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

**PART A**  
**STATEMENT TO SHAREHOLDERS IN RELATION TO THE**

**PROPOSED RENEWAL OF AUTHORITY FOR AJIYA BERHAD TO PURCHASE ITS OWN SHARES  
OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES AT ANY POINT IN TIME**

**AND**

**PART B**  
**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

**PROPOSED RENEWAL OF 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 Second Annual General Meeting (“AGM”), which is attached in the Annual Report of the Company for the financial year ended 30 November 2017 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, 27 April 2018 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 wish to do so.

Last day, date and time for lodging the Form of Proxy : Wednesday, 25 April 2018 at 11.30 a.m.  
Day, date and time of the Annual General Meeting : Friday, 27 April 2018 at 11.30 a.m.

**This Circular is dated 27 March 2018**

## 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 – a) in the case of an issuer of structured warrants, a director of the issuer of the structured warrants; or b) in the case of an applicant or listed issuer which is a collective investment scheme, a director of a management company or a director of the trustee-manager, as the case may be.
“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 2017
“LPD”	:	28 February 2018, being the latest practicable date prior to the printing and despatch of this Circular

## DEFINITIONS (CONT'D)

- “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 number or aggregate number of those shares, is :-
- (a) 10% or more of the total number of voting shares in the corporation; or
  - (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation
- For the purpose of this definition, “interest” shall have the meaning of “interest shares” given in section 8 of the Companies Act 2016.
- 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 are exercised and the Purchased Shares (excluding the treasury shares) are subsequently cancelled
- “Minimum Scenario” : Assuming none of the 159,292,242 of bonus warrants are exercised and the Purchased Shares (excluding the treasury shares) are subsequently cancelled
- “NA” : Net assets attributable to ordinary equity holders of Ajiya
- “person(s) connected ” : in relation to any person (referred to as “said Person”) means such person who falls under any one of the following categories:
- a) a family member of the said Person;
  - b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
  - c) a partner of the said Person;
  - d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
  - e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
  - f) a body corporate in which the said Person, or persons connected with the said Person 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
  - g) a body corporate which is a related corporation of the said Person.
- “Proposed Share Buy-Back” : Proposal to enable Ajiya to purchase its own shares of up to 10% of the total number of issued shares at any point in time.

## DEFINITIONS (CONT'D)

“Proposed Renewal of Share Buy-Back Authority”	:	Proposal to seek for renewal of authority from the Shareholders of the Company for purchase by Ajiya of Ajiya Shares of an amount of up to 10% of the total number of issued shares of Ajiya, which was obtained on 28 April 2017, being the date of last AGM
“Proposed Renewal of Shareholders’ Mandate”	:	Proposed Renewal of Mandate for Recurrent Related Party(ies) Transactions of a revenue or trading nature which was obtained on 28 April 2017, being the date of last AGM
“Purchased Share(s)”	:	Ajiya Shares to be purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
“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

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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**AJIYA BERHAD**  
(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

27 March 2018

**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,

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**INTRODUCTION**

At the Twenty-First AGM of Ajiya held on 28 April 2017, the shareholders, had inter-alia, granted a mandate for Ajiya Group to enter into Recurrent Related Party Transactions of a revenue or trading nature which are necessary for Ajiya Group's day-to-day operations, in the ordinary course of business and on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders. The said mandate shall expire at the conclusion of the forthcoming AGM which will be held on 27 April 2018, unless by a resolution passed at the meeting, the authority is renewed.

At the same AGM the shareholders had also granted authority to the Company to purchase of up to 10% of its total number of issued shares.

Accordingly, the Board had on 1 March 2018 announced to Bursa Securities that the Company proposes to seek shareholders' approval for the following Proposals:

- a) proposed renewal of authority to purchase by Ajiya of up to 10% of its total number of issued shares; and
- b) proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

The purpose of this Circular is to provide the shareholders of Ajiya with the relevant information on the Proposals, as well as to seek the approval from the shareholders of Ajiya for the resolutions pertaining to the Proposals to be tabled at the forthcoming AGM of the Company. The notice of AGM and the proxy form are enclosed in the Annual Report for the financial year ended 30 November 2017.

