

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

Bursa Securities has not perused the section pertaining to the Proposed Share Buy-Back (as defined herein) prior to the issuance of this Circular as it is prescribed as an Exempt Circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.



(Company No. 377627-W)
(Incorporated in Malaysia under the Companies Act, 1965)

**PART A
IN RELATION TO THE
PROPOSED PURCHASE BY AJIYA OF UP TO 10% OF ITS TOTAL NUMBER OF ISSUED
SHARES;
AND
PART B
IN RELATION TO THE
PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The full text of the ordinary resolutions pertaining to the Proposals are set out in the Notice of the Company's Twenty First Annual General Meeting ("AGM"), which is attached in the Annual Report of the Company for the financial year ended 30 November 2016 together with the Form of Proxy. The aforementioned AGM will be held at VIP Hotel, Batu 1, Jalan Buloh Kasap, 85000 Segamat, Johor on Friday, 28 April 2017 at 11.30 a.m.

If you are unable to attend and vote in person at the AGM, you may complete the Form of Proxy in accordance with the instructions thereon and deposit it at the 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. The return of a completed Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently do so.

Last day, date and time for lodging the Form of Proxy : Wednesday, 26 April 2017 at 11.30 a.m.
Day, date and time of the Annual General Meeting : Friday, 28 April 2017 at 11.30 a.m.

This Circular is dated 30 March 2017

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	:	The Companies Act, 2016 as may be amended, modified or re-enacted from time to time
"AGM"	:	Annual General Meeting
"Ajiya" or "the Company"	:	Ajiya Berhad (377627-W)
"Ajiya Group" or "the Group"	:	Ajiya, and its subsidiaries
"Ajiya Share(s)" or "Share(s)"	:	Ordinary shares(s) of Ajiya Berhad
"Board"	:	The Board of Directors of Ajiya
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CMSA"	:	Capital Markets and Services Act 2007
"Code"	:	Malaysian Code on Take-Overs and Mergers, 2016 as may be amended, modified or re-enacted from time to time
"Director(s)"	:	has the meaning given in section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon – (i) a director of the listed issuer, its subsidiary or holding company; (ii) a chief executive of the listed issuer, its subsidiary or holding company; (iii) in relation to a SPAC, a member of the SPAC's management team; (iv) in relation to a business trust, a director or chief executive of the trustee-manager, its subsidiary or holding company; and (v) in relation to a closed-end fund, in addition to a director or chief executive of the closed-end fund, a director or chief executive of the Manager, its subsidiary or holding company
"Eligible Person(s)"	:	Employees and Directors of Ajiya Group, which are not dormant, who meet the criteria of eligibility in the manner as indicated in the By-Laws
"EPS"	:	Earnings Per Share
"ESOS"	:	Employees' share option scheme, being the scheme for the granting of ESOS Options to Eligible Persons to subscribe for new Ajiya Shares upon the terms and conditions in the manner as indicated in the By-Laws
"ESOS Option(s)" or "Option(s)"	:	The right of a Grantee which may be conditional or unconditional to subscribe for new Ajiya Shares pursuant to the contract by the acceptance of an offer by an Eligible Person in the manner as indicated in the By-Laws.
"FYE"	:	Financial year ended 30 November 2016

DEFINITIONS (CONT'D)

- "Listing Requirements" : Main Market Listing Requirements of Bursa Securities
- "LPD" : 28 February 2017, being the latest practicable date prior to the printing and despatch of this Circular
- "Listing Requirements" : Main Market Listing Requirements of Bursa Securities
- "Major Shareholder" : Means a person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is :-
- (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or
 - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation
- For the purpose of this definition, "interest in shares" has the meaning given in Section 8 of the Act
- It also includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder (as defined above) of the listed issuer or any other company which is its subsidiary or holding company
- "Maximum Scenario" : Assuming all of the 152,292,242 of bonus warrants and ESOS option granted (approximately 10% of the total number of issued shares) are exercised
- "Minimum Scenario" : Assuming none of the 152,292,242 of bonus warrants and ESOS option granted (approximately 10% of the total number of issued shares) are exercised
- "NA" : Net assets attributable to ordinary equity holders of Ajiya
- "person(s) connected" : In relation to a director or major shareholder, means such person(s) who fall(s) under any one of the following categories:
- (a) a family* member of the director or major shareholder;
 - (b) a trustee of a trust (other than a trustee for share scheme for employees or pension scheme) under which the director, major shareholder, or a family member of the director or major shareholder, is the sole beneficiary;
 - (c) a partner[#] of the director, major shareholder, or a partner of a person connected with that director or major shareholder;
 - (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;
 - (e) a person in accordance with whose directions, instructions or wishes the director or major shareholder, is accustomed or is under an obligation, whether formal or informal, to act;

DEFINITIONS (CONT'D)

- (f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;
- (g) a body corporate or its directors whose directions, instructions or wishes the director or major shareholder is accustomed or under an obligation, whether formal or informal, to act;
- (h) a body corporate in which the director, major shareholder, or persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate;
or
- (i) a body corporate which is a related corporation

Note:

* Family in relation to a person means which such person who falls within any one of the following categories: -

- (i) spouse;
- (ii) parent;
- (iii) child including an adopted child and step-child;
- (iv) brother or sister; and
- (v) spouse of the person referred to in subparagraph (iii) and (iv) above

Partner in relation to a director, major shareholder or a person connected with a director or major shareholder, means such person who falls within any one of the following categories: -

