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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") has conducted a limited review on Part B of this Statement/Circular and has not peruse Part A of this Statement as it is prescribed as an exempt document.

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**AJIYA BERHAD**

Registration No. 199601005281 (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 OF TIME;**

**AND**

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

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND  
PROPOSED NEW 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-Seventh Annual General Meeting ("AGM"), which is attached in the Annual Report of the Company for the financial year ended 30 November 2022 together with the Form of Proxy. The aforementioned AGM will be conducted via Fully Virtual through live streaming and online remote voting using Remote Participation and Electronic Voting facilities via the online meeting platform at <https://web.vote2u.my> (Domain Registration No. with MYNIC: D6A471702) on Thursday, 27 April 2023 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 Suite 9D, Level 9, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Johor not less than twenty four (24) hours before the time appointed for holding the AGM and any adjournment thereof. The return of a completed Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy : Wednesday, 26 April 2023 at 11.30 a.m.  
Day, date and time of the Annual General Meeting : Thursday, 27 April 2023 at 11.30 a.m.

**This Statement/Circular is dated 28 March 2023**

## DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Statement/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 (Registration No. 199601005281 (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, a Director or Chief Executive of the Company, its subsidiary or holding company.
"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
"FYE"	: Financial year ended 30 November 2022
"LPD"	: 28 February 2023, 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 the Company and the number or aggregate number of those shares, is :- (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company

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 Company or its subsidiaries.

## DEFINITIONS (CONT'D)

“NA”	:	Net assets attributable to ordinary equity holders of Ajiya
“person”	:	Includes a body of persons, corporate or unincorporate (including a trust)
“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: <ul style="list-style-type: none"><li>(a) a family member of the said Person;</li><li>(b) a trustee of a trust (other than a trustee for share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;</li><li>(c) a partner of the said person;</li><li>(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;</li><li>(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;</li><li>(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; or</li><li>(g) a body corporate which is a related corporation of the said Person.</li></ul>
“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 27 April 2022, being the date of last AGM
“Proposed New of Shareholders’ Mandate”	:	Proposed New Mandate for Recurrent Related Party(ies) Transactions of a revenue or trading nature
“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 27 April 2022, 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 the Group
“SPAC”	:	Special Purpose Acquisition Company
“Treasury Shares”	:	Purchased Shares which will be retained as treasury shares
"VWAMP"	:	Volume weighted average market price

<b>DEFINITIONS (CONT'D)</b>
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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 Statement/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 Statement/Circular shall be a reference to Malaysian time, unless otherwise specified.

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**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 OF TIME**

# 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

## 1.0 DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

### 1.1 Quantum

At Twenty-Sixth AGM held on 27 April 2022, 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 18,830,000 of ordinary shares and held as Treasury Shares in accordance of Section 127 of the Act. The details of the share capital of the Company as at LPD are as follow:

	Number of Shares
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	(18,830,000)
Balance for Proposed Renewal of Share Buy-Back Authority	11,628,448

Section 127 (2) of the Act 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 Act 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 renewal of approval for the Proposed Renewal of Share Buy-Back Authority will be effective immediately upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority at the Company's Twenty-Seventh AGM to be held on 27 April 2023 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.

### **1.3 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 Renewal of Share Buy-Back Authority 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 Renewal of Share Buy-Back Authority shall not exceed the aggregate amount of the retained earnings of the Company.

The amount of funds to be utilised for the Proposed Renewal of Share Buy-Back Authority 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 RM35,332,792.

### **1.5 Treatment of the Purchased Shares**

The Board be and is hereby authorised to deal with the shares purchased at their absolute discretion, either partially or fully, in the following manner:

- (i) cancel all the shares so purchased;
- (ii) distribute the shares as share dividends to the shareholders;
- (iii) resell the shares through Bursa Securities in accordance with the Rules of Bursa Securities;
- (iv) retain all the shares so purchased as treasury shares;
- (v) retain part of the shares so purchased as treasury shares and cancel the remainder of the shares;  
or
- (vi) 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 Renewal of Share Buy-Back Authority.

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.



