AJIYA®

AJIYA BERHAD

377627-W

Information Driven

Prospect and Insight

A SMARTER TOMORROW

ANNUAL REPORT 2018

Continuous Improvement

Innovation

VISION & MISSION

OUR PURPOSE

To Build Trust & Commitment Together

VISION 2040

To Enrich Wellbeing For The Community

OUR MISSION 2020

Explore New Frontiers

CORE VALUES

- Commitment
- Teamwork
- Efficiency
- Responsibility
- Proactive
- Knowledge

CORE COMPETENCIES

- Reliable Quality Products & Performance
- Efficient Manufacturing
- Customer Focus
- Technical Competency Through Collaboration
- Wide Distribution Network

CORE VALUE STREAMS (4P)

- People
- Product
- Price
- Process

INDUSTRY 4.0:
A SMARTER TOMORROW

Amid the rapid technological change environment, Ajiya needs to constantly innovate to stay competitive. This is evidenced by the Group's innovation into the genesis of Ajiya Green Integrated Building System (AGiBS).

Moving forward, we will focus on embarking various initiatives to enhance our digital capability towards Industry 4.0 and our Vision 2040, "To Enrich Wellbeing for the Community", particularly in the transformation of business and organisational activities, processes, competencies and models to fully leverage the changes and opportunities of a mix of digital technologies and their accelerating impact across society in a strategic and prioritised way, with present and future shifts in mind.

We believe that our steadfast commitment towards technological and technical breakthrough will reinforce our position in the community and sustain our growth momentum and hence transforming the Group for a smarter tomorrow.

23rd ANNUAL GENERAL MEETING

VIP Hotel

Batu 1, Jalan Buloh Kasap,
85000 Segamat, Johor.

Friday, 11.30 a.m.

26th April 2019

TABLE OF CONTENTS

sec___01 CORPORATE FRAMEWORK

sec___02 PERFORMANCE REVIEW

www.ajiya.com

sec____03

CORPORATE GOVERNANCE

sec____04

FINANCIAL STATEMENTS

sec____05

OTHERS

This Annual Report can be downloaded at
www.ajiya.com/annual-reports/

- CORPORATE INFORMATION -

BOARD OF DIRECTORS

1

Chairman

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

2

Managing Director

Dato' Chan Wah Kiang

3

Non-Executive Director

Mr. Yeo Ann Seck

4

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

SECRETARIES

Ms. Chong Wui Koon
(MAICSA 7012363)
Ms. Leong Siew Foong
(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
(formerly known as Symphony Share Registrars Sdn Bhd)

Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya, Selangor
Tel : 03 – 7841 8000
Fax : 03 – 7841 8151

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
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

SUBSIDIARY COMPANIES

MALAYSIA COMPANIES

METAL BASE

Asia Roofing Industries Sdn Bhd [203219-U]
ARI Utara Sdn Bhd [273092-U]
ARI Timur (KB) Sdn Bhd [714587-K]
Ajiya STI Sdn Bhd [578448-D]
ARITEQ Eco Sdn Bhd [44323-M]

GLASS BASE

Ajiya Safety Glass Sdn Bhd [366389-A]
ASG Marketing Sdn Bhd [418751-A]
LTC Usaha Sdn Bhd [920343-T]

OVERSEAS COMPANIES

METAL BASE

Thai Ajiya Co.,Ltd [0135550038136]

GLASS BASE

Thai Ajiya Safety Glass Co.,Ltd. [0105553123550]

ASSOCIATE COMPANY

ASTEEL Ajiya Sdn Bhd (1279869-K)

- ABOUT US -

AJIYA BERHAD ("AJIYA") AND ITS GROUP OF COMPANIES ("THE GROUP") STARTED AS A METAL ROLLFORMING 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.

Over 28 years since its establishment, Ajiya has expanded its geographical strategic locations from Segamat, Johor, 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 business to be 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.

- ABOUT US -

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

Since its inception in 1990, Ajiya had committed to creating long-term shareholders' value 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, extensive and 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 had been accredited by SIRIM the MS ISO9002:1994 since 1996, updated to ISO9001:2008 in 2009 and continued our quality commitment with the latest ISO9001:2015 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 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
- 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, curve 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 ISO9002:1994 accreditation in 1998, updated to ISO9001:2000 in 2002, and ISO9001:2008 in 2010. In 2016, we obtained Product Certification Licence for Tempered Safety Glass and Laminated Safety Glass in Building, fully complying to 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.

Driven by strategic planning, passion and commitment, the Glass Group has expanded aggressively. As of today, Ajiya Safety Glass is one of the largest safety glass processor in South East Asia.

Ajiya Safety Glass is a founding member of Malaysia Green Building Confederation (MGBC), 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.

- GROUP CORPORATE MILESTONES -

AJIYA BERHAD STARTED IN YEAR
1990

1990-1995

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 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.

1996-1997

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.
- 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.

1998-2002

1998
- ASG was certified BS EN ISO 9002:1994.

2000
- Establishment of ARI factory at Lot 142, Segamat, Johor.

2001
- Establishment of ARI factory at Lot 152, Segamat, Johor.

2002
- Commencement of ASG factory at Puchong, Selangor, its present marketing head office and factory.
- Commencement of ARI factory at Puchong, Selangor. (2002-2008).
- Establishment of ARI factory at Lot 29, Segamat, Johor.
- Incorporation of Ajiya STI Sdn Bhd (ASTI) on 26th April 2002.
- ASTI started its business at Cheras, K.L.
- ASTI moved to Puchong, Selangor.
- ASG was awarded MS ISO 9001:2000.
- ASG was awarded the "Golden Client" by Pengarah Kastam Negeri Johor.

- GROUP CORPORATE MILESTONES -

2003-2006

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).

2007-2010

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

2008
- TAC factory I commenced operation at rented premise in Pathumthani, Thailand.
- Establishment of ARI factory 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 Confederation (MGBC).
- ARI updated its quality commitment to ISO 9001:2008.

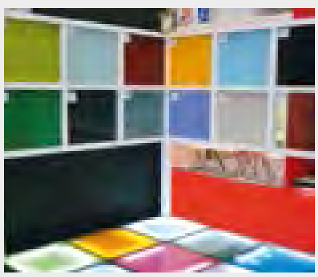
2010
- Incorporation of Thai Ajiya Safety Glass Co. Ltd (TASG) on 2nd October 2010.
- ASG updated its quality commitment to ISO 9001:2008.

2011-2014

2011
- Establishment of ASG plant in Kuching, Sarawak.
- Establishment of ARI factory at rented premises in Mentakab, Pahang.

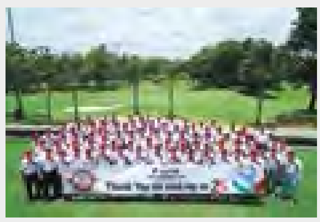
2013
- Establishment of TAC factory II in Chonburi, Thailand.
- Establishment of TASG factory in Chonburi, Thailand.
- TASG was awarded ISO 9001:2008.

2014
- Establishment of ASG warehouse in Buloh Kasap Segamat, Johor.
- Establishment of ARI factory 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

2015
- ARIU was awarded the ISO 9001:2008 certification.
- ARIKB 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 celebrate 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.



- GROUP CORPORATE MILESTONES -

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 1st September 2016.
- ARI was awarded the best EPF contributor by the Kumpulan Wang Simpanan Segamat, Johor.
- Collaboration with Malaysia Green Building Confederation and Universiti Kebangsaan towards the marketing and organising of MGBC-PAM Architectural Design Competition 2016.
- Srategic 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 certifed by Jabatan Bomba Dan Penyelamat Malaysia for 2 hours fire resistance.
- ARI's "Mega Rib 30 PU Metal" was certifed by Jabatan Bomba Dan Penyelamat Malaysia for fire resistance Class 'O'.
- ARI was certified by CIDB as an IBS Status company manufacturing the IBS components, Lightweight Frame Building and Metal Roof Trusses.

2016

2017

- GROUP CORPORATE MILESTONES -

2018

- Strategic collaboration with Politeknik Melaka for the establishment of an academic collaboration on programmes and activities based on Industrialised Building System (IBS) concept.
- Collaboration with Ascension Technology Sdn Bhd to promote affordable housing in Malaysia by using innovative construction technique.
- ARIU patented its "Light Weight Wall Structure" in 2017.
- Establishment of ARI factory 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 organised 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 C-TRIS Team won the first runner up at PESTA TRIZ Competition 2018, organised by Malaysia TRIZ Innovation Association.

2018





AJIYA BERHAD CONTINUE TO BUILD TRUST AND COMMITMENT TOGETHER

- EVENTS HIGHLIGHTS 2018 -

JANUARY

Bomba Training in Segamat, Johor.

FEBRUARY

Employees' celebration of CNY 2018.

MARCH

Directors' visit to Thai Ajiya Safety Glass Co. Ltd plant in Thailand.

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

APRIL

Annual General Meeting 2018.

Directors' visit to Ajiya plants in Segamat.

- EVENTS HIGHLIGHTS 2018 -

MAY

Technical visit to Ajiya Sungai Petani plant by CIDB Perlis and Persatuan Kontraktor Melayu Malaysia (PKMM).

International school student's visitation to Segamat plant, a program in collaboration with Tunku Abdul Rahman University College.

Team Building workshop.

JUNE

Ajiya sport Club organised an open house Hari Raya Aidilfitri celebration.

Ajiya sponsored and participated in Building Envelope Design Seminar organised by Malaysian Institute of Architects.

JULY

Ajiya arranged a series of workshops on Theory of Inventive Problem Solving ("TRIZ"), conducted by The Malaysia TRIZ Innovation Association for its employees.

Ajiya participated in the International Architecture, Interior Design & Building Exhibition (ARCHIDEX 2018) held at the Kuala Lumpur Convention Centre.

- EVENTS HIGHLIGHTS 2018 -

AUGUST

Pertubuhan Akitek Malaysia (PAM) visit our glass plant in Puchong.

Ajiya sponsored and participated in Tarcian Run 2018.

Practical Internal Auditing Training.

NOVEMBER

The Heads of Faculty of Tunku Abdul Rahman University College visit Ajiya plants.

The Managing Director, Dato' Chan Wah Kiang deliver a speech at The Green Building Seminar 2018 - Towards Sustainable Façade.

Ajiya staff joined "Dato Theng Book Badminton Cup Malaysia Media Badminton Tournament 2018".

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

- AWARDS AND CERTIFICATIONS -

- PROFILE OF DIRECTORS -

DATO' DR. MOHD AMINUDDIN BIN MOHD ROUSE

AGED 73 I MALAYSIAN I MALE
Independent Non-Executive Chairman

- QUALIFICATIONS -

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

BOARD MEETING ATTENDANCE IN 2018: **4/5**

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 Publication (Malaysia) 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 2018.

DATO' CHAN WAH KIANG

AGED 60 I MALAYSIAN I MALE
Managing Director

- QUALIFICATIONS -

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

BOARD MEETING ATTENDANCE IN 2018: **5/5**

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 deem interest in the Company.

Dato' Chan attended all the five board meetings held during the financial year ended 30 November 2018.

- PROFILE OF DIRECTORS -

TAN SENG KEE

AGED 62 I MALAYSIAN I MALE

Senior Independent Non-Executive Director

- QUALIFICATIONS -

- Bachelor of Law (Honours) from University of Malaya

BOARD MEETING ATTENDANCE IN 2018: **5/5**

BOARD COMMITTEES MEMBERSHIP

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

Mr. Tan was appointed to the Board on 27-9-1996. 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 2018.

DATO' THENG BOOK

AGED 59 I MALAYSIAN I MALE

Independent Non-Executive Director

- 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 MEETING ATTENDANCE IN 2018: **4/5**

BOARD COMMITTEES MEMBERSHIP

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

Dato' Theng was appointed to the Board on 2-5-2000. 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 four out of five board meetings held during the financial year ended 30 November 2018.

- PROFILE OF DIRECTORS -

YEO ANN SECK

AGED 63 I MALAYSIAN I MALE
Non-Executive Director

- QUALIFICATIONS -

- Businessman by Profession

BOARD MEETING ATTENDANCE IN 2018:
5/5

BOARD COMMITTEES MEMBERSHIP

- NIL

Mr. Yeo was appointed to the Board on 27-9-1996.

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 2018.

LOW PEAK YIH

AGED 43 I MALAYSIAN I FEMALE
Independent Non-Executive Director

- QUALIFICATIONS -

- Bachelor of Accountancy from RMIT University, Australia

BOARD MEETING ATTENDANCE IN 2018:
5/5

BOARD COMMITTEES MEMBERSHIP

- Audit Committee

Ms. Low was appointed to the Board on 12-2-2009. 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 2018.

- PROFILE OF DIRECTORS -

LEE XIA LIEN

AGED 37 I MALAYSIAN I FEMALE
Independent Non-Executive Director

- QUALIFICATIONS -

- Bachelor of Accountancy from University of Hull, UK

BOARD MEETING ATTENDANCE IN 2018: **2/2**

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 two board meetings held during the financial year after her appointment to the Board on 30-04-2018.

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 -

LEE BOON FIE

Senior Executive Director

AGED 60 I MALAYSIAN I MALE

ASIA ROOFING INDUSTRIES SDN BHD

Mr. Lee was appointed as Director of Asia Roofing Industries Sdn Bhd ("Asia Roofing") on 01-11-2000. He has more than 20 years of experience in building materials industries particularly metal rollformed products. He started his marketing career with Harrisons & Crosfield (M) Sdn Bhd holding a senior position, he then move to become Regional Manager of Ipmuda Selatan Sdn Bhd before he joined Asia Roofing in 1996. He is responsible for the overall marketing and business performance of Ajiya Metal Division.

TEE SING HUAT

Executive Director

AGED 47 I MALAYSIAN I MALE

ARI UTARA SDN BHD

QUALIFICATIONS

Bachelor of Development Science (Hons) from National University of Malaysia (UKM)

Mr.Tee obtained a Bachelor of Development Science (Hons) from National University of Malaysia (UKM). In 1996, he started his career in Asia Roofing 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

AGED 46 I MALAYSIAN I MALE

AJIYA SAFETY GLASS SDN BHD

QUALIFICATIONS

Diploma in Business Administration from TAFE College

Mr. Sim obtained a Diploma in Business Administration from TAFE College in 1993. He started his career with MSG 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.

- PROFILE OF KEY SENIOR MANAGEMENT -

KONG CHEUN KOK

Executive Director

AGED 46 I MALAYSIAN I MALE

AJIYA SAFETY GLASS SDN BHD

QUALIFICATIONS

Diploma in Business Administration from HELP College

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.

CHIN SIEW FOO

Executive Director (Sales & Marketing)

AGED 57 I MALAYSIAN I MALE

AJIYA SAFETY GLASS SDN BHD

QUALIFICATIONS

Diploma in Civil Engineering from Federal Institute of Technology

Diploma in Marketing from Chartered Institude of Marketing, UK

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 appointed as Executive Director (Sales & Marketing Division) of Ajiya Safety Glass on 01-04-2014. With his vast experience in overseas exposure, Mr. Chin also heading the Export Sales Division and Business Development overseas.

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 -

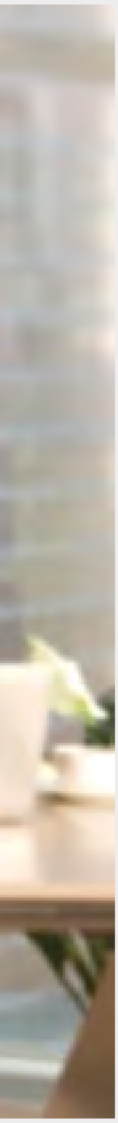
DATO' DR. MOHD AMINUDDIN BIN MOHD ROUSE

Chairman

DEAR VALUED SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS OF AJIYA BERHAD, I AM PLEASED TO PRESENT THE GROUP'S ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2018 ("FY2018").

- CHAIRMAN'S STATEMENT -



MACROECONOMICS AND INDUSTRY TREND

Following a much stronger-than-expected economic growth in 2017, the strongest since 2011, global economic expansion witnessed a moderation in 2018. The World Bank estimated global gross domestic product (GDP) growth at 3% in 2018, marginally lower than the 3.1% growth recorded a year earlier. The slower economic expansion was primarily due to the moderating growth figures across the advanced and developing countries. Over the course of 2018, the world has witnessed rising protectionist rhetoric, heightened uncertainties due to geopolitical events, high volatility in commodity prices as well as reversal of foreign fund flow from the developing countries due to monetary tightening in the advanced economies. The World Bank predicted the advanced economies to grow by 2.2% in 2018, down from 2.3% a year before. As for the emerging market and developing economies, GDP growth was estimated at 4.2%, slightly lower than 4.3% in 2017.

Malaysia's economic growth was also expected to moderate, largely due to the technical high-base effect and the elevated external vulnerabilities. The Ministry of Finance projected the GDP to grow by about 4.8% in 2018, as compared to 5.9% in the previous year. Despite the slower economic expansion, the country's macroeconomic fundamentals remained sound, supported by resilient domestic demand. Moving into 2019, the Malaysian economy is expected to see a slight improvement in growth. According to the Ministry of Finance's Economic Outlook 2019, the GDP is forecast to grow by 4.9%, with the private sector expenditure expected to remain as the key economic driver, cushioning the effects of lower public sector spending in 2018 and 2019.

Despite the increased challenges in the domestic business environment, the Malaysian Institute of Economic Research's ("MIER") Business Conditions Index has remained above the optimism threshold in the second and third quarters of 2018. This signals continued confidence among the local businesses, supported by higher orders and investments. As for the manufacturing sector, business conditions have been volatile throughout the year 2018. Based on the Nikkei Purchasing Managers' Index ("PMI"), the sentiment among the Malaysian manufacturers dropped between January to May 2018 period, but picked up post-14th general election ("GE14") until the month of September. The index's uptrend reversed in the month of October to December 2018 and fell below the 50-level, which marks contraction in the manufacturing sector. Despite the volatile sentiment in the manufacturing sector, official figures from the Malaysian Investment Development Authority ("MIDA") have shown that approved foreign direct investments in the Malaysian manufacturing sector rose by 250% year-on-year to RM49 billion in the first nine months of 2018.

AS FOR THE SAFETY GLASS SEGMENT, AJIYA IS ONE OF THE LARGEST SAFETY GLASS PROCESSOR IN SOUTH EAST ASIA.

AJIYA WILL UNDERTAKE VARIOUS MEASURES SUCH AS DIGITAL TRANSFORMATION TOWARDS INDUSTRY 4.0 TO INCREASE OUR OPERATIONAL EFFICIENCY.

- CHAIRMAN'S STATEMENT -

The Malaysia construction sector saw a slowdown post-GE14, following the decision of the new federal government to initiate reviews of several mega infrastructure projects. The sector was expected to expand moderately by 4.5% in 2018, as compared to 6.7% in 2017. The sentiment in the Malaysia property sector has also been cautious in 2018, on the back of subdued demand and weak sales figures. Unsold property units have increased significantly, while the demand for affordable residential units have continued to rise. Ajiya sees the importance of addressing the issue of affordable housing through Industrialised Building System ("IBS") to disrupt the current construction methodology while setting a new standard in modular construction in Malaysia. With the government aiming to build one million affordable homes within the next decade, the role of IBS will likely be increasingly important in the domestic property segment.

STRATEGIC REVIEW

During the year under review, the increased challenges in the business environment and the slowdown in economic growth have weakened market conditions and sentiment. This has, to an extent, affected the demand for Ajiya's businesses of manufacturing and supplying metal and safety glass products. The soft property market in FY2018 also presented a challenge for the Group, as property developers were more cautious in undertaking property developments.

In order to weather the impact from the economic slowdown and rising market challenges, Ajiya has undertaken a slew of measures and approaches to ensure that the Group remains on the right trajectory towards success. Ajiya has remained focus on strengthening its revenue base, while ensuring that its business fundamentals are sound and healthy. This was evident from Ajiya's strong financial performance in FY2018.

The Group continuously bolsters its businesses of manufacturing and supplying metal and safety glass products, by actively widening its client base through quality product offerings. Under the metal segment, Ajiya offers metal roofing system, metal frame products, structural products, architectural products, light-weight channel products and Ajiya Green Integrated Building System ("AGiBS"). Ajiya's products are renowned for its aesthetic design, quality and services. Our products are manufactured under stringent quality management system. We had been accredited by SIRIM the MS ISO9002:1994 since 1996, updated to ISO9001:2008 in 2009 and continued our quality commitment with the latest ISO 9001:2015 in 2017. Besides, Ajiya has also received the Perakuan Pematuhan Standard ("PPS") certification from Malaysia's Construction Industry Development Board ("CIDB") for Self-Supporting Steel Roofing.

- CHAIRMAN'S STATEMENT -

AJIYA IS STRONGLY POISED TO TAKE ADVANTAGE ON OUR LONG-TERM STRATEGY TO BE A TOTAL SOLUTIONS PROVIDER THROUGH OUR AGiBS.

As for the safety glass segment, Ajiya is one of the largest safety glass processor in South East Asia. Driven by strategic planning, passion and commitment, Ajiya's safety glass business has expanded aggressively to date. The Group's product offerings in the segment are insulating safety glass, decorative safety glass, security safety and storm protection safety glass, heat strengthened glass, curved tempered safety glass and Attoch. Our Glass Division obtained BS EN ISO 9002:1994 accreditation in 1998, updated to ISO 9001:2000 in 2002, and 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, our Glass Division obtained PPS 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's future expansion will be largely catalysed by its Ajiya Green Integrated Building System ("AGiBS") solutions, particularly in delivering affordable homes for Malaysian. AGiBS is a patented IBS that provides the construction industry with sustainable and fully-integrated building solutions to overcome manpower constraint, shorten construction time, and reduce operating costs. It comprises 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.

In FY2018, Ajiya has undertaken several initiatives to build long-term business arrangements. These include the signing of a memorandum of understanding with PI Brilliant Berhad, a subsidiary of the Selangor State Development Corporation (PKNS). The proposed collaboration with PI Brilliant is intended to explore future opportunities in building, landed and high rise property projects under PKNS and the Selangor government.

The strong demand for affordable properties in Malaysia, especially in the key urban areas, presents a promising opportunity for Ajiya. Banking on its AGiBS solutions, the Group foresees greater number of property projects such as the Perumahan Rakyat 1Malaysia (PR1MA) developments, utilising the product in the future. AGiBS is apt for the development of affordable and quality homes at a quick turnaround time. Under its Vision 2040, Ajiya aims to enrich the wellbeing of the community by playing a key role in the development of affordable properties, in order to meet the unmatched demand in the domestic residential and commercial property scene. In FY2018, Ajiya has seen steady orders for its products across all three segments. The Group will continue to diversify its revenue streams and client base over the long run via a number of new initiatives.