- (i) a person with whom the director, major shareholder or person connected with the director or major shareholder, is in or proposes to enter into partnership with. "Partnership" for this purpose refers to a "partnership" as defined in section 3 of the Partnership Act 1961 or "limited liability partnership" as defined in section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or
- (ii) a person with whom the director, major shareholder or person connected with a director or major shareholders has entered or proposes to enter into a joint venture, whether incorporated or not

"Proposed Share Buy-Back"	: Proposal purchase by Ajiya of Ajiya Shares of an amount of up to 10% of the total number of issued shares of Ajiya
"Proposed Mandate"	: Proposed Mandate for Recurrent Related Party(ies) Transactions of a revenue or trading nature
"Purchased Share(s)"	: Ajiya Shares to be purchased pursuant to the Proposed Share Buy-Back
"RM" and "sen"	Ringgit Malaysia and sen, respectively
"RRPT(s)"	: Related Party Transaction(s) involving recurrent transactions of a revenue or trading nature that are necessary for the day-to-day operations and are in the ordinary course of business of our Group
"SPAC"	: Special Purpose Acquisition Company
"VWAMP"	: Volume weighted average market price
"Treasury Shares"	: Purchased Shares which will be retained as treasury shares

DEFINITIONS (CONT'D)

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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PART A

CIRCULAR TO SHAREHOLDERS

in relation to the

**PROPOSED PURCHASE BY AJIYA OF UP TO 10% OF ITS TOTAL NUMBER OF ISSUED
SHARES**



(Company No. 377627-W)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

Suite 6.1A, Level 6 Menara Pelangi
Jalan Kuning, Taman Pelangi
80400 Johor Bahru, Johor

30 March 2017

Board of Directors

Dato' Dr Mohd Aminuddin bin Mohd Rouse	(Independent Non-Executive Chairman)
Dato' Chan Wah Kiang	(Managing Director)
Yeo Ann Seck	(Non-Executive Director)
Tan Seng Kee	(Senior Independent Non-Executive Director)
Dato' Theng Book	(Independent Non-Executive Director)
Low Peak Yih	(Independent Non-Executive Director)

To: The Shareholders of **AJIYA BERHAD**

Dear Sir/ Madam,

AJIYA BERHAD
~ **PROPOSED SHARE BUY-BACK**

1. INTRODUCTION

On 10 March 2017, the Board had announced to Bursa Securities that the Company proposes to seek shareholders' approval for the purchase by Ajiya of up to 10% of its total number of issued shares at any point of time.

The purpose of this Circular is to provide the shareholders of Ajiya with the relevant information on the Proposed Share Buy-Back, as well as to seek the approval from the shareholders of Ajiya for the resolutions pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM of the Company. The notice of AGM and the proxy form are enclosed in our Annual Report for the financial year ended 30 November 2016.

SHAREHOLDERS OF AJIYA ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSAL

2.1 Proposed Share Buy-Back

2.1.1 Quantum

The Board proposes to seek the shareholders' approval for the authority to purchase the Company's own Shares of up to 10% of the total number of issued shares of the Company as at the time of purchase.

The Proposed Share Buy-Back is subject to compliance with Section 127 of the Act, the Listing Requirements and any prevailing laws, guidelines, rules and regulations issued by the relevant authorities at the time of purchase.

	Number of Shares
Total number of issued shares of the Company	<u>304,584,484</u>
Less:	
10% of the total number of issued shares	(30,458,448)
Total number of treasury share	(0)
Balance after Proposed Share Buy-Back	<u>274,126,036</u>

The actual number of Ajiya Shares to be purchased and the timing of any purchase would depend on, inter-alia, the prevailing market conditions and sentiments, the availability of the retained earnings of the Company, as well as the financial resources available to the Company at the time of purchase.

2.1.2 Timeframe

The Proposed Share Buy-Back would be effective immediately upon the passing of the ordinary resolution relating to the Proposed Share Buy-Back at the AGM of the Company to be convened and shall be valid 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.

The Company must be solvent at the date of purchase and will not become insolvent because of the debts, if any, incurred by the Company to pay for the purchase consideration. Pursuant to Paragraph 12.12 of the Listing Requirements, in the event that the Company undertakes a share buy-back exercise, the Company must ensure that a solvency declaration is lodged with Bursa Securities by the Directors of Ajiya in accordance with Section 127 of the Act.

2.1.3 Pricing

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company may only purchase its own shares on Bursa Securities at a price which is not more than 15% above the VWAMP of Ajiya Shares for the five (5) Market Days immediately before the date of any purchase(s).

Pursuant to Paragraph 12.18 of the Listing Requirements and in the case of a resale of treasury shares, the Company may only resell any treasury shares on Bursa Securities at:-

- i. a price which is not less than the VWAMP of Ajiya Shares for the five (5) Market Days immediately before the resale; or
- ii. a discounted price of not more than five (5) percent to the VWAMP of Ajiya Shares for the five (5) Market Days immediately before the resale provided that:-
 - a) the resale takes place not earlier than 30 days from the date of purchase; and
 - b) the resale price is not less than the cost of purchase of Ajiya Shares being resold.

2.1.4 Source of funds

The Proposed Share Buy-Back may be funded through internally generated funds and/or bank borrowings, as long as the purchase is backed by an equivalent amount of retained profits of the Company.

The maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the aggregate amount of the retained earnings of the Company.

The amount of funds to be utilised for the Proposed Share Buy-Back will only be determined later, depending on the actual number and price(s) of the Purchased Shares, the availability of funds at the time of purchase(s) and other relevant cost factors. Should the purchase of Ajiya Shares be financed through bank borrowings, the Board will ensure that there is sufficient funds to repay such borrowings and that the repayment will not have any material adverse effect on the cash flow of the Ajiya Group.