## **1.6 Potential Advantages and Disadvantages**

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

- i. The Proposed Renewal of Share Buy-Back Authority 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 Renewal of Share Buy-Back Authority 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 Renewal of Share Buy-Back Authority 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 Renewal of Share Buy-Back Authority 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 Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows:

- i. The Proposed Renewal of Share Buy-Back Authority 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 Renewal of Share Buy-Back Authority 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 Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantages 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 RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Proposed Renewal of Share Buy-Back Authority, 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 Renewal of Share Buy-Back Authority 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 RENEWAL OF SHARE BUY-BACK AUTHORITY

Assuming that the Proposed Renewal of Share Buy-Back Authority is carried out in full, the effects of the Proposed Renewal of Share Buy-Back Authority 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:

	<u>No. of Shares</u>
Total number of issued shares as at the LPD	304,584,484
Less: Maximum no. of shares to be purchased and cancelled pursuant to the proposed Share Buy-Back	(30,458,448)
	<u>274,126,036</u>

The proforma effects of the Proposed Renewal of Share Buy-Back Authority 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.

If the Purchased Shares are retained as treasury shares, resold or distributed to its shareholders, the Proposed Renewal of Share Buy-Back Authority will have no effect on the existing total number of issued shares of the Company.

#### 3.2 NA

The Proposed Renewal of Share Buy-Back Authority may increase or decrease the NA per share of Ajiya depending on the purchase price of the shares bought back in comparison to the NA per share of Ajiya 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.

#### 3.3 Earnings and EPS

The Proposed Renewal of Share Buy-Back Authority 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 Renewal of Share Buy-Back Authority 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 Renewal of Share Buy-Back Authority 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 Renewal of Share Buy-Back Authority 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 Renewal of 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 Renewal of Share Buy-Back Authority.

#### 4.0 SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS' SHAREHOLDING

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

Substantial Shareholders	Shareholdings as at the LPD (i)				After Proposed SBB (ii)			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
PP Chin Hin Realty Sdn Bhd	-	-	93,353,250*	32.67	-	-	93,353,250*	34.05
Chin Hin Group Berhad	72,000,000	25.20	-	-	72,000,000	26.27	-	-
Divine Inventions Sdn Bhd	21,353,250	7.47	72,000,000*	25.20	21,353,250	7.79	72,000,000*	26.27
Datuk Seri Chiau Beng Teik, JP	-	-	93,353,250**	32.67	-	-	93,353,250**	34.05
Chiau Haw Choon	-	-	93,353,250**	32.67	-	-	93,353,250**	34.05
Yeo Ann Seck	37,382,000	13.08	-	-	37,382,000	13.64	-	-
Datin Seri Wong Mee Leng	-	-	93,353,250**	32.67	-	-	93,353,250**	34.05

Director	Shareholdings as at the LPD (i)				After Proposed SBB (ii)			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Seri Chiau Beng Teik, JP	-	-	93,353,250**	32.67	-	-	93,353,250**	34.05
Chiau Haw Choon	-	-	93,353,250**	32.67	-	-	93,353,250**	34.05
Yeo Ann Seck	37,382,000	13.08	-	-	37,382,000	13.64	-	-
Datuk Hj Mohd Yusri Bin Md Yusof	-	-	-	-	-	-	-	-
Dato' Boey Chin Gan	-	-	-	-	-	-	-	-
Teh Boon Beng	-	-	-	-	-	-	-	-
Er Kian Hong	-	-	-	-	-	-	-	-

Notes:

(i) After taking into account the 18,830,000 Shares that have been purchased and held as treasury shares.

(ii) Assuming 10% of Ajiya Shares are fully purchased.

\* Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of its shareholdings in Chin Hin Group Berhad.

\*\* Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of his shareholdings in PP Chin Hin Realty Sdn Bhd, which is the holding company of Divine Inventions Sdn Bhd, which in turn hold shares in Chin Hin Group Berhad.