**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.**

**PART A**

**STATEMENT TO SHAREHOLDERS**

**in relation to the**

**PROPOSED RENEWAL OF AUTHORITY FOR AJIYA BERHAD TO PURCHASE ITS OWN SHARES  
OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES AT ANY POINT IN TIME**

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR AJIYA BERHAD TO PURCHASE ITS OWN SHARE OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES AT ANY POINT IN TIME.**

**1.0 DETAILS OF PROPOSED SHARE BUY-BACK**

**1.1 Quantum**

At Twenty First AGM held on 28 April 2017, the Directors obtained shareholders' approval for the purchase by Ajiya of up to 10% of its total number of issued shares as at the time of purchase. As at LPD, the Company purchased 4,454,100 of ordinary shares and held as treasury shares in accordance of Section 127 of the Companies Act. The details of the share capital of the Company as at LPD are as follow:

	<b>Number of Shares</b>
Total number of issued shares of the Company	304,584,484
10% of the total number of issued shares	30,458,448
Total number of treasury share	(4,454,100)
Balance for Proposed Renewal of Share Buy-Back Authority	<u>26,004,348</u>

Section 127 (2) of Companies Act, 2016 states that a company shall not purchase its own shares unless—

- a) the company is solvent at the date of the purchase and will not become insolvent by incurring the debts involved in the obligation to pay for the shares so purchased;
- b) the purchase is made through the stock exchange on which the shares of the company are quoted and in accordance with the relevant rules of the stock exchange; and
- c) the purchase is made in good faith and in the interests of the company

Upon carrying out a solvency test in such manner as prescribed in Sections 112 and 113 of the Companies Act, 2016 to exercise the purchase of its own shares, the Directors are satisfied that -

- i. the share buy-back would not result in the Company being insolvent and its capital being impaired at the date of the solvency statement; and
- ii. the Company will remain solvent after each buy-back during the period of six months after the date of the declaration made.

**1.2 Timeframe**

The approval for the Proposed Share Buy-Back will be effective immediately upon the passing of the ordinary resolution for the Proposed Share Buy-Back at the Company's Twenty-Second AGM to be held on 27 April 2018 until:-

- a. the conclusion of the next AGM of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- b. the expiration of the period within which the next AGM is required by law to be held; or
- c. revoked or varied by ordinary resolution passed by the members of the Company in a general meeting,

whichever occurs first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors may deem fit and expedient in the interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, amendments and/or variations as may be imposed by the relevant authorities.



## **1.0 DETAILS OF PROPOSED RENEWAL OF SHARE BUY-BACK (CONT'D)**

### **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).

### **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 of the Company amounted to RM10,236,000.00. The latest unaudited retained earnings of the Company as at 30 November 2017 is also amounted to RM10,236,000.00.

### **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.

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.

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.

## **1.0 DETAILS OF PROPOSED SHARE BUY-BACK (CONT'D)**

### **1.6 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; and
- 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.

The Proposed Share Buy-Back is not expected to have any potential material disadvantage to the Company and its shareholders, as it will be exercised only after in-depth consideration of the financial resources of Ajiya Group, the alternative business opportunities available and the resultant impact on its shareholders. The Directors in exercising any decision on the Proposed Renewal of Share Buy-Back authority shall be mindful of the interest of the Company and its shareholders.

## **2.0 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 has no immediate usage and is expected to stabilize the supply and demand of Ajiya Shares in the open market and ultimately the market price of Ajiya Shares.

Should Ajiya Shares be cancelled, either immediately or subsequently after being held as treasury shares, the Proposed Share Buy-Back is expected to strengthen the EPS of the Group and benefit the shareholders of the Company.

The Purchased Shares could also be kept as treasury shares and resold on Bursa Securities at a higher price with the intention of realising a potential gain for the Company without affecting the total number of issued shares of the Company. In the event that the treasury shares are distributed as share dividend, it will serve to reward the shareholders of the Company.

### 3.0 EFFECTS OF THE PROPOSED SHARE BUY-BACK

Assuming that the Proposed Share Buy-Back is carried out in full, the effects of the Proposed Share Buy-Back on the share capital, shareholdings of Directors, major shareholders and persons connected to Directors and major shareholders of Ajiya, NA, working capital and EPS are set out below:-

#### 3.1 Total number of issued shares

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

	<b>Minimum Scenario No. of Shares</b>	<b>Maximum Scenario No. of Shares</b>
Total number of issued shares as at the LPD	304,584,484	304,584,484
Less: Treasury shares	4,454,100	4,454,100
	300,130,384	300,130,384
Shares to be issued assuming full exercise of the warrants	-	152,292,242
	300,130,384	452,422,626
Assuming the Purchased Shares are cancelled	25,558,938	40,788,163
	274,571,466	411,634,463

The proposed ESOS has expired and the Company will not implement the ESOS.

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.

#### 3.2 NA

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.

### **3.0 EFFECTS OF THE PROPOSED SHARE BUY-BACK (CONT'D)**

#### **3.3 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.

#### **3.4 Working Capital**

The Proposed Share Buy-Back will reduce the working capital of the Company, the quantum of which depends on, amongst others, the number of Shares purchased and the purchase prices of the Shares.