Based on the latest audited financial statements for the FYE of Ajiya, the retained earnings at the Company level are set out below:-

Ajiya (Company level)	Audited as at 30 November 2016
	RM
Retained earnings	216,645,355.00

2.1.5 Treatment of the Purchased Shares

Pursuant to Section 127(4) of the Act, the Directors of the Company may deal with the Purchased Shares in the following manner:-

- (i) cancel all the shares so purchased;
- (ii) retain all the shares so purchased as Treasury Shares;
- (iii) retain part of the shares so purchased as Treasury Shares and cancel the remainder of the shares; and
- (iv) deal with the Treasury Shares in the manners as allowed by the Act from time to time.

It is the present intention of the Board to retain the Purchased Shares as Treasury Shares and subsequently resell them on Bursa Securities if the opportunity arises for the Company to realise gains from the resale on Bursa Securities. However, the Board may distribute the Treasury Shares as share dividends, which will depend on the availability of, amongst others, retained earnings and tax credits of the Company, transfer the Treasury Shares for the purpose of or under a share scheme, or cancel the Treasury Shares if the Board decides to change the capital structure of the Company.

In the event the Purchased Shares are held as treasury shares, the rights attaching to them in relation to voting, dividends and participation in any other distribution or otherwise, would be suspended and the Treasury Shares would not be taken into account in calculating the number of percentage of shares, or of a class of shares in the Company for any purposes including the

determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on resolution(s) at meetings.

An immediate announcement will be made to Bursa Securities in respect of the intention of the Directors to either retain the Purchased Shares as treasury shares or cancel them or a combination of both following any transaction(s) executed pursuant to the authority granted under the Proposed Share Buy-Back.

2.1.6 Public Shareholding Spread

The Proposed Share Buy-Back shall be carried out in accordance with Paragraph 8.02(1) of the Listing Requirements, of which 25% of the total number of issued shares of the Company must be in the hands of public shareholders. The public shareholding spread of Ajiya as at the LPD was 42.06%.

The Company will endeavour to ensure that the Proposed Share Buy-Back will not breach Paragraph 12.14 of the Listing Requirements, which states that a listed company must not purchase its own shares on Bursa Securities if that purchase will result in the listed company being in breach of Paragraph 8.02(1) of the Listing Requirements.

2.1.7 Potential advantages and disadvantages

The potential advantages of the Proposed Share Buy-Back to the Company and its shareholders are as follows:

- i. The Proposed Share Buy-Back will enable the Company to take preventive measures against speculation, particularly when the shares are undervalued and this would, in turn, stabilise the market price of Ajiya Shares and hence, enhance investors' confidence;
- ii. The Proposed Share Buy-Back will provide the Company the flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity;
- iii. The Proposed Share Buy-Back will provide the Company opportunities to increase its financial resources if the Purchased Shares which are retained as treasury shares are resold at prices higher than the purchase prices;
- iv. The Proposed Share Buy-Back allows the Company to utilise its surplus financial resources to purchase the Ajiya Shares to enhance the value of shareholders' investments in the Company if there are no immediate use of the financial resources; and
- v. In the event the Treasury Shares are distributed as share dividends by the Company, it will serve to reward the shareholders of the Company.

The potential disadvantages of the Proposed Share Buy-Back to the Company and its shareholders are as follows:

- i. The Proposed Share Buy-Back will reduce the financial resources of Ajiya, which may result in the Company foregoing other investment opportunities that may emerge in the future;
- ii. The Proposed Share Buy-Back will result in reduction of financial resources available for distribution to shareholders in the immediate future whereby the funds can only be made out of retained earnings of the Company.

Nevertheless, the Proposed Share Buy-Back Authority is not expected to have any potential material disadvantages to the Company and its shareholders, as any share buy-back will be undertaken only after in-depth consideration of the financial resources of Ajiya and the

resultant impact on its shareholders. The Board, in exercising any decision in implementing the Proposed Share Buy-Back will be mindful of the interests of the Company and its shareholders.

2.1.8 Implication of the Code

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory offer under the Code by any of the Company's substantial shareholders and/or parties acting in concert with them, the Board will ensure that such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Proposed Share Buy-Back would not result in triggering any mandatory offer obligation on the part of its substantial shareholders and/ or parties acting in concert with them. In this connection, the Board is mindful of the requirements when making any purchase of the Shares pursuant to the Proposed Share Buy-Back.

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if implemented, will enable the Group to utilise its financial resources that it has no immediate usage and is expected to stabilize the supply and demand of Ajiya Shares in the open market and ultimately as well as the market price of Ajiya Shares.

4. EFFECTS OF THE PROPOSED SHARE BUY-BACK

4.1 Total number of issued shares

The Proforma effects of Proposed Share Buy-Back on the total number of issued shares of the Company are set out below:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Total number of issued shares as at the LPD	304,584,484	76,146,121	304,584,484	76,146,121
Less: Treasury shares	-	-	-	-
	<u>304,584,484</u>	<u>76,146,121</u>	<u>304,584,484</u>	<u>76,146,121</u>
Shares to be issued assuming full exercise of the warrants	-	-	152,292,242	38,073,061
	<u>304,584,484</u>	<u>76,146,121</u>	<u>456,876,726</u>	<u>114,219,182</u>
ESOS Option granted	-	-	45,687,673	11,421,918
	<u>304,584,484</u>	<u>76,146,121</u>	<u>502,564,399</u>	<u>125,641,100</u>
Assuming the Purchased Shares are cancelled @	30,458,448	7,614,612	50,256,440	12,564,110
	<u>274,126,036</u>	<u>68,531,509</u>	<u>452,307,959</u>	<u>113,076,990</u>

The proforma effects of the Proposed Share Buy-Back on the resultant total number of issued shares of the Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares. The above illustration assumes that the Purchased Shares are cancelled. Nevertheless, if the Purchased shares are retained as treasury shares, resold or distributed to its shareholders, the Proposed Share Buy-Back will have no effect on the existing total number of issued shares of the Company.

