88,005,338	3,071,043	38,123,094
Less: Deposits with maturity exceeding 90 days	-	(41,000,000)	-	(36,000,000)
Cash and cash equivalents	46,342,211	47,005,338	3,071,043	2,123,094

The weighted average effective interest rates of deposits of the reporting date were as follows:

	Group		Company	
	2019 %	2018 %	2019 %	2018 %
Deposits with licensed banks	-	3.00 - 4.20	-	4.05 - 4.20

The average maturities of deposits as at the end of the financial year were as follows:

	Group		Company	
	2019 Days	2018 Days	2019 Days	2018 Days
Deposits with licensed banks	-	1 - 180	-	91 - 180

23. Non-current assets held for sale

	Group	
	2019 RM	2018 RM
Leasehold land and building	-	60,843

In the prior year, a subsidiary entered into a Sale and Purchase Agreement for the sale of leasehold land and building for a total consideration of RM110,000. As at 30 November 2018, the property was presented on the statement of financial position as non-current asset classified as held for sale.

During the financial year, the disposal of the property was completed and a gain of RM49,157 was recognised as other income.

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24. Loans and borrowings

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Current				
Secured:				
- RM term loan II at 1% + COF	2,007	1,005,848	-	-
- RM term loan III at 1% + COF	191,598	571,652	-	-
- GBP financing facility at 1.9%	5,071,049	-	2,031,653	-
	5,264,654	1,577,500	2,031,653	-
Non-current				
Secured:				
- RM term loan III at 1% + COF	-	221,321	-	-
	-	221,321	-	-
Total loans and borrowings	5,264,654	1,798,821	2,031,653	-

The remaining maturities of the loans and borrowings as at 30 November 2019 are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
On demand or within one year	5,264,654	1,577,500	2,031,653	-
More than 1 year and less than 2 years	-	221,321	-	-
	5,264,654	1,798,821	2,031,653	-

RM term loan II at 1% + COF

This term loan is secured by a negative pledge over property, plant and equipment and investment properties of the Group amounting to RM84,623,939 (2018: RM88,097,796) as disclosed in Note 12 and Note 13 respectively and a corporate guarantee from the Company.

RM term loan III at 1% + COF

This term loan is secured by a corporate guarantee from the Company.

* COF : Cost of funds of 5.09% (2018: 5.09%) per annum

GBP financing facility at 1.9%

This is repayable on demand and is secured by a negative pledge over a unit trust investment of the Group and Company amounting to RM17,041,454 and RM11,951,580 respectively.

24. Loans and borrowings (cont'd)

The movement of borrowings during the year is as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
At beginning of financial year	1,798,821	6,515,216	-	-
Drawdown	4,992,063	-	1,943,925	-
Repayment	(1,605,216)	(4,716,395)	-	-
Unrealised foreign exchange loss	78,986	-	87,728	-
At end of financial year	5,264,654	1,798,821	2,031,653	-

25. Trade and other payables

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Trade payables				
Third parties	27,667,545	37,642,247	-	-
Other payables				
Amounts due to directors	14,621	25,660	-	-
Accruals	9,005,284	7,945,014	232,519	345,371
Sundry payables	9,773,549	9,861,852	1,692	-
	18,793,454	17,832,526	234,211	345,371
	46,460,999	55,474,773	234,211	345,371
Total trade and other payables	46,460,999	55,474,773	234,211	345,371
Add: Loans and borrowings (Note 24)	5,264,654	1,798,821	2,031,653	-
Total financial liabilities carried at amortised cost	51,725,653	57,273,594	2,265,864	345,371

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 days (2018: 30 to 60 days).

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 3 months (2018: average term of 3 months).

Included in accrual is an amount of RM2,797,458 (2018: Nil) arising from a claim by a customer against Ajiya Berhad's subsidiary, ASG Marketing Sdn. Bhd. ("ASGM") in respect of allegedly defective products.

25. Trade and other payables (cont'd)

(c) Amounts due to directors

The amounts due to directors are unsecured, non-interest bearing and is repayable upon demand.

26. Deferred tax liabilities

	Group	
	2019 RM	**2018 RM**
At beginning of financial year	9,499,519	10,272,145
Recognised in the profit or loss (Note 10)	(1,478,862)	(772,626)
At end of financial year	8,020,657	9,499,519

The components and movements of deferred tax liabilities/(assets) during the financial year are as follows:

	Accelerated capital allowances RM	**Provisions, unabsorbed capital and reinvestment allowances RM**	**Government grant RM**	**Total RM**
Group				
At 1 December 2017	12,060,538	(1,788,393)	-	10,272,145
Recognised in profit or loss	(486,626)	-	(286,000)	(772,626)
At 30 November 2018 and 1 December 2018	11,573,912	(1,788,393)	(286,000)	9,499,519
Recognised in profit or loss	(409,862)	(1,020,000)	(49,000)	(1,478,862)
At 30 November 2019	11,164,050	(2,808,393)	(335,000)	8,020,657

27. Deferred income

	Group	
	2019 RM	**2018 RM**
Government grant		
At 1 December	1,203,768	-
Received during the year	308,630	1,203,768
At 30 November	1,512,398	1,203,768

27. Deferred income (cont'd)

	Group	
	2019 RM	2018 RM
Accumulated amortisation		
At 1 December	13,375	-
Amortised to profit or loss (Note 7)	104,256	13,375
At 30 November	117,631	13,375
Net carrying amount	1,394,767	1,190,393

The government grant was received from the Department Of Environment Malaysia to cover the costs of acquiring certain qualifying machinery. The grant will be amortised over the estimated useful life of the machinery.