On top of these approaches, Ajiya will also undertake various measures such as Digital Transformation towards Industry 4.0 to increase our operational efficiency. This is vital in order to ensure a firmer foundation for a more sustainable growth.

- CHAIRMAN'S STATEMENT -

THE GROUP REGISTERED A 3% INCREASE IN OVERALL REVENUE AT RM382.2 MILLION, AS COMPARED TO RM370.9 MILLION LAST YEAR.

AJIYA STRONGLY OPTIMISTIC THAT ITS AGiBS SOLUTIONS WILL BENEFIT SIGNIFICANTLY FROM THE GOVERNMENT'S FOCUS IN ENSURING THE DEVELOPMENT OF AFFORDABLE HOMES FOR THE MIDDLE-CLASS AND LOW-INCOME MALAYSIAN.

FINANCIAL PERFORMANCE

Ajiya has managed to record a stellar financial performance in FY2018, amid the rising challenges and uncertainties in the business environment. After two consecutive years of declining top line, the Group registered a 3% increase in overall revenue at RM382.2 million, as compared to RM370.9 million last year. The higher revenue is primarily due to the higher demand for the Group's metal products in the financial year.

Ajiya also posted a profit before tax of RM31.7 million in FY2018 as compared to RM18.7 million in the previous corresponding year, marking an increase of 68%. The substantial increase in bottom line is mainly because of a RM6.2 million gain on disposal of property in Thailand and a realisation of foreign currency exchange gain of RM4.9 million from the repayment of loan from Thai Ajiya Safety Glass Co. Ltd. to Ajiya Bhd and higher margin of certain products.

Apart from its commendable financial performance in FY2018, the Group has successfully achieved a sturdy balance sheet with a net cash position of RM88 million. Ajiya's borrowings amounted to RM1.8 million.

OUTLOOK

During FY2018, Ajiya has continued to undertake significant business decisions that have put the Group on the right track towards commendable financial and operational performance. Some of these initiatives have made positive contributions to the Group's performance in the year under review, and we are confident that over the next few years, their cumulative effect on the Group will be substantial.

- CHAIRMAN'S STATEMENT -

Ajiya will continue to take advantage of the new business opportunities arising from the new policies of the Government, especially those with regards to affordable housing. The Group is strongly optimistic that its AGiBS solutions will benefit significantly from the Government's focus in ensuring the development of affordable homes for the middle-class and low income Malaysian.

In addition, Ajiya has jointly established ASTEEL Ajiya Sdn Bhd in May 2018 with Asteel Resources Sdn Bhd, a subsidiary of YKGI Holdings Berhad to undertake the manufacturing and sale of safety glass, supply and installation of AGiBS, as well as trading of metal door frame, window frame, metal ceiling and sunshade products in Sabah and Sarawak. The Group holds a 40% equity interest in ASTEEL Ajiya Sdn Bhd. Moving forward, the joint-venture will enable Ajiya to extend its market reach and also strengthen its AGiBS business segment over the long run.

The Group is strongly poised to take advantage on our long-term strategy to be a total solutions provider through our AGiBS solutions. Our traditional business of providing building materials such as our metal and glass products will put us in good stead as part of a total solutions provider. In the same vein, our traditional business will merge well with our current business venture.

Ajiya is well equipped and is on track to continue our journey forward. Given our continued motivation and effort to develop the Group further, I am confident that our aspirations are well within reach.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my appreciation to all the shareholders of Ajiya, business associates and clients for your unwavering support and confidence in the Group. In addition, I also wish to express my sincere gratitude to the Board members, management team and all the employees of Ajiya for their strong commitment in creating a better direction for the Group. Moving forward, I believe we will remain steadfast in our aim to steer the Group into a brighter and promising future. We will continue austerity drives and remain frugal in conserving and optimising the use of our resources during this tough time. We hope that with passion, commitment and teamwork, we can sail through the challenges ahead and make 2019 a good year for the Group.

Thank you.

Dato' Dr. Mohd Aminuddin bin Mohd Rouse
Chairman

- MANAGEMENT DISCUSSION AND ANALYSIS -

AJIYA IS ONE OF THE LEADING PLAYERS IN FABRICATED STEEL PRODUCTS IN PARTICULAR, METAL ROOFING SYSTEM, METAL FRAME PRODUCTS, STRUCTURAL PRODUCTS, ARCHITECTURAL PRODUCTS, LIGHT-WEIGHT CHANNEL PRODUCTS AND AGiBS.

OVERVIEW OF BUSINESS AND OPERATIONS

Established in 1990, Ajiya Berhad ("Ajiya" or "Company" or "Group") was listed on Bursa Malaysia Securities Berhad's Second Board in 1996. The Company's listing status was later transferred to the Main Market in 2003. Underpinned by its fundamental principle to provide affordable materials and unique solutions for the construction industry, Ajiya's operations consist of 2 main business units:-

METAL ROLLFORMING

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")

SAFETY GLASS

Production of tempered and laminated safety glass, insulating safety glass, decorative safety glass, heat strengthen 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.

- MANAGEMENT DISCUSSION AND ANALYSIS -

OUR PURPOSE
To Build Trust & Commitment Together

OUR VISION 2040
To Enrich Wellbeing For The Community

OUR MISSION 2020
Explore New Frontiers

CORE VALUES
- Commitment
- Teamwork
- Efficiency
- Responsibility
- Proactive
- Knowledge

CORE COMPETENCIES
- Reliable Quality Products & Performance
- Efficient Manufacturing
- Customer Focus
- Technical Competency Through Collaboration
- Wide Distribution Network

CORE VALUE STREAMS (4P)
- People
- Product
- Price
- Process

Ajiya's products cater to a wide range of buildings covering from industrial and commercial to residential.

GUIDED BY ITS COMMITMENT FOR PRODUCT DEVELOPMENT, PROCESS IMPROVEMENT, AND COMMITMENT TO ACHIEVE ITS MISSION AND VISION 2040 VIA ITS CORE VALUES, CORE COMPETENCIES AS WELL AS VALUE STREAMS, AJIYA IS WELL ON TRACK TO ACHIEVE A SUSTAINABLE AND RESILIENT GROWTH OVER THE LONG RUN.

In line with its aim to grow, the Group has expanded its geographical footprint in Malaysia and established its oversea presence in Thailand. The Group has an extensive network of 18 factories/warehouses with offices, strategically located 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.

In financial year ended 30 November 2018 ("FY2018"), the Group has managed to post strong top line and bottom line despite the external vulnerabilities and market uncertainties. Ajiya witnessed a recovery in its revenue performance for the FY2018 as the Company recorded a total revenue of RM382.2 million. Ajiya's strong balance sheet, further operational expansion and the exploration of new markets shall be instrumental in buttressing its growth. The Group will continue to observe a balanced portfolio, providing a diversified business, and offering innovative products that suits market needs. As a result, the Group has exercised greater prudence in operation planning by offering AGiBS to the market, particularly in the affordable housing segment, and it stands to benefit from various initiatives implemented by the Malaysian Government to prioritise affordable homes supply.

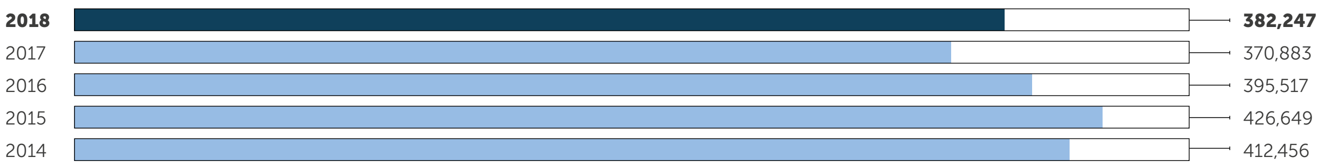
In tandem with the Group's pursuit to move towards Industry 4.0 to achieve our Vision 2040, we have been actively planning and taking measures with regards to our Digital Transformation ("DX") programme.

- MANAGEMENT DISCUSSION AND ANALYSIS -

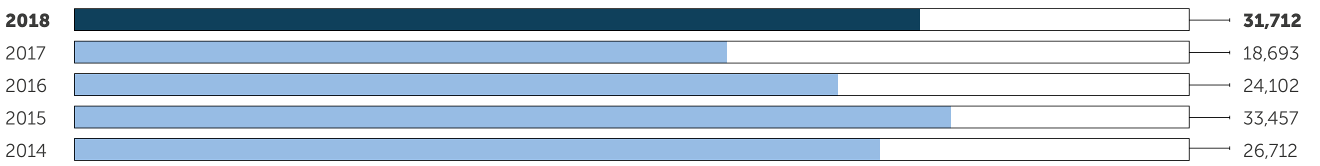
FINANCIAL HIGHLIGHTS

	2018 (RM'000)	2017 (RM'000)	2016 (RM'000)	2015 (RM'000)	2014 (RM'000)
Revenue	**382,247**	370,883	395,517	426,649	412,456
Profit Before Tax	**31,712**	18,693	24,102	33,457	26,712
Profit After Tax	**27,397**	15,523	18,890	27,822	19,910
Net Profit Attributable to Equity Holder	**24,588**	13,646	14,494	21,947	15,388
Total Assets	**479,269**	468,369	466,129	475,177	426,666
Total Borrowings	**1,799**	6,515	9,668	29,960	38,538
Shareholders' Fund	**343,201**	329,349	322,228	310,941	258,679

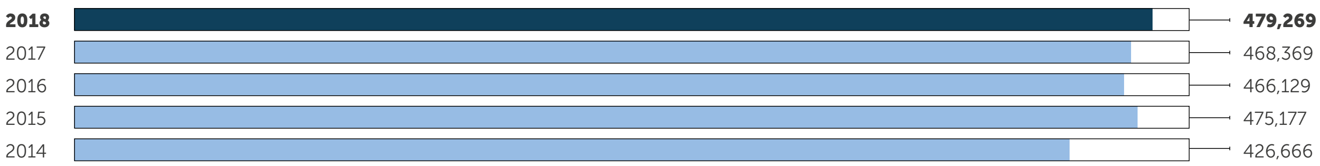
REVENUE



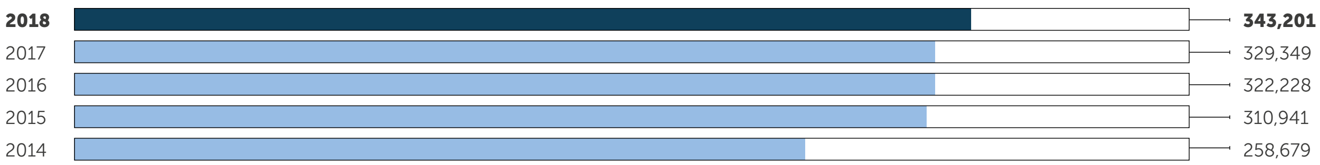
PROFIT BEFORE TAX



TOTAL ASSETS



SHAREHOLDERS' FUND



- MANAGEMENT DISCUSSION AND ANALYSIS -

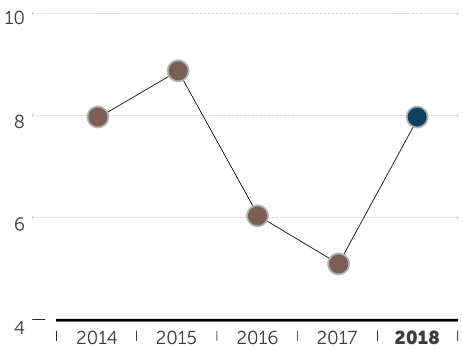
FY2018, COMPANY RECORDED A TOTAL REVENUE OF RM382.2 MILLION.

THE GROUP'S PROFIT BEFORE TAX ("PBT") ROSE BY 68%.

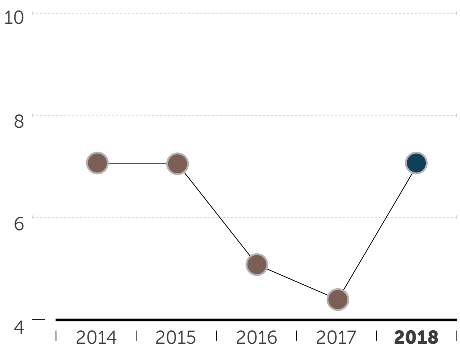
FINANCIAL INDICATORS

	2018	2017	2016	2015	2014
Return on Equity(%)	**8**	5	6	9	8
Return on Total Assets (%)	**7**	4	5	7	7
Gearing Ratio (%)	**Net Cash**	Net Cash	2	8	20
Earnings per Share (sen)	**8**	4	5	32	22
Net Assets Per Share (RM)	**1.14**	1.08	2.14	4.49	3.74
Gross Dividend per Share (sen)	**-**	1	2	5	3
Price Earning Ratio	**7**	14	6	13	10
Gross Dividend Yield (%)	**-**	1.64	3.39	1.18	1.29
Share Price as at the Financial Year End (RM)	**0.57**	0.61	0.59	4.22	2.33

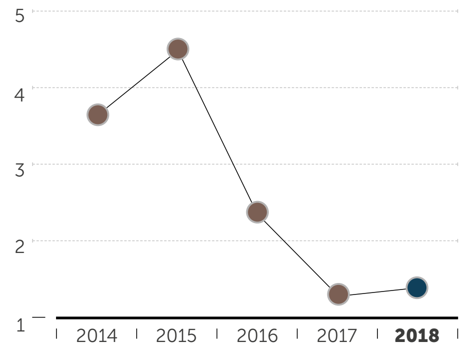
RETURN ON EQUITY (%)



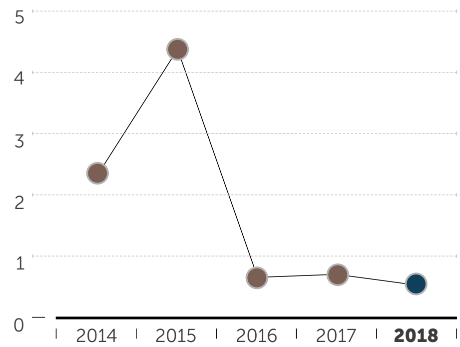
RETURN ON TOTAL ASSETS (%)



NET ASSETS PER SHARE (RM)



SHARE PRICE AS AT THE FINANCIAL YEAR END (RM)



FINANCIAL PERFORMANCE

For the FY2018, Ajiya recorded a revenue of RM382.2 million as compared to RM370.9 million in the previous corresponding year, marking a 3% increase. The Group's profit before tax ("PBT") rose by 68% to RM31.7 million in FY2018 as compared to RM18.7 million in the previous corresponding year. The increase in PBT is mainly because of a RM6.2 million gain on disposal of property in Thailand and a realisation of foreign currency exchange gain of RM4.9 million from the repayment of loan from Thai Ajiya Safety Glass Co. Ltd. to Ajiya Bhd and higher margin of certain products.

Amid the market challenges, the Group has managed to record a stellar financial performance for the financial year in review. Ajiya remains focused on strengthening its revenue base, re-aligning its product offerings as per the industry's demands and making the group's operations efficient and cost-effective in order to maintain its financial momentum moving forward.

- MANAGEMENT DISCUSSION AND ANALYSIS -

The Group's revenue for the financial year in terms of geographical breakdown is as follows:

Revenue	2018 RM'000	2017 RM'000
Local Plant	354,517	343,079
Oversea Plant	27,730	27,804

Financial Position

Ajiya enjoys a sturdy balance sheet alongside its stable financial position. This ensures that the Group is capable to meet its financial obligations as well as to engage in capacity expansion in the future. Supported by reliable cash flows, the Group registered a net cash position in the financial year under review. This net cash position has enable the Group to navigate through the market uncertainties and capture any business opportunities that may arise. As at FY2018, the Group's cash and cash equivalents stood at RM88.0 million, a 17% surge from RM75.4 million recorded in financial year ended 2017 ("FY2017").

Trade and other receivables has decreased to RM107.6 million from RM112.3 million. However, trade and other payables has increased to RM56.7 million from RM53.6 million. In financial year 2018, the Group has undertaken a total capital expenditure of RM5.6 million, of which RM3.2 million was utilised for machineries. The Group's borrowings have declined to RM1.8 million as compared to RM6.5 million in the previous corresponding year. The Group's assets per share has increased to RM1.14 per share for financial year 2018 from RM1.08 in financial year 2017. For the financial year under review, Ajiya's shareholders' value stood at RM343.2 million.

The Group's management will constantly review its strategy based on developments of the external environment as well as growth opportunities that may emerge, to ensure maximum shareholders' returns and deliver sustainable long-term earnings growth.

BUSINESS REVIEW

Ajiya aspires to be Malaysia's leading firm in the manufacturing and supply of metal rollforming and safety glass products, as well as IBS solutions provider. The Group is committed in offering unique and quality products to our existing and prospective customers, developed using our wide-ranging material and production technologies.

Metal Products Division

With 28 years of experience in producing and selling metal products, Ajiya's business is expanded into the manufacturing of various steel products developed by the Product Development and Process Improvement team. The Group today is one of the leading players in fabricated steel products in particular metal roofing system, metal frame products, structural products, architectural products, light-weight channel products and Ajiya Green Integrated Building System ("AGiBS").

This Division is the key driver in revenue of the Group. In FY2018, the Metal Division contributed 68% of the Group's revenue and 27% of its profit before tax. Renowned for its aesthetic design, Ajiya's metal products are widely accepted and are sold in both domestic and export markets. To date, we have a total of 10 manufacturing plants, located across Malaysia and Thailand. Below is the list of the plants and the respective installed capacity:

Plant	2018 (MT)
Shah Alam, Selangor	42,000
Mentakab, Pahang	8,000
Kuantan, Pahang	13,000
Segamat, Johor	96,000
Jalan Seelong, Johor	30,000
Sungai Petani, Kedah	70,000
Kota Bharu, Kelantan	23,000
Thai Ajiya Co., Ltd, Thailand	21,000

In FY2018, the capacity utilisation rate of the plants averaged at 30%. There was no substantial capital expenditure in financial year 2018, as all plants were sufficient to cater to the Division production needs. Malaysia remains the main market for Ajiya, contributing nearly 96% of total revenue in Metal Division. Meanwhile, the remaining 4% of revenue is derived from the Division's operations in Thailand.

The Metal Products Division is also in synergy with our AGiBS Division, which has since grown rapidly into producing steel and Industrialised Building System ("IBS") products that come in a complete set for housing solution.

- MANAGEMENT DISCUSSION AND ANALYSIS -

The unpredictable operating environment continues to pose challenges to the Division. In FY2018, the dampened market sentiment and the weak business conditions in the construction sector were among the major concerns. Ajiya's main raw material, coated cold rolled steel, is mainly sourced from local mid-stream players. However, the weakening of the ringgit in the year under review has increased our production costs. The Group has taken relevant measures to mitigate the impact of foreign exchange fluctuations and this has helped to support Ajiya's operations.

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. The Company's AGiBS solutions will be the centerpiece strategy in achieving its vision over the long run, with our metal products division likely to enjoy synergistic benefits from a greater adoption of AGiBS in the construction sector. Ajiya's Metal Products Division received a boost in 2018, following the Perakuan Pematuhan Standard ("PPS") certification from the Construction Industry Development Board ("CIDB") for Self-Supporting Steel Roofing. With the CIDB aiming to step up its enforcement on the usage of sub-standard building materials in the domestic construction sector, Ajiya's Metal Products Division will be a key beneficiary on the back of greater demand for its high-quality offerings.

Apart from better offerings, the Metal Products Division is currently undertaking Digital Transformation programme to enhance its competencies revolving around the capacities to be more agile, people-oriented, innovative, customer-centric, streamlined, efficient and able to induce/leverage opportunities to change the status quo and tap into new information- and service-driven revenues, while working towards Industry 4.0. The Metal Products Division is collaborating with software vendors, system integrators and academic institutions to carry out such Digital Transformation programme.

Safety Glass Division

Ajiya ventured into the safety glass business in 1996 by producing tempered and laminated glass. Since then, the Group has broadened its product range to include insulating safety glass, decorative safety glass, security safety and storm protection safety glass, heat strengthened glass, curved tempered safety glass and Attoch. Our products are widely used for industrial, commercial, recreational, office, residential building, as well as furniture and white goods. Our energy saving safety glass such as low emissivity (Low-E) insulating safety glass is popular and is increasingly being specified and selected by developers, architects, engineers, planners, designers, contractors, green consultants and end users. Currently, Ajiya is one of the largest safety glass processor in South East Asia.

For FY2018, the Safety Glass Division contributed around 32% and 54% to the Group's revenue and profit before tax respectively. The operating results in the Safety Glass Division have been affected by the increasingly stiff competition in the market and greater imports from abroad, particularly China. Acknowledging the challenges, Ajiya has put in place a slew of strategic internal measures to weather any potential impact from external vulnerabilities and to stay competitive.

- MANAGEMENT DISCUSSION AND ANALYSIS -

To date, we have a total of 5 manufacturing plants for Safety Glass Division, located across Malaysia and Thailand. Below is the list of the plants and their respective installed capacities:

Plant	2018 (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

During the financial year under review, our plants' capacity utilisation rate stood at an average of 29%, with the customers of our safety glass products are developers, trading companies and contractors. Malaysia is the segment's primary market, with 14% of revenue derived from Thailand operations.

Ajiya's Safety Glass Division stands to benefit significantly over the long run, following the Group's partnership with ASTEEL Resources Sdn Bhd ("ARSB"), a wholly-owned subsidiary of YKGI Holdings Berhad.

On 12 May 2018, both parties had jointly established ASTEEL Ajiya Sdn Bhd ("AASB"), a company involve in the manufacturing and sale of safety glass, supply and installation of Ajiya Green Integrated Building System ("AGiBS") and trading of metal door frame, window frame, metal ceiling and sunshade products in East Malaysia. Following the incorporation, AASB became an associate company of Ajiya, holding 40% of the total number of issued shares. This joint venture enable Ajiya to extend its market reach by leveraging on ARSB's extensive business network in East Malaysia. The business arrangement will also provides a platform for both companies to collaborate further in future endeavours.

Moving forward, Ajiya's Safety Glass Division will be actively on the look-out for various promising opportunities and will explore potential new business ventures to diversify its revenue stream. In order to improve our efficiency and productivity, the Group will undertake internal cost saving measures, monitor upstream operations closely, increase the efficiency of the manufacturing segment as well as engage in asset optimisation, among others. Over the long run, these initiatives are expected to maximise the Group's business potentials.

AGiBS Division

Ajiya's technical competencies and the urge to pursue innovation led the Group into the genesis of Ajiya Green Integrated Building System ("AGiBS"). AGiBS is Ajiya's unique, in-house built Industrialised Building System ("IBS") solutions that provide the construction industry with sustainable and fully-integrated building solutions to overcome manpower constraint, shorten construction time, and reduce operating costs. With the adoption of AGiBS, the construction and delivery time are greatly reduced as compared to the average conventional housing projects, which usually takes up to 24 months of construction period. For comparison, AGiBS will only take 8 months for completion.