For the Purchased Shares which are kept as Treasury Shares, upon its resale, the working capital and cash flow of the Company will increase. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the Treasury Shares and the number of Treasury Shares resold.

#### **3.5 Dividends**

The Proposed Share Buy-Back is not expected to have any material 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.

#### **3.6 Implication of the Code**

As at the date of this Statement, the Company has yet to decide on the percentage of its own shares to be purchased pursuant to the Proposed Share Buy-Back Authority. In any case, it is not the intention of the Company to cause any shareholder to trigger an obligation to undertake a mandatory general offer under the Code and the Company will be mindful of the above implication of the Code when making any purchase of its own shares under the Proposed Share Buy-Back Authority.

#### **3.7 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.

#### 4.0 Substantial Shareholders' and Directors' Shareholding

The proforma effect of the Proposed Share Buy-Back on the shareholdings of the Directors and Substantial Shareholders of the Company are set out below:-

	Shareholdings as at the LPD			Minimum Scenario			Maximum Scenario					
	<-----Direct----->	<-----Indirect----->	<-----Indirect----->	<-----Direct----->	<-----Indirect----->	<-----Indirect----->	<-----Direct----->	<-----Indirect----->				
Substantial Shareholders	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%		
Dato Chan Wah Kiang	60,368,640	20.11	30,975,652*	10.32	60,368,640	21.99	30,975,652*	11.28	87,889,460	21.35	46,463,478*	11.29
Yeo Ann Seck	43,927,944	14.64	-	-	43,927,944	16.00	-	-	63,618,944	15.46	-	-
Avia Kapital Sdn Bhd	30,975,652	10.32	-	-	30,975,652	11.28	-	-	46,463,478	11.29	-	-
Yeoman 3-Rights Value Asia Fund	16,000,000	5.33	-	-	16,000,000	5.83	-	-	16,500,000	4.01	-	-
Yeoman Capital Management Pte Ltd	240,000	0.08	16,220,000(a)	5.40	240,000	0.09	16,220,000(a)	5.91	360,000	0.09	16,720,000(a)	4.06
Yeo Seng Chong	1,200,000	0.40	16,460,000(b)	5.48	1,200,000	0.44	16,460,000(b)	5.99	1,650,000	0.40	17,080,000(b)	4.15
Lim Mee Hwa	-	-	17,660,000(b)	5.88	-	-	17,660,000(b)	6.43	-	-	18,730,000(b)	4.55
Lee Koing @ Lee Kim Sin	22,791,064	7.59	-	-	22,791,064	8.30	-	-	32,386,796	7.87	-	-

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

### 5.0 Substantial Shareholders' and Directors' Shareholding (Cont'd)

	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	%
Substantial Shareholders												
Dato' Chan Wah Kiang	60,368,640	20.11	20.11	60,368,640	30,975,652*	10.32	60,368,640	30,975,652*	11.28	87,889,460	21.35	46,463,478*
Yeo Ann Seck	43,927,944	14.64	-	43,927,944	-	-	43,927,944	-	-	63,618,944	15.46	-
Dato' Dr Mohd Aminuddin bin Mohd Rouse	40,000	0.01	-	40,000	-	-	40,000	0.01	-	40,000	0.01	-
Tan Seng Kee	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Theng Book	-	-	-	-	-	-	-	-	-	-	-	-
Low Peak Yih	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

\* Deemed interest through his shareholdings in Avia Kapital Sdn Bhd by virtue of Section 8 of the Act.

## 5.0 HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Ajiya Shares as traded on Bursa Securities for the past 12 months from March 2017 to February 2018 are set out below:-

	<b>HIGH</b>	<b>LOW</b>
<b>2017</b>		
March	0.910	0.720
April	0.935	0.800
May	0.925	0.770
Jun	0.850	0.770
July	0.880	0.775
August	0.780	0.720
September	0.790	0.725
October	0.740	0.665
November	0.690	0.610
December	0.625	0.580
<b>2018</b>		
January	0.685	0.575
February	0.595	0.560

	<b>RM</b>
Last transacted market price before printing the circular (Source: TA Securities)	0.580

## 6.0 PURCHASE OF SHARES DURING THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017

During the financial year, the Company has purchased 4,454,100 representing 1.48406% of its total number of issued shares from the open market for a total consideration of RM2,650,603.20. The average price paid for the shares repurchased was RM0.594 per share.