28. Share capital and treasury shares

	Number of ordinary shares		<--------- Amount --------->	
	Share capital	Treasury shares	Share capital RM	Treasury shares RM
Issued and paid up				
2019				
At beginning of financial year	304,584,484	5,885,100	98,878,598	(3,456,789)
Purchase of treasury shares	-	1,400,500	-	(760,286)
At end of financial year	304,584,484	7,285,600	98,878,598	(4,217,075)
2018				
At beginning of financial year	304,584,484	-	98,878,598	-
Purchase of treasury shares	-	5,885,100	-	(3,456,789)
At end of financial year	304,584,484	5,885,100	98,878,598	(3,456,789)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

(a) Share capital

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

28. Share capital and treasury shares (cont'd)

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

(c) Warrants 2017/2021

In previous years, the Company issued 152,292,242 free warrants on the basis of one warrant for every two shares held after the share split.

The main features of the warrants are as follows :

(i) Each warrant will entitle its registered holder during the exercise period to subscribe for one new ordinary share at the exercise price of RM0.92 per share.

(ii) The warrants may be exercised at any time on or after 1 September 2017 until the end of the tenure of the Warrants. The tenure of the Warrants is for a period of five (5) years. The Warrants not exercised during the exercise period shall thereafter lapse and become void.

(iii) The new ordinary shares allotted pursuant to the exercise of the Warrants shall upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company, except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions that may declared, made or paid prior to date of allotment and issuance of the new shares.

The number of warrants unexercised as at reporting date was 152,292,242 (2018: 152,292,242).

29. Reserves and retained earnings

	Group	
	2019	**2018**
	RM	**RM**
Foreign currency translation reserve:		
At beginning of financial year	1,261,383	5,542,256
Foreign currency translation	2,324,289	(4,280,873)
At end of financial year	3,585,672	1,261,383
Other reserve:		
At beginning and end of financial year	3,436,850	728,997

29. Reserves and retained earnings (cont'd)

	Group	
	2019 RM	2018 RM
Retained earnings:		
At beginning of financial year	245,789,196	224,199,240
Effect of adopting MFRS 9	(886,635)	-
As restated, beginning of financial year	244,902,561	224,199,240
Total comprehensive income	5,073,823	24,587,418
Dividends paid	-	(2,997,462)
At end of financial year	249,976,384	245,789,196

The nature and purpose of each category of reserve are as follows:

(a) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(b) Other reserve

The other reserve is used to record the difference between the consideration paid for equity interest acquired from the Group's non-controlling interests and carrying value of the interest acquired.

(c) Retained earnings

The entire retained earnings of the Company as at 30 November 2019 and 30 November 2018 may be distributed as dividends under the single tier system.

30. Dividends

	Group and Company	
	2019 RM	2018 RM
In respect of financial year ended 2017:		
Single tier final dividend of 1.00 sen per ordinary share on 299,746,184 ordinary shares	-	2,997,462
	-	2,997,462

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend for the current financial year.

31. Commitments

(a) Capital commitments

	Group	
	2019 RM	2018 RM
Capital expenditure:		
Approved and contracted for:		
- Property, plant and equipment	8,463,834	-

(b) Operating lease commitments - as lessee

The Group has entered into non cancellable operating lease arrangements for the use of land and buildings. These leases have an average life of between 1 to 5 years with renewal options included in the contracts. Certain contracts include clauses to enable upward revision of the rental charge upon renewal of the contracts based on the prevailing market conditions. There are no restrictions placed upon the Group by entering into these leases.

The future minimum lease payments payable under operating lease contracted for as at the reporting date but not recognised as liabilities, are as follows:

	Group	
	2019 RM	2018 RM
Future minimum rental payable:		
Not later than 1 year	256,016	237,250
Later than 1 year and not later than 5 years	88,700	235,300
	344,716	472,550

(c) Operating lease commitments - as lessor

The Group has entered into non cancellable operating lease arrangements on its investment properties. These leases have an average life of between 3 to 5 years. Certain contracts include clauses to enable upward revision of the rental charge upon renewal of the contracts based on the prevailing market conditions.

The future minimum lease payments receivable under operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	Group	
	2019 RM	2018 RM
Future minimum rental receivable :		
Not later than 1 year	447,867	620,395
Later than 1 year and not later than 5 years	129,150	553,900
	577,017	1,174,295

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32. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between parties during the financial year:

(a)

	2019 RM	2018 RM
Group		
Sale and purchase of goods and services		
(Income)/Expense		
Related party:*		
Sale of finished goods to companies related to a director	(5,429,200)	(7,464,247)
Sale of plant and equipment to associate	-	(3,635,810)
Rental paid to a company related to a director	36,000	36,000
Sale of plant and equipment to associate	(1,818,000)	-
Company		
Gross dividend received from subsidiaries	-	(5,250,000)
Interest charged to a subsidiary	(271,945)	(368,964)

* A director of the Company, Yeo Ann Seck, has direct interest in this company and is a director of this company.

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

(b) Compensation of key management personnel

The remuneration of key management personnel comprising solely executive directors are as disclosed in Note 9.

33. Fair values

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

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

	Note
Amounts due from subsidiaries	18
Trade and other receivables (current and non-current)	20
Trade and other payables (current)	25
Loans and borrowings (current and non-current)	24

The carrying amounts of these financial assets and liabilities are reasonable approximations of fair values, either due to their short-term nature or that they bear interest at rate approximating market interest rates on or near the reporting date.

The carrying amounts of the loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

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

Quoted equity instruments, trust funds, bonds and money market instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1, that are observable for asset or liability, either directly or indirectly; and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

33. Fair values (cont'd)

	Total RM	Level 1 RM	Level 2 RM	Level 3 RM
Group				
As at 30 November 2019				
Other investments				
Non-current				
- Quoted shares in Malaysia	110,520	110,520	-	-
Current				
- Unit trust	60,764,253	60,764,253	-	-
- Bonds	5,089,874	5,089,874	-	-
- Money market funds	3,021,730	3,021,730	-	-
- Quoted equity instruments	5,326,358	5,326,358	-	-
	74,202,215	74,202,215	-	-
Investment properties (Note 13)	32,254,000	-	-	32,254,000
	106,566,735	74,312,735	-	32,254,000
As at 30 November 2018				
Other investments				
Non-current				
- Quoted shares in Malaysia	101,852	101,852	-	-
- Unit trust	15,594,360	15,594,360	-	-
	15,696,212	15,696,212	-	-
Investment properties (Note 13)	32,343,000	-	-	32,343,000
	48,039,212	15,696,212	-	32,343,000
Company				
As at 30 November 2019				
Other investments				
- Unit trust	50,216,785	50,216,785	-	-
As at 30 November 2018				
Other investments				
- Unit trust	10,507,040	10,507,040	-	-