4.2 NA per Share and gearing

The Proposed Share Buy-Back may increase or decrease the NA per Share of the Ajiya depending on the purchase price of the shares bought back in comparison to the NA per Share of Ajiya Group at the time that the Shares are purchased.

If the Treasury Shares are distributed as share dividends, the NA per Share of the Group will decrease by the cost of the Treasury Shares at the point of purchase.

In the event the Purchased Shares which are retained as Treasury Shares are resold, the NA per Share of the Group will increase or decrease depend on whether a gain or a loss is realised upon the resale. However, the quantum of the increase or decrease in NA per Share will depend on the actual selling price of the Treasury Shares and the number of Treasury Shares resold to the stock market.

4.3 Earnings and EPS

The Proposed Share Buy-Back may increase or reduce the EPS of the Group, depending on the number of and prices paid for the Purchased Shares, the effective funding cost to Ajiya to finance the purchase of such Shares, or any loss in interest income to Ajiya or opportunity cost in relation to other investment opportunities.

Assuming that the Purchased Shares are retained as Treasury Shares and subsequently resold, the extent of the effects on the earnings of the Group will depend on the actual selling price, the number of treasury shares resold and the effective gain arising from the exercise.

If the Purchased Shares are cancelled, the Proposed Share Buy-Back shall increase the EPS of the Group provided that the income forgone and interest expense incurred on the Purchased Shares are less than the EPS before the share purchase.

4.4 Dividends

The Proposed Share Buy-Back Authority is not expected to have any impact on the dividend payment as the Board will take into consideration the Company's profit, cash flow and the capital commitments before proposing any dividend payment. However, the Board will have the option of distributing the treasury shares as share dividends to the shareholders of Ajiya.

4.5 Convertible Securities

As at the LPD, the Company has issued Bonus Warrants of 152,292,242 whereby each warrant shall give the holder an option to subscribe for one (1) new Ajiya Share.

As at the LPD, the Company does not convert any warrant into new Ajiya Shares.

4.6 Substantial Shareholders' and Directors' Shareholding

Assuming Ajiya acquires the full amount of Ajiya Shares during the implementation of the Proposed Share Buy-Back and there is no change in the number of Shares held by the Substantial Shareholders and/or Directors of Ajiya as at LPD, the effect of the Share Buy-Back on the percentage shareholdings of the Substantial Shareholders and/or Directors of Ajiya is as follows:

Substantial Shareholders	Shareholdings as at the LPD			Minimum Scenario			Maximum Scenario [@]				
	<-----Direct----->	No. of Shares	%	<-----Direct----->	No. of Shares	%	<-----Direct----->	No. of Shares	%	<-----Indirect----->	No. of Shares
Dato Chan Wah Kiang	60,368,640	19.82	10.17	60,368,640	30,975,652*	11.30	92,458,227	46,463,478*	20.44	46,463,478*	10.27
Yeo Ann Seck	43,927,944	14.42	-	43,927,944	-	-	66,403,328	-	14.68	-	-
Avia Kapital Sdn Bhd	30,975,652	10.17	-	30,975,652	-	-	46,463,478	-	10.27	-	-
Yeoman 3-Rights Value Asia Fund	16,000,000	5.25	-	16,000,000	-	-	24,000,000	-	5.31	-	-
Yeoman Capital Management Pte Ltd	240,000	0.08	5.33	240,000	16,220,000 ^(a)	5.92	360,000	24,330,000 ^(a)	0.08	24,330,000 ^(a)	5.38
Yeo Seng Chong	1,200,000	0.39	5.40	1,200,000	16,460,000 ^(b)	6.00	1,800,000	24,690,000 ^(b)	0.40	24,690,000 ^(b)	5.46
Lim Mee Hwa	-	-	5.80	-	17,660,000 ^(b)	6.44	-	26,490,000 ^(b)	-	26,490,000 ^(b)	5.86
Lee Koiing @ Lee Kim Sin	22,791,064	7.48	-	22,791,064	-	-	33,536,596	-	7.41	-	-

Notes:

- * Deemed interest through his shareholdings in Avia Kapital Sdn Bhd by virtue of Section 8 of the Act
- ^(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
- [@] As at LPD, Ajiya has not offer Options to Eligible Person. For illustration purpose only, assuming 10% of the ESOS Options is granted to Dato' Chan Wah Kiang and 5% to other Directors of Ajiya, as an Eligible Person.

4.6 Substantial Shareholders' and Directors' Shareholding (cont'd)

Director	Shareholdings as at the LPD			Minimum Scenario			Maximum Scenario [@]		
	<-----Direct----->	No. of Shares	%	<-----Direct----->	No. of Shares	%	<-----Direct----->	No. of Shares	%
Dato' Chan Wah Kiang	60,368,640	19.82	10.17	60,368,640	30,975,652*	11.30	92,458,227	46,463,478*	10.27
Yeo Ann Seck	43,927,944	14.42	-	43,927,944	-	-	66,403,328	-	-
Dato' Dr Mohd Aminuddin bin Mohd Rouse	-	-	-	-	-	-	2,284,384	-	-
Tan Seng Kee	-	-	-	-	-	-	2,284,384	-	-
Dato' Theng Book	-	-	-	-	-	-	2,284,384	-	-
Low Peak Y'ih	-	-	-	-	-	-	2,284,384	-	-

Notes:

- * Deemed interest through his shareholdings in Avia Kapital Sdn Bhd by virtue of Section 8 of the Act
 @ As at LPD, Ajiya has not offer Options to Eligible Person. For illustration purpose only, assuming 10% of the ESOS Options is granted to Dato' Chan Wah Kiang and 5% to other Directors of Ajiya, as an Eligible Person.

