

**AJIYA BERHAD**  
**Registration No. 199601005281 (377627-W)**  
(Incorporated in Malaysia)

**MINUTES OF THE TWENTY-FIFTH ANNUAL GENERAL MEETING OF AJIYA BERHAD CONDUCTED VIA FULLY VIRTUAL MEETING FROM THE BROADCAST VENUE AT LEVEL 43A, MYEG TOWER, EMPIRE CITY DAMANSARA, JALAN PJU 8, DAMANSARA PERDANA, 47820 PETALING JAYA, SELANGOR, MALAYSIA ON FRIDAY, 30 APRIL 2021 AT 11.00 A.M.**

**PRESENT AT BROADCAST VENUE (Directors)** : Dato' Dr. Mohd Aminuddin Bin Mohd Rouse - Chairman  
Dato' Chan Wah Kiang

**PRESENT VIA VIDEO CONFERENCING (Directors)** Mr. Tan Seng Kee  
Dato' Theng Book  
Ms. Low Peak Yih  
Mr. Yeo Ann Seck  
Ms. Lee Xia Lien

**IN ATTENDANCE** : Ms. Chong Wui Koon (Company Secretary)  
Ms. Leong Siew Foong (Company Secretary)

**BY INVITATION** : Ms Tan Siew Hoon (Financial Controller)  
Ms. Lee Ming Li (Representative of Ernst & Young)  
Ms. Veron Soon (Representative of Ernst & Young)  
Representative of Agmo Studio Sdn Bhd  
Representative of Aegis Communication Sdn Bhd

#### **CHAIRMAN**

The Chairman of the Company, Dato' Dr Mohd Aminuddin Bin Mohd Rouse welcomed all members to the 25<sup>th</sup> Annual General Meeting ("AGM or Meeting") of the Company. Thereafter, he proceeded to introduce the members of the Board of Directors who were in attendance.

Dato' Dr Mohd Aminuddin Bin Mohd Rouse informed the members that the 25<sup>th</sup> AGM was the Company's first virtual AGM conducted via live streaming and online remote meeting using the Remote Participation and Voting Facilities (RPV) which is in compliance with Section 327 of the Companies Act 2016. The Chairman also informed that the online AGM was part of the Company's safety measures against Covid-19 pandemic and was held in accordance with the revised Guidance Note on the Conduct of General Meetings issued by Securities Commission of Malaysia on 5 March 2021.

#### **QUORUM**

The Chairman informed that the Constitution of the Company required the presence of at least 2 members or proxies or corporate representatives to form a quorum. For a virtual meeting, the quorum shall be determined by the number of members who logged-in at the commencement of the Meeting. The requisite quorum being present, the Chairman of the Meeting declared the Meeting duly convened.

## **CORPORATE REPRESENTATIVE/PROXIES**

The Chairman informed that the Company has received three (3) proxy forms and a corporate representative from members for a total of 18,228,120 ordinary shares representing 6.248% of the total number of issued shares of the Company within the prescribed period.

## **NOTICE**

The notice convening the meeting, having been circulated to the shareholders and advertised in the newspaper on 31 March 2021, be taken as read.

## **ADMINISTRATIVE AND VOTING PROCEDURES**

The Chairman informed the members that all the resolutions tabled at the Meeting would require poll voting by members pursuant to Para 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The poll would be conducted after all items on the agenda have been deliberated. The Chairman also informed the members of their right to participate at this Meeting via real time submission of typed texts in the query box.

Agmo Studio Sdn. Bhd. was appointed as the Poll Administrator to conduct the electronic polling process and Aegis Communication Sdn Bhd as the Scrutineer to validate the votes cast at the meeting. Thereafter, Chairman invited the representatives of Poll Administrator to brief on the live voting procedure.

## **RESPONSE TO QUESTION FROM MINORITY SHAREHOLDERS WATCH GROUP**

The Chairman invited the Managing Director, Dato' Chan Wah Kiang to present the Company's response to the questions raised by Minority Shareholders Watch Group ("MSWG") in its letter dated 15 April 2021 (as attached in Appendix I).

## **AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020 TOGETHER WITH THE REPORTS OF DIRECTORS AND AUDITORS**

The Chairman explained that the Audited Financial Statements for the year ended 30 November 2020, which was included in the Annual Report, would be tabled before the Meeting for discussion only.

The Chairman also informed that in accordance with the provision of Section 340(1)(a) of the Companies Act 2016, the Audited Financial Statements for the year ended 30 November 2020 do not require formal approval of the shareholders and hence is not put forward for voting.

Chairman declared that the Audited Financial Statements for the financial year ended 30 November 2020 together with the Reports of the Directors and Auditors thereon be received.

## **ORDINARY BUSINESS**

### **ORDINARY RESOLUTION 1 - APPROVAL OF DIRECTORS' FEES AND BENEFITS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020**

The Chairman proceeded to the next item of the Agenda, which was to seek shareholders' approval on the payment of Directors' fees and benefits of RM1,367,931 for the financial year ended 30 November 2020.