34. Financial risk management objectives and policies

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks and ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by senior management who have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Group does not apply hedge accounting. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and foreign exchange currency risk. Financial instruments affected by market risk include deposits, loans and borrowings and other investments.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Exposure to credit risk relates to operating activities (primarily trade receivables) and from financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed according to established policies, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed and approved by the directors who sets out the individual credit limits. Outstanding customer receivables are regularly monitored and the financial standing of major customers are continuously reviewed.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial asset recognised on the statement of financial position.
- A nominal amount of RM193,605 (2018: RM1,798,821) relating to a corporate guarantee provided by the Company to several banks for its subsidiaries' bank loans and borrowings.

<u>Credit risk concentration profile</u>

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). 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.

34. Financial risk management objectives and policies (cont'd)

(b) Credit risk (cont'd)

(i) Trade receivables (cont'd)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Years Past due				
	Within a year RM	1-2 years RM	2-3 years RM	3 years and above RM	Total RM
Group					
30 November 2019					
Expected credit loss rate	1%	16%	34%	100%	
Estimated total gross carrying amount at default	87,831,137	4,397,465	2,144,822	10,386,785	104,760,209
Expected credit loss	524,179	715,978	731,482	10,386,785	12,358,424
1 December 2018					
Expected credit loss rate	1%	46%	100%	100%	
Estimated total gross carrying amount at default	100,534,328	3,520,568	2,794,324	8,974,782	115,824,002
Expected credit loss	565,264	1,621,077	2,794,324	8,974,782	13,955,447

34. Financial risk management objectives and policies (cont'd)

(b) Credit risk (cont'd)

(i) Trade receivables (cont'd)

<u>Financial assets that are neither past due nor impaired</u>

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20.

<u>Financial assets that are either past due or impaired</u>

Information regarding trade and other receivables that are either past due or impaired is disclosed in Note 20.

(ii) Cash and short-term deposits

Cash are normally maintained at minimum levels and surplus cash are placed as short-term deposits with licensed banks and financial institutions. Such funds are reviewed by the directors on a monthly basis and amounts placed as short-term deposits may be revised throughout the year. This is to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions with no history of default.

(c) Liquidity risk

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

The Group and the Company manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position.

34. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial liabilities by remaining contractual maturities

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

	2019		
	Within one year RM	One to five years RM	Total RM
Group			
Financial liabilities:			
Trade and other payables	46,460,999	1,394,767	47,855,766
Loans and borrowings	5,264,654	-	5,264,654
Total undiscounted financial liabilities	51,725,653	1,394,767	53,120,420
Company			
Financial liabilities:			
Trade and other payables, represent total undiscounted financial liabilities	234,211	-	234,211

	2018		
	Within one year RM	One to five years RM	Total RM
Group			
Financial liabilities:			
Trade and other payables	55,474,773	1,190,393	56,665,166
Loans and borrowings	1,577,500	221,321	1,798,821
Total undiscounted financial liabilities	57,052,273	1,411,714	58,463,987
Company			
Financial liabilities:			
Trade and other payables, represent total undiscounted financial liabilities	345,371	-	345,371

34. Financial risk management objectives and policies (cont'd)

(d) Interest rate risk

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

The Group's primary interest rate risk relates to interest-bearing debt. The Group monitors the interest rate on borrowings to ensure that the borrowings are maintained at favourable rates. The investment in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits or repurchase agreements which yield better returns than cash at bank. The Group does not use derivative financial instruments to hedge interest rate risk.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group and the Company's profit net of tax would have been approximately RM4,000 and RM2,000 (2018: RM48,000 and RM27,000) lower/higher, arising mainly as a result of lower/higher interest expense on deposits with licensed banks. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(e) Foreign exchange risk

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

The Group is exposed to transactional currency risk primarily through sales and purchases and amount due from subsidiaries that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars ("USD"), Thai Baht ("THB") and Pound Sterling (''GBP"). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The following tables demonstrates the sensitivity of the Group and the Company's profit net of tax to a reasonably possible change in the United States Dollars ("USD"), Thai Baht ("THB") and Pound Sterling (''GBP") exchange rates against the functional currency of the Group and of the Company, with all other variables held constant.

		2019 RM	2018 RM
Group			
USD/RM	- strengthened 3%	(101,000)	(50,000)
	- weakened 3%	101,000	50,000
THB/RM	- strengthened 3%	-	22,000
	- weakened 3%	-	(22,000)
GBP/RM	- strengthened 3%	24,000	-
	- weakened 3%	(24,000)	-

34. Financial risk management objectives and policies (cont'd)

(e) Foreign exchange risk (cont'd)

		2019 RM	2018 RM
Company			
GBP/RM	- strengthened 3%	13,000	-
	- weakened 3%	(13,000)	-

35. Segment information

For management purposes, the Group is organised into business units based on geographical areas and has two reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on negotiated and mutually agreed terms.