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.

In FY2018, the Group has inked a Memorandum of Understanding with PI Brilliant Berhad, a subsidiary of the Selangor State Development Corporation (PKNS). The proposed collaboration with PI Brilliant aims to explore future opportunities between both parties in building landed and high rise property projects under PKNS and the Selangor government. In addition, Ajiya is also currently in talks with other agencies and private developers to increase the adoption of AGiBS in the domestic property construction sector.

The Group continuously holds training workshops focused on the adoption of AGiBS in construction projects. Personnel who attend the workshop will be briefed on the assembly, fabrication, and installation of AGiBS, which comes as part of CIDB's Steel Structure Erection & Fabrication Level 1 (STF1) Workshop. Being the first of its kind in Malaysia, our training centre is certified by the Construction Industry Development Board ("CIDB") as a 'Pusat Latihan Bertauliah Kontraktor', which indicates that Ajiya has the necessary qualifications to train the contractors.

AGiBS will be the key growth engine for the Group in the future. Currently, Ajiya's AGiBS solutions have a capacity of approximately 10,000 houses annually. The Group is actively exploring possible ways to increase the capacity

- MANAGEMENT DISCUSSION AND ANALYSIS -

substantially in the near to medium term, without incurring a large capital expenditure. We believe that the increasingly high demand for affordable homes in Malaysia, coupled with the government's push for property players to adopt IBS, will stimulate greater demand and business for AGiBS. This will result in bigger revenue contribution for the Group.

PROSPECTS

Metal Products Division

Globally, the demand for steel is expected to moderate in 2019, as the outlook is clouded by the slowdown in global growth and the United States-China trade spat. Despite the expected moderation, the World Steel Association is positive on global steel demand in 2019, anticipating it to grow by 1.4%. One of the major reasons for the low steel demand growth forecast in 2019 is the flattish demand in China, the world's biggest consumer. The deceleration in China's steel demand growth is expected due to the absence of stimulus measures in the country. The depressed global demand for steel is also expected to weaken steel prices in 2019.

Amid the possible slower growth for steel and metal products globally, the anticipated improvement in the Malaysian construction sector is projected to increase the demand for metal products, which will likely benefit Ajiya given its long-built experience and brand presence in the segment. In its Economic Outlook 2019, the Ministry of Finance foresees the domestic construction sector to grow by 4.7% in 2019, up from the projected 4.5% a year earlier. This is primarily due to an increase in new planned supply in the affordable homes and industrial segments. However, the subdued activities in non-residential subsector and the review of several infrastructure projects could likely weigh down the sector's performance.

Ajiya is expected to ride on the improvement and the continued growth of the local construction sector. This is expected to raise the demand for our metal products, going forward. In future, we expect the positive contributions for this division to come from our AGiBS Division. Due to rising demand in affordable housing and the increase of construction using IBS, Ajiya will continue to pursue its strategy of sustainable growth in its business operations. 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.

Safety Glass Division

The demand for safety glass is expected to continue, moving into 2019. With the existence of the Malaysian standards for safety glass by the Construction Industry Development Board, cheap, low-quality imports have been deterred and it has also upped the demand for safety glass from local manufacturers. Ajiya, which has decades-long experience in processing and supplying safety glass products, stands to benefit from the continued demand. Ajiya could absorb any increase in production or demand easily, considering its safety glass processing plants' current capacity of 29%. Minimal capital expenditure is required in order to maintain or upgrade existing machineries. We will continue to expand sales of processed and value-added products, building on the Group's leading edge in technology.

AGiBS Division

The Group is strongly poised to take advantage on our long-term strategy to be a total solutions provider through our AGiBS. Our traditional business of providing building materials such as our metal and glass products will merge well with our latest business venture into the IBS segment. Ajiya holds a unique position in the IBS business, as we are a total housing solutions provider as compared to many other players in the market who are just IBS component providers.

- MANAGEMENT DISCUSSION AND ANALYSIS -

The foremost unique selling point of AGiBS is its quick turnaround time of about 8 months. In comparison, traditional method of building residential units will take about 24 months on average. AGiBS enables property developers to complete their projects at a faster rate and at a much lower cost.

Given Malaysia's current housing glut due to high property prices, the Group's AGiBS solutions will be able to provide affordable housing for the low and middle income earners in the country. Ajiya is currently actively looking for opportunities to increase the adoption of AGiBS in the domestic property sector. With the government aiming to push home ownership in Malaysia and to build one million affordable residential units within the next 10 years, AGiBS will be a key beneficiary over the long term.

As long as the government continues to promote the development of affordable homes, the industry will grow. The same goes to Ajiya as we are complementing and supplementing the overall construction industry. The Group has been involved in supplying its AGiBS solutions for houses under the 1Malaysia People's Housing Project ("PR1MA") and it will continue to increase the adoption of AGiBS in many other upcoming affordable home developments. In FY2018, Ajiya has also signed a memorandum of understanding with PI Brilliant Berhad, a subsidiary of the Selangor State Development Corporation (PKNS), in order to explore future opportunities in building landed and high rise property projects under PKNS and the Selangor government.

Ajiya plans to expand its AGiBS segment substantially in the near to medium term, both via organic and inorganic means. We are looking into merger and acquisition opportunities, specifically, the small players that are unable to survive in this industry. We aspire to be part of a bigger conglomerate to provide better total solutions or be part of a bigger solution.

ANTICIPATED OR KNOWN RISKS

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 Industry 4.0, the continuation of the Group's austerity drive and the approach to optimise the use of our resources during this tough time.

Production Costs

The depressed ringgit conditions, even since before the 14th general election in 2018, have been a key factor in raising the cost of raw materials. The ringgit's depreciation against US dollar in the past year 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 as 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 staffs.

- MANAGEMENT DISCUSSION AND ANALYSIS -

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 exports 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 28 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 Ajiya Green Integrated Building System ("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.

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 in both hardware and software.

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 in tact 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 continuosly reviewing the policies and procedures to mitigate these IT risks.

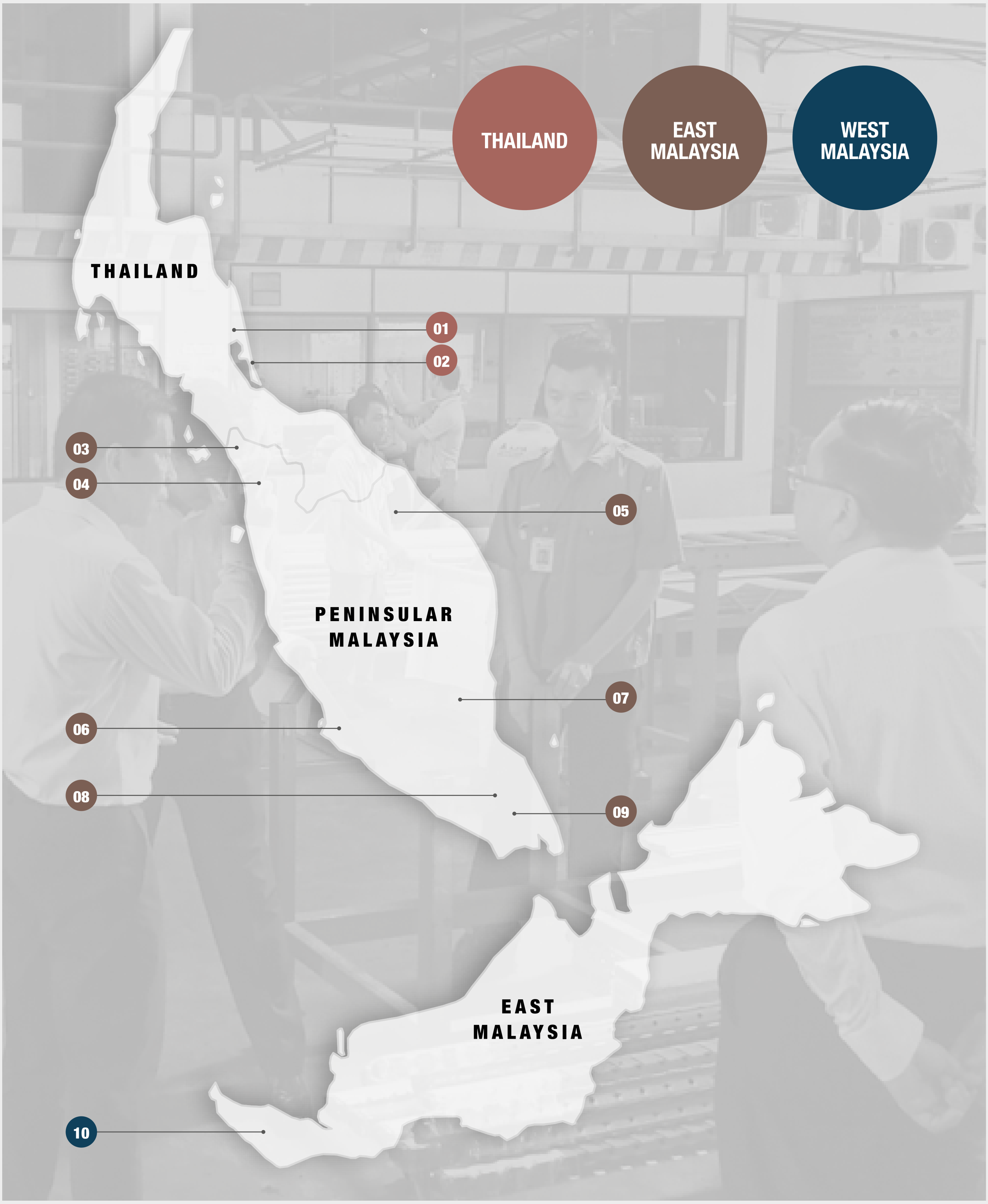
DIVIDEND POLICY

Given the increasing market challenges and economic slowdown, the Group is determined to practice prudent financial management in order to maintain a strong buffer against any potential shocks.

As part of our strategy to creating long-term shareholder value and sustainable growth, the Board, after due consideration, has not recommended dividend payment for the financial year ended 30 November 2018 as the Board intends to consolidate the Group's future growth through the reinvestment of its earnings into the operations to achieve its Vision 2040. The Board also wish to reiterate that it is the Board's intention to resume the payment of dividends at the earliest possible opportunity.

The Board of Directors wishes to thank the shareholders of Ajiya for their unwavering support and confidence in the Group.

- OPERATION NETWORK -



- OPERATION NETWORK -

01 Thai Ajiya Co. Ltd
Pathumthani, Thailand

02 Thai Ajiya Safety Glass Co. Ltd
Chonburi, Thailand

03 ARI Utara Sdn Bhd
Sungai Petani, Kedah

04 Ajiya Safety Glass Sdn Bhd
Bukit Minyak, Pulau Pinang

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

06 Ajiya Safety Glass Sdn Bhd
Puchong, Selangor

06 Ajiya Safety Glass Sdn Bhd
Shah Alam, Selangor

06 Asia Roofing Industries Sdn Bhd
Shah Alam, Selangor

07 Ajiya Roofing Industries Sdn Bhd
Mentakab, Pahang

07 Asia Roofing Industries Sdn Bhd
Kuantan, Pahang

08 Asia Roofing Industries Sdn Bhd
Segamat, Johor

08 Ajiya Safety Glass Sdn Bhd
Segamat, Johor.

09 Ajiya Safety Glass Sdn Bhd
Senai, Johor

09 Asia Roofing Industries Sdn Bhd
Jalan Seelong, Johor

10 ASTEEL Ajiya Sdn Bhd
Kuching, Sawarak

- CORPORATE GOVERNANCE OVERVIEW STATEMENT -

THE BOARD OF DIRECTORS (THE "BOARD") OF AJIYA BERHAD (THE "COMPANY" OR "AJIYA") AND ITS SUBSIDIARIES (THE "GROUP") RECOGNISES THAT MAINTAINING A GOOD CORPORATE GOVERNANCE IS A KEY ELEMENT TO ENHANCE SHAREHOLDERS' VALUE AND FOR LONG TERM BUSINESS SUSTAINABILITY. THE BOARD OF DIRECTORS REMAINS COMMITTED TO ENSURING AN APPROPRIATE AND SOUND SYSTEM OF CORPORATE GOVERNANCE IS PRACTICED THROUGHOUT THE GROUP.

THIS STATEMENT PROVIDES AN OVERVIEW OF THE CORPORATE GOVERNANCE PRACTICES APPLIED BY THE COMPANY DURING THE FINANCIAL YEAR, WITH REFERENCE TO THE PRINCIPLES AND PRACTICES SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE ("THE CODE") 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.MY.

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. Board Roles and Responsibilities

The Board is primarily responsible for the Group's overall strategic direction and long term success of the Group. The Board provides leadership and exercise oversight on the proper conduct of business, corporate governance, risk management and internal control system.

The Board has delegated specific responsibilities to the Board Committees to assist the Board in the execution of its responsibilities. 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.

2. 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 there is a balance of power and authority. In this regard, the Board Chairman of the Company is held by an Independent Non-Executive Chairman.

The Non-Executive Chairman is responsible for leading the Board, ensure effective conduct and functioning of the Board. 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 the day-to-day management of the Group. The Managing Director is also responsible to ensure due execution of strategies plans, effective operation within the Group and achievement of the Group's corporate vision.

3. Company Secretaries

The Board is supported by qualified and competent Company Secretaries. The Board has direct access to the advice of the Company Secretaries. The Company Secretaries play an advisory role to the Board on matters relating to corporate governance best practices, corporate disclosure obligations, Board policies and procedures and compliance with statutory and regulatory requirements.

- CORPORATE GOVERNANCE OVERVIEW STATEMENT -

4. Access to Information and Independent Advice

All Directors have full and unrestricted access to information pertaining to the Group's business and affair for them to discharge their duties. The Board is provided with agenda and board papers prior to each Board meeting. The Board interact with the Management Team for further clarification as and when they deem necessary. 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.

5. Board Charter

The Board is guided by the Board Charter which outlines the duties and responsibilities of the Board, Chairman, Managing Director, Independent Directors and matters reserved for the Board. The Board Charter is approved and adopted by the Board on 24 July 2013 and the last review was carried out on 24 October 2018.

The Board Charter is reviewed periodically to ensure it reflects the Board's roles and responsibilities and compliance with the prevailing regulations. The Board Charter is available for reference on the Company's website at www.ajiya.com.

6. Code of Ethics and Conduct

The Board is mindful of its role to create a corporate culture which nurture ethical conduct throughout the Group. This ethical values and behaviour are formalised in its Code of Ethics and Conduct, approved and adopted by the Board on 24 July 2013 and the last review was carried out on 24 October 2018. The Directors and employees are required to observe and uphold the high standard of ethics and integrity in carrying out their roles and responsibilities.

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

7. Whistle Blowing Policy

The Board has adopted a Whistle Blowing Policy on 24 July 2013 to provide and facilitate the handling of wrongdoings and protection to whistle blowers. The Policy outlines how and to whom a genuine concern may be raised, in good faith about suspected or known misconduct, wrongdoings, corruption, fraud and abuse of resources.

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

II. BOARD COMPOSITION

1. Board Composition

The Board comprises members from various competencies bringing in-depth and balance of skills and diversity of experience appropriate to the business of the Group. Such competencies include finance, accounting, legal and other relevant industry knowledge and management experience. This balance enables the Board to provide an effective leadership to the Group and bring informed and independent judgement to the Group's decisions.

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

This composition complied with the provisions as set out in the Bursa Securities Listing Requirement to have at least two (2) directors or one-third of the Board (whichever is higher) are independent directors. The Board considers that its present composition is optimal and had all the necessary skills, experience and qualities to lead the Group. The profile of each Director is set out in the Directors' Profile of this Annual Report.

- CORPORATE GOVERNANCE OVERVIEW STATEMENT -

2. Board Committees

To assist the Board in discharging its responsibilities more effectively, the Board delegated specific areas of responsibilities to the following Committees:-

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Management Committee

Each Committee is governed by the defined Terms of Reference. The Terms of Reference are reviewed periodically by the respective Committee and approved by the Board to ensure relevancy and compliance to corporate governance practices and relevant rules and regulations.

The minutes of Board Committees meeting are included in the Board meeting papers.

3. Board Diversity

The Board recognises and embraces the benefits of having a diverse Board and believe that a diverse Board will leverage differences in opinion, perspective, knowledge, skill and experience. 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.

During the year, the Board welcomed Ms. Lee Xia Lian as an Independent Director to the Board. Thus, there are 2 female members on the Board, representing 29% of the total Board members.

The current Board composition and diversity is as follows:-

	Gender		Age					Ethnic		Industry Knowledge/ Experience			
Director	Male	Female	35-39 years	40-49 years	50-59 years	60-69 years	70-79 years	Bumiputera	Chinese	Legal	Accounting	Construction	Science
Dato' Dr. Mohd Aminuddin bin Mohd Rouse	√						√	√					√
Dato' Chan Wah Kiang	√					√			√			√	√
Tan Seng Kee	√					√			√	√			
Dato' Theng Book	√				√				√	√			√
Yeo Ann Seck	√					√			√			√	
Low Peak Yih		√		√					√		√		
Lee Xia Lien		√	√						√		√		

The Board also values the merits of gender diversity at management and executive level for better decision making and competitive advantages. Currently 33% of the managerial and executive positions of the Group are held by female employees.

- CORPORATE GOVERNANCE OVERVIEW STATEMENT -

4. Appointment To The Board

The Board has set out its Nomination Policy governing the nomination process for the appointment of new Board members, either as an addition to the existing Directors or to fill a casual vacancy upon recommendations by the Nomination Committee. Any new Director appointed by the Board 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 maintain an appropriate range and balance of skills, expertise, experience and independence including the diversity of gender, ethnicity and age of each candidate 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 Main Market Listing Requirements ("Listing Requirement") in identifying such candidate, other than relying on the recommendation from existing Board member, management and major shareholders, the Nomination Committee will also explore independent sources to identify suitably qualified candidates.

The appointment of Ms. Lee Xia Lien as an Independent Director during the year was carried out according to the Nomination Policy. Her appointment was recommended by an independent source.

5. Re-election of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting following their appointment. The Articles of Association also provided that at least one third of the Directors shall retire and be subject to re-election at every Annual General Meeting and 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' Dr. Mohd Aminuddin Bin Mohd Rouse, Ms. Low Peak Yih and Ms. Lee Xia Lien shall retire and be eligible for re-election to the Board subject to the shareholders' approval at the 23rd Annual General Meeting.

The list of Directors who are subject to re-election and re-appointment are presented to the Nomination Committee. The recommendations of the Nomination Committee will be presented to the Board for endorsement and shareholders' approval.

6. Independent Directors

The Independent Directors provide independent judgment and objective deliberation on issues affecting the Group. The presence of a majority of Independent Directors in the Company safeguarded the interest of the shareholders.

The Board take cognizance of Practice 4.2 of the Code which sets out that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the director's re-designation as Non-Independent Director or to retain as Independent Director subject to annual shareholders' approval. The retention of an Independent Director more than twelve (12) years calls for annual shareholders' approval through a two tier voting process.

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

Independent Directors	Tenure
Tan Seng Kee	Above 12 years
Dato' Theng Book	Above 12 years
Low Peak Yih	10 years
Dato' Dr. Mohd Aminuddin bin Mohd Rouse	7 years
Lee Xia Lien	1 year

- CORPORATE GOVERNANCE OVERVIEW STATEMENT -

The appointment of Ms. Lee Xia Lien as an Independent Director during the year further affirmed the Board's commitment towards independence which provides greater checks and balances during deliberation and decision making of the Board.

The Board does not have term limits for its Independent Directors and is of the view that the independence of an Independent Directors should not be determined solely by their tenure of service. The Board believes that the Independent Directors' continued contribution, especially their knowledge and experience of the Group's operations and their insights of the industry gained through the years, will benefits the Group. The Board holds the view that the length of their service does not in any way interfere with their ability to act in the best interests of the Company.

The Nomination Committee has assessed the independence and 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, based on the justification that, their independence has never been compromised by their long relationship with the Board and they are able to continue exercising independent and objective judgment to the Board's deliberations and decision making; they approaches transaction that requires Board's approval with an inquiring mind and; they participated actively in the Board and Board Committees meetings and have continuously seeking clarification on issues raised at the meetings.

Further, an annual confirmation of independence is obtained from the respective Independent Directors confirming they have fulfilled the criteria of independence pursuant to the Listing Requirements.

Mr. Tan Seng Kee and Dato' Theng Book shall be subjected to 2 tiers voting as they have served the Company for more than 12 years.

7. Board Meeting and Time Commitment

The Board meeting is convened to discuss matters relating to the overall performance of the Group including the Group's quarterly financial results, business performance review, investment decisions, operational and financial issues. The Board ordinarily schedules five (5) board meetings in a year. Additional meetings are convened as and when necessary.

During the financial year ended 30 November 2018, a total of 5 board meetings were held, the attendance of each of the Directors is as follows:-

Directors	No. of Meetings Attended	Percentage (%)
Dato' Dr. Mohd Aminuddin bin Mohd Rouse	4/5	80
Dato' Chan Wah Kiang	5/5	100
Mr. Tan Seng Kee	5/5	100
Dato' Theng Book	4/5	80
Mr. Yeo Ann Seck	5/5	100
Ms. Low Peak Yih	5/5	100
Ms. Lee Xin Lien *(appointed on 30-04-2018)*	2/2	100

To ensure that the Directors devote sufficient time to focus on and to discharge their responsibilities effectively, each member of the Board 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.

To facilitate the Directors in planning their attendance at the Board, Board Committees and Annual General Meeting, an annual meeting calendar with the scheduled meeting dates for the ensuing financial year is prepared and circulated in advance. 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. The Chairman of the meeting ensure that all Board members are given opportunity to express their view during the meeting. The decisions and issues discussed in arriving at the decisions are minuted.

For the financial year 2018, the Board members remain committed and are able to give sufficient time commitment in carrying out their responsibilities, as they have attended most of the Board meetings held during the financial year.

8. Directors' Training

The Directors acknowledge the importance of continuous training to keep abreast with regulatory updates and development in the business environment. The Board evaluates the training needs of each Director through assessment during the year. The Company Secretaries have periodically arranged for Directors' participation at appropriate training programmes.

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

All the Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Securities including the newly appointed Independent Director, Ms. Lee Xia Lien. Induction sessions were provided to Ms. Lee Xia Lien which include the provision of Induction Manual and plants visit together with other existing Directors. In addition, the Directors also visited subsidiaries' plant in Thailand during the financial year, to obtain a better perspective of the business strategies and operational matters.