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Ajiya Shares as traded on Bursa Securities for the past 12 months from February 2016 to February 2017 are set out below:-

	HIGH	LOW
2016		
February	3.80	3.58
March	3.70	3.45
April	3.51	3.17
May	4.01	3.16
Jun	3.90	3.58
July	4.45	3.70
August	4.01	0.805
September	0.86	0.775
October	0.825	0.77
November	0.785	0.575
December	0.70	0.585
2017		
January	0.73	0.66
February	0.77	0.705

Last transacted market price on 9 March 2017
(being the date prior to the announcement on the Proposed Share Buy-Back)

RM
0.765

Last transacted market price on the LPD
(Source: KLSE I3investor)

0.72

6. APPROVALS REQUIRED

The Proposed Share Buy-Back is subject to the approval being obtained from the shareholders of the Company at the forthcoming 21st Annual General Meeting.

7. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholders of the Company as a consequence of the Proposed Share Buy-Back as set out in Section 4 above, none of the Directors, substantial shareholders of Ajiya and/or persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back or resale of the Treasury Shares, if any in the future.

8. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of the Group after taking into consideration the rationale and justifications for the Proposed Share Buy-Back as well as the effects of the Proposed Share Buy-Back as set out in Sections 3 and 4 of this Circular, respectively. Accordingly, the Board recommends that the shareholders of Ajiya to vote in favour of the resolutions pertaining to the Proposed Share Buy-Back at the forthcoming AGM of the Company.

9. ANNUAL GENERAL MEETING

The AGM, the notice of which is enclosed in the Annual Report, is scheduled to be held at VIP Hotel, Batu 1, Jalan Buloh Kasap, 85000 Segamat, Johor on Friday, 28 April 2017 at 11.30 a.m. for the purpose of considering and if thought fit, passing with or without modification.

10. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix 1 for further information.

Yours faithfully,
For and on behalf of the Board
AJIYA BERHAD

MANAGING DIRECTOR
Dato' Chan Wah Kiang

PART B

CIRCULAR TO SHAREHOLDERS

in relation to the

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

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

On 10 March 2017, the Board had announced to Bursa Securities that the Company proposes to seek shareholders' approval for Proposed Mandate as set out in Section 2.1 of this Circular for recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations and are in the ordinary course of business of the Ajiya Group pursuant to paragraph 10.09 of the Main Market Listing Requirements.

The purpose of this Circular is to provide the shareholders of Ajiya with the relevant information on the Proposed Mandate, as well as to seek the approval from the shareholders of Ajiya for the resolutions pertaining to the Proposed Mandate to be tabled at the forthcoming AGM of the Company. The notice of AGM and the proxy form are enclosed in our Annual Report for the financial year ended 30 November 2016.

2. DETAILS OF PROPOSAL

2.1 PROPOSED MANDATE

The Group had entered into various RRPT and will continue to enter into such RRPT as set out in section 2.1.2 of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time and from time to time.

Under Part E, Paragraph 10.09 of Main Market Listing Requirements, a listed issuer may seek shareholders' mandate in respect of recurrent related party transactions subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements;
- (c) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by the Bursa Securities. The draft circular must be submitted to the Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the related party with an interest, direct or indirect, must not vote on the resolution approving the transaction pursuant to Paragraph 10.08 (7) of the Main Market Listing Requirements; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular to shareholders by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The Proposed Mandate, if approved by the shareholders of AJIYA at the forthcoming AGM, will take effect from the passing of the Ordinary Resolution at the forthcoming AGM and will only continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company at which such Proposed Mandate is passed, at which time will lapse, unless by ordinary resolution passed at the Annual General Meeting whereby the authority is renewed, either unconditionally or subject to conditions; or

- (ii) 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 Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever occurs first.

Thereafter, shareholders' approval will be sought for the renewal of such mandate at each subsequent AGM subject to a satisfactory review by the Audit Committee of its continued application to Recurrent Related Party Transactions.

The Company will disclose in its Annual Report on the aggregate value of the RRPT conducted for the financial year ending 30 November 2017 by providing a breakdown of the aggregate value of the RRPT based on the type of the transactions made and the names of the related parties involved in each type of the RRPT made and their relationship with the Company, and in the Annual Report of the subsequent year during which shareholders' mandate remains in force.