	Malaysia RM	Thailand RM	Eliminations RM	Note	Consolidated RM
30 November 2019					
Revenue					
External sales	299,505,410	25,784,176	-		325,289,586
Total revenue	299,505,410	25,784,176	-		325,289,586
Results					
Interest income	3,095,906	12,128	-		3,108,034
Finance costs	169,702	-	-		169,702
Depreciation and amortisation	7,818,260	1,495,368	-		9,313,628
Segment profit	5,001,952	951,632	-		5,953,584
Assets					
Additions to non-current assets	2,739,381	8,119	-	A	2,747,500
Segment assets	434,858,295	40,189,811	-		475,048,106
Other segment information					
Capital commitments	8,463,834	-	-		8,463,834

35. Segment information (cont'd)

	Malaysia RM	Thailand RM	Eliminations RM	Note	Consolidated RM
30 November 2018					
Revenue					
External sales	354,517,174	27,729,609	-		382,246,783
Total revenue	354,517,174	27,729,609	-		382,246,783
Results					
Interest income	2,585,663	5,341	-		2,591,004
Finance costs	205,976	496,993	(496,993)		205,976
Depreciation and amortisation	8,607,751	1,661,547	-		10,269,298
Segment profit	24,687,103	7,024,973	-		31,712,076
Assets					
Additions to non-current assets	5,461,312	124,087	-	A	5,585,399
Segment assets	439,192,559	40,076,595	-		479,269,154
Other segment information					
Capital commitments	-	-	-		-

A Additions to non-current assets consist of:

	2019 RM	2018 RM
Property, plant and equipment	2,000,518	4,849,197
Investment property	746,982	-
Land use rights	-	736,202
	2,747,500	5,585,399

36. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group 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 financial years ended 30 November 2019 and 30 November 2018.

37. Authorisation of financial statements for issue

The financial statements for the year ended 30 November 2019 were authorised for issue in accordance with a resolution of the directors on 3 March 2020.

ANALYSIS OF SHAREHOLDINGS
AS AT 28 FEBRUARY 2020

Total Number of Issued Shares	:	**304,584,484**
Class of shares	:	**Ordinary Shares**
Voting rights	:	**One Vote Per Share**

ANALYSIS OF SHAREHOLDINGS

Holdings		No. of Holders	No. of Shares Held	% of Holdings
Less than 100		14	325	0.00
100 to 1,000		148	91,902	0.03
1,001 to 10,000		1,507	10,000,060	3.36
10,001 to 100,000		1,221	39,902,593	13.42
100,001 to less than 5% of issued shares		202	112,396,188	37.81
5% and above of issued shares		5	134,907,816	45.38
	TOTAL	3,097	297,298,884	100.00

* Excluding a total of 7,285,600 ordinary shares bought back and retained as treasury shares.

THIRTY LARGEST SHAREHOLDERS

	Name of Shareholders	No. of Shares	% of Shares
1.	Yeo Ann Seck	41,545,944	13.97
2.	Avia Kapital Sdn Bhd	30,975,652	10.42
3.	Chan Wah Kiang	23,913,996	8.04
4.	Chan Wah Kiang	22,222,224	7.47
5.	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG Singapore for Yeoman 3-Rights Value Asia Fund	16,250,000	5.47
6.	Lee Koing @ Lee Kim Sin	14,271,064	4.80
7.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Chan Wah Kiang	9,000,000	3.03
8.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Koing @ Lee Kim Sin	8,520,000	2.87
9.	CIMB Group Nominees (Asing) Sdn Bhd Exempt AN for DBS Bank Ltd	7,325,300	2.46
10.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Kuak Fong	5,263,100	1.77

THIRTY LARGEST SHAREHOLDERS (cont'd)

	Name of Shareholders	No. of Shares	% of Shares
11.	AMSEC Nominess (Tempatan) Sdn Bhd AMBANK (M) Berhad for Chan Wah Kiang	5,218,020	1.76
12.	Tan Liong Fook	3,905,100	1.31
13.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Ann Seck	2,382,000	0.80
14.	Tan Liong Fook	2,280,000	0.77
15.	Lee Koh Meng	2,111,820	0.71
16.	Lim Khuan Eng	2,100,000	0.71
17.	Lee Kim Keok	1,622,400	0.55
18.	Chern Teik Leong	1,391,100	0.47
19.	Yeo Khee Huat	1,208,000	0.41
20.	Affin Hwang Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Yeo Seng Chong	1,200,000	0.40
21.	Chew Hui Poh	1,000,000	0.34
22.	Mulia Bersama Sdn Bhd	891,000	0.30
23.	Teo Kwee Hock	637,000	0.21
24.	Khew Yit Len	604,800	0.20
25.	Teo Kock Sei	602,000	0.20
26.	Bintang Barat Sdn Bhd	600,000	0.20
27.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Dato' Yap Kuak Fong	600,000	0.20
28.	Chow Mun Yuen	598,400	0.20
29.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ang Hwee Hwee	550,000	0.18
30.	Tan Hong Guat	535,600	0.18

ANALYSIS OF SHAREHOLDINGS
AS AT 28 FEBRUARY 2020

SUBSTANTIAL SHAREHOLDERS

		No. of Shares Held			
	Name	Direct	%	Indirect/Deemed	%
1.	Dato' Chan Wah Kiang	60,568,640	20.37	30,975,652*	10.42
2.	Yeo Ann Seck	43,927,944	14.78	-	-
3.	Avia Kapital Sdn Bhd	30,975,652	10.42	-	-
4.	Yeoman 3-Rights Value Asia Fund	16,250,000	5.47	-	-
5.	Yeoman Capital Management Pte Ltd	240,000	0.08	16,470,000(a)	5.54
6.	Yeo Seng Chong	1,200,000	0.40	16,710,000(b)	5.62
7.	Lim Mee Hwa	-	-	17,910,000(b)	6.02
8.	Lee Koing @ Lee Kim Sin	22,791,064	7.67	-	-

Note:
* Deemed interest through his holdings in Avia Kapital Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.
(a) Deemed interest by virtue of its role as investment manager for its clients including Yeoman 3-Rights Value Asia Fund.
(b) Deemed interest by virtue of his/her indirect interests in Yeoman Capital Management Pte Ltd.

DIRECTORS' INTEREST

a) Interest of Shares in the Company

		No. of Shares Held			
	Name	Direct	%	Indirect/Deemed	%
1.	Dato' Chan Wah Kiang*	60,568,640	20.37	30,975,652*	10.42
2.	Yeo Ann Seck*	43,927,944	14.78	-	-
3.	Dato' Dr. Mohd Aminuddin Bin Mohd Rouse	40,000	0.01	-	-
4.	Tan Seng Kee	-	-	-	-
5.	Dato' Theng Book	-	-	-	-
6.	Low Peak Yih	-	-	-	-
7.	Lee Xia Lien	20,000	0.01	-	-

Note:
* Deemed interest through his holdings in Avia Kapital Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.

b) Interest of Shares in the Subsidiaries

Dato Chan Wah Kiang and Mr. Yeo Ann Seck by virtue of their interest in shares in the Company are also deemed interest in shares of all the Company's subsidiaries to the extent the Company has an interest.