The training programmes attended by the Directors during the year were related to finance, taxation, industry knowledge, sustainability and legislation as tabulated below.

Attended By	Seminar/Programme/Briefing
Dato' Dr. Mohd Aminuddin bin Mohd Rouse	• Financial Insights and Reporting for Public Listed Company • Latest Amendments to Listing Requirements and MCCG • Companies of the Future – The Role for Boards • Non-Financials – Does it Matter

Dato' Chan Wah Kiang	• Financial Insights and Reporting for Public Listed Company
	• Sustainable Synergies in Selangor
	• As Speaker for seminar:
	  • Lightweight Steel Framing System: A Sustainable Solution for Now and Future
	  • Energizing Green Buildings
	  • Modern Methods of Construction (7th Annual Modular & Precast Construction)
	  • IGEM-IUSGBC 2018: Towards Net Zero Energy Buildings
	  • The Green Building Seminar 2018 "Towards Sustainable Façade"

Mr. Tan Seng Kee	• Financial Insights and Reporting for Public Listed Company • Independent Directors Programme: The Essence of Independence
Dato' Theng Book	• Financial Insights and Reporting for Public Listed Company • Basic Occupational First Aid, CPR & AED Training • Independent Directors Programme: The Essence of Independence
Mr. Yeo Ann Seck	• Financial Insights and Reporting for Public Listed Company
Ms. Low Peak Yih	• Financial Insights and Reporting for Public Listed Company • How to Handle SST
Ms. Lee Xia Lien *(appointed on 30-04-2018)*	• Mandatory Accreditation Programme

9. Nomination Committee

The Nomination Committee was established by the Board on 19 April 2001 comprising entirely of Independent Non-Executive Directors. The member of the Committee are as follows:-

Mr. Tan Seng Kee	- Chairman (Senior Independent Non-Executive Director)
Dato' Dr. Mohd Aminuddin bin Mohd Rouse	- Member (Independent Non-Executive Chairman)
Dato' Theng Book	- Member (Independent Non-Executive Director)

The Nomination Committee met twice (2) during the financial year ended 30 November 2018 and all members have attended the meeting.

The role and responsibilities of the Committee are guided by its Terms of Reference which will be reviewed where applicable and the last review was carried out on 1 March 2018, to comply with regulatory requirements. The main role of the Committee includes recommending suitable candidates for appointment to the Board and Board Committees; ensure the Board comprises the requisite mix of skills, experience, expertise and gender diversity; assists the Board on annual assessment of the effectiveness of Board, the Board Committees and each individual director.

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

- Reviewed the size and composition of Board, taking into account the complexity of the Group's operation.
- Reviewed and assessed the performance of the Board, Board Committees and each individual Directors.
- Assessed the independence of the Independent Directors and review the retention of Independent Directors who have served the Board for more than nine (9) and twelve (12) years. The Board was satisfied with the level of independence demonstrated by all the Independent Directors and their ability to provide objective judgment to Board's deliberations and decision making.
- Recommended to the Board for re-election of Directors who are due for retirement by rotation and eligible for re-election at the forthcoming Annual General Meeting.
- Assessed and recommended the nomination of new director to the Board. The appointment of Ms. Lee Xia Lien was made according to the Company's Nomination Policy.
- Reviewed the Terms of Reference of Nomination Committee to ensure compliance with the relevant regulations.

10. Board Assessment

The Board has adopted a formal and objective annual evaluation of the Board, Board Committees and individual Directors. The annual assessment was conducted according to the procedures as set out in its Evaluation Policy. The criteria used in these assessments are guided by the Bursa Malaysia's Corporate Governance Guide and customised to meet current and future expectation of the Company.

The Committee reviewed the Board's size and composition to ensure the effective functioning of the Board. The key main areas includes a review of the Board's mix and composition, the administration of boardroom activities, the board process, provision of information to the Board and relationship with the Management while the evaluation on Board Committees includes a review on the effectiveness of committees practices. Meanwhile, the evaluation of individual Director pertaining to fit and proper, contribution and participation, caliber and personality is based on self-evaluation and peer review.

The results of the assessment together with the Board Diversity Matrix were summarised at the Nomination Committee's meeting. The Nomination Committee was satisfied with the annual assessment of each Director and the Board Committees and also concurred the Board has the right size and the Board composition is well balanced.

- CORPORATE GOVERNANCE OVERVIEW STATEMENT -

III. REMUNERATION

1. Remuneration Policy

The Board has established the Remuneration Policy setting out the remuneration principles and guidelines for Directors and Key Senior Management. The structure of the Group's remuneration policy is aligned with the business strategies and long term objectives of the Group, is appropriate 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 concerned Directors are abstained from deliberation and voting on decision concerning his or her remuneration package.

The Board is assisted by the Remuneration Committee in implementing this Policy.

2. Remuneration Committee

The Remuneration Committee was established by the Board on 1 August 2001 comprising entirely of Independent Non-Executive Directors. The Committee comprises the following members:-

Dato' Theng Book	- Chairman (Independent Non-Executive Director)
Dato' Dr. Mohd Aminuddin bin Mohd Rouse	- Member (Independent Non-Executive Chairman)
Mr. Tan Seng Kee	- Member (Senior Independent Non-Executive Director)

The role and responsibilities of the Committee are guided by its Terms of Reference which will be reviewed where applicable and the last review was carried out on 1 March 2018, to comply with regulatory requirements. The Committee is primarily responsible to review and makes recommendations to the Board on remuneration packages and benefits extended to the Directors.

The Remuneration Committee had held two (2) meetings during the financial year and all members have attended the meeting.

3. Remuneration of Directors and Key Senior Management

The remuneration of Executive Director consists of fixed and performance linked elements. The remuneration of Executive Director is reviewed annually by the Remuneration Committee and approved by the Board, taking into consideration the market competitiveness, corporate and individual performance.

The remuneration of Non-Executive Directors reflects their experience and commitment in discharging their responsibilities. Non-Executive Directors are paid the Director fee and meeting allowance for each Board meeting attended, as reviewed by the Remuneration Committee and endorsed by the Board. All fees, allowances and benefits payable to Directors are subject to shareholders' approval at the Annual General Meeting.

- CORPORATE GOVERNANCE OVERVIEW STATEMENT -

The remuneration of Directors of the Company for the financial year ended 30 November 2018 categorised into appropriate components are as follows:-

	Group	Company
Executive Director		
Salary	816,240	-
Bonus and Incentive	397,188	-
Other Benefits *	101,946	4,000
Fees	55,000	20,000
Non-Executive Directors		
Salary	180,000	-
Other Benefits *	41,600	20,000
Fees	110,000	110,000
Total	1,701,974	154,000

* *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
200,000 to 250,000	-	1
1,350,001 to 1,400,000	1	-

Inclusive of amount drawn in subsidiary companies

The remuneration packages of Key Senior Management includes salary, bonus, incentive, allowances and benefits in kind. The Key Senior Management reports directly to the Managing Director. The Board collectively authorised the Managing Director to review the remuneration packages of Key Senior Management. The remuneration of Key Senior Management is determined according to level of skill, experience and scope of responsibilities, individual and Group performance as well as market competitiveness.

The Board noted the Code practice which stipulated the disclosure requirement of its Directors and top five Key Senior Management's detail remuneration on named basis. The Board is of the opinion that despite confidentiality and security concern, the detail disclosure of remuneration on a named basis may be detrimental to its business interest, given the competitive employment market where candidates with the requisite knowledge, skills and working experience is scarce, the effort to retain existing pool of competent talents is a common industry challenge. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.

The Board ensures that the remuneration packages of Directors and Key Senior Management commensurate with the responsibilities, skill, experience, individual and corporate performance.

- CORPORATE GOVERNANCE OVERVIEW STATEMENT -

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

1. Independence of 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. All members of the Committee possess professional experience in either finance or legal aspect. They are financially literate and are able to understand the financial statements. The members had attended relevant professional trainings during the year to discharge their roles effectively.

The roles and duties of the Audit Committee are set out under its Terms of Reference. The Audit Committee oversees the financial reporting process and ensure the results of the Group are fairly presented. The Audit Committee provides an objective review of the effectiveness and efficiency of the internal controls, risk management and governance control of the Group.

The Audit Committee also seeks explanation and additional information from Senior Management, head of Internal Auditor and External Auditors on matters affecting the Group.

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 observe 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. Summary of activities carried out by the Audit Committee during the year are set out in the Audit Committee Statement 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 independent External Auditors play an important role in enhancing the reliability of the Group's financial statements.

The Committee meet with the External Auditors without the presence of management and executive board members and management at least twice a year. The External Auditors are invited to attend all the Audit Committee meetings, Board meetings and general meetings. 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 a review on the independence and performance of the External Auditors. The assessment focus on sufficiency of resources, quality process, independence and objectivity, audit scope and planning, audit communication and cost effectiveness. The External Auditors had confirmed that they are and have been independent throughout the conduct of the audit engagement for the financial year under review in accordance with the relevant professional and regulatory requirement.

Pursuant to the External Auditors' policy, the engagement and concurring partner responsible for the Group's audit are rotated at least every five (5) financial years. The audit partner rotation for the Group took effect from 1 December 2017 and the new audit partner was formally introduced to the Board in January 2018.

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.

- CORPORATE GOVERNANCE OVERVIEW STATEMENT -

The Board understands that the independence of External Auditors can be impaired by the provision of non-audit services to the Company. The details of the audit fees and non-audit fees paid to the External Auditors for the financial year ended 2018 are set out in the Additional Disclosure Statements of this Annual Report.

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

1. Effective Risk Management and Internal Control Framework

The Board through Internal Audit department, maintains a sound risk management framework and internal control system to safeguard the Group's assets and shareholders' interest.

The Internal Audit Department conducts an independent audit on all departments within the Group to identify, evaluate, monitor and manage significant risks affecting the business of the Group and ensure that adequate and effective controls are in place. The audit reports and the corresponding key findings, audit recommendation and agreed action plans by Management were deliberated upon by the Audit Committee.

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.

2. Risk Management Committee

The Board has established a Risk Management Committee on 24 October 2017 with the primary responsibility to identify, recommend and review the framework and process for managing risk within the Group. The role and responsibilities of the Committee are guided by its Terms of Reference. The Risk Management Committee comprises entirely of Independent Non-Executive Directors. The members of the Committee are as follows:-

Dato' Dr. Mohd Aminuddin bin Mohd Rouse	- Chairman (Independent Non-Executive Director)
Mr. Tan Seng Kee	- Member (Senior Independent Non-Executive Director)
Dato' Theng Book	- Member (Independent Non-Executive Director)

A Management level committee, namely, Risk Management Steering Committee ("RMSC") assists the Risk Management Committee to ensure a risk management framework is embedded throughout the Group. The RMSC works together with the operational department heads to identify, evaluate and manage the significant risks affecting the affairs of the business.

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

1. Communication with Stakeholders

The Board recognises the need for ensuring a timely and equal dissemination of material information to regulators, shareholders, investors and the public at large.

The Group's corporate website at www.ajiya.com is the main channel for stakeholders to access to corporate information pertaining to the Group. The website has a dedicated Investor Relation section which provide investor-related information and also a section on Corporate Governance where Board Charter, Code of Ethics and Conduct and Whistleblowing Policy are available. Announcements of information including Annual Report and financial results are made at the Group's corporate website after release to the Bursa Securities.

- CORPORATE GOVERNANCE OVERVIEW STATEMENT -

Apart from engagement with stakeholders through the corporate website, the Managing Director also participate in dialogues and communicates with investing public and financial analysts. Such dialogues provides the investing public an insight into the Group's business strategies and prospects. Press releases are also disseminated on significant corporate development to provide the public an opportunity to receive an updated development of the Group.

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

The Group had formalised a Corporate Disclosure Policy in handling disclosure of material information to shareholders and investors. The policy ensures 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 the designated email address at enquiry@ajiya.com or through the Contact Us section of the corporate website.

2. Greater Communication and Engagement with Shareholders

2.1 General Meetings

The general meetings remain the principal event for dialogue with shareholders where the Directors are present in person to engage directly with the shareholders.

The notice of the Annual General Meeting together with the Annual Report are dispatched to shareholders at least 28 days before the date of the meeting. Each special business in the notice of meeting will be accompanied by an explanatory note regarding the effects of the proposed resolution.

At the Annual General Meeting held during the financial year, presentation was given by the Managing Director to keep the shareholders informed of the business and corporate developments concerning the Group. Shareholders have direct access to the Board and they were invited to raise questions during the open question and answer session. The Directors, Management and External Auditors are in attendance to respond to shareholders' queries.

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. Shareholders were briefed on the voting procedures by the poll administrator prior to the poll voting. An independent scrutineer was appointed to validate the votes cast. The voting results are announced to Bursa Securities on the same day of the Annual General Meeting.

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

2.2 Annual Report

Annual Report is the main media of communication with the shareholders. The Annual Report provides the shareholders a better insight of the Group's business information, strategic development, financial and operational performance. The Annual Report is also available on the Company's website at www.ajiya.com.

2.3 Financial Reporting

The Directors are responsible to present a balance and meaningful assessment of the Group's position and prospects in the Annual Reports and quarterly reports. The Audit Committee reviews the quarterly financial results, unaudited and audited financial statements, internal and external audit reports, with focus on changes in the implementation of accounting policies, significant and unusual events, and compliance with accounting standards and other regulatory requirements. The financial statements reviewed by the Audit Committee will be approved by the Board prior to release to the Bursa Securities.

- CORPORATE GOVERNANCE OVERVIEW STATEMENT -

CORPORATE GOVERNANCE KEY FOCUS AREAS

During the year, the Board has undertaken the following key areas on governance:-

a) Company's Constitution

The Board has reviewed the Company's Constitution and proposed for shareholders' approval for the alteration or amendment of 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.

b) Board Policy and Board Committees' Terms of Reference

The Board Charter and Board Committees' Terms of Reference as well as other Board Policies were reviewed and updated to reflect compliance with the revised regulatory requirements.

c) Boardroom Independence and Diversity

During the financial year, the Board has appointed Ms. Lee Xia Lien as an Independent Director to the Board. The appointment of Ms. Lee Xia Lien affirmed the Board's commitment towards independence and provides greater checks and balances during deliberation and decision making of the Board.

Further, the current composition of the Board comprising 2 female members, representing 29% of the total Board members demonstrated the Board's effort to promote more female members on the Board, as guided by the Board Diversity Policy of the Company.

CORPORATE GOVERNANCE FUTURE PRIORITY

a) Embracing Innovation and Digital Transformation

Amid the rapid technological change environment, Ajiya needs to constantly innovate to stay competitive. The Board understands the implication of digitisation on operation and strategies. Moving forward, we will focus on embarking initiatives to enhance our digital capability in the key areas of enterprise architecture, cyber security, governance and network infrastructure. Digitisation provides real time access to information for improved decision making and to provide accurate, timely and transparent responses to legislative and regulatory requirements. It also provides an audit trail, establishes evidence of compliance and improve our ability to identify and remediate risks.

The Corporate Governance Overview Statement has been reviewed and approved by the Board of Directors on 8 March 2019.

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 2018, 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 81 of this Annual Report.

2. Audit Fees and Non-Audit Fees

Detail of audit fees and non-audit fees paid to the Company External Auditors for the financial year ended 2018 were as follows:

	Audit Fees (RM)	Non-Audit Fees (RM)
Group	193,570	82,500
Company	105,570	82,500

The non-audit services rendered are in respect of the review of Statement on Risk Management and Internal Control and the limited review of quarterly reports for financial year ended 2018.

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, executive 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 details of the RRPTs are disclosed in Note 32 of the Financial Statements for the financial year ended 30 November 2018 and in the Circular to Shareholders dated 26 March 2019.

- AUDIT COMMITTEE REPORT -

The Audit Committee was established with the primary objective to assist the Board in discharging its duties by providing an objective review of the effectiveness and efficiency of the internal controls, risk management and governance control of the Group.

During the financial year, the Audit Committee carried out its duties and responsibilities in accordance with its Terms of Reference and held discussions with the Internal Auditors, External Auditors and relevant members of the Management Team.

COMPOSITION

The Audit Committee is appointed by the Board of Directors from amongst the Non-Executive Directors and 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, he is not the Chairman of the Board. All members of the Committee possess professional experience in either finance or legal aspect and able to understand the financial statements.

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)

MEETINGS

The Audit Committee held five (5) committee meetings during the financial year 2018. 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.

Minutes of the Audit Committee meetings are included in the Board meeting papers to keep the Directors updated on activities of the Audit Committee.

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*	2/2

* *appointed as Audit Committee member on 30 April 2018.*

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

TERMS OF REFERENCE

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

ANNUAL ASSESSMENT OF AUDIT COMMITTEE

An annual assessment on the performance and effectiveness of the Audit Committee was carried out by the Nomination Committee, which was then reported to the Board. The assessment focus on the Committee's composition and expertise, committee administration and conduct, activities and works of External Auditors, internal audit, financial statements and quarterly results.

The evaluation of each individual Committee members was conducted based on self and peer rating model. The criteria used in these assessments are fit and proper, analytical and evaluation skill, understanding of financial and non-financial reporting requirements.

For the financial year under review, 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.

- AUDIT COMMITTEE REPORT -

SUMMARY OF ACTIVITIES

The duty and responsibilities of the Audit Committee is in line with its Terms of Reference. The following summary set out the activities of the Audit Committee for the financial year under review:-

(i) Financial Reporting

- Reviewed the quarterly financial results and annual financial statements of the Company and the Group.
- At the meetings held, the Audit Committee discussed with the Management and the External Auditors, analysed and interpreted and 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

- Reviewed annual audit planning for the year. The audit plan for the year outlining, amongst other, their scope of work, areas of audit emphasis, responsibilities of Auditors, Directors and Management, multi-location scoping, non-audit services, financial reporting developments and changes in regulatory environment.
- Reviewed with the External Auditors the final audit report. In reviewing the final report, the Audit Committee deliberated with the external auditors their comments on significant accounting and auditing issues and suggestions for improvement.
- The Audit Committee discussed with the External Auditors twice during the year on April 2018 and October 2018 without the presence of executive board members and management, for a greater exchange of free views and opinion concerning audit matters.
- During the financial year, the Audit Committee 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 Audit Committee was satisfied with the External Auditors' competency and independence.
- Recommended the re-appointment of External Auditors.
- Reviewed and approved the provision of non-audit services by External Auditors that were agreed to prior to their commencement of such work.

(iii) Internal Audit

- Oversee the internal audit functions for which the Head of Internal Audit reports directly to the Audit Committee and have direct access to the Audit Committee Chairman.
- Discussed and reviewed the effectiveness of the audit process, adequacy of resources, audit scope and annual planning of the Internal Audit Department.
- Reviewed the internal audit report on audit findings and recommendations and ensured that material findings are adequately addressed by the Management.
- Reviewed the adequacy of risk management and internal control system of the Group.
- Reviewed the Internal Auditors' findings on whistle blowing cases, if any.

(iv) Recurrent Related Party Transaction of a Revenue Nature (RRPT)

- Reviewed on quarterly basis, the RRPT 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.
- Reviewed the Circular to Shareholders in relation to the Proposed Renewal of and New Shareholders' Mandate for RRPT of a revenue or trading nature.

- AUDIT COMMITTEE REPORT -

(v) Annual Report

- Reviewed the Annual Report for the financial year before recommending to the Board for approval.

(vi) Others

- Reviewed the Statement on Risk Management and Internal Control and Corporate Governance Statement for Boards' approval and inclusion in the Annual Report.

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by Internal Audit Department in discharging its responsibilities. The Internal Audit Department is responsible for providing independent and objective assurance to the Audit Committee and Board of Directors on the state of risk management and internal control of the key operations and governance procedures within the Group and the extent of compliance with the established policies and procedures. The Internal Audit Department adopts a risk based auditing approach, focus on risk area and past audit findings of audit assignment.

The Internal Audit Department carried out its duties in according to the Internal Audit Charter and guided by the International Standards for Professional Practice of Internal Auditing issued by the Institute 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.

The internal audit scope for the financial year included audit of key processes and operations as identified in the annual audit plan.

INTERNAL AUDIT ACTIVITIES

During the financial year, the Internal Audit Department carried out, inter-alia the following activities:-

- Prepared the annual audit plan for the Audit Committee's consideration.
- Performed audit on key processes or strategic business units within the Group. In addition, the team conducted visits to the Group's key business units.
- The internal audit covered the reviews of adequacy and effectiveness of internal controls, the extent of compliance with the established Group policies, procedures and statutory requirements of the following areas of some of the departments and subsidiaries:-
  - Inventory management
  - Production department
  - Credit management
  - Accounts department
  - Information and Communication Technology
  - Sales/Customer Services department
- Reported audit findings and highlighted recommendations for improvements.
- Acted on suggestions made by Audit Committee members and/or senior management on concerns over operations or control.
- Followed up on implementations of the Audit Committee's recommendations and Management's corrective actions on issue identified during the audit.
- Reviewed Standard Operating Procedures for the Group.
- Performed ad-hoc reviews and investigations as requested by the Management.

The cost incurred in relation to the Internal Audit function for the financial year under review was RM260,000.

- 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'.

Board's Responsibility

The Group recognises 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 recognises that the system is designed to manage rather than eliminate the risk of failure to achieve business objectives and plans, and therefore can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management

A formal Risk Management Framework has been established and implemented in the Group to assist in the identification, evaluation and management of risks. This framework is guided by the ISO 31000:2018 Risk Management – Guidelines and is embedded in the corporate culture, processes and structure of the Group.

The Risk Management Committee was established to oversee the risk management activities and implementation of risk management framework in the Group.

In addition, a Risk Management Steering Committee (RMSC) has also been established to assist the Risk Management Committee in ensuring effective implementation and maintenance of the Risk Management Framework. RMSC is chaired by the Group Managing Director and supported by some Heads of Departments. Briefings on risk awareness and policy are conducted for the departments in the Group to enhance understanding of the risk management policies and procedures. The responsibility for the day to day risk management resides with each function/department/business unit where they are the risk owners and are accountable for the risks identified and assessed. In managing the risks of the Group, the RMSC collaborates with these risk owners in reviewing and ensuring that there is ongoing monitoring of risks, the adequacy and effectiveness of its related controls and that action plans are developed and implemented to manage these risks within the acceptable level by the Group.

- STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL -

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.

- **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 actions are implemented accordingly.

  Audit reviews were carried out half yearly for 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.

- STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL -

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 30 November 2018.

The External Auditors have 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.