2.1.1 BUSINESS ACTIVITY OF THE GROUP

The principal activity of Ajiya is an investment holding company whilst its subsidiaries and/or associate are manufacturing and trading of roofing materials, manufacturing and trading of all kinds of glass, trading of building materials and investment holding. The principal activities of its subsidiaries and effective interest are as follows:-

(A) Subsidiaries and Associate of Ajiya

Name of Company	Effective Equity Interest	Principal Activities
Asia Roofing Industries Sdn Bhd (203219-U)	100.00%	Manufacturing and trading of metal roll forming products
ARI Utara Sdn Bhd (273092-U)	60.00%	Manufacturing and marketing of metal roll forming products
Ajiya Safety Glass Sdn Bhd (366389-A)	70.00%	Manufacturing and trading of all kinds of glass
Ajiya STI Sdn Bhd (578448-D)	60.00%	To carry on business as manufacturers, commission agents, manufacturers' agents, contracts, sub-contractors and dealers in all types of metal products and building materials
Ariteq Eco Sdn Bhd (44323-M)	100.00%	Manufacturing of metal, zinc and aluminium products for roof building, ceiling window and door frame and other similar products
ARI Timur (KB) Sdn Bhd (714587-K)	60.00%	Manufacturing of metal, zinc and aluminium products for roof building, ceiling window and door frame and other similar products
ASG Marketing Sdn Bhd (418751-A)	100.00%	Marketing and sales of safety glass and other glass related products
Thai Ajiya Co Ltd (0135550038136)	60.00%	To provide, design and install metal sheet roofing and insulator materials
Thai Ajiya Safety Glass Co Ltd (0105553123550)	100.00%	Processing and trading of all kinds of glasses related products
LTC Usaha Sdn Bhd (920343-T)	100.00%	Property Holding

2.1.2 DETAILS, CLASS AND NATURE OF RRPT

(1) The nature of the Proposed Mandate with whom RRPT are carries out are tabulated as follows:

Transactions Related Parties	Nature of Transactions	Interested Directors, Substantial Shareholders, person connected with them	Estimated aggregate value as disclosed in the last Circular to Shareholders (“Estimated Value”) RM	Actual Value Transacted (“Actual Value”) + RM	Estimated Value* From Forthcoming AGM to the Next AGM** RM
Asia Roofing Industries Sdn Bhd (203219-U) Firm Development Sdn Bhd (75282-H)	Sale of metal rollforming products from Asia Roofing Industries Sdn Bhd to Firm Development Sdn Bhd.	Yeo Ann Ling is the brother of Yeo Ann Seck. Yeo Ann Ling is the director and shareholder of Firm Development Sdn Bhd.	N/A	45,499.00	90,998.00
Jin Sing Sdn Bhd (105071-P)	Renting of factory (i) by Asia Roofing Industries Sdn Bhd from Jin Sing Sdn Bhd. Sale of metal rollforming products from Asia Roofing Industries Sdn Bhd to Jing Sing Sdn Bhd.	Yeo Tun Hong, Yeo Fei Lu, Yeo San San, Yeo Huei Shuang and Yeo Tun Hian are the children of Yeo Ann Seck (“the Children”). Yeo Tun Hong, Yeo Tun Hian and Yeo Fei Lu are the directors of Jin Sing Sdn Bhd. Yeo Ann Seck and the Children are the shareholders of Jin Sing Sdn Bhd.	N/A	36,000.00	36,000.00
Network Command Sdn Bhd (86245-A)	Sale of metal rollforming products from Asia Roofing Industries Sdn Bhd to Network Command Sdn Bhd.	Yeo Tun Hian and Yeo Fei Lu are the directors of Network Command Sdn Bhd. Yeo Tun Hong and Yeo Fei Lu are the shareholders of Network Command Sdn Bhd.	N/A	23,967.00	47,934.00

Transactions Related Parties	Nature of Transactions	Interested Directors, Substantial Shareholders, person connected with them	Estimated aggregate value as disclosed in the last Circular to Shareholders (“Estimated Value”) RM	Actual Value Transacted (“Actual Value”) + RM	Estimated Value* From Forthcoming AGM to the Next AGM** RM
Asia Roofing Industries Sdn Bhd (203219-U)					
Seng Hiap Glass (Segamat) Sdn Bhd (1118919-X)	Sale of metal rollforming products from Asia Roofing Industries Sdn Bhd to Seng Hiap Glass (Segamat) Sdn Bhd.	Yeo Ann Ling is the brother of Yeo Ann Seck. Yeo Ann Ling is the director and shareholder of Seng Hiap Glass (Segamat) Sdn Bhd.	N/A	798,579.00	1,597,158.00
ASG Marketing Sdn Bhd (418751-A)					
Network Command Sdn Bhd (86245-A)	Sale of safety glass from ASG Marketing Sdn Bhd to Network Command Sdn Bhd.	Yeo Tun Hong, Yeo Tun Hian and Yeo Fei Lu are the children of Yeo Ann Seck. Yeo Tun Hian and Yeo Fei Lu are the directors of Network Command Sdn Bhd. Yeo Tun Hong and Yeo Fei Lu are the shareholders of Network Command Sdn Bhd.	N/A	1,222,881.00	1,000,000.00
Seng Hiap Glass (Segamat) Sdn Bhd (1118919-X)	Sale of safety glass from ASG Marketing Sdn Bhd to Seng Hiap Glass (Segamat) Sdn Bhd.	Yeo Ann Ling is the brother of Yeo Ann Seck. Yeo Ann Ling is the director and shareholder of Seng Hiap Glass (Segamat) Sdn Bhd.	N/A	238,612.00	200,000.00