## 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 2022 to February 2023 are set out below:-

	<b>HIGH (RM)</b>	<b>LOW (RM)</b>
<b>2022</b>		
March	1.260	0.915
April	1.230	1.120
May	1.210	1.110
Jun	1.150	1.010
July	1.140	0.985
August	1.140	1.020
September	1.220	1.080
October	1.390	1.120
November	1.760	1.320
December	1.790	1.510
<b>2023</b>		
January	1.790	1.550
February	1.920	1.580
		<b>RM</b>
Last transacted market price before the printing of this Circular		<u>1.61</u>

## 6.0 PURCHASED AND RESALE OF SHARES

In the preceding twelve months up to the LPD, the Company has purchased 8,000,000 of its total number of issued shares from the open market for a total consideration of RM9,249,440.00. The average price paid for the shares repurchased was RM1.16 per share.

The shares repurchased are being held as Treasury Shares and treated in accordance with the requirements of Section 127 of the Act. Details of the share buy-back are as follows:

<b>Date of Purchase</b>	<b>Number of shares</b>	<b>← Purchase price per share →</b>			<b>RM</b>
		<b>Highest price RM</b>	<b>Lowest price RM</b>	<b>Average Cost RM</b>	
18/5/2022	2,000,000	1.150	1.150	1.150	2,300,000.00
19/5/2022	2,000,000	1.150	1.150	1.150	2,300,000.00
20/5/2022	2,000,000	1.150	1.150	1.150	2,300,000.00
23/5/2022	2,000,000	1.190	1.167	1.180	2,349,440.00
<b>Total</b>	<b>8,000,000</b>	<b>1.160</b>	<b>1.155</b>	<b>1.158</b>	<b>9,249,440.00</b>

During the preceding twelve (12) months up to the LPD, the Company has resale 2,025,600 treasury shares for a total consideration of RM2,285,970.62. Details of the resale are as follows:

Date of Resale	Number of shares	← Resell price per share →			RM
		Highest price RM	Lowest price RM	Average Cost RM	
27/7/2022	2,025,600	1.140	1.120	1.130	2,285,970.62
Total	2,025,600	1.140	1.120	1.130	2,285,970.62

## 7.0 PUBLIC SHAREHOLDING SPREAD

The Proposed Renewal of Share Buy-Back Authority 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 53.99%.

## 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 Renewal of Share Buy-Back Authority 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 Renewal of Share Buy-Back Authority or resale of the Treasury Shares, if any in the future.

## 9.0 DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Group after taking into consideration the rationale and justifications for the Proposed Renewal of Share Buy-Back Authority as well as the effects of the Proposed Renewal of Share Buy-Back Authority as set out in Sections 2 and 3 of this Statement, respectively. Accordingly, the Board recommends that the shareholders of Ajiya to vote in favour of the resolutions pertaining to the Proposed Renewal of Share Buy-Back Authority 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 AND  
PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**



**AJIYA BERHAD**

Registration No. 199601005281 (377627-W)  
(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office**  
Suite 9D, Level 9, Menara Ansar  
65 Jalan Trus  
80000 Johor Bahru, Johor

28 March 2023

**Board of Directors**

Datuk Seri Chiau Beng Teik, JP	(Non-Independent Executive Chairman)
Chiau Haw Choon	(Managing Director)
Yeo Ann Seck	(Non-Executive Director)
Datuk Hj Mohd Yusri Bin Md Yusof	(Independent Non-Executive Director)
Dato' Boey Chin Gan	(Independent Non-Executive Director)
Teh Boon Beng	(Independent Non-Executive Director)
Er Kian Hong	(Independent Non-Executive Director)

To: The Shareholders of **AJIYA BERHAD**

Dear Sir/ Madam,

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

**1. INTRODUCTION**

At the Twenty-Sixth AGM of Ajiya held on 27 April 2022, the shareholders, had inter-alia, granted a renewal of shareholders' 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 2023, unless by a resolution passed at the meeting, the authority is renewed.

Accordingly, the Board had on 9 March 2023 announced to Bursa Securities that the Company proposes to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate as set out in Section 2.3 of this Circular for the 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 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 2022.

**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 PROPOSAL

### 2.1 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE

The Group had entered into various RRPT and will continue to enter into such RRPT as set out in section 2.3 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 Listing Requirements;
- (c) issuance of a circular to shareholders by the listed issuer which includes the information as may be prescribed by the Bursa Securities;
- (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 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 and Proposed New 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 AGM of the Company at which such Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate is passed, at which time will lapse, unless by ordinary resolution passed at the AGM whereby the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within the next AGM 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 2023 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.