SUSTAINABILITY STATEMENT

“ ”

FOR A BETTER TOMORROW

This Sustainability Statement covers our Group’s business operations in Malaysia for the financial year ended 30 November 2018 and has been prepared in accordance with the guidelines set out in the Main Market Listing Requirements in relation to the Sustainability Statement in Annual Report of Listed Issuers (“Guidelines”) issued by Bursa Malaysia Securities Berhad.

*MARKETPLACE

*COMMUNITY

*ENVIRONMENT

*WORKFORCE

- SUSTAINABILITY STATEMENT -

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

Our Vision 2040 is "To Enrich Wellbeing For The Community". From our humble beginning in manufacturing metal rollforming products (in which metal is highly recyclable) to the processing of energy efficient safety glass products (contributing to green building), sustainable development has been integral to our business framework as we expand our presence region-wide and work towards a sustainable future.

As we have grown to become one of the leading metal rollforming and safety glass processing manufacturers in Malaysia and Thailand, we have woven the concept of sustainable development into the fabric of our Group. By ensuring sustainable progress throughout our Group, we are providing the momentum for our businesses to strengthen operational efficiencies and deliver long-term growth.

SUSTAINABILITY GOVERNANCE

Our sustainability framework is led from the top and the responsibilities played by each level of our organisation are shown in the following table:

BOARD OF DIRECTORS	MANAGEMENT	OPERATING DIVISIONS
Ensure business strategy considers sustainability	Approves sustainability targets and disclosures	Supports strategy implementation
Approves sustainability strategy	Develop sustainability strategy and recommend revision to the Board of Directors	Ensures processes and controls are in place within its departments/ functions
	Oversee implementation of sustainability strategy	Reports on performance of processes and controls
	Evaluate overall sustainability risks and opportunities	Reports management targets
	Oversees departments/functions in ensuring robustness of system of sustainability management	Develops plan and timeline for disclosure
	Considers input of all departments/ functions in sustainability processes	

- SUSTAINABILITY STATEMENT -

STAKEHOLDER ENGAGEMENT

Proactive stakeholder engagement ensures our business activities are viable, strategic and relevant. We engage with a diverse group of stakeholders as shown in the following table:

STAKEHOLDERS	KEY FOCUS AREA	METHOD AND FREQUENCY
Shareholders	• Profitability • Dividend • Shareholders' value/responsibility	• Annual General Meetings • Company website • Annual Reports • Press release
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 meeting • 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 Ajiya One Club • Employee events including festive celebrations and annual dinner
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 carried out materiality assessment to identify and prioritise the economic, environment and social topics to drive our sustainability development. We adopted the following process for our material assessment:

Identification	We identified material sustainability issues across our Group by convening the response from internal and external sources which were categorised into 12 distinctive themes as shown in the Materiality Matrix: Internal: Board of Directors, key senior management, head of departments and employees. External: Clients/customers, suppliers, industry partners, regulators and government authorities, local communities, industry associations, academia as well as NGOs.
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 2018. We do not cover our Group's business operations in Thailand as the financial contribution from such business operations are not material.
Review	Govern by the Board of Directors, the Management Team reviews and oversees the planning and implementation of sustainability practices in a continuous and systematic manner. Given that this is the Company's first sustainability statement, focus has been placed on establishing the necessary framework. Moving forward, the Company will improve its implementation and monitoring process on sustainability initiatives.

- SUSTAINABILITY STATEMENT -

MATERIAL SUSTAINABILITY TOPICS

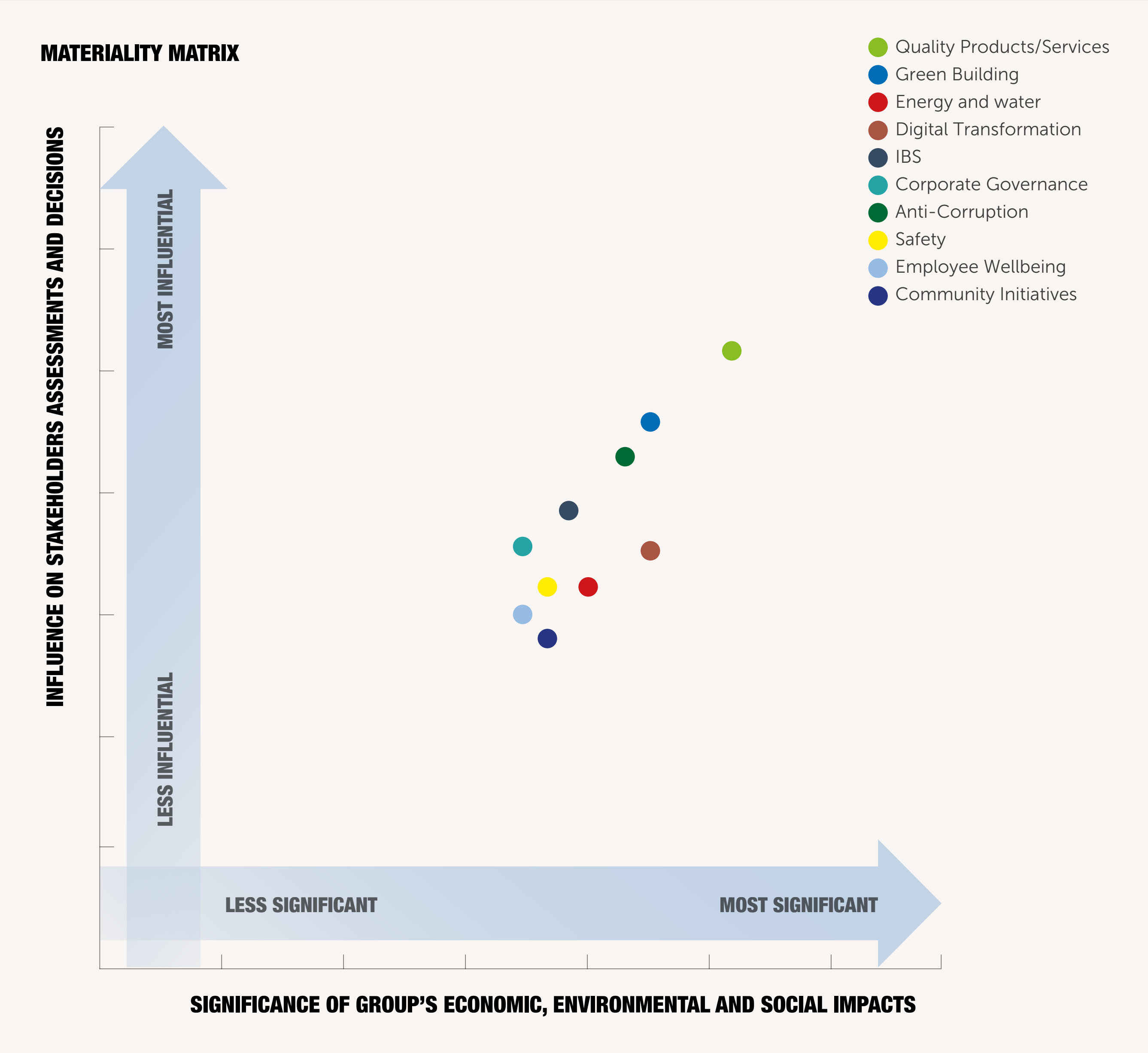
Topic	Description
Corporate Governance	• System of rules, practices and processes where the Group is directed and controlled • Involves balancing the interests of the Company's stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community
Anti-Corruption	• Promote transparency and guard against various forms of corruption including but not limited to offering or accepting a bribe in money or in kind, conflict of interest, fraud and money laundering • Maintaining integrity, good reputation and ethical practices with respect to anti-corruption
IBS	• Involves the usage of IBS for construction whereby its components are manufactured in a controlled environment, either at site or off site, placed and assembled into construction works • Promoting modern method of construction to increase productivity and quality at construction sites, align with CIDB's initiatives
Green Building	• Involves practice of creating structures and using processes that are environmentally responsible and resource-efficient throughout a building's life-cycle from siting to design, construction, operation, maintenance, renovation and deconstruction • Creating products/services which reduce energy wastage and a building's operating costs, improve occupant productivity and quality of life as well as minimise strain on local environment and carbon emission
Quality Products/ Services	• Providing products/services which meet customers satisfaction or exceed customers expectations • Produce and manufacture according to specifications that are appropriate to the price • Minimise wastage and reduce cost • Maintain reputation, retain customers and create differentiation
Energy and Water	• Involves conservation of energy and water to reduce wastage and operating costs, conserve natural resources as well as minimise carbon emission

- SUSTAINABILITY STATEMENT -

Community Initiatives	• Part of corporate social responsibility where it involves the activities and actions in ways that enhance the community wellbeing • Philanthropy and volunteer efforts • Benefit society while boosting the Group's branding • Boost morale and help both employers and employees feel more connected with the community around them
Employee Wellbeing	• Increase staff morale, retention and productivity as well as achieve better performance • Foster better relationships between staff and management • Increase open communications • Diversity and healthy workplace competition
Digital Transformation	• Transformation of business and organisational activities, processes, competencies and models to fully leverage the changes and opportunities of a mix of digital technologies and their accelerating impact across society in a strategic and prioritised way, with present and future shifts in mind • Be more agile, people-oriented, innovative, customer-centric, streamlined, efficient and able to induce/leverage opportunities to tap into new information- and service-driven revenues • Continuous optimisation across processes, divisions and the business ecosystem of a hyper-connected age
Safety	• Securing safety and health of people at work • Fostering a safe and healthy work environment • Preventing harm from incidental hazards, arising in workplace • Development of a positive social climate and smooth operation that would enhance work productivity

MATERIALITY MATRIX

The concept of materiality establishes the foundation of our sustainability actions and reporting. The matrix below presents the results of our materiality study. This guides us to report in line with the interests and needs of our stakeholders.



From the matrix above, we aspire to demonstrate our commitment to sustainability in the following areas:
(a) Marketplace;
(b) Environment;
(c) Community; and
(d) Workplace

MARKETPLACE

We have established effective standard operating policies and procedures, defined levels of authority and guidelines in our business operations to ensure compliance with internal controls, laws and regulations.

KEY MESSAGES

- **Corporate Governance and Compliance**
- **Anti-Corruption and Anti-Bribery**
- **Contributing to the Industry**
- **Advancing IBS and Energy Efficient Building Solutions through Collaborations**
- **Commitment to Quality to Ensure Customer Satisfaction**

CORPORATE GOVERNANCE AND COMPLIANCE

We are guided by the Malaysian Code on Corporate Governance 2017 in ensuring the principles and best practices of good corporate governance is applied throughout our Group. Details of our corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement of the Annual Report 2018 and the Corporate Governance Report 2018.

We have established effective standard operating policies and procedures, defined levels of authority and guidelines in our business operations to ensure compliance with internal controls, laws and regulations. These policies, procedures and guidelines are subjected to regular reviews and improvements; and have been communicated to all employees.

WE HAVE PARTICIPATED AN EN-BLOC SIGNING CEREMONY OF THE MALAYSIAN ANTI-CORRUPTION COMMISSION ("MACC") CORRUPTION FREE PLEDGE ON 2 JULY 2018 ORGANISED BY THE FEDERATION OF MALAYSIAN MANUFACTURERS ("FMM").

ANTI-CORRUPTION AND ANTI-BRIBERY

We are committed to creating a corporate culture to operate our businesses in an ethical manner while upholding the highest standards of professionalism.

As part of our continuous commitment towards creating a business environment built on transparency, integrity and free corruption, we have participated an en-bloc signing ceremony of the Malaysian Anti-Corruption Commission ("MACC") Corruption Free Pledge on 2 July 2018 organised by the Federation of Malaysian Manufacturers ("FMM").

This Corruption Free Pledge is a voluntary pledge to hold organisation and its leadership as well as each of its members accountable and responsible for carrying out their duties and to deter them from engaging in any corrupt misconduct throughout their tenure.

CONTRIBUTING TO THE INDUSTRY

We actively participate in industrial association activities to learn, develop and contribute towards best practices for the industries where we are involved in.

Below is a list of associations where our Group's business divisions are members and/or active partners:

Association
Malaysia Green Building Confederation ("MGBC")
Malaysian Iron and Steel Industry Federation ("MISIF")
Malaysia Steel and Metal Distributors' Association ("MSMDA")
Building Materials Distributors Association of Malaysia ("BMDAM")
Malaysian Fire Protection Association ("MFPA")
Federation of Malaysian Manufacturer ("FMM")
Safety Glass Processors Association of Malaysia ("SGPAM")

ADVANCING IBS AND ENERGY EFFICIENT BUILDING SOLUTIONS THROUGH COLLABORATIONS

We work closely with various government bodies/agencies including but not limited to Construction Industry Development Board ("CIDB") and Jabatan Kerja Raya ("JKR") to drive the transformation of the construction industry in Malaysia especially on the adoption of IBS and energy efficient building solutions.

Our representatives are often part of the working groups to advance sustainability rating tools and industry standards in areas of IBS and energy efficiency in buildings to promote sustainable green building solutions among construction industry players in Malaysia.

Today, we are a ready supplier of components and integrated IBS, certified by CIDB. We are also granted by JKR as official system provider for pre-fabricated cold formed steel roof trusses in Malaysia. In addition, we are recognised by CIDB as "Pusat Latihan Bertauliah IBS" for lightweight steel framing system.

As a "Pusat Latihan Bertauliah IBS", we leveraged the potential of the workforce among the youth in order to reduce dependency on foreign workers, while at the same time enhancing the skills levels of construction workers by organising workshops and trainings for contractors and students from polytechnics and universities to enhance their skill levels in lightweight steel framing system. Such activities are aligned with the vision of CIDB to produce more competent labour force that can be qualitative, productive and efficient at construction works.

COMMITMENT TO QUALITY TO ENSURE CUSTOMER SATISFACTION

We believe quality is key to ensuring customer satisfaction. Our metal rollforming and safety glass products are manufactured under stringent quality management system and we have registered to obtain "Perakuan Permatuhan Standard" for products required under the CIDB Act 520.

Our Metal Division had been accredited by SIRIM the MS ISO 9002:1994 since 1996, updated to ISO 9001:2008 in 2009 and continued our quality commitment with the latest ISO 9001:2015 in 2017. In addition, our Metal Division has registered to obtain "Perakuan Permatuhan Standard" in 2018 for Self-supporting Steel Roofing.

Meanwhile, our Glass Division obtained BS EN ISO 9002:1994 accreditation in 1998, updated to ISO 9001:2000 in 2002, and 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 addition, our Glass Division has obtained "Perakuan Permatuhan Standard" in 2016 for Tempered Safety Glass and Laminated Safety Glass in Building.

WE WORK CLOSELY WITH VARIOUS GOVERNMENT BODIES/ AGENCIES TO DRIVE THE TRANSFORMATION OF THE CONSTRUCTION INDUSTRY IN MALAYSIA ESPECIALLY ON THE ADOPTION OF IBS AND ENERGY EFFICIENT BUILDING SOLUTIONS.

- SUSTAINABILITY STATEMENT -

ENVIRONMENT

As one of the founders of Malaysia Green Building Confederation ("MGBC"), an organisation endorsed and supported by World Green Building Council ("WGBC"), we continue to spearhead the development of green building solutions for a sustainable built environment in Malaysia.

KEY MESSAGES

- **Promoting Green Building Solutions**
- **Energy, Water and Waste Management**

PROMOTING GREEN BUILDING SOLUTIONS

Over the years, we have been working tirelessly together with authorities and professionals to develop more sustainable buildings in Malaysia. As one of the founders of Malaysia Green Building Confederation ("MGBC"), an organisation endorsed and supported by World Green Building Council ("WGBC"), we continue to spearhead the development of green building solutions for a sustainable built environment in Malaysia.

Our metal-rollforming products are able to substitute timber-based building materials, which in turn reduce logging activities, whereas our energy efficient and high performance safety glass products play a part in facilitating energy conservation through reducing energy consumption for cooling, as well as minimising noise, heat and UV rays.

As a sustainable green building solutions provider, our representatives are often invited to give public speeches to educate and create awareness about sustainable green building solutions. The public speeches/events where our Group's representatives were invited during the year included:

Speech/Event	Organiser
Lightweight Steel Framing System: A Sustainable Solution for Now and Future	The Institution of Engineers Malaysia
MU–IGBC 2018: Energizing Green Buildings	Malaysia Green Building Confederation
Modern Methods of Construction (7th Annual Modular & Precast Construction)	Trueventus
IGEM-IUSGBC 2018: Towards Net Zero Energy Buildings	CIDB Malaysia and Malaysia Green Building Confederation
The Green Building Seminar 2018: Towards Sustainable Façade	Malaysia Green Building Confederation

ENERGY, WATER AND WASTE MANAGEMENT

We remain committed to preserving the environment by implementing environmental-friendly practices in our operations. We have taken conscious steps into improving our manufacturing processes and continuously worked towards reducing electricity and water consumption throughout the Group. We practice 5S activities throughout the Group and have scheduled audits for waste management.

In addition, one of our subsidiary, namely Asia Roofing Industries Sdn Bhd, has partnered with the Department of Environment Malaysia ("DOE") in 2017 for the purposes of carrying out the conversion of factory facilities to enable the phase-out of hydrochlorofluorocarbon ("HCFC") to contribute to the national HCFC consumption and phase-out targets for Malaysia. The duration of such exercise is about 2 years and it is being carried out in five (5) stages:

(I) Implementation of work plan and plant re-layout;
(II) Procurement of equipment and service;
(III) Plant modifications;
(IV) Installation and commissioning of procured equipment; and
(V) Inspection by DOE and completion of HCFC phase-out.

As at 30 November 2018, we have completed the first 3 stages and currently carrying out Stage IV: installation and commission of the procured equipment for the above exercise.

At workplace, we encourage energy saving measures such as controlling the air conditioning temperature at reasonable level and turning off electrical appliances when no one is using. We practice recycling at our offices and reuse recycled papers whenever possible, to reduce paper usage.

WE REMAIN COMMITTED TO PRESERVING THE ENVIRONMENT BY IMPLEMENTING ENVIRONMENTAL-FRIENDLY PRACTICES IN OUR OPERATIONS.

WE PRACTICE RECYCLING AT OUR OFFICES AND WE ENCOURAGE ENERGY SAVING.

COMMUNITY

We care about giving back to the community. However, beyond pure philanthropy, we endeavour to deliver meaningful initiatives with lasting outcomes to a diverse group of beneficiaries.

KEY MESSAGES

- Caring for Communities
- Providing Greater Access to Education
- Promoting Sports and Wellbeing
- Hosting Factory Visits for Students and Industry Associations

CARING FOR COMMUNITIES

We care about giving back to the community. However, beyond pure philanthropy, we endeavour to deliver meaningful initiatives with lasting outcomes to a diverse group of beneficiaries.

During this financial year, we donated to various non-profit organisations including but not limited to Haemodialysis Centre, Resources & Education for Autistic Children, Tabung Thalassaemia Malaysia and Pertubuhan Membantu Pesakit Parah Miskin Malaysia to assist these organisations in their operating expenses and running of existing programmes.

PROVIDING GREATER ACCESS TO EDUCATION

We recognise that access to education is one of the key enablers in eradicating poverty. We aim to provide access to basic education and support the education needs of deserving students. As part of our commitment to empower and nurture these students, we have provided scholarships to them to further pursue their education at higher learning institutions.

- SUSTAINABILITY STATEMENT -

Apart from scholarships, we work along with higher learning institutions such as Politeknik Port Dickson and Politeknik Melaka to offer internship programmes for their students. These internship programmes aim to provide the students practical exposure to real-world corporate considerations related to the fields of civil engineering and IBS that would benefit them upon graduation.

In addition, we give recognition to the children of our employees for achieving outstanding results in their academics as a gesture of encouragement to promote the emphasis on education.

PROMOTING SPORTS AND WELLBEING

Employee wellbeing has important implications for productivity and work relationships. To encourage wellbeing among the employees, we have our own sport clubs such as Ajiya Football Club, Ajiya Cycling Team, Y2K Club, R-Life Club and One Ajiya Club to provide ways for employees to join together, promote team building and encourage healthy lifestyle. Our employees also participated in annual community sport events such as TARCian Run, TARCian Unity Golf and Dato' Theng Book Cup Malaysian Media Badminton Tournament.

HOSTING FACTORY VISITS FOR STUDENTS AND INDUSTRY ASSOCIATIONS

We organises educational visits for students from higher learning institutions and members from industry associations, introducing them technologies and innovations contributing to green buildings along with best practices on health, safety and environment, and thus inspiring them through practical exposure and knowledge.

In May 2018, we have organised a visit for CIDB Perlis and Persatuan Kontraktor Melayu Malaysia ("PKMM") to our metal rollforming and IBS manufacturing factory in Sungai Petani, Kedah, sharing our manufacturing process and advocating the use of IBS as part of the green building solution (better safety , more productive and higher quality construction works with minimal debris at site).

While in August 2018, we have arranged a visit for Persatuan Akitek Malaysia ("PAM") to our safety glass processing factory in Puchong, Selangor, sharing our manufacturing process and advocating the use of energy efficient and high performance safety glass as part of the green building solution (facilitating energy conservation through reducing energy consumption for cooling, as well as minimising noise, heat and UV rays).

WE ORGANISES EDUCATIONAL VISITS FOR STUDENTS FROM HIGHER LEARNING INSTITUTIONS AND MEMBERS FROM INDUSTRY ASSOCIATIONS.

Hosting Factory Visits for Students and Industry Associations

- SUSTAINABILITY STATEMENT -

WORKPLACE

Our business success depends on our employees, who are our catalysts for excellence and innovation. We strive to provide our employees a safe and conducive work environment that allows for personal and professional growth.

KEY MESSAGES

- Workforce
- Effective Occupational Health and Safety Measures
- Embracing Innovation and Digital Transformation

WORKFORCE

Our business success depends on our employees, who are our catalysts for excellence and innovation. We strive to provide our employees a safe and conducive work environment that allows for personal and professional growth. As at 30 November 2018, we have a staff strength of 1080 employees group-wide.

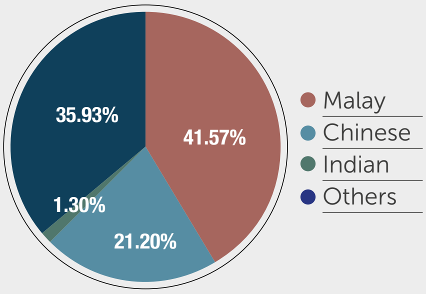
Diversity

Our policies and initiatives such as recruitment, retention, training and development as well as corporate and social activities are all implemented in a manner that does not discriminate against ethnicity, gender, age, disability or status. We employ, appoint, promote, develop and reward our employees through the principles of meritocracy and fairness, achieved through the implementation of an annual appraisal system. We are committed to hiring and promoting people based on company-defined criteria.