Transactions Related Parties	Nature of Transactions	Interested Directors, Substantial Shareholders, person connected with them	Estimated aggregate value as disclosed in the last Circular to Shareholders (“Estimated Value”) RM	Actual Value Transacted (“Actual Value”) + RM	Estimated Value* From Forthcoming AGM to the Next AGM** RM
Ajiya Safety Glass Sdn Bhd (366389-A)					
Firm Development Sdn Bhd (75282-H)	Sale of safety glass from Ajiya Safety Glass Sdn Bhd to Firm Development Sdn Bhd.	Yeo Ann Ling is the brother of Yeo Ann Seck. Yeo Ann Ling is the director and shareholder of Firm Development Sdn Bhd.	N/A	1,251,186.00	5,004,744.00
Network Command Sdn Bhd (86245-A)	Sale of safety glass from Ajiya Safety Glass Sdn Bhd to Network Command Sdn Bhd.	Yeo Tun Hong, Yeo Tun Hian and Yeo Fei Lu are the children of Yeo Ann Seck. Yeo Tun Hian and Yeo Fei Lu are the directors of Network Command Sdn Bhd.	N/A	7,708.00	15,416.00
Seng Hiap Glass Sdn Bhd (86245-A)	Sale of safety glass from Ajiya Safety Glass Sdn Bhd to Seng Hiap Glass Sdn Bhd.	Yeo Tun Hong and Yeo Fei Lu are the shareholders of Network Command Sdn Bhd. Yeo Tun Hong, Yeo Fei Lu, Yeo San San, Yeo Hwei Shuang and Yeo Tun Hian are the children of Yeo Ann Seck (the Children). Yeo Ann Seck, Yeo Tun Hong and Yeo Fei Lu are the directors of Seng Hiap Glass Sdn Bhd. Yeo Ann Seck and the Children are the shareholders of Seng Hiap Glass Sdn Bhd.	N/A	3,541,303.00	9,443,474.00

Transactions Related Parties	Nature of Transactions	Interested Directors, Substantial Shareholders, person connected with them	Estimated aggregate value as disclosed in the last Circular to Shareholders (“Estimated Value”) RM	Actual Value Transacted (“Actual Value”) + RM	Estimated Value* From Forthcoming AGM to the Next AGM** RM
Ajiya Safety Glass Sdn Bhd (366389-A)					
Seng Hiap Glass (Segamat) Sdn Bhd (1118919-X)	Sale of safety glass from Ajiya Safety Glass Sdn Bhd to Seng Hiap Glass (Segamat) Sdn Bhd.	Yeo Ann Ling is the brother of Yeo Ann Seck. Yeo Ann Ling is the director and shareholder of Seng Hiap Glass (Segamat) Sdn Bhd.	N/A	261,756.00	523,512.00

Notes:

- @ The actual value of the transaction is recognised as zero because this transaction is targeted to be effected from March 2017.
- * The basis of estimated value is based on the average amount of preceding years’ transactions.
- ** The expected date of next AGM is April 2018.
- + Actual value is the period from 1 March 2016 to 28 February 2017.

i. Description of Property

Description	Existing use of properties	Build Up Area (Sq. Ft.)	Rental Value (RM)	Period of Tenancy
PTD 4862 HS(D) 16761 Sungei Segamat District Segamat Johor Lot 28, Kawasan Perindustrian Jalan Genuang, 85000 Segamat, Johor.	Warehouse	15,246	RM 3,000.00 per month	5 Years

2.1.3 TERMS OF TRANSACTION

The transactions are undertaken at:

(a) Sale or purchase of goods and services

The sale or purchase of goods and services shall be determined on the basis of the prevailing rates/prices of goods and services (including preferential rates/prices/ discounts accorded to a class or classes of customers for bulk purchases) according to their usual commercial terms and business practices or otherwise in accordance with other applicable industry norms/ considerations.

(b) Rental rates

The rate of rental of properties shall be based on the prevailing market rates for the same or substantially similar properties and shall be on normal commercial terms at the point of entering into the tenancy agreement(s) or upon renewal.

2.1.4 REVIEW PROCEDURES FOR RECURRENT RELATED PARTY TRANSACTIONS

To ensure that RRPT are undertaken on the Group's normal commercial terms, and to supplement the existing internal control procedures of the Group, the Audit Committee has been tasked with the review and approval of such transactions.

All existing RRPT would be monitored by the senior management before tabled to the Audit Committee of Ajiya and subsequently to the Board for review quarterly and all members of the Board and Audit Committee who are directly or indirectly interested in any RRPT are to/shall abstain from deliberations and voting in respect of these RRPT. The Audit Committee is to/shall present a list of related parties, the general nature of the RRPT and the class of the related party on a quarterly basis to the Board with expressed notification that all RRPT are negotiated at arm's length and on normal commercial terms not more favourable to the related party than those generally available to the public and/or the Ajiya Group and are not to the detriment of the minority shareholders. The Audit Committee may, as it deems fit, request for additional information pertaining to the transactions from independent sources or advisers.

Such RRPT which are proposed to be entered into will always take into account the pricing level of materials, quality of materials, delivery schedules and, where applicable, preferential rates, rebates or discounts accorded for bulk purchases, the terms offered are fair and reasonable and on the Ajiya Group's commercial rates and on competitive pricing in the open market. The pricing of goods and services to be provided or supplied and/or received or purchased is determined in accordance with the Group's usual business practices and policies, i.e. taken into consideration all of the above factors, consistent with the usual margin of the Group with unrelated third parties.

At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities have been used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on the prevailing market prices/rates that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms.

There is no specific threshold for approval of RRPT. All RRPT are monitored by personnel of at least senior management, provided always such personnel has no interest in the transaction and the said transaction has been approved pursuant to the Proposed Mandate obtained at an AGM for RRPT.

When the actual value of RRPT entered into by the Group exceeded the estimated value of the RRPT disclosed in the Circular to Shareholders by 10% or more, the Company will make an immediate announcement to Bursa Securities.

Records would be maintained by each company within the Group to record all transactions with Related Parties which are entered into pursuant to the Proposed Mandate.