### **ORDINARY RESOLUTION 2 - APPROVAL OF DIRECTORS' BENEFITS FROM 1 MAY 2021 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY**

The second item of the Agenda was to approve the payment of the Directors' benefits up to an amount of RM42,000 from 1 May 2021 until the next Annual General Meeting of the Company.

### **ORDINARY RESOLUTION 3 & 4 - RE-ELECTION OF DIRECTORS**

In accordance with the Company's Constitution, the following Directors shall retired from the Board at this Meeting and being eligible, have offered themselves for re-election to the Board:-

- a) Dato' Theng Book – Resolution 3
- b) Mr. Yeo Ann Seck – Resolution 4

Chairman subsequently put the motion to re-elect Dato' Theng Book and Mr. Yeo Ann Seck to the Board under Resolutions 3 and 4 respectively.

### **ORDINARY RESOLUTION 5 - RE-APPOINTMENT OF AUDITORS**

The next item on the Agenda was in respect of the re-appointment of Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.

Chairman put the motion on re-appointment of auditors to the Meeting for consideration.

## **SPECIAL BUSINESS**

### **ORDINARY RESOLUTIONS 6, 7, 8 & 9 - CONTINUATION OF TERMS OF OFFICE AS INDEPENDENT DIRECTOR**

The Chairman moved on to the next item under Special Business Resolution 6, 7, 8 and 9 pertaining the retention of Independent Directors, Mr. Tan Seng Kee, Dato' Theng Book, Ms. Low Peak Yih and Dato' Dr. Mohd Aminuddin bin Mohd Rouse respectively, who have been serving the Board for more than 9 years.

The Chairman informed that the Board had recommended to retain them as Independent Directors of the Company until the conclusion of the next Annual General Meeting. Justification to retain them as Independent Directors had been included in the Annual Report 2020 and the relevant procedures also be adhered to in accordance with Malaysian Code on Corporate Governance ("MCCG").

The Chairman further informed that Resolutions 6, 7, 8 and 9 would be voted via two tier voting process according to MCCG as Mr. Tan Seng Kee, Dato' Theng Book and Ms. Low Peak Yih have served the Company for more than 12 years.

Chairman subsequently put the motion to retain Mr. Tan Seng Kee, Dato' Theng Book, Ms. Low Peak Yih and Dato' Dr. Mohd Aminuddin bin Mohd Rouse as Independent Director of the Company under each respective Resolution 6, 7, 8 and 9.

#### **ORDINARY RESOLUTION 10 - AUTHORITY TO ALLOT SHARES**

The Chairman proceeded to Resolution 10 on authority to the Directors to allot shares pursuant to Sections 75(1) and 76(1) of the Companies Act 2016 subject to the Constitution of the Company and approvals of relevant authorities.

#### **ORDINARY RESOLUTION 11 - APPROVAL FOR 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 OF TIME**

The Chairman proceeded to Resolution 11 in respect of 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 of time.

#### **ORDINARY RESOLUTION 12 - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Chairman proceeded to Resolution 12 in respect of renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Proposed Renewal of Shareholders' Mandate").

The Interested Parties, Dato' Chan Wah Kiang, Mr. Yeo Ann Seck and persons connected to them were abstained from deliberations and voting on the Resolution.

#### **ANY OTHER BUSINESS**

The Chairman informed that no notice of any other business for transacting at the meeting has been received.

#### **QUESTIONS AND ANSWER SESSION**

There was no other question received save and except those administrative issues.

#### **POLL SESSION**

Having dealt with all the items on the Agenda, the Meeting proceeded to voting session. The Chairman adjourned the meeting for verification of votes.

## POLL RESULTS

The Chairman called the Meeting to order for the announcement of poll results and called upon the Scrutineer to announce the poll results.

The details of the results are as follow-

RESOLUTION	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
To approve the payment of Directors' fees and benefits amounting to RM1,367,931 for the financial year ended 30 November 2020.	13,179,441	99.9999%	2	0%
To approve the payment of Directors' benefits up to an amount of RM42,000 from 1 May 2021 until the next Annual General Meeting.	13,181,417	99.9998%	26	0.0002%
To re-elect Dato' Theng Book as Director	60,770,083	100%	0	0%
To re-elect Mr. Yeo Ann Seck as Director	60,770,083	100%	0	0%
To re-appoint Messrs Ernst & Young as Auditors of the Company.	60,770,083	100%	0	0%
To approve the continuation of terms of office of Mr. Tan Seng Kee as Independent Director.	Tier 1	47,568,640	0	0%
	Tier 2	13,201,343	100	0.0007%
To approve the continuation of terms of office of Dato' Theng Book as Independent Director.	Tier 1	47,568,640	0	0%
	Tier 2	13,201,343	100	0.0007%
To approve the continuation of terms of office of Ms. Low Peak Yih as Independent Director	Tier 1	47,568,640	0	0%
	Tier 2	13,201,343	100	0.0007%
To approve the continuation of terms of office of Dato' Dr. Mohd. Aminuddin Bin Mohd Rouse as Independent Director.	60,769,983	99.9998%	100	0.0001%
To authorise the allotment of shares pursuant to Sections 75(1) and 76(1) of Companies Act 2016.	60,770,081	100%	2	0%
Approval for the Proposed Renewal of Share Buy-Back Authority	60,770,081	100%	2	0%
Approval for the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions	13,201,441	99.9999%	2	0%

Based on the poll results, the Chairman declared that all the Resolutions as set out in the Notice of 25<sup>th</sup> AGM of the Company were duly carried.