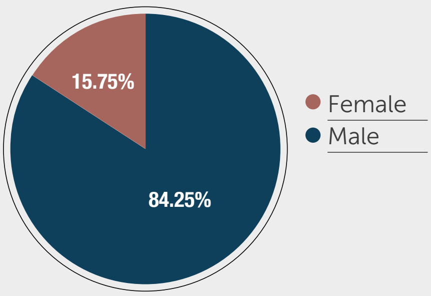
- SUSTAINABILITY STATEMENT -

Below are the statistics showing the diversity in our Group's workforce as at 30 November 2018:

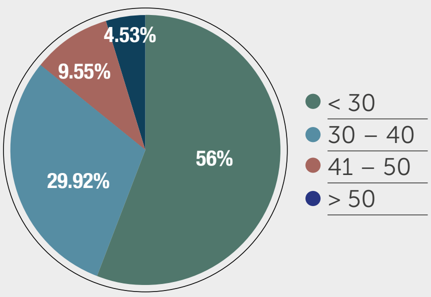
Ethnic Diversity



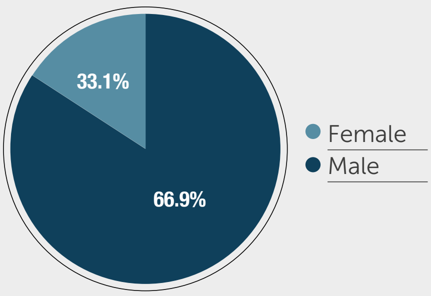
Gender Diversity



Age Diversity



Women Workforce In Executive And Managerial Level



Talent Development and Succession Planning

We focus on attracting and retaining talent and then helping them to develop their skills to drive our Group's success. To this end, we are committed to bringing on board talent with the appropriate competencies as well as the relevant experience and qualifications. We provide continuous support by way of employee training and development and encourage them to take ownership of their personal growth. Other than serving the immediate needs of the Group, these efforts are helping us to establish a strong pool of talent and a pipeline of successors for the Group.

We have developed and implemented a competency framework across the Group to identify and outline specifically the required standards of knowledge, skills and behaviours required for successful job performance. The competency assessment serves to evaluate the competency levels of all employees as well as identify their competencies and skills gaps.

Learning and Continuous Improvement

We strive to develop a diverse pipeline of talents and give our employees opportunities to learn and grow, overcome challenges, take on new roles and adopt greater responsibilities. We know our current and prospective employees expect pathways to new opportunities that reward them for their performance value contributions. Offering our employees a challenging working environment that tests and builds their capabilities not only sets them up for success, it also makes our businesses stronger and more innovative.

For example, in July and October 2018, we have carried out several workshops for our top and middle management to train them on Theory of Inventive Problem Solving ("TRIZ"). TRIZ offers systematic innovation, where it is a toolkit to find ways of solving a problem, to find new concepts and routes for developing new products.

Our Ajiya CTRIZ team has participated the MyTRIZ Competition 2018 held on the last quarter of 2018 and won the first runner up. The competition was open to all including industry, academia and school. It was evaluated based on application of TRIZ tools to identify problem, originality and innovativeness of solution.

EFFECTIVE OCCUPATIONAL HEALTH AND SAFETY MEASURES

We have been practicing strict compliance to all safety, health and environmental requirements in relation to the Occupational Safety and Health Act as well as Environmental Quality Act. Each work location has its own Occupational Safety and Health Committees. The committees are tasked to organise and carry out various safety awareness, improvements and legally required training and activities such as basic firefighting, first aid competency course, safe chemical handling, chemical spill, emergency response, safety campaigns, quarterly safety inspections and committee meetings, and annual location for fire drills. All scheduled waste are recorded and stored before being disposed/ recycled.

EMBRACING INNOVATION AND DIGITAL TRANSFORMATION

In this fast-paced business environment, we need to constantly innovate to stay competitive. We embarked on the journey towards digital transformation through the setup of our own roadmap. Through this roadmap, we are currently undertaking several initiatives to enhance our digital capability in the key areas of enterprise architecture, cyber security, governance and network infrastructure. We collaborate with external consultants and higher learning institutions to work on the projects under our digital transformation initiatives, combining the required expertise to work more effectively towards our digital transformation goals.

FINANCIAL STATEMENTS

- DIRECTORS' REPORT -

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 2018.

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	27,396,531	6,295,335
Profit net of tax attributable to:		
Owners of the parent	24,587,418	6,295,335
Non-controlling interest	2,809,113	-
	27,396,531	6,295,335

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

The amount of dividend paid by the Company since 30 November 2017 was as follows:

	RM
In respect of the financial year ended 30 November 2017:	
Single tier final dividend of 1 sen per ordinary share declared on 18 May 2018 and paid on 6 June 2018	2,997,462

No dividend has been paid or declared by the Company in respect of the financial year ended 30 November 2018. The directors do not recommend payment of any dividend for the current financial year.

- DIRECTORS' REPORT -

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 (appointed on 30 April 2018)

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:

Tee Bee Lan
Chan Wah Hang
Tee Sing Huat
Lee Boon Fie
Tey Hiang Heng
Chan Wah Beow
Lee Chong Jin
Norzieta binti Zakaria (resigned on 24 January 2018)
Sim Chee Liang
Kong Cheun Kok
Chau Hwa Kwang
Chin Siew Foo
Amonthep Punyapongpat
Somchai Punyapongpaet

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' REPORT -

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 2017	Bought	Sold	30 November 2018
Dato' Chan Wah Kiang	60,368,640	200,000	-	60,568,640
Yeo Ann Seck	43,927,944	-	-	43,927,944
Dato' Dr. Mohd Aminuddin Bin Mohd Rouse	40,000	-	-	40,000
Indirect/deemed interest				
Dato' Chan Wah Kiang #	30,975,652	-	-	30,975,652

	Number of Warrants 2017/2021			
	1 December 2017	Bought	Sold	30 November 2018
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 debt; 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, 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, 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 during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 8 March 2019.

Dato' Chan Wah Kiang **Dato' Theng Book**

- 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 87 to 153 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 2018 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 8 March 2019.

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 87 to 153 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 8 March 2019

Tan Siew Hoon

Before me,
No. J253
Hj Zamani Bin Hj Ahmad
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 2018 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 87 to 153.

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 2018, 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.

- INDEPENDENT AUDITORS' REPORT -

TO THE MEMBERS OF AJIYA BERHAD (INCORPORATED IN MALAYSIA)

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

As at the reporting date, the carrying amount of the inventories amounted to approximately RM80,019,000. The inventories represent 17% of the Group's total assets. As at 30 November 2018, the Group's allowance for obsolete and slow-moving inventories amounted to approximately RM5,375,000.

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 2.18, Note 3.2(d) 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 RM102,973,000, which represents 21% of the Group's total assets, and the associated impairment losses of trade receivables was approximately RM12,851,000. 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;

- INDEPENDENT AUDITORS' REPORT -

TO THE MEMBERS OF AJIYA BERHAD (INCORPORATED IN MALAYSIA)

2. Recoverability of trade receivables (Cont'd)

- 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.

The disclosures on trade receivables and impairment of trade receivables are included in Note 2.20, Note 3.2(b) and Note 20 to the financial statements.

Information other than the financial statements and auditors' report thereon

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

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, 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.

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.

2. Recoverability of trade receivables (Cont'd)

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.

- 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.

- INDEPENDENT AUDITORS' REPORT -

TO THE MEMBERS OF AJIYA BERHAD (INCORPORATED IN MALAYSIA)

2. Recoverability of trade receivables (Cont'd)

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
AF 0039
Chartered Accountants

Tan Jin Xiang
03348/01/2020 J
Chartered Accountant

Johor Bahru, Malaysia
Date: 8 March 2019

- STATEMENTS OF COMPREHENSIVE INCOME -

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2018

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Revenue	4	382,246,783	370,882,963	5,250,000	5,250,000
Cost of sales	5	(317,548,250)	(307,281,922)	-	-
Gross profit		64,698,533	63,601,041	5,250,000	5,250,000
Other items of income					
Interest income		2,591,004	1,916,057	1,878,407	1,207,566
Other operating income		15,558,106	9,307,140	341,493	297,326
Other items of expense					
Administrative expenses		(51,282,990)	(55,758,166)	(761,492)	(656,619)
Share of profit of associate		353,399	-	-	-
Finance costs	6	(205,976)	(373,335)	-	-
Profit before tax	7	31,712,076	18,692,737	6,708,408	6,098,273
Income tax expense	10	(4,315,545)	(3,169,944)	(413,073)	(264,210)
Profit net of tax		27,396,531	15,522,793	6,295,335	5,834,063
Other comprehensive income:					
Foreign currency translation		(4,287,026)	(425,414)	-	-
Other comprehensive income for the year, net of tax		(4,287,026)	(425,414)	-	-
Total comprehensive income		23,109,505	15,097,379	6,295,335	5,834,063
Profit net of tax attributable to:					
Owners of the parent		24,587,418	13,645,575	6,295,335	5,834,063
Non-controlling interest		2,809,113	1,877,218	-	-
		27,396,531	15,522,793	6,295,335	5,834,063
Total comprehensive income attributable to:					
Owners of the parent		20,306,545	13,212,719	6,295,335	5,834,063
Non-controlling interest		2,802,960	1,884,660	-	-
		23,109,505	15,097,379	6,295,335	5,834,063
Earnings per share attributable to owners of the parent (sen per share)					
Basic	11	8.19	4.48		
Diluted	11	8.19	4.48		

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

- STATEMENTS OF FINANCIAL POSITION -

AS AT 30 NOVEMBER 2018

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Assets					
Non-current assets					
Property, plant and equipment	12	159,007,086	175,259,621	-	-
Investment properties	13	21,479,106	20,504,468	-	-
Land use rights	14	2,343,284	1,658,517	-	-
Investments in subsidiaries	15	-	-	51,687,074	51,687,074
Investment in associate	16	553,399	-	200,000	-
Other receivables	20	1,451,824	-	-	-
Other investments	17	15,696,212	5,343,036	10,507,040	5,172,560
Amounts due from subsidiaries	18	-	-	5,700,000	24,636,074
		200,530,911	202,765,642	68,094,114	81,495,708
Current assets					
Inventories	19	80,018,751	75,593,726	-	-
Trade and other receivables	20	107,593,213	112,308,075	39,137	120,310
Amounts due from subsidiaries	18	-	-	2,973,448	2,471,113
Other current assets	21	666,056	799,151	-	-
Tax recoverable		2,394,042	1,530,085	71,760	48,355
Cash and bank balances	22	88,005,338	75,372,329	38,123,094	25,175,238
Non-current assets held for sale	23	60,843	-	-	-
		278,738,243	265,603,366	41,207,439	27,815,016
Total assets		479,269,154	468,369,008	109,301,553	109,310,724
Equity and liabilities					
Current liabilities					
Loans and borrowings	24	1,577,500	3,095,581	-	-
Trade and other payables	25	56,665,166	53,608,325	345,371	195,626
Tax payable		60,807	427,735	-	-
		58,303,473	57,131,641	345,371	195,626
Net current assets		220,434,770	208,471,725	40,862,068	27,619,390
Non-current liabilities					
Deferred tax liabilities	26	9,499,519	10,272,145	-	-
Loans and borrowings	24	221,321	3,419,635	-	-
		9,720,840	13,691,780	-	-
Total liabilities		68,024,313	70,823,421	345,371	195,626
Net assets		411,244,841	397,545,587	108,956,182	109,115,098

- STATEMENTS OF FINANCIAL POSITION -

AS AT 30 NOVEMBER 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Equity attributable to equity holders of the Company					
Share capital	27	98,878,598	98,878,598	98,878,598	98,878,598
Treasury share	27	(3,456,789)	-	(3,456,789)	-
Foreign currency translation reserve	28	1,261,383	5,542,256	-	-
Other reserve	28	728,997	728,997	-	-
Retained earnings	29	245,789,196	224,199,240	13,534,373	10,236,500
		343,201,385	329,349,091	108,956,182	109,115,098
Non-controlling interest		68,043,456	68,196,496	-	-
Total equity		411,244,841	397,545,587	108,956,182	109,115,098
Total equity and liabilities		479,269,154	468,369,008	109,301,553	109,310,724

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 2018

	Attributable to owners of the parent							
	Non-distributable				Distributable			
	Share capital RM	Treasury Shares RM	Foreign currency translation reserve RM	Other reserve RM	Retained earnings RM	Total RM	Non-controlling interest RM	Total 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	-	-	-	-	(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

- CONSOLIDATED STATEMENT OF CHANGES IN EQUITY -
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2018

	Attributable to owners of the parent							
	Non-distributable				Distributable			
	Share capital RM	Share premium RM	Foreign currency translation reserve RM	Other reserve RM	Retained earnings RM	Total RM	Non-controlling interest RM	Total RM
2017								
Opening balance at 1 December 2016	76,146,121	22,732,477	5,975,112	728,997	216,645,355	322,228,062	68,801,836	391,029,898
Total comprehensive income	-	-	(432,856)	-	13,645,575	13,212,719	1,884,660	15,097,379
Effects of implementation of Companies Act 2016	22,732,477	(22,732,477)	-	-	-	-	-	-
Transactions with owners								
Dividends	-	-	-	-	(6,091,690)	(6,091,690)	(2,490,000)	(8,581,690)
Closing balance at 30 November 2017	98,878,598	-	5,542,256	728,997	224,199,240	329,349,091	68,196,496	397,545,587

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 2018

	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

	Non-Distributable Share capital RM	Share premium RM	Distributable Retained earnings RM	Total RM
2017				
Opening balance at 1 December 2016	76,146,121	22,732,477	10,494,127	109,372,725
Total comprehensive income	-	-	5,834,063	5,834,063
Effect of implementation of Companies Act 2016	22,732,477	(22,732,477)	-	-
Transactions with owners				
Dividends (Note 30)	-	-	(6,091,690)	(6,091,690)
Closing balance at 30 November 2017	98,878,598	-	10,236,500	109,115,098

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 2018

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Operating activities				
Profit before tax	31,712,076	18,692,737	6,708,408	6,098,273
Adjustments for:				
Amortisation of land use rights	51,435	63,484	-	-
Depreciation of property, plant and equipment	9,997,659	10,547,517	-	-
Depreciation of investment properties	220,204	145,770	-	-
Fair value gain on other investments	(266,077)	(273,465)	(334,701)	(257,573)
Reversal of impairment loss on trade receivables	(1,084,553)	(386,960)	-	-
Reversal of inventories written down	(612,001)	-	-	-
Property, plant and equipment written off	5,142	430,468	-	-
Dividend received	-	-	(5,250,000)	(5,250,000)
Interest expense	205,976	373,335	-	-
Interest income	(2,591,004)	(1,916,057)	(1,878,407)	(1,207,566)
Realisation of foreign currency reserves	(4,856,954)	-	-	-
Share of profit of associate	(353,399)	-	-	-
Unrealised gain on foreign exchange	(165,793)	(149,821)	(6,792)	(7,044)
(Gain)/loss on disposal of property, plant and equipment	(7,818,025)	14,962	-	-
Gain on disposal of non-current assets held for sale	-	(6,979,369)	-	-
Allowance for obsolete inventories	608,590	1,068,962	-	-
Inventories written off	-	3,815,081	-	-
Impairment loss on trade receivables	1,293,317	2,775,708	-	-
Total adjustments	(5,365,483)	9,529,615	(7,469,900)	(6,722,183)
Operating profit/(loss) before changes in working capital	26,346,593	28,222,352	(761,492)	(623,910)
Changes in working capital				
Increase in inventories	(4,421,614)	(9,554,425)	-	-
Decrease in trade and other receivables	5,841,039	5,055,799	81,173	81,470
Decrease in other current assets	133,095	288,392	-	-
Increase/(Decrease) in trade and other payables	3,109,123	(620,413)	149,744	13,063
Total changes in working capital	4,661,643	(4,830,647)	230,917	94,533

- STATEMENTS OF CASH FLOWS -
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2018

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash generated from/(used in) operations	31,008,236	23,391,705	(530,575)	(529,377)
Interest paid	(205,976)	(373,335)	-	-
Tax paid	(6,347,423)	(4,658,243)	(436,757)	(246,000)
Tax refunded	28,367	425,903	279	-
Net cash flows generated from/(used in) operating activities	24,483,204	18,786,030	(967,053)	(775,377)
Investing activities				
Interest received	2,591,004	1,916,057	1,878,407	1,207,566
Net dividend received from subsidiaries	-	-	5,250,000	5,250,000
Repayment from subsidiaries	-	-	18,440,531	4,681,087
Purchase of property, plant and equipment	(4,849,197)	(3,918,880)	-	-
Acquisition of land use rights	(736,202)	-	-	-
Acquisition of other investments	(10,087,099)	-	(4,999,778)	-
Investment in associate	(200,000)	-	(200,000)	-
Proceeds from disposal of non-current assets held for sale	-	13,875,000	-	-
Proceeds from disposal of property, plant and equipment	15,091,945	43,909	-	-
Placement of deposits with maturity exceeding 90 days	(41,000,000)	-	(36,000,000)	-
Net cash flows (used in)/generated from investing activities	(39,185,549)	11,916,086	(15,630,840)	11,138,653
Financing activities				
Repayment of loans and borrowings	(4,716,395)	(3,152,752)	-	-
Purchase of treasury shares	(3,456,789)	-	(3,456,789)	-
Dividends paid to non-controlling interest	(2,490,000)	(2,490,000)	-	-
Dividends paid	(2,997,462)	(6,091,690)	(2,997,462)	(6,091,690)
Net cash flows used in financing activities	(13,660,646)	(11,734,442)	(6,454,251)	(6,091,690)
Net (decrease)/increase in cash and cash equivalents	(28,366,991)	18,967,674	(23,052,144)	4,271,586
Cash and cash equivalents at 1 December	75,372,329	56,404,655	25,175,238	20,903,652
Cash and cash equivalents at 30 November (Note 22)	47,005,338	75,372,329	2,123,094	25,175,238

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

- NOTES TO THE FINANCIAL STATEMENTS -

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2018

1. Corporate information

Ajiya Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the 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. The principal place of business of the Company is located at Lot 153, Kawasan Perindustrian, Batu 3, Jalan Genuang, 85000 Segamat, Johor.

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 2017, the Group and the Company adopted the following new and amended MFRS and annual improvements:

Description

MFRS 107: Disclosures Initiatives (Amendments to MFRS 107)
MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to MFRS 112)
Annual Improvements to MFRS Standards 2014–2016 Cycle - Amendments to MFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in MFRS 12

The adoption of the above new and amended standards and annual improvements did not have any effect on the financial performance or position of the Group and the Company.

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.

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

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

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
MFRS 9 Prepayment Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
MFRS 16 Leases	1 January 2019
MFRS 128 Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)	1 January 2019
Annual Improvements to MFRS Standards 2015–2017 Cycle	1 January 2019
MFRS 119 Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2 Share - based Payment	1 January 2020
Amendment to MFRS 3 Business Combinations	1 January 2020
Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendment to MFRS 14 Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134 Interim Financial Reporting	1 January 2020
Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendment to MFRS 138 Intangible Assets	1 January 2020
Amendment to IC Interpretation 12 Service Concession Arrangements	1 January 2020
Amendment to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendment to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendment to IC Interpretation 22 Foreign Currency Transactions and Advance	1 January 2020
Amendment to IC Interpretation 132 Intangible Assets - Web Site Costs	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 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e., when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The directors anticipate that the application of MFRS 15 may have a material impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

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.

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

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

MFRS 16 Leases (Cont'd)

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group has assessed the potential effect of MFRS 16 on its financial statements and determined that these amendments are not expected to have any significant impact on the Group.

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.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and of its subsidiaries as at 30 November 2018. 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.

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

2.5 Basis of consolidation (Cont'd)

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.

2.6 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 interest in the acquiree. For each business combination, the Group elects whether to measures the non-controlling interest in the acquiree either 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, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be re-measured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

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

2.6 Business combinations and goodwill (Cont'd)

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 re-assessment 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.

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

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

2.7 Fair value measurement (Cont'd)

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.

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.

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

2.8 Foreign currencies (Cont'd)

(b) Transactions and balances (Cont'd)

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.

(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, regardless of when the payment is being made. 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 subsidiaries assess their revenue arrangements against specific criteria in order to determine if the Company and its subsidiaries are acting as principal or agent. The Company and its subsidiaries have concluded that they are acting as a principal in all of its revenue arrangements.

(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.

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

2.9 Revenue recognition (Cont'd)

(c) Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the assets.

(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.

2.10 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.

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

2.11 Taxes (Cont'd)

(b) Deferred tax (Cont'd)

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.

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.

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

2.11 Taxes (Cont'd)

(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.

(d) Goods and Service Tax ("GST")

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

- Where the amount of GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of GST included.

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

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.

- NOTES TO THE FINANCIAL STATEMENTS -
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2018

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

2.13 Property, plant and equipment (Cont'd)

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.

2.14 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.

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

2.16 Leases (Cont'd)

(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.

(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 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. Summary of significant accounting policies (Cont'd)

2.19 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.

2.20 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.

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

2.20 Financial instruments (Cont'd)

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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 or the Company commit to purchase or sell the asset.

(b) Subsequent measurement

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

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by MFRS 139. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. 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 in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables. This category generally applies to trade and other receivables.

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

2.20 Financial instruments (Cont'd)

(b) Subsequent measurement (Cont'd)

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when there is a positive intention and an ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the EIR, less impairment. 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 income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs. There were no held-to-maturity investments during the reporting period.

(iv) Available-for-sale ("AFS") financial investments

AFS financial investments include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive income and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial investments is reported as interest income using the EIR method.

The ability and intention to sell its AFS financial assets in the near term are evaluated whether they are still appropriate. When, in rare circumstances, these financial assets cannot be traded due to inactive markets, these financial assets will be reclassified if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

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

2.20 Financial instruments (Cont'd)

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or

- The rights to receive cash flows from the asset have been transferred or an obligation to pay the received cash flows in full without material delay to a third party has been assumed under a 'pass-through' arrangement; and either (a) substantially all the risks and rewards of the asset have been transferred or (b) substantially all the risks and rewards of the asset have neither been transferred nor retained but control of the asset has been transferred.

When the rights to receive cash flows from an asset have been transferred or when a pass-through arrangement has been entered into, the Group and the Company evaluate if, and the extent of, the risks and rewards of ownership that have been retained. When substantially all of the risks and rewards of the asset have not been transferred nor retained, the transferred asset continues to be recognised to the extent of the Group's and the Company's continuing involvement. In that case, an associated liability is also recognised. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations retained.