ANALYSIS OF WARRANT HOLDINGS
AS AT 28 FEBRUARY 2020

Warrant Issued	:	**152,292,242**
No of Warrant Holders	:	**1,782**
Exercise Price of Warrants	:	**RM 0.92**
Voting Rights	:	**One Vote Per Warrant in the Meeting of Warrant Holders**

ANALYSIS OF WARRANT HOLDINGS

Holdings	No. of Holders	No. of Warrants Held	% of Holdings
Less than 100	27	975	0.00
100 to 1,000	91	56,418	0.04
1,001 to 10,000	856	4,735,100	3.11
10,001 to 100,000	644	24,504,100	16.09
100,001 to less than 5% of issued warrants	160	64,203,213	42.16
5% and above of issued warrants	4	58,792,436	38.60
TOTAL	1,782	152,292,242	100.00

THIRTY LARGEST WARRANT HOLDERS

	Name of Holders	No. of Warrants	% of Holdings
1.	Yeo Ann Seck	18,500,000	12.15
2.	Chan Wah Kiang	16,456,998	10.81
3.	Avia Kapital Sdn Bhd	15,487,826	10.17
4.	Chan Wah Kiang	8,347,612	5.48
5.	Lee Koing @ Lee Kim Sin	5,335,732	3.50
6.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Koing @ Lee Kim Sin	4,260,000	2.80
7.	AMSEC Nominees (Tempatan) Sdn Bhd AMBANK (M) Berhad for Chan Wah Kiang	2,609,010	1.71
8.	Leong Kok Tai	2,333,100	1.53
9.	M-Ocean Holdings Sdn Bhd	1,945,472	1.28
10.	Ng Phaik Lean	1,873,000	1.23

ANALYSIS OF WARRANT HOLDINGS
AS AT 28 FEBRUARY 2020

THIRTY LARGEST WARRANT HOLDERS (cont'd)

	Name of Holders	No. of Warrants	% of Holdings
11.	Chern Teik Leong	1,822,900	1.20
12.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Dato' Yap Kuak Fong	1,318,000	0.87
13.	Yap Siew Luan	1,200,000	0.79
14.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Ann Seck	1,191,000	0.78
15.	Tan Liong Fook	1,187,400	0.78
16.	Lee Koh Meng	1,055,910	0.69
17.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Azman Bin Ismail	1,000,000	0.66
18.	Chan Wah Beow	965,000	0.63
19.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Ming Hong	878,000	0.58
20.	Goh Hock Soon	820,500	0.54
21.	Kong Cheun Kok	800,000	0.53
22.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Sing Huat	745,000	0.49
23.	Lim Sok Khin	700,000	0.46
24.	Tan Beng Sen	660,000	0.43
25.	Chia Yok Kiang	625,000	0.41
26.	Yeo Khee Huat	604,000	0.40
27.	Sim Soon Heng	602,800	0.40
28.	Bay Peng Hock	569,000	0.37
29.	Gan Wen Guang	565,400	0.37
30.	Lee Kim Keok	561,200	0.37

ANALYSIS OF WARRANT HOLDINGS
AS AT 28 FEBRUARY 2020

SUBSTANTIAL WARRANT HOLDERS

		No. of Warrants Held			
	Name	Direct	%	Indirect/Deemed	%
1.	Dato' Chan Wah Kiang	27,520,820	18.07	15,487,826*	10.17
2.	Yeo Ann Seck	19,691,000	12.93	-	-
3.	Avia Kapital Sdn Bhd	15,487,826	10.17	-	-
4.	Lee Koing @ Lee Kim Sin	9,595,732	6.30	-	-

Note:
* Deemed interest through his holdings in Avia Kapital Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.

DIRECTORS' INTEREST

		No. of Warrants Held			
	Name	Direct	%	Indirect/Deemed	%
1.	Dato' Chan Wah Kiang	27,520,820	18.07	15,487,826*	10.17
2.	Yeo Ann Seck	19,691,000	12.93	-	-
3.	Dato' Dr. Mohd Aminuddin Bin Mohd Rouse	-	-	-	-
4.	Tan Seng Kee	-	-	-	-
5.	Dato' Theng Book	-	-	-	-
6.	Low Peak Yih	-	-	-	-
7.	Lee Xia Lien	-	-	-	-

Note:
* Deemed interest through his holdings in Avia Kapital Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.