## CLOSE OF MEETING

The Meeting was closed at 12.00 noon with a vote of thanks to the Chair.

**Operational & Financial Matters**

**Question 1**

Financial Highlights

<b>FINANCIAL RESULTS</b>	<b>2020</b> (RM'000)	<b>2019</b> (RM'000)	<b>2018</b> (RM'000)	<b>2017</b> (RM'000)	<b>2016</b> (RM'000)
Revenue	254,896	325,290	382,247	370,883	395,517
(Loss)/Profit Before Tax	(745)	5,954	31,712	18,693	24,102
Profit After Tax	397	4,277	27,397	15,523	18,890

(Source: Page 24 of the Annual Report 2020)

In FY2020, Ajiya recorded the lowest revenue and lowest profit after tax since FY2016. How does the Board plan to address the Group's deteriorating financial performance, moving forward?

**Response**

The impact of Covid 19 pandemic on the global economy was unprecedented. Due to the challenging climate posed by the COVID-19, Ajiya Group's performance for the FY2020 was significantly affected when the movement control restriction was first implemented in Malaysia in March 2020.

Nevertheless, Ajiya has successfully managed to end the FY2020 with a full-year net profit, even as sales were affected by the market challenges. Amid a reduction in revenue in FY2020, the Group's agility and fast response in streamlining internal operations and introduced several cost-optimisation measures have successfully lowered operating expenses.

Looking forward, we expect to ride on the demand recovery for building materials, both in Malaysia and within the region. We are positive on the demand for our AGiBS solutions as more property developers are using the Industrialised Building Systems ("IBS") technology.

The Group is always mindful and continuously embarks on various measures to streamline its operation structure and rightsize its workforce to improve operating efficiency and to achieve a firmer foundation for sustainability long term growth. Other cost-optimisation measures undertaken by the Group includes the adoption of Industrial Revolution 4.0 and the installation of solar photovoltaic system in our existing factories throughout Malaysia are among others, the initiatives being undertaken at present.

**Question 2**

The Group has plans to diversify its business portfolio in order to widen its revenue base and to attain better operating margins. It has identified several prospective businesses that would complement its existing business and help to expand its value chain. Among these options is the plan to position Ajiya as a main contractor in undertaking IBS construction projects nationwide (Page 28 of the Annual Report 2020).

- a) How will the Board position Ajiya as a main contractor in undertaking IBS construction projects in the Malaysian market?
- b) What is the Group's targeted revenue percentage and operating profit margin contribution to be derived from the business?

### **Response**

- a) Ajiya is currently the one stop manufacturer that provides sustainable integrated building solutions under its inhouse developed IBS solutions. To complement its existing business and help to expand its value chain, Ajiya has initiated as a main contractor in IBS construction projects since 2019 in a small scale manner. Ajiya aims to position itself as a main contractor and gradually taken a bigger involvement in the IBS construction project, moving forward.
- b) We are still at the very initial stage of being a main contractor in IBS construction project and the contribution is not significant.

### **Question 3**

The Group has ensured optimum utilisation of capacity in all its plants and has maintained a utilisation rate of at least 25% to 30% at all times (Page 27 of the Annual Report 2020).

What is the latest capacity utilisation rates for the Group's plants? What are the planned optimal utilisation rates that the Group expect for the plants in FY2021?

### **Response**

- a) Latest capacity utilisation rates  
Currently we are operating at approximately 30% of the installed capacity for metal plants and 25% for glass plants.
- b) Planned optimal utilisation rates for FY2021  
Our planned optimal utilisation rates for 2021 is very much depend on how fast the economy normalized. Moreover the scarce of raw material in the market will also affect the utilization rate for FY2021.

### **Question 4**

Across its 16 factories in Malaysia and Thailand, Ajiya intends to enhance production capability by acquiring new machinery with enhanced technology for the manufacturing of AGiBS' components. The Group is also constantly looking for opportunities to expand its presence within the South East-Asia (SEA) region (Page 29 of the Annual Report 2020)

- a) How much budget has been set aside for acquiring new machinery for the manufacturing of AGiBS' components?
- b) What is the update on the lookout to expand the Group's presence within the SEA region? Is the Group currently in serious discussion on any deal?

### **Response**

- a) To become a comprehensive IBS provider, we do not rest on our laurels and will continue our product and process development on housing solution. Due to the economic uncertainties, the acquisition of new machinery with enhanced technology will be carried out modestly as the market has not fully recover to pre-pandemic level. There was no specific budget being set for the acquisition but we will monitor closely and when a particular machine is needed, we will purchase on best terms possible.
- b) Ajiya constantly exploring opportunities to expand its presence within the South East-Asia (SEA). There is no breakthrough yet due to Covid-19 cross-border travel restriction. We shall maintain close engaging with local partners in the construction, property and building materials industry.