2.1.5 STATEMENT BY AUDIT COMMITTEE

The Audit Committee of Ajiya has seen and reviewed the terms of the Proposed Mandate and is satisfied that the review procedures for the Recurrent Related Party Transactions (as set out in section 2.1.4 above) are sufficient to monitor, track and identify the RRPT in a timely and orderly manner; and to ensure that such transactions will be carried out at arm's length basis, and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public and hence will not be prejudicial to the minority shareholders or disadvantageous to the Group.

The Audit Committee shall review and ascertain whether the established guidelines and procedures to monitor the RRPT have been complied with at least once a year. If during its annual review, the Audit Committee should be of the view that such guidelines and procedures are no longer appropriate or adequate to ensure that RRPT will be carried out on normal commercial terms or will be prejudicial to the interests of the minority shareholders, the Company will then seek a fresh mandate from the shareholders based on new guidelines and procedures.

2.1.6 AMOUNT DUE AND OWING BY RELATED PARTIES

As at the LPD, there is no outstanding amount owing by related parties.

3. RATIONALE AND JUSTIFICATIONS FOR PROPOSED MANDATE

The Recurrent Related Party Transactions that are set out in Section 2.1.2 of this Circular are all in the ordinary course of business and intended to meet the business needs of our Group on the best possible terms and represent sound business decisions which are taken for legitimate and bona fide business purposes which will enhance the Group's cost effective controls.

The Proposed Mandate, if approved by the shareholders, will eliminate the need to make announcements to Bursa Securities as and when Recurrent Related Party Transaction(s) with the specified classes of Related Parties arise. As such, the Board is seeking a shareholders' mandate pursuant to Paragraph 10.09 of the Main Market Listing Requirements for the RRPT described herein to allow Ajiya Group to enter into such recurrent transactions made at arm's length basis and on normal commercial terms and which are not prejudicial to the interests of the minority shareholders.

Hence, the Proposed Mandate would result in a saving of administrative time, costs and expenses for the Company, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

4. EFFECTS OF THE PROPOSED MANDATE

The Proposed Mandate will not have any effect on the share capital and the Major Shareholders' shareholdings in our Company, and is not expected to have any material effect on the net assets and earnings of the Group.

5. APPROVAL REQUIRED

The Proposed Mandate is subject to the approval being obtained from the shareholders of the Company at the forthcoming 21st Annual General Meeting.

6. INTERESTED DIRECTORS' AND INTERESTED MAJOR SHAREHOLDERS' INTERESTS

6.1 The direct and indirect interests of interested Directors and/or interested major shareholders in the Company based on the Register of Directors' Shareholdings/Record of Depositor/Register of Substantial Shareholders as at LPD are as follow:

Interested Directors and Major Shareholders	Direct Shareholding		Indirect Shareholding	
	No of Shares	%	No. of Shares	%
Yeo Ann Seck	43,927,944	14.42	-	-

6.2 Yeo Ann Seck, being the interested Director and Major Shareholder, has and will continue to abstain from board deliberations and voting in the Proposed Mandate. The interested Director will also abstain from voting in respect of their direct and/or indirect shareholdings in Ajiya on the resolution at the forthcoming AGM to be convened in relation to the Proposed Mandate.

The interested Director and interested Major Shareholder will ensure that persons connected with them stipulated above will abstain from voting in respect of his direct and indirect shareholdings in relation to the resolution deliberating or approving the Proposed Mandate at the forthcoming AGM to be convened.

Save as disclosed above, none of our Directors and/or Major Shareholders or Persons Connected with them have any interest, direct and/or indirect in the Proposed Mandate.

7. DIRECTORS' RECOMMENDATION

The Board (save for Yeo Ann Seck), having considered all aspects of the Proposed Mandate, is of the opinion that the Proposed Mandate is in the best interest of the Group after taking into consideration the rationale and justifications for the Proposed Mandate as well as the effects of the Proposed Mandate as set out in Sections 3 and 4 of this Circular, respectively. Accordingly, the Board recommends that the shareholders of Ajiya to vote in favour of the resolutions pertaining to the Proposed Mandate at the forthcoming AGM of the Company.

8. ANNUAL GENERAL MEETING

The AGM, the notice of which is enclosed in the Annual Report, is scheduled to be held at VIP Hotel, Batu 1, Jalan Buloh Kasap, 85000 Segamat, Johor on Friday, 28 April 2017 at 11.30 a.m. for the purpose of considering and if thought fit, passing with or without modification.

9. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix 1 for further information.

Yours faithfully
For and on behalf of the Board of Directors of
AJIYA BERHAD

DATO' CHAN WAH KIANG
MANAGING DIRECTOR

Further Information**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy, completeness and correctness of the information given herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

As at the LPD, to the best knowledge of the Board, neither Ajiya nor its subsidiaries are engaged in any material contracts, and the Board has no knowledge of any proceedings pending or threatened against the Ajiya Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Ajiya Group.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, to the best knowledge of the Board, neither Ajiya nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the Ajiya Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Ajiya Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Ajiya at Suite 6.1A, Level 6 Menara Pelangi, Taman Pelangi, 80400 Johor Bahru from Mondays to Fridays (except public holidays) during normal business hours from the date of this Circular up to and including the date of the forthcoming 21st AGM:-

- i. Memorandum and Articles of Association of Ajiya*; and
- ii. Audited Financial Statements of Ajiya for the past two (2) financial years ended 30 November 2015 and 2016.

Notes :

- * The Memorandum and Articles of Association of the Company shall have effect and enforceable under Companies Act 2016 pursuant to Section 619(3) of Act.

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