LIST OF TOP 10 PROPERTIES

No.	Location	Description And Existing Use	Tenure (Expiry Date)	Age of Building	Land Area (acre)	Built-up Area (acre)	Net Book Value ('000)	Date of Acquisition
1.	700/609, Moo 7, Phase 6C, Amata Nakorn Industrial Estate, Tambon Donhuaroh Amphur Mueang, Chonburi 20000, Thailand	Industrial land with factory building	Freehold	4 years	5.62	3.15	17,154	19-10-2010
2.	Lot 575, 1 km Lebuhraya Segamat-Kuantan, 85000 Segamat, Johor	Industrial land with factory building	Freehold	18 years	6.65	4.59	12,702	07-03-1995
3.	Lot 7025, Jalan Kempas Lama, Seelong Jaya, 81400 Senai, Johor	Industrial land with factory building	Freehold	10 years	3.00	1.03	10,657	17-03-2015
4.	Lot 7068, Jalan Seelong, Kampung Maju Jaya, 81300 Johor	Industrial land with factory building	Freehold	2 years	3.21	1.32	10,394	18-09-2012
5.	6, Jalan PPU 3, Taman Perindustrian Puchong Utama, 47100 Puchong, Selangor	Industrial land with factory building	Freehold	14 years	3.30	2.29	7,488	01-03-2000
6.	Lot 2-27, 2-28 & 2-29, Jalan Perindustrian Mahkota 7, Taman Perindustrian Mahkota, 43700 Beranang, Semenyih, Selangor	Industrial land with factory building	Freehold	6 years	1.68	0.95	6,576	30-09-2014
7.	No. 4, Jalan Sungai Pelubung 32/149, Seksyen 32, 40460 Shah Alam, Selangor	Industrial land with factory building	Freehold	8 years	1.57	0.80	6,454	27-02-2002
8.	Plot 248 (a), Lengkok Perindustrian Bukit Minyak 16, Kawasan Perindustrian Bukit Minyak, 14100 Bukit Mertajam, Pulau Pinang	Industrial land with factory building	99 years Leasehold (expiry : 21-01-2112)	7 years	1.56	0.96	6,037	25-09-2008
9.	Lot 28, Taman Perindustrian Bukit Makmur, 08000 Sungai Petani, Kedah	Industrial land with factory building	Freehold	12 years	3.08	0.49	5,840	24-04-1997
10.	Geran No. 79108, Lot No. 3222, Mukim of Beranang, District of Ulu Langat, Selangor	Industrial Land	Freehold	n/a	3.83	n/a	5,816	30-09-2014

NOTICE OF 24TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth Annual General Meeting of the Company will be held at VIP Hotel, Batu 1, Jalan Buloh Kasap, 85000 Segamat, Johor on Thursday, 23 April 2020 at 11.30 a.m for the following purposes: -

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 November 2019 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of Directors' fees and benefits amounting to RM1,541,776 for the financial year ended 30 November 2019. **Resolution 1**

3. To approve the payment of Directors' benefits up to an amount of RM42,000 from 24 April 2020 until the next Annual General Meeting. **Resolution 2**

4. To re-elect the following Directors who are retiring in accordance with the Company's Constitution and being eligible, offered themselves for re-election:-

   (a) Dato' Chan Wah Kiang – Article 89 **Resolution 3**
   (b) Mr. Tan Seng Kee – Article 89 **Resolution 4**

5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:-

6. **ORDINARY RESOLUTION**
   RETENTION OF INDEPENDENT DIRECTOR, MR. TAN SENG KEE **Resolution 6**
   "THAT Mr. Tan Seng Kee be retained as Independent Director of the Company in accordance with the Malaysian Code on Corporate Governance."

7. **ORDINARY RESOLUTION**
   RETENTION OF INDEPENDENT DIRECTOR, DATO' THENG BOOK **Resolution 7**
   "THAT Dato' Theng Book be retained as Independent Director of the Company in accordance with the Malaysian Code on Corporate Governance."

8. **ORDINARY RESOLUTION**
   RETENTION OF INDEPENDENT DIRECTOR, MS. LOW PEAK YIH **Resolution 8**
   "THAT Ms. Low Peak Yih be retained as Independent Director of the Company in accordance with the Malaysian Code on Corporate Governance."

NOTICE OF 24TH ANNUAL GENERAL MEETING

9. **ORDINARY RESOLUTION**
   AUTHORITY TO ALLOT SHARES — **Resolution 9**

   "THAT pursuant to Sections 75(1) and 76(1) of the Companies Act, 2016 and subject to the approval of relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad **AND THAT** such authority conferred by this resolution shall commence upon passing this resolution until:

   (a) the conclusion of the Annual General Meeting held next after the approval was given; or
   (b) the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given,

   whichever occurs first."

10. **ORDINARY RESOLUTION**
    PROPOSED RENEWAL OF AUTHORITY FOR AJIYA BERHAD ("AJIYA") TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES AT ANY POINT OF TIME ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY") — **Resolution 10**

    "THAT, subject to the Companies Act, 2016 ("the Act"), the provisions of the Constitution of the Company, the Listing Requirements and the approvals of all relevant governmental and/or relevant authorities, where required, the Company be and is hereby authorised to purchase and/or hold such number of Ajiya Shares under the Proposed Renewal of Share Buy-Back Authority ("Purchased Share(s)") upon such terms and conditions as the Board may deem fit in the interest of the Company provided that:-

    (a) the aggregate number of Purchased Shares does not exceed 10% of the total number of issued shares of the Company at any point of time;
    (b) the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the aggregate amount of the retained earnings of the Company;

    THAT The Board be and is hereby authorised to deal with the shares purchased at their absolute discretion, either partially or fully, in the following manner:

    a) cancel all the shares so purchased;
    b) retain all the shares so purchased as treasury shares;
    c) retain part of the shares so purchased as treasury shares and cancel the remainder of the shares; or
    d) deal with the treasury shares in the manners as allowed by the Act from time to time.

    AND THAT the authority conferred by this resolution shall commence upon passing this resolution until:-

    (a) the conclusion of the next Annual General Meeting of the Company, at which time the said authority will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
    (b) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
    (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

    whichever occurs first.

THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things (including the maintaining of a central depositories account(s) under the Securities Industry (Central Depositories) Act, 1991 as may be required to give effect to and to complete the aforesaid Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority."

11. **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE") — **Resolution 11**
"THAT approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties mentioned under section 2.3 of the Circular to Shareholders dated 24 March 2020 which are necessary in the course of business of the Company and/or its subsidiaries for day-to-day operations and on normal commercial terms which are not more favorable to the related parties than those available to the public and not detrimental to the minority shareholders of the Company and such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting of the Company at which such Proposed Renewal of Shareholders' Mandate is passed, at which time will lapse, unless by ordinary resolution passed at the Annual General Meeting whereby the authority is renewed, either unconditionally or subject to conditions; or
(b) the expiration of the period within the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016, ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever occurs first. "

12. To transact any other business appropriate to an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act, 2016 and the Company's Constitution.

By Order of the Board

CHONG WUI KOON (F)
SSM PC No. 202008000920 (MAICSA NO. 7012363)
LEONG SIEW FOONG (F)
SSM PC No. 202008001117 (MAICSA NO. 7007572)
Company Secretaries

Johor Bahru
Dated: 24 March 2020

NOTICE OF 24TH ANNUAL GENERAL MEETING

NOTES

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.

2. Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorized nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

3. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting and where the member appoints two (2) proxies to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.

4. The instrument appointing the proxy must be deposited at No 16, Jalan Impian Emas 4, Taman Impian Emas, 81300 Skudai, Johor, Malaysia not less than forty-eight hours before the time appointed for holding the Meeting and any adjournment thereof.

EXPLANATORY NOTES ON ORDINARY BUSINESSES:-

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019
This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval from the shareholders and hence is not put forward for voting.

DIRECTORS' BENEFITS
The benefits payable to the Directors comprises meeting allowances payable to all the Directors. The Board is of the view that it is just and equitable for the Directors to be paid the Directors' benefits as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company from 24 April 2020 until the next Annual General Meeting of the Company.

RE-ELECTION OF DIRECTORS WHO RETIRE IN ACCORDANCE WITH ARTICLE 84 OF THE COMPANY'S CONSTITUTION
Article 89 of the Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an Annual General Meeting of the Company. With the current Board size of seven (7), two (2) Directors are to retire in accordance with Article 89 of the Constitution provided that all Directors shall retire from office once at least in every three (3) yeas and shall be eligible for re-election.

Nomination Committee has assessed the performance of these Directors seeking for re-election under Article 89 based on salient criterias of their contribution to the Board's desicion making and their individual performance in discharging their roles and responsibilities to the Group.

The satisfactory outcome of the assessment was reported to the Board of Directors and the Board recommends these Directors to be re-elected according to the resolutions put forth in the forthcoming Annual General Meeting.

These Directors standing for re-election have abstained from deliberation and participation of their own agenda in the relevant Nomination Committee meeting and Board meeting.

NOTICE OF 24TH ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON SPECIAL BUSINESSES:-

Resolutions No. 6, 7 & 8
Mr. Tan Seng Kee, Dato' Theng Book and Ms. Low Peak Yih are Independent Directors of the Company who have served the Company for more than nine years.

In line with the Malaysian Code on Corporate Governance, the Nomination Committee has assessed their independence as defined in Bursa Securities Listing Requirements. The Board holds the will that their independence has never been compromised by their long relationship with the Board. Based on the justification as stated in the "Corporate Governance Overview Statement" on page 49 of this Annual Report, the Board recommends Mr. Tan Seng Kee, Dato' Theng Book and Ms. Low Peak Yih to continue their office as Independent Directors once they are re-elected or re-appointed according to their respective resolution put forth in the forthcoming Annual General Meeting.

Mr. Tan Seng Kee and Dato' Theng Book shall be subjected to two tier voting in accordance with the Malaysian Code on Corporate Governance as they have served the Company for more than 12 years.

Resolution No. 9
The proposed resolution no. 9 if passed, is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. This is a renewal of a general mandate. The Company did not utilise the mandate granted in the preceding year's Annual General Meeting.

This authority will, unless revoked or varied by the Company in general meeting, expire at the next Annual General Meeting.

The authority will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limiting to further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

Resolution No. 10
Resolution no. 10, if passed, will empower the Directors to purchase the Company's shares of up to 10% of the total number of issued shares of the Company at any point of time, by utilising the funds allocated which shall not exceed the total retained earnings of the Company. The audited retained earnings of the Company stood at RM15,477,771 as at 30 November 2019. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting.

Please refer to Statement of Share Buy-Back dated 24 March 2020.

Resolution No. 11
The Proposed Renewal of Shareholders' Mandate under Resolution 11 is seeking for shareholders' approval at the forthcoming Annual General Meeting of the Company.

The Proposed Renewal of Shareholders' Mandate is to facilitate transactions in the normal course of business of the Company and its subsidiaries ("the Group") which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

By obtaining the shareholders' mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

Further information on Proposed Renewal of Shareholders' Mandate are set out in the Circular to Shareholders of the Company which is dispatched together with the Annual Report of the Company for the financial year ended 30 November 2019.

FORM OF PROXY

AJIYA
AJIYA BERHAD
Registration No.199601005281(377627-W)

CDS ACCOUNT NO.	
NO. OF SHARES HELD	

I/We, ______________________________ (NRIC No. ____________) of
____
______________________________ being a member/members of AJIYA BERHAD, hereby appoint *(1)Mr/Ms ______________________________ (NRIC No. ____________) of
______________________________or failing whom, ______________________________ (NRIC No. ____________) of
____

(the next name and address should be completed where it is desired to appoint two proxies.)
*(2)Mr/Ms ______________________________ (NRIC No. ____________) of
____
____________ or failing whom, ______________________________ (NRIC No. ____________) of
____

as *my/our *proxy/proxies to vote for *me/us and *my/our behalf at the Twenty-Fourth Annual General Meeting to be held at VIP Hotel, Batu 1, Jalan Buloh Kasap, 85000 Segamat, Johor on Thursday, 23 April 2020 at 11.30 a.m. and at any adjournment thereof.

The proportion of *my/our proxies are as follows:
(This paragraph should be completed only when two proxies are appointed)

First Proxy (1), Number of Shares held : ____________ ; ____________ %
Second Proxy (2), Number of Shares held : ____________ ; ____________ %

RESOLUTION NO.	RESOLUTION	FOR	AGAINST
1.	To approve the payment of Directors' fees and benefits amounting to RM1,541,776 for the financial year ended 30 November 2019.		
2.	To approve the payment of Directors' benefits up to an amount of RM42,000 from 24 April 2020 until the next Annual General Meeting.		
3.	To re-elect Dato' Chan Wah Kiang as Director.		
4.	To re-elect Mr. Tan Seng Kee as Director.		
5.	To re-appoint Messrs Ernst & Young as Auditors of the Company.		
6.	Retention of Independent Director, Mr. Tan Seng Kee.		
7.	Retention of Independent Director, Dato' Theng Book.		
8.	Retention of Independent Director, Ms. Low Peak Yih.		
9.	To authorise the allotment of shares pursuant to Sections 75(1) and 76(1) of Companies Act 2016.		
10.	Approval of the Proposed Renewal of Share Buy-Back Authority		
11.	Approval for the Proposed Renewal of Shareholders' Mandate.		