The shares repurchased are being held as Treasury Shares and treated in accordance with the requirements of Section 127 of the Companies Act, 2016. Details of the shares buy-back for the current financial year under review are as follows:

<b>Date of Purchase</b>	<b>Number of share</b>	← Purchase price per share →			<b>RM</b>
		<b>Highest price RM</b>	<b>Lowest price RM</b>	<b>Average Cost RM</b>	
21.12.2017	200,000	0.590	0.590	0.590	118,000.00
22.12.2017	200,000	0.590	0.590	0.590	118,000.00
26.12.2017	1,100,000	0.590	0.590	0.590	649,000.00
27.12.2017	1,200,000	0.590	0.585	0.590	660,643.20
28.12.2017	934,100	0.600	0.600	0.600	560,460.00
29.12.2017	900,000	0.605	0.605	0.605	544,500.00
<b>Total</b>	<b>4,454,100</b>	<b>0.594</b>	<b>0.593</b>	<b>0.594</b>	<b>2,650,603.20</b>

## **7.0 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 40.77%.

## **8.0 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.

## **9.0 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 Renewal of Share Buy-Back as set out in Sections 4 of this Statement, 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.

## **10.0 FURTHER INFORMATION**

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

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**PART B**

**CIRCULAR TO SHAREHOLDERS**

**in relation to the**

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

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

## 1. DETAILS OF PROPOSAL

### 1.1 PROPOSED RENEWAL OF SHAREHOLDERS' 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 Renewal of Shareholders' 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 Renewal of Shareholders' Mandate is passed, at which time will lapse, unless by ordinary resolution passed at the Annual General Meeting whereby the authority is renewed, either unconditionally or subject to conditions; or
- (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 ended 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.

## 1. DETAILS OF PROPOSAL (CONT'D)

### 1.2 BUSINESS ACTIVITY OF THE GROUP

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

#### (A) Subsidiaries of Ajiya

<b>Name of Company</b>	<b>Effective Equity Interest</b>	<b>Principal Activities</b>
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 safety 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%	Investment Holding

## 1. DETAILS OF PROPOSAL (CONT'D)

### 1.3 DETAILS, CLASS AND NATURE OF RRPT

(1) The nature of the Proposed Renewal Shareholders' 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 (75282-H)	Sales 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.	90,998	230,689	172,015	800,000
	Yeo Ann Ling is the director and shareholder of Firm Development Sdn Bhd.					
Jin Sing Sdn Bhd (105071-P)	Renting of factory (#) by Asia Roofing Industries Sdn Bhd from Jin 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").	36,000	36,000	30,000	36,000
	Sales of metal rollforming products from Asia Roofing Industries Sdn Bhd to Jing Sing Sdn Bhd.	Yeo Tun Hong, Yeo Tun Hian and Yeo Fei Lu are the directors of Jin Sing Sdn Bhd.	300,000	268,764	199,725	1,000,000
Network Command Sdn Bhd (86245-A)	Sales of metal rollforming products from Asia Roofing Industries Sdn Bhd to Network Command Sdn Bhd.	Yeo Ann Seck and the Children are the shareholders of Jin Sing Sdn Bhd. Yeo Tun Hong, Yeo Tun Hian and Yeo Fei Lu are the children of Yeo Ann Seck.	47,934	-	-	-
		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.				

**1. DETAILS OF PROPOSAL (CONT'D)**

**1.3 DETAILS, CLASS AND NATURE OF RRPT (CONT'D)**

(1) The nature of the Proposed Renewal Shareholders' Mandate with whom RRPT are carries out are tabulated as follows: (Cont'd)

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
				@	+	
<b>Asia Roofing Industries Sdn Bhd (203219-U)</b>						
Seng Hiap Glass (Segamat) Sdn Bhd (1118919-X)	Sales 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.	1,597,158	-	-	-
<b>ASG Marketing Sdn Bhd (418751-A)</b>						
Network Command Sdn Bhd (86245-A)	Sales 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.	1,000,000	-	-	-
Seng Hiap Glass (Segamat) Sdn Bhd (1118919-X)	Sales 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.	200,000	-	-	-

**1. DETAILS OF PROPOSAL (CONT'D)**

**1.3 DETAILS, CLASS AND NATURE OF RRPT (CONT'D)**

(1) The nature of the Proposed Renewal Shareholders' Mandate with whom RRPT are carries out are tabulated as follows: (Cont'd)

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)	Sales 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.	5,004,744	1,019,247	748,868	5,000,000
Network Command Sdn Bhd (86245-A)	Sales 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.	15,416	-	-	-
Seng Hiap Glass Sdn Bhd (86245-A)	Sales 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 San San, Yeo Huei 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.	9,443,474	4,956,736	4,541,835	9,000,000

**1. DETAILS OF PROPOSAL (CONT'D)**

**1.3 DETAILS, CLASS AND NATURE OF RRPT (CONT'D)**

(1) The nature of the Proposed Renewal Shareholders' Mandate with whom RRPT are carries out are tabulated as follows: (Cont'd)

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
				@	+	
<b>Ajiva Safety Glass Sdn Bhd (366389-A)</b> Seng Hiap Glass (Segamat) Sdn Bhd (1118919-X)	Sales of safety glass from Ajiva 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.	523,512	-	-	-

Notes:

\* The estimated value has been arrived after taking into consideration of the preceding years' transaction and anticipated transaction for the mandate period.