(d) Impairment of financial assets

At each reporting date, an assessment is made as to whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(i) Financial assets carried at amortised cost

For financial assets carried at amortised cost, an assessment is made as to whether impairment exists individually (for financial assets that are individually significant) or collectively (for financial assets that are not individually significant). If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

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

2.20 Financial instruments (Cont'd)

(d) Impairment of financial assets (Cont'd)

(i) Financial assets carried at amortised cost (Cont'd)

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group or the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

(ii) Available-for-sale ("AFS") investments

For AFS financial investments, an assessment is made at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss) is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in other comprehensive income.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

(e) Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables.

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

2.20 Financial instruments (Cont'd)

(e) Financial liabilities (Cont'd)

(a) Initial recognition and measurement (Cont'd)

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.

Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 139. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 139 are satisfied. No financial liability has been designated at fair value through profit or loss during the reporting period.

(ii) Loans and borrowings

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 profit or loss.

This category generally applies to interest-bearing loans and borrowings.

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

2.20 Financial instruments (Cont'd)

(e) Financial liabilities (Cont'd)

(c) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

(d) 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 profit or loss.

(e) 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.

2.21 Derivative financial instruments

Derivative financial instruments, such as forward currency contracts is used to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under MFRS 139 are recognised in profit or loss as cost of sales. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

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. Summary of significant accounting policies (Cont'd)

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 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.

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. Summary of significant accounting policies (Cont'd)

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.

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.

3.1 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 judgment 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. Significant accounting judgements, estimates and assumptions (Cont'd)

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 plant and machinery 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 2018 is disclosed in Note 12.

A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately 1.8% (2017: 3.40%) variance in the Group's profit for the year.

(b) Impairment of loans and receivables

The impairment loss on trade receivables of the Group is based on the evaluation of collectability and ageing analysis of the receivables and on management's judgement. 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.

(c) 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.

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 and the Company's domicile.

(d) 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.

- NOTES TO THE FINANCIAL STATEMENTS -
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2018

4. Revenue

Revenue of the Group principally represents the invoiced value of goods sold and construction services provided after allowance for goods returned and trade discounts, excluding intra-group transactions.

Revenue of the Company represents dividend income.

5. Cost of sales

Cost of sales represents cost of inventories sold and construction services provided.

6. Finance costs

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Interest expense on term loans	205,976	373,335	-	-

7. Profit before tax

The following items have been included in arriving profit before tax:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Employee benefits expense (Note 8)	41,330,862	48,072,381	-	-
Amortisation of land use rights	51,435	63,484	-	-
Auditors' remuneration				
- Auditors' of the Company				
- Statutory audit	174,500	158,500	80,500	57,500
- Underprovision in prior year	19,070	8,370	25,070	8,370
- Other services	82,500	38,680	82,500	10,180
- Other auditors				
- Statutory audit	76,638	77,144	-	-
- Overprovision in prior year	-	(300)	-	-
Reversal of impairment loss on trade receivables (Note 20)	(1,084,553)	(386,960)	-	-

7. Profit before tax (Cont'd)

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Reversal of inventories written down	(612,001)	-	-	-
Depreciation of				
- Property, plant and equipment (Note 12)	9,997,659	10,547,517	-	-
- Investment properties (Note 13)	220,204	145,770	-	-
Dividend income	-	-	(5,250,000)	(5,250,000)
Directors' remuneration (Note 9)	3,951,117	3,791,662	154,000	120,000
Fair value gain on other investments	(266,077)	(273,465)	(334,701)	(257,573)
(Gain)/loss on disposal of property, plant and equipment	(7,818,025)	14,962	-	-
Gain on disposal of asset held for sale	-	(6,979,369)	-	-
Interest expense	205,976	373,335	-	-
Interest income	(2,591,004)	(1,916,057)	(1,878,407)	(1,207,566)
Property, plant and equipment written off	5,142	430,468	-	-
Impairment loss on trade trade receivables (Note 20)	1,293,317	2,775,708	-	-
Allowance for obsolete inventories	608,590	1,068,962	-	-
Inventories written off	-	3,815,081	-	-
Realised (gain)/loss on foreign exchange	(5,210,362)	(971,465)	39,745	(32,709)
Unrealised gain on foreign exchange	(165,793)	(149,821)	(6,792)	(7,044)
Rental income of land and buildings	(509,405)	(232,277)	-	-
Rental expense of land and buildings	557,737	521,582	-	-

8. Employee benefits expense

	Group	
	2018 RM	2017 RM
Wages and salaries	35,702,390	40,074,580
Defined contribution plan	2,975,829	3,176,400
Social security contributions	443,918	441,561
Other staff related expenses	2,208,725	4,379,840
	41,330,862	48,072,381

9. Directors' remuneration

The details of directors' remuneration during the year are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Directors of the Company				
Executive:				
Salary	816,240	802,065	-	-
Bonus and incentive				
- current year	384,361	448,660	-	-
- prior year	12,827	59,988	-	-
Other benefits	101,946	96,255	4,000	-
Fees	55,000	55,000	20,000	20,000
	1,370,374	1,461,968	24,000	20,000
Non-Executive (but holding executive position in subsidiaries):				
Salary	180,000	180,000	-	-
Other benefits	24,600	21,600	3,000	-
Fees	20,000	20,000	20,000	20,000
	224,600	221,600	23,000	20,000
Non-executive:				
Other emoluments	17,000	-	17,000	-
Fees	90,000	80,000	90,000	80,000
	107,000	80,000	107,000	80,000
Total	1,701,974	1,763,568	154,000	120,000

9. Directors' remuneration (Cont'd)

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Directors of Subsidiaries				
Executive:				
Salaries and other emoluments				
Executive:				
Salary	1,333,440	1,318,110	-	-
Bonus and incentive				
- current year	625,921	455,660	-	-
- prior year	(41,252)	(43,052)	-	-
Other benefits	160,531	158,675	-	-
Fees	182,103	100,301	-	-
	2,260,743	1,989,694	-	-
Non-executive:				
Fees	(11,600)	38,400	-	-
Total	2,249,143	2,028,094	-	-
Grand total	3,951,117	3,791,662	154,000	120,000

10. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 30 November 2018 and 2017 are: :

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Statement of comprehensive income:				
Current income tax:				
Malaysian income tax	5,575,469	3,377,479	414,923	277,857
(Over)/Underprovision in prior years	(487,298)	210,897	(1,850)	(13,647)
Real property gain tax	-	397,275	-	-
	5,088,171	3,985,651	413,073	264,210
Deferred income tax (Note 26):				
Relating to origination and reversal of temporary difference	(442,668)	(386,675)	-	-
Overprovision in prior years	(329,958)	(429,032)	-	-
	(772,626)	(815,707)	-	-
	4,315,545	3,169,944	413,073	264,210

10. Income tax expense (Cont'd)

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 2018 and 2017 are as follows:

	2018 RM	2017 RM
Group		
Profit before tax	31,712,076	18,692,737
Taxation at Malaysian statutory tax rate of 24% (2017: 24%)	7,610,898	4,486,257
Different tax rates in other countries	(297,925)	-
Expenses not deductible for tax purposes	637,198	1,167,485
Effect on deferred tax of reduction in Malaysian income tax rate	-	(6,641)
Income not subject to taxation	(2,243,951)	(2,307,441)
Effect of utilisation of reinvestment allowances	(573,419)	(363,375)
Deferred tax not recognised on unutilised business losses	-	14,519
Real property gains tax	-	397,275
(Over)/Underprovision of income tax in prior years	(487,298)	210,897
Overprovision of deferred tax in prior years	(329,958)	(429,032)
Income tax expense recognised in profit or loss	4,315,545	3,169,944
Company		
Profit before tax	6,708,408	6,098,273
Taxation at Malaysian statutory tax rate of 24% (2017: 24%)	1,610,018	1,463,586
Income not subject to taxation	(1,272,452)	(1,335,468)
Expenses not deductible for tax purposes	77,357	149,739
Overprovision of income tax in prior year	(1,850)	(13,647)
Income tax expense recognised in profit or loss	413,073	264,210

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2017: 24%) of the estimated assessable profit for the year. The computation of deferred tax as at 30 November 2018 has reflected these changes.

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	
	2018 **RM**	**2017** **RM**
Profit net of tax attributable to owners of the parent used in the computation of basic and diluted earnings per share (RM)	24,587,418	13,645,575
Weighted average number of ordinary shares for basic earnings per share computation	300,099,011	304,584,484
Basic earnings per share (sen)	8.19	4.48

Diluted earnings per share is equal to basic earnings per share as there are no potential dilutive ordinary shares as at 30 November 2018.

As at reporting date, the Company does not have any share options and other potential dilutive ordinary shares. The outstanding warrants as at the reporting date were out-of-money.

12. Property, plant and equipment

Group	*Land and buildings RM	Plant and machinery RM	#Other assets RM	Total RM
Cost				
At 1 December 2016	139,766,629	127,211,772	22,917,867	289,896,268
Additions	574,367	2,685,880	658,633	3,918,880
Disposals	-	-	(434,563)	(434,563)
Written off	-	(1,188,744)	(241,311)	(1,430,055)
Reclassification	-	769,887	(769,887)	-
Exchange differences	11,920	4,753	695	17,368
At 30 November 2017 and 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	130,929,705	126,681,030	22,713,120	280,323,855
Accumulated depreciation				
At 1 December 2016	15,929,505	74,069,888	17,558,157	107,557,550
Charge for the year (Note 7)	2,161,102	6,716,763	1,669,652	10,547,517
Disposals	-	-	(375,692)	(375,692)
Written off	-	(780,869)	(218,718)	(999,587)
Exchange differences	(4,918)	(12,526)	(4,067)	(21,511)
At 30 November 2017 and 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	19,402,846	82,682,174	19,231,749	121,316,769
Net carrying amount				
At 30 November 2017	122,267,227	49,490,292	3,502,102	175,259,621
At 30 November 2018	111,526,859	43,998,856	3,481,371	159,007,086

12. Property, plant and equipment (Cont'd)

* Land and buildings

	Freehold land and buildings RM	Leasehold land and buildings RM	Total RM
Cost			
At 1 December 2016	110,688,389	29,078,240	139,766,629
Additions	496,775	77,592	574,367
Exchange differences	11,920	-	11,920
At 30 November 2017 and 1 December 2017	111,197,084	29,155,832	140,352,916
Additions	-	205,125	205,125
Disposal	(8,451,597)	-	(8,451,597)
Transfer to investment properties	-	(4,099,690)	(4,099,690)
Transfer from investment properties	2,660,476	-	2,660,476
Exchange differences	262,475	-	262,475
At 30 November 2018	105,668,438	25,261,267	130,929,705
Accumulated depreciation			
At 1 December 2016	11,340,369	4,589,136	15,929,505
Charge for the year	1,664,356	496,746	2,161,102
Reclassified as held for sale	(4,918)	-	(4,918)
At 30 November 2017 and 1 December 2017	12,999,807	5,085,882	18,085,689
Charge for the year	1,632,597	416,598	2,049,195
Disposal	(575,492)	-	(575,492)
Transfer to investment properties	-	(246,529)	(246,529)
Transfer from investment properties	63,000	-	63,000
Exchange differences	26,983	-	26,983
At 30 November 2018	14,146,895	5,255,951	19,402,846
Net carrying amount			
At 30 November 2017	98,197,277	24,069,950	122,267,227
At 30 November 2018	91,521,543	20,005,316	111,526,859

Other assets comprise tools, office equipment, furniture and fittings, signboards, forklift, motor vehicles, capital work-in-progress, computer and softwares.

12. Property, plant and equipment (Cont'd)

Assets pledged as security

Property, plant and equipment with net book value amounting to RM73,361,027 (2017: RM82,910,191) are negatively pledged to a financial institution for bank borrowings as referred to in Note 24.

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 RM1,152,451 (2017: RM14,116).

13. Investment properties

	Group	
	2018 RM	2017 RM
At cost		
At beginning of year	21,153,218	21,153,218
Reclassified as held for sale (Note 23)	(90,810)	-
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	22,501,622	21,153,218
Accumulated depreciation		
At beginning of year	648,750	502,980
Depreciation (Note 7)	220,204	145,770
Reclassified as held for sale (Note 23)	(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	1,022,516	648,750
Net carrying amount	21,479,106	20,504,468

Investment properties with net book value amounting to RM21,494,107 (2017: RM17,842,969) are negatively pledged for bank borrowings as referred to in Note 24.

Estimated value of the investment properties as at 30 November 2018 was RM32,343,000 (2017: RM31,990,000).

The fair value is 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 RM456 (2017: RM11 to RM441).

14. Land use rights

	Group 2018 RM	Group 2017 RM
Cost		
At beginning of year	2,640,950	2,640,950
Additions	736,202	-
At end of year	3,377,152	2,640,950
Accumulated amortisation		
At beginning of year	982,433	918,949
Amortisation for the year (Note 7)	51,435	63,484
At end of year	1,033,868	982,433
Net carrying amount	2,343,284	1,658,517

15. Investments in subsidiaries

	Company 2018 RM	Company 2017 RM
Unquoted shares, at cost:		
- In Malaysia	27,671,074	27,671,074
- Outside Malaysia	24,016,000	24,016,000
	51,687,074	51,687,074

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Equity interest held (%) 2018	Equity interest held (%) 2017
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	60	60
Ajiya Safety Glass Sdn. Bhd.	Malaysia	Manufacturing and trading of all kinds of glass	70	70

15. Investments in subsidiaries (Cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Equity interest held (%) 2018	Equity interest held (%) 2017
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
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.

15. Investments in subsidiaries (Cont'd)

Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests ("NCI") is as follow:

	2018 RM	2017 RM
Proportion of equity interest held by non-controlling interests:		
ARI Utara Sdn. Bhd. ("ARIU")	40%	40%
Ajiya Safety Glass Sdn. Bhd. ("ASG")	30%	30%
Carrying amount of NCI		
ARIU	8,216,557	7,897,262
ASG	53,034,988	52,886,738
Profit allocated to NCI		
ARIU	319,295	138,080
ASG	2,398,250	1,767,297

The summarised financial information of these subsidiaries, based on amounts before inter-company eliminations, is as follow:

Summarised statement of financial position as at 30 November 2018

	ARIU RM	ASG RM
Non-current assets	9,812,888	98,119,029
Current assets	37,368,236	98,741,126
Non-current liabilities	7,058,322	5,299,000
Current liabilities	19,581,410	14,777,861
Net assets	20,541,392	176,783,294

Summarised statement of financial position as at 30 November 2017:

	ARIU RM	ASG RM
Non-current assets	9,957,733	102,191,511
Current assets	43,617,051	98,104,114
Non-current liabilities	9,949,035	8,398,600
Current liabilities	23,882,595	15,607,897
Net assets	19,743,154	176,289,128

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 statement of profit or loss for 2017:

	ARIU RM	ASG RM
Revenue	59,169,084	123,143,094
Profit for the year	345,199	5,890,991

Summarised cash flow information for year ended 30 November 2018:

	ARIU RM	ASG RM
Operating activities	5,123,736	11,714,894
Investing activities	(601,739)	(1,230,925)
Financing activities	(5,331,613)	(11,267,805)
Net decrease in cash and cash equivalents	(809,616)	(783,836)

Summarised cash flow information for year ended 30 November 2017:

	ARIU RM	ASG RM
Operating activities	(7,348,721)	12,008,847
Investing activities	(200,058)	12,293,832
Financing activities	4,554,701	(10,455,763)
Net (decrease)/increase in cash and cash equivalents	(2,994,078)	13,846,916

16. Investment in associate

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Quoted shares in Malaysia	200,000	-	200,000	-
Share of reserves	353,399	-	-	-
	553,399	-	200,000	-

Details of the associate is as follow:

Name of associate	Country of incorporation	Principal activities	Equity interest held (%) 2018	Equity interest held (%) 2017
Asteel Ajiya Sdn. Bhd. *	Malaysia	Manufacturing, supply and/or install an industrial building system.	40	-

* Audited by firms of auditors other than Ernst & Young.

	2018 RM	2017 RM
Current assets	1,560,383	-
Non-current assets	3,597,552	-
Current liabilities	(1,264,005)	-
Non-current liabilities	(2,510,433)	-
Equity attributable to shareholders	1,383,497	-
Proportion of the Group's ownership interest in the associate	40%	-
Group's carrying amount of the investment	553,399	-

	2018 RM	2017 RM
Revenue	1,962,878	-
Cost of sales	(751,981)	-
Other income	1,429	-
Administrative	(328,829)	-
Finance costs	-	-
Profit before tax	883,497	-
Income tax expense	-	-
Profit for the year	883,497	-
Proportion of the Group's ownership interest in the associate	40%	-
Group's share of profit for the year	353,399	-

16. Investment in associate (Cont'd)

Group's share of profit for the year

The associate had no contingent liabilities or capital commitments as at 30 Novemeber 2018.

17. Other investments

	Group		Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Fair value through profit or loss				
Quoted shares in Malaysia	101,852	170,476	-	-
Trust funds	15,594,360	5,172,560	10,507,040	5,172,560
Total	15,696,212	5,343,036	10,507,040	5,172,560

18. Amounts due from subsidiaries

	Company	
	2018 RM	**2017 RM**
Current		
Interest bearing at 4% per annum	2,455,016	2,471,113
Interest free	518,432	-
	2,973,448	2,471,113
Non-Current		
Interest bearing at 4% per annum	5,700,000	-
Interest free	-	24,636,074
	5,700,000	24,636,074

The above amounts are unsecured.

19. Inventories

	Group	
	2018 RM	2017 RM
Raw materials	70,881,713	66,483,214
Work-in-progress	133,991	90,119
Finished goods	8,622,913	8,803,926
Inventories in transit - raw materials	380,134	216,467
	80,018,751	75,593,726

During the period, the amount of inventories recognised as an expense in cost of sales of the Group was RM266,175,353 (2017: RM251,751,103).

20. Trade and other receivables

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Non-current				
Other receivables				
Due from associate	1,451,824	-	-	-
Current				
Trade receivables				
Third parties	115,824,002	126,118,120	-	-
Less: Allowance for impairment	(12,851,353)	(15,678,870)	-	-
Trade receivables, net	102,972,649	110,439,250	-	-
Other receivables				
Sundry deposit	561,505	466,683	1,000	1,000
Other receivables	3,908,708	1,610,101	38,137	119,310
Amount due from associate	358,310	-	-	-
Less: Allowance for impairment	(207,959)	(207,959)	-	-
Other receivables, net	4,620,564	1,868,825	39,137	120,310
	107,593,213	112,308,075	39,137	120,310
Total trade and other receivables	109,045,037	112,308,075	39,137	120,310
Add: Cash and bank balances (Note 22)	88,005,338	75,372,329	38,123,094	25,175,238
Total loans and receivables	197,050,375	187,680,404	38,162,231	25,295,548

20. Trade and other receivables (Cont'd)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2017: 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	
	2018 RM	**2017 RM**
Neither past due nor impaired	49,463,490	56,448,974
1 to 30 days past due not impaired	22,142,199	22,084,161
31 to 60 days past due not impaired	10,875,006	13,207,891
61 to 90 days past due not impaired	5,201,954	6,347,616
91 to 120 days past due not impaired	2,904,642	7,040,495
More than 121 days past due not impaired	12,385,358	5,310,113
	53,509,159	53,990,276
Impaired	12,851,353	15,678,870
	115,824,002	126,118,120

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 the these balances have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM53,509,159 (2017: RM53,990,276) 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 2018 RM	Group 2017 RM
Trade receivables-nominal amounts	12,851,353	15,678,870
Less: Allowance for impairment	(12,851,353)	(15,678,870)
	-	-

Movement in allowance accounts:

	Group 2018 RM	Group 2017 RM
At 1 December	15,678,870	13,756,192
Charge for the year (Note 7)	1,293,317	2,775,708
Written off against allowance for impairment	(3,036,281)	(466,070)
Reversal of impairment loss (Note 7)	(1,084,553)	(386,960)
At 30 November	12,851,353	15,678,870

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors which are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables

Other receivables are non-interest bearing and are generally on 30 to 90 days (2017: 30 to 90 days) terms.

21. Other current assets

	Group 2018 RM	Group 2017 RM
Prepaid operating expenses	656,192	664,374
Advances to suppliers of raw materials and property, plant and equipment	9,864	134,777
	666,056	799,151

22. Cash and bank balances

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash at banks and on hand	22,597,111	19,130,408	2,123,094	721,318
Fixed deposits with licensed bank	65,408,227	56,241,921	36,000,000	24,453,920
Cash and bank balances	88,005,338	75,372,329	38,123,094	25,175,238
Less: Deposits with maturity exceeding 90 days	(41,000,000)	-	(36,000,000)	-
Cash and cash equivalents	47,005,338	75,372,329	2,123,094	25,175,238

The weighted average effective interest rates of deposits of the reporting date were as follows:

	Group		Company	
	2018 %	2017 %	2018 %	2017 %
Deposits with licensed banks	3.00 - 4.20	3.53 - 3.82	4.05 - 4.20	3.82

The average maturities of deposits as at the end of the financial year were as follows:

	Group		Company	
	2018 Days	2017 Days	2018 Days	2017 Days
Deposits with licensed banks	1 - 180	1 - 90	91 - 180	90

23. Non-current assets held for sale

	Group	
	2018 RM	2017 RM
Leasehold land and building	60,843	-

During the financial year, a subsidiary entered into agreements for the sale of land and building for a total consideration of RM110,000.

As at 30 November 2018, the property has been presented on the statement of financial position as non-current asset classified as held for sale.

23. Non-current assets held for sale (Cont'd)

	Carrying amount as at 30 November 2018 RM
Asset	
Investment properties (Note 13)	60,843

24. Loans and borrowings

	Maturity	Group 2018 RM	Group 2017 RM
Current			
Unsecured:			
Term loans:			
- RM term loan I at 1% + COF	2018	-	1,552,000
- RM term loan II at 1% + COF	2019	1,005,848	999,600
- RM term loan III at 1% + COF	2019	571,652	543,981
		1,577,500	3,095,581
Non-current			
Unsecured:			
Term loans:			
- RM term loan I at 1% + COF	2019	-	1,568,000
- RM term loan II at 1% + COF	2019	-	1,001,600
- RM term loan III at 1% + COF	2020	221,321	850,035
		221,321	3,419,635
Total loans and borrowings		1,798,821	6,515,216

The remaining maturities of the loans and borrowings as at 30 November 2018 are as follows:

	Group 2018 RM	Group 2017 RM
On demand or within one year	1,577,500	3,095,581
More than 1 year and less than 2 years	221,321	3,140,161
More than 2 years and less than 5 years	-	279,474
	1,798,821	6,515,216

24. Loans and borrowings (Cont'd)

RM term loan I 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 RM94,855,044 (2017: RM100,753,160) as disclosed in Note 12 and Note 13 respectively and a corporate guarantee from the Company.