Please indicate with (x) how you wish your vote to be casted. If no specific instruction as to voting is given, the proxy may vote as he thinks fit.

As witness my hand this ____________ day of ____________ 2020.

____
Signatures of Shareholder(s)

____
Common Seal of Shareholder, if applicable
(if the appointer is a corporation)

NOTES

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.
2. Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorized nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
3. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting and where the member appoints two (2) proxies to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
4. The instrument appointing the proxy must be deposited at No 16, Jalan Impian Emas 4, Taman Impian Emas, 81300 Skudai, Johor Malaysia not less than forty-eight hours before the time appointed for holding the Meeting and any adjournment thereof.

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AFFIX STAMP

VotesApp Sdn Bhd
16, Jalan Impian Emas 4
Taman Impian Emas
81300 Skudai
Johor, Malaysia

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CORPORATE DIRECTORY

AJIYA BERHAD

Lot 153, Kawasan Perindustrian, Jalan Genuang, 85000 Segamat, Johor

Malaysia Subsidiary Companies

METAL GROUP

Asia Roofing Industries Sdn Bhd

- Corporate Head Office & Main Factory
  Lot 153, Kawasan Perindustrian,
  Jalan Genuang,
  85000 Segamat, Johor
  Tel : 607-943 4211
  Fax : 607-943 1054
  Website : www.ajiya.com
  E-mail : enquiry@ajiya.com

- Factory II
  Lot 142, Kawasan Perindustrian,
  Jalan Genuang,
  85000 Segamat, Johor
  Tel : 607-943 4212
  Fax : 607-943 5191

- Marketing Head Office & Factory
  No.4, Jalan Sungai Pelubung 32/149,
  Seksyen 32,
  40460 Shah Alam, Selangor
  Tel : 603-5121 0011
  Fax : 603-5121 0011
  E-mail : aribkmkt@ajiya.com

- Southern Office & Factory
  Lot 7068, Jalan Seelong,
  Kampung Maju Jaya,
  81300 Johor Bahru, Johor
  Tel : 607-557 3733
  Fax : 607-556 5733

- Mentakab Office & Factory
  No. 60, Jalan Industri Temerloh,
  Taman Perindustrian Temerloh,
  28400 Mentakab, Pahang
  Tel : 609-270 1313
  Fax : 609-270 1311

- Kuantan Office & Factory
  PT 59860, Jalan indera Mahkota,
  14/9, Bandar Indera Mahkota,
  25200 Kuantan, Pahang
  Tel : 609-572 1816
  Fax : 609-572 1817

ARI Utara Sdn Bhd

Lot 28, Taman Perindustrian
Bukit Makmur,
08000 Sungai Petani, Kedah
Tel : 604-442 2899
Fax : 604-442 2799
E-mail : enquiry@ajiya.com

ARI Timur (KB) Sdn Bhd

Lot 1306, Kawasan Perindustrian
Pengkalan Chepa II,
16100 Kota Bharu, Kelantan
Tel : 609-774 5946
Fax : 609-774 6946
E-mail : enquiry@ajiya.com

Ajiya STI Sdn Bhd

No.4, Jalan Sungai Pelubung 32/149,
Seksyen 32,
40460 Shah Alam, Selangor
Tel : 603-5121 0011
Fax : 603-5121 0111
E-mail : asti@ajiya.com

ARITEQ ECO Sdn. Bhd.

Lot 153, Kawasan Perindustrian,
Jalan Genuang,
85000 Segamat, Johor
Tel : 607-943 4211
Fax : 607-943 1054

GLASS GROUP

Ajiya Safety Glass Sdn Bhd

- Corporate Head Office & Main Factory
  Lot 575, 1 KM Lebuh Raya Segamat-
  Kuantan,
  85000 Segamat, Johor
  Tel : 607-931 3133
  Fax : 607-931 3142
  Website : www.ajiya.com
  E-mail : enquiry@ajiya.com

- Marketing Head Office & Factory
  No. 6, Jalan PPU 3,
  Taman Perindustrian Puchong Utama,
  47100 Puchong, Selangor
  Tel : 603-8062 3939
  Fax : 603-8062 1113
  E-mail : asgmkt@ajiya.com

- Southern Office & Factory
  Lot 7025, Jalan Kempas Lama,
  Seelong Jaya,
  81400 Senai, Johor
  Tel : 607-599 1733
  Fax : 607-599 2733

- Northern Office & Factory
  Plot 248 A, Lengkok Perindustrian
  Bkt Minyak 16,
  Kawasan Perindustrian Bkt Minyak,
  14100 Bukit Mertajam, Pulau Pinang
  Tel : 604-508 8777
  Fax : 604-507 1115

ASG Marketing Sdn Bhd

No. 6, Jalan PPU 3,
Taman Perindustrian Puchong Utama,
47100 Puchong, Selangor
Tel : 603-8062 3939
Fax : 603-8062 1113

Overseas Subsidiary Companies

Thai Ajiya Co. Ltd.

19/31, Moo 10, Paholyothin Road,
Tambol Klongneung, Amphur Klongluang,
Phathumthani,
12120, Thailand
Tel : 662-520 4047
Fax : 662-520 4050

Thai Ajiya Safety Glass Co.Ltd.

700/609, Moo.7, Phase 6C,
Amata Nakorn Industrial Estate,
Tambon Donhuaroh,
Amphur Mueang Chonburi, Chonburi
20000, Thailand
Tel : 663-819 3240
Fax : 663-819 3242

Associate Company

ASTEEL Ajiya Sdn Bhd

Lot 1268, Block 8, Jalan Bako,
Demak Laut Industrial Estate Phase IV,
93050 Kuching, Sarawak
Tel : 6082-432 688
Fax : 6082-433 686