## 2.2 BUSINESS ACTIVITY OF THE GROUP

The principal activity of Ajiya is investment holding whilst its subsidiaries are manufacturing and trading of metal products, safety glass products and investment holding. The principal activities of its subsidiaries with its effective interest as at LPD are as follows:-

### Subsidiaries of Ajiya

Name of Company	Effective Equity Interest	Principal Activities
Asia Roofing Industries Sdn Bhd (Reg No. 199001011649 (203219-U))	100.00%	Manufacturing and trading of metal roll forming products
ARI Utara Sdn Bhd (Reg No. 199301018354 (273092-U))	80.00%	Manufacturing and marketing of metal roll forming products
Ajiya Safety Glass Sdn Bhd (Reg No. 199501037187 (366389-A))	90.00%	Manufacturing and trading of all kinds of safety glass
Ajiya STI Sdn Bhd * (Reg No. 200201010785 (578448-D))	100.00%	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 (Reg No. 197901000100 (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 (Reg No. 200501032449 (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 (Reg No. 199701003255 (418751-A))	90.00%	Marketing and sales of safety glass and other glass related products
LTC Usaha Sdn Bhd (Reg No. 201001036419 (920343-T))	100.00%	Investment Holding
Thai Ajiya Safety Glass Co Ltd (0105553123550)	100.00%	Processing and trading of all kinds of glasses related products

Notes:

\* A dormant company, in the process of striking off its name from the Register pursuant to the Section 550 of the Companies Act, 2016.

## 2.3 DETAILS, CLASS AND NATURE OF RRPT

### Part 1: Proposed Renewal of Shareholders' Mandate for RRPT of a Revenue or Trading Nature

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

Transacting Company in the Group	Transacting Related Party	Nature of Transactions	Interested Directors, Major Shareholders and Nature of relationship with Related Party	Estimated Aggregate Value as Disclosed in the Last Circular to Shareholders ("Estimated Value") (RM)	Actual Value Transacted <sup>+</sup> ("Actual Value") (RM)	Estimated Value* from Forthcoming AGM to the Next AGM** (RM)
Asia Roofing Industries Sdn Bhd ("ARI")	Firm Development Sdn Bhd ("FD")	Sale of metal roll forming products by ARI.	<ul style="list-style-type: none"> <li>Yeo Ann Seck is the Director and Major Shareholder of Ajiya and a director of ARI.</li> <li>Yeo Ann Seck is the Director of SHG.</li> <li>Yeo Ann Seck is the major shareholder of JS and SHG.</li> <li>Yeo Ann Ling, the brother of Yeo Ann Seck, is the director and shareholder of FD and SHGS.</li> <li>Yeo Tun Hong, Yeo Fei Lu, Yeo San San and Yeo Huei Shuang, the children of Yeo Ann Seck, are the shareholders of JS and SHG.</li> <li>Yeo Tun Hong and Yeo Fei Lu are the directors of SHG and JS.</li> </ul>	800,000	0	800,000
	Seng Hiap Glass (Segamat) Sdn Bhd ("SHGS")			3,000,000	594,288.16	3,000,000
	Seng Hiap Glass Sdn Bhd ("SHG")			500,000	0	500,000
	Jin Sing Sdn Bhd ("JS")	Sale of metal roll forming products by ARI.		1,000,000	18,180.00	1,000,000
		Renting of factory <sup>(1)</sup> by ARI		40,000	27,000.00	48,000

<b>Transacting Company in the Group</b>	<b>Transacting Related Party</b>	<b>Nature of Transactions</b>	<b>Interested Directors, Major Shareholders and Nature of relationship with Related Party</b>	<b>Estimated Aggregate Value as Disclosed in the Last Circular to Shareholders (“Estimated Value”) (RM)</b>	<b>Actual Value Transacted<sup>+</sup> (“Actual Value”) (RM)</b>	<b>Estimated Value* From Forthcoming AGM to the Next AGM** (RM)</b>
Ajiya Safety Glass Sdn Bhd (“ASG”)	Firm Development Sdn Bhd (“FD”)	Sale of safety glass by ASG	<ul style="list-style-type: none"> <li>• Yeo Ann Seck is