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 borrower amounting to RM94,855,044 (2017: RM100,753,160) 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 by the Company.

* COF: Cost of funds of 5.09% (2017: 4.78%) per annum

The movement of borrowings during the year is as follows:

	Group	
	2018 RM	2017 RM
At beginning of financial year	6,515,216	9,667,968
Repayment	(4,716,395)	(3,152,752)
At end of financial year	1,798,821	6,515,216

25. Trade and other payables

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Trade payables				
Third parties	37,642,247	34,906,110	-	-
Other payables				
Amounts due to directors	25,660	20,951	-	-
Accruals	7,945,014	9,355,539	345,371	195,626
Sundry payables	11,052,245	9,325,725	-	-
	19,022,919	18,702,215	345,371	195,626
	56,665,166	53,608,325	345,371	195,626
Total trade and other payables	56,665,166	53,608,325	345,371	195,626
Add: Loans and borrowings (Note 24)	1,798,821	6,515,216	-	-
Total financial liabilities carried at amortised cost	58,463,987	60,123,541	345,371	195,626

25. Trade and other payables (Cont'd)

(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 (2017: 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 (2017: average term of 3 months).

(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	
	2018 RM	2017 RM
At beginning of financial year	10,272,145	11,087,852
Recognised in the profit or loss (Note 10)	(772,626)	(815,707)
At end of financial year	9,499,519	10,272,145

The components and movements of deferred tax liabilities/(assets) during the financial year are as follows:

	Accelerated capital allowances RM	Provisions and unabsorbed capital and reinvestment allowance RM	Total RM
Group			
At 1 December 2016	12,372,852	(1,285,000)	11,087,852
Recognised in profit or loss	(312,314)	(503,393)	(815,707)
At 30 November 2017 and 1 December 2017	12,060,538	(1,788,393)	10,272,145
Recognised in profit or loss	(772,626)	-	(772,626)
At 30 November 2018	11,287,912	(1,788,393)	9,499,519

27. Share capital and treasury shares

	Number of ordinary shares		Amount	
	Share capital	Treasury shares	Share capital RM	Treasury shares RM
Issued and paid up				
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)
Issued and fully paid				
2017				
At beginning of financial year	304,584,484	-	76,146,121	-
Effect of implementation of Companies Act 2016	-	-	22,732,477	-
At end of financial year	304,584,484	-	98,878,598	-

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.

Implementation of Companies Act 2016

With effect from 31 January 2017, all entities shall comply with the Companies Act 2016 ("CA 2016") in the preparation of financial statements for the financial year ending on or after 31 January 2017.

Section 74 of CA 2016 states that all shares issued before or after 31 January 2017 shall have no par or nominal value. CA 2016 provides certain transitional provisions relating to the abolition of nominal value.

(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.

27. Share capital and treasury shares (Cont'd)

(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:

(a) 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.

(b) 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.

(c) 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 (2017: 152,292,242).

28. Reserves

	Group	
	2018 RM	2017 RM
Share premium:		
At beginning of financial year	-	22,732,477
Transition to no-par value regime	-	(22,732,477)
At end of financial year	-	-
Foreign currency translation reserve:		
At beginning of financial year	5,542,256	5,975,112
Foreign currency translation	(4,280,873)	(432,856)
At end of financial year	1,261,383	5,542,256
Other reserve:		
At beginning and end of financial year	728,997	728,997

28. Reserves (Cont'd)

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.

29. Retained earnings

The entire retained earnings of the Company as at 30 November 2018 and 30 November 2017 may be distributed as dividends under the single tier system.

30. Dividends

	Group and Company	
	2018	**2017**
	RM	**RM**
In respect of financial year ended 2016:		
Single tier final dividend of 2.00 sen per ordinary share on 304,584,484 ordinary shares	-	6,091,690
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	6,091,690

No dividend has been paid or declared by the Company in respect of the financial year ended 30 November 2018. The directors do not recommend payment of any dividend for the current financial year.

31. Commitments

(a) Capital commitments

	Group 2018 RM	Group 2017 RM
Capital expenditure:		
Approved and contracted for:		
- Property, plant and equipment	-	204,540

(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 clause 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 2018 RM	Group 2017 RM
Future minimum rental payable:		
Not later than 1 year	237,250	178,200
Later than 1 year and not later than 5 years	235,300	102,450
	472,550	280,650

(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 2018 RM	Group 2017 RM
Future minimum rental payable:		
Not later than 1 year	620,395	358,200
Later than 1 year and not later than 5 years	553,900	452,500
	1,174,295	810,700

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 the Company and related parties took place at term agreed between parties during the financial year:

(a) Sale and purchase of goods and services

	2018 RM	2017 RM
Group		
Related party:*		
Sale of finished goods to companies related to a director	7,464,247	5,571,418
Rental paid to a company related to a director	36,000	36,000
Company		
Gross dividend received from subsidiaries	5,250,000	5,250,000
Interest charged to a subsidiary	368,964	380,103

* 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 as disclosed in Note 9.

33. Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximations of fair value

	Carrying amount		Fair value	
Company	2018 RM	2017 RM	2018 RM	2017 RM
Financial assets:				
Non-Current				
Amounts due from subsidiaries (Note 18)	5,700,000	24,636,074	*	*

* The amounts owing from subsidiaries are not expected to be repaid within the next twelve months and are repayable only when the cash flows of the borrowers permit. Accordingly, the fair values of these balances are not determinable as the timing of the future cash flows arising from the balances cannot be estimated reliably. However, the Company does not anticipate the carrying amount recorded at the reporting date to be significantly different from the values that would eventually be received.

33. Fair values (Cont'd)

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
Trade and other receivables (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 approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to 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 and trust funds

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)

- NOTES TO THE FINANCIAL STATEMENTS -
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2018

33. Fair values (Cont'd)

	Total RM	Level 1 RM	Level 2 RM	Level 3 RM
Group				
As at 30 November 2018				
Assets measured at fair value				
Other investments (Note 17)	15,696,212	15,696,212	-	-
Assets for which fair values are disclosed				
Investment properties (Note 13)	32,343,000	-	-	32,343,000
As at 30 November 2017				
Assets measured at fair value				
Other investments (Note 17)	5,343,036	5,343,036	-	-
Assets for which fair values are disclosed				
Investment properties (Note 13)	31,990,000	-	-	31,990,000
Company				
As at 30 November 2018				
Assets measured at fair value				
Other investments (Note 17)	10,507,040	10,507,040	-	-
As at 30 November 2017				
Assets measured at fair value				
Other investments (Note 17)	5,172,560	5,172,560	-	-

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 policy, procedures and control 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 financial standings 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 assets recognised in the statement of financial position.
- A nominal amount of RM1,798,821 (2017: RM6,515,216) 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.

34. Financial risk management objectives and policies (Cont'd)

(b) Credit risk (Cont'd)

(i) Trade receivables (Cont'd)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20.

Financial assets that are either past due or impaired

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 potential counterparty's 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.

	2018		
	Within one year RM	**One to five years RM**	**Total RM**
Group			
Financial liabilities:			
Trade and other payables	56,665,166	-	56,665,166
Loans and borrowings	1,604,648	224,202	1,828,850
Total undiscounted financial liabilities	58,269,814	224,202	58,494,016
Company			
Financial liabilities:			
Trade and other payables, represent total undiscounted financial liabilities	345,371	-	345,371

	2017		
	Within one year RM	**One to five years RM**	**Total RM**
Group			
Financial liabilities:			
Trade and other payables	53,608,325	-	53,608,325
Loans and borrowings	3,344,965	3,509,644	6,854,609
Total undiscounted financial liabilities	56,953,290	3,509,644	60,462,934
Company			
Financial liabilities:			
Trade and other payables, represent total undiscounted financial liabilities	195,626	-	195,626

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 closely 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 RM48,000 and RM27,000 (2017: RM37,000 and RM18,000) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. 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") and Thai Baht ("THB"). 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 USD and THB exchange rates against the functional currency of the Group, with all other variables held constant.

		2018 RM	2017 RM
Group			
USD/RM	- strengthened 3%	(50,000)	(346,000)
	- weakened 3%	50,000	346,000
THB/RM	- strengthened 3%	22,000	520,000
	- weakened 3%	(22,000)	(520,000)

35. Segment information

For management purposes, the Group is organised into business units based on the 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	Notes	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	-	-	-		-

35. Segment information (Cont'd)

	Malaysia RM	Thailand RM	Eliminations RM	Notes	Consolidated RM
30 November 2017					
Revenue					
External sales	343,078,535	27,804,428	-		370,882,963
Total revenue	343,078,535	27,804,428	-		370,882,963
Results					
Interest income	1,910,451	5,606	-		1,916,057
Finance costs	373,335	-	-		373,335
Depreciation and amortisation	8,837,475	1,919,296	-		10,756,771
Segment profit	19,158,546	(465,809)	-		18,692,737
Assets					
Additions to non-current assets	3,853,726	65,154	-	A	3,918,880
Segment assets	418,208,374	50,160,634	-		468,369,008
Other segment information					
Capital commitments	204,540	-	-		204,540

A Additions to non-current assets consist of:

	2018 RM	2017 RM
Property, plant and equipment	4,849,197	3,918,880
Land use right	736,202	-
	5,585,399	3,918,880

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 2018 and 30 November 2017.

37. Contigent liabilities

Ajiya Berhad’s subsidiary, ASG Marketing Sdn. Bhd. (“ASGM”) is a third party in a court case involving a contractor and the building owner. ASGM’s lawyer advised that the probability of ASGM’s success in the case is reasonable. The cost related to the replacement of the products is approximately RM2.5 million, if ASGM is liable.

38. Authorisation of financial statements for issue

The financial statements for the year ended 30 November 2018 were authorised for issue in accordance with a resolution of the directors on 8 March 2019.

- ANALYSIS OF SHAREHOLDINGS -

AS AT 25 FEBRUARY 2019

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	12	212	0.00
100 to 1,000	146	97,702	0.03
1,001 to 10,000	1,614	10,693,767	3.59
10,001 to 100,000	1,290	42,027,199	14.09
100,001 to less than 5% of issued shares	207	110,469,688	37.05
5% and above of issued shares	5	134,907,816	45.24
TOTAL	3,274	298,196,384*	100.00

* Excluding a total of 6,388,100 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	13.93
2.	Avia Kapital Sdn Bhd	30,975,652	10.39
3.	Chan Wah Kiang	23,913,996	8.02
4.	Chan Wah Kiang	22,222,224	7.45
5.	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG Singapore for Yeoman 3-Rights Value Asia Fund (PTSL)	16,250,000	5.45
6.	Lee Koing @ Lee Kim Sin	14,271,064	4.79
7.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Chan Wah Kiang	9,000,000	3.02
8.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Koing @ Lee Kim Sin	8,520,000	2.86
9.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Kuak Fong	5,263,100	1.76
10.	Amsec Nominees (Tempatan) Sdn Bhd Ambank (M) Berhad for Chan Wah Kiang	5,218,020	1.75
11.	Tan Liong Fook	3,417,300	1.15
12.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt AN for DBS Bank Ltd	2,816,400	0.94

- ANALYSIS OF SHAREHOLDINGS -

AS AT 25 FEBRUARY 2019

THIRTY LARGEST SHAREHOLDERS (CONT'D)

	Name of Shareholders	No. of Shares	% of Shares
13.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Yeo Ann Seck	2,382,000	0.80
14.	Tan Liong Fook	2,280,000	0.76
15.	DB (Malaysia) Nominee (Asing) Sdn Bhd BNYM SA/NV for KAF Asia Equity Fund	2,213,000	0.74
16.	Lee Koh Meng	2,111,820	0.71
17.	Lim Khuan Eng	2,070,000	0.69
18.	Lee Kim Keok	1,622,400	0.54
19.	Chern Teik Leong	1,391,100	0.47
20.	Yeo Khee Huat	1,208,000	0.41
21.	Affin Hwang Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Yeo Seng Chong	1,200,000	0.40
22.	Mulia Bersama Sdn Bhd	891,000	0.30
23.	Tan Chun Nyat	800,000	0.27
24.	Neoh Choo Ee & Company, Sdn. Berhad	723,500	0.24
25.	Ang Hui Chan	620,000	0.21
26.	Kong Cheun Kok	608,300	0.20
27.	Khew Yit Len	604,800	0.20
28.	Bintang Barat Sdn Bhd	600,000	0.20
29.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Dato' Yap Kuak Fong	600,000	0.20
30.	Chow Mun Yuen	598,400	0.20

- ANALYSIS OF SHAREHOLDINGS -

AS AT 25 FEBRUARY 2019

SUBSTANTIAL SHAREHOLDERS

	Name	No. of Shares Held Direct	%	Indirect/ Deemed	%
1.	Dato' Chan Wah Kiang	60,568,640	20.31	30,975,652*	10.39
2.	Yeo Ann Seck	43,927,944	14.73	-	-
3.	Avia Kapital Sdn Bhd	30,975,652	10.39	-	-
4.	Yeoman 3-Rights Value Asia Fund	16,250,000	5.45	-	-
5.	Yeoman Capital Management Pte Ltd	240,000	0.08	16,470,000[a]	5.52
6.	Yeo Seng Chong	1,200,000	0.40	16,710,000[b]	5.60
7.	Lim Mee Hwa	-	-	17,910,000[b]	6.01
8.	Lee Koing @ Lee Kim Sin	22,791,064	7.64	-	-

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

	Name	No. of Shares Held Direct	%	Indirect/ Deemed	%
1.	Dato' Chan Wah Kiang	60,568,640	20.31	30,975,652*	10.39
2.	Yeo Ann Seck	43,927,944	14.73	-	-
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 25 FEBRUARY 2019

Warrant Issued	**:**	**152,292,242**
No of Warrant Holders	**:**	**1,883**
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	% of Holdings
Less than 100	28	925	0.00
100 to 1,000	92	57,868	0.04
1,001 to 10,000	921	5,121,500	3.36
10,001 to 100,000	679	25,694,500	16.87
100,001 to less than 5% of issued warrants	159	62,625,013	41.12
5% and above of issued warrants	4	58,792,436	38.61
TOTAL	1,883	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	2,288,100	1.50
9.	M-Ocean Holdings Sdn Bhd	1,945,472	1.28
10.	Ng Phaik Lean	1,873,000	1.23
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

- ANALYSIS OF WARRANT HOLDINGS -
AS AT 25 FEBRUARY 2019

THIRTY LARGEST WARRANT HOLDERS (CONT'D)

	Name of Holders	No. of Warrants	% of Holdings
14.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank 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.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Ming Hong	878,000	0.58
19.	Kong Cheun Kok	771,400	0.51
20.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Sing Huat	745,000	0.49
21.	Lim Sok Khin	700,000	0.46
22.	Tan Beng Sen	660,000	0.43
23.	Chia Yok Kiang	625,000	0.41
24.	Yeo Khee Huat	604,000	0.40
25.	Sim Soon Heng	602,800	0.40
26.	Ng Yan Phay	583,800	0.38
27.	Lim Hong Twa	565,000	0.37
28.	Lee Kim Keok	561,200	0.37
29.	Chiam Kia How	550,000	0.36
30.	Toh Ah San	547,000	0.36

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.

- ANALYSIS OF WARRANT HOLDINGS -

AS AT 25 FEBRUARY 2019

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 OWNED BY THE GROUP -

BASED ON NET BOOK VALUE AS AT 30 NOVEMBER 2018

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.	700/608 & 700/609, Moo 7, Amata Nakorn Industrial Estate, T.Donhualoh A.Muang, Chonburi 20000, Thailand	Industrial land with factory building	Freehold	4 years	5.62	3.15	17,472	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	12,954	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	10,799	17-03-2015
4.	Lot 7068, Jalan Seelong, Kampung Maju Jaya, 81300 Johor	Industrial land with factory building	Freehold	2 year	3.21	1.32	10,534	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	7,595	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	6,665	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	6,578	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	6,170	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	5,935	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 TWENTY THIRD ANNUAL GENERAL MEETING -

NOTICE IS HEREBY GIVEN THAT the Twenty Third Annual General Meeting of the Company will be held at VIP Hotel, Batu 1, Jalan Buloh Kasap, 85000 Segamat, Johor on Friday, 26 April 2019 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 2018 together with the Reports of the Directors and Auditors thereon. **Refer To Explanatory Note A**

2. To approve the payment of Directors' fees and benefits amounting to RM1,701,974 for the financial year ended 30 November 2018. **Resolution 1**

3. To approve the payment of Directors' benefits up to an amount of RM40,000 from 26 April 2019 until the next Annual General Meeting of the Company. **Resolution 2** **Refer To Explanatory Note B**

4. To re-elect the following Directors who are retiring in accordance with the Company's Articles of Association and being eligible, offered themselves for re-election:-

   (a) Dato' Dr. Mohd Aminuddin bin Mohd Rouse – Article 80 **Resolution 3**
   (b) Ms. Low Peak Yih – Article 80 **Resolution 4**
   (c) Ms. Lee Xia Lien – Article 87 **Resolution 5**

5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:-

6. **ORDINARY RESOLUTION**
   CONTINUATION OF TERMS OF OFFICE AS INDEPENDENT DIRECTOR **Resolution 7**
   "**THAT** authority be and is hereby given to Mr. Tan Seng Kee to continue to serve as an Independent Director of the Company in accordance with the Malaysian Code on Corporate Governance."

7. **ORDINARY RESOLUTION**
   CONTINUATION OF TERMS OF OFFICE AS INDEPENDENT DIRECTOR **Resolution 8**
   "**THAT** authority be and is hereby given to Dato' Theng Book to continue to serve as an Independent Director of the Company in accordance with the Malaysian Code on Corporate Governance."

8. **ORDINARY RESOLUTION**
   CONTINUATION OF TERMS OF OFFICE AS INDEPENDENT DIRECTOR **Resolution 9**
   "**THAT** authority be and is hereby given to Ms. Low Peak Yih to continue to serve as an Independent Director of the Company in accordance with the Malaysian Code on Corporate Governance."

9. **ORDINARY RESOLUTION**
AUTHORITY TO ALLOT SHARES **Resolution 10**

"**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 IN TIME ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY") **Resolution 11**

"**THAT**, subject to the Companies Act, 2016 ("the Act"), the provisions of the Memorandum and Articles of Association 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 manner 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") AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE") **Resolution 12**

"**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 26 March 2019 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 and Proposed New Shareholders' Mandate are 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."

- NOTICE OF TWENTY THIRD ANNUAL GENERAL MEETING -

12. **SPECIAL RESOLUTION** **Resolution 13**
PROPOSED ALTERATION OR AMENDMENT OF CONSTITUTION OF AJIYA BERHAD

"**THAT** approval be and is hereby given to alter or amend the existing Constitution of the Company by replacing it entirely with a new Constitution of the Company as set out in Part C of the Circular to Shareholders dated 26 March 2019 with immediate effect **AND THAT** the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

13. 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 Articles of Association.

By Order of the Board

CHONG WUI KOON (f) MAICSA NO. 7012363
LEONG SIEW FOONG (f) MAICSA NO. 7007572
Company Secretaries

Johor Bahru
Dated: 26 March 2019

- NOTICE OF TWENTY THIRD 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 authorised 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 authorised nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorised 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 SPECIAL BUSINESSES:-

Resolutions No. 7, 8 & 9

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 view 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 44 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. 10

The proposed resolution No. 10 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. 11

Resolution 11, 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 profits of the Company. The audited retained earnings of the Company stood at RM13,534,373 as at 30 November 2018. 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 26 March 2019.

- NOTICE OF TWENTY THIRD ANNUAL GENERAL MEETING -

Resolution No. 12
The Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate under Resolution 12 is seeking for shareholders' approval at the forthcoming Annual General Meeting of the Company.

The Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate are 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 and Proposed New 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 2018.

Resolution No. 13
The Memorandum and Articles of Association of the Company shall have effect and enforceable under Companies Act 2016 pursuant to Section 619(3) of Companies Act 2016. The Company is proposing a new Constitution to replace its existing Memorandum & Articles of Association (deemed as Constitution by Companies Act 2016) in order to bring the Constitution in line with Companies Act 2016 and Bursa Securities Malaysia Berhad Listing Requirement besides to enhance administrative efficiency. The proposed new Constitution is set out in Part C of the Circular to Shareholders dated 26 March 2019 accompanying the Company's Annual Report for the financial year ended 30 November 2018, shall take effect once the Proposed Special Resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the forthcoming AGM.

EXPLANATORY NOTES ON ORDINARY BUSINESSES:

Note A
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 of the shareholders and hence is not put forward for voting.

Note B
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 26 April 2019 to the next Annual General Meeting of the Company.

FORM OF PROXY

AJIYA
AJIYA BERHAD
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 Third Annual General Meeting to be held at VIP Hotel, Batu 1, Jalan Buloh Kasap, 85000 Segamat, Johor on Friday, 26 April 2019 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 ; ____________ ; ________ %

NO.	RESOLUTION	FOR	AGAINST
1.	To approve the payment of Directors' fees and benefits amounting to RM1,701,974 for the financial year ended 30 November 2018.		
2.	To approve the payment of Directors' benefits up to an amount of RM40,000 from 26 April 2019 until the next Annual General Meeting of the Company.		
3.	To re-elect Dato' Dr. Mohd Aminuddin bin Mohd Rouse as Director.		
4.	To re-elect Ms. Low Peak Yih as Director.		
5.	To re-elect Ms. Lee Xia Lien as Director.		
6.	To re-appoint Messrs Ernst & Young as Auditors of the Company.		
7.	To approve the continuation of terms of office of Mr. Tan Seng Kee as Independent Director.		
8.	To approve the continuation of terms of office of Dato' Theng Book as Independent Director.		
9.	To approve the continuation of terms of office of Ms. Low Peak Yih as Independent Director.		
10.	To authorise the allotment of shares pursuant to Sections 75(1) and 76(1) of Companies Act 2016.		
11.	Approval of the Proposed Renewal of Share Buy-Back Authority.		
12.	Approval for the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate.		
13.	Proposed alteration or amendment of the Constitution of the Company.		

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 ______________ 2019.

____
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 authorised 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 authorsed nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorised 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.

Fold Here

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

- **Factory III**
  Lot 152,
  Kawasan Perindustrian,
  Jalan Genuang,
  85000 Segamat, Johor
  Tel : 607-943 4211
  Fax : 607-943 1054

- **Marketing Head Office & Factory**
  No.4, Jalan Sungai Pelubung
  32/149, Seksyen 32,
  40460 Shah Alam, Selangor
  Tel : 603-5121 0011
  Fax : 603-5121 0111
  E-mail : aribkmkt@ajiya.com

- **Southern Office & Factory**
  Lot 7068, Jalan Seelong,
  Kampung Maju Jaya,
  81300 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 1887

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
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