\*\* The expected date of next AGM is April 2019.

@ Actual value covers the period from 1 March 2017 to 28 February 2018.

+ Actual value covers the period from 1 May 2017 to 28 February 2018.

**# Description of Property**

Description	Existing use of properties	Build Up Area (Sq. Ft.)	Rental Value (RM)	Period of Tenancy
Lot 28, Kawasan Perindustrian Jalan Genuang, 85000 Segamat, Johor.	Warehouse	15,246	RM 3,000.00 per month	5 Years Expires on 30-10-2020

## 1. DETAILS OF PROPOSAL (CONT'D)

### 1.4 DETAILS OF AMOUNT OWING BY RELATED PARTY

Related Parties	Nature of Transaction	1 years or less (RM)
<b>Asia Roofing Industries Sdn Bhd (203219-U)</b>		
Jin Sing Sdn Bhd (105071-P)	Sales of metal rollforming products from Asia Roofing Industries Sdn Bhd to Jing Sing Sdn Bhd.	55,379.00
<b>Ajiya Safety Glass Sdn Bhd (366389-A)</b>		
Firm Development Sdn Bhd (75282-H)	Sales of safety glass from Ajiya Safety Glass Sdn Bhd to Firm Development Sdn Bhd.	65,257.31
Seng Hiap Glass Sdn Bhd (86245-A)	Sales of safety glass from Ajiya Safety Glass Sdn Bhd to Seng Hiap Glass Sdn Bhd.	583,661.81

Notes:

- As at 30 November 2017, there were no outstanding amount due or owing to the Group by its related parties under Recurrent Related Parties Transactions which exceeded more than 1 year.
- There were no late payment charges levied and no necessary action to be taken on these outstanding as the payments can be collected within the extended payment arrangement.
- As there is no long overdue outstanding, no advice obtained from the Board of Directors on any outstanding amount long overdue.



## **1. DETAILS OF PROPOSAL (CONT'D)**

### **1.5 TERMS OF TRANSACTION**

The transactions are undertaken at:

(a) Sales or purchase of goods and services

The sales 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.

### **1.6 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 Renewal of Shareholders' 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 Renewal of Shareholders' Mandate.

## **1. DETAILS OF PROPOSAL (CONT'D)**

### **1.7 STATEMENT BY AUDIT COMMITTEE**

The Audit Committee of Ajiya has seen and reviewed the terms of the Proposed Renewal of Shareholders' Mandate and is satisfied that the review procedures for the Recurrent Related Party Transactions (as set out in section 1.6 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. If during its 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. RATIONALE AND JUSTIFICATIONS FOR PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Recurrent Related Party Transactions that are set out in Section 1.3 of this Circular are all in the ordinary course of business and intended to meet the business needs of the 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 Renewal of Shareholders' 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 Renewal of Shareholders' 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.

## **3. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

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

## **4. APPROVAL REQUIRED**

The Proposed Renewal of Shareholders' Mandate is subject to the approval being obtained from the shareholders of the Company at the forthcoming AGM.

## 5. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS

5.1 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	-	-

5.2 Yeo Ann Seck, being the interested Director and Major Shareholder, has and will continue to abstain from board deliberations and voting in the Proposed Renewal of Shareholders' 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 Renewal of Shareholders' 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 Renewal of Shareholders' 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 Renewal of Shareholders' Mandate.

## 6. DIRECTORS' RECOMMENDATION

The Board (save for Yeo Ann Seck), having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Group after taking into consideration the rationale and justifications for the Proposed Renewal of Shareholders' Mandate as well as the effects of the Proposed Renewal of Shareholders' 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 Renewal of Shareholders' Mandate at the forthcoming AGM of the Company.

## 7. ANNUAL GENERAL MEETING

The forthcoming 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, 27 April 2018 at 11.30 a.m. for the purpose of considering and if thought fit, passing with or without modification.

## 8. FURTHER INFORMATION

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

**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 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 2016 and 2017.

Notes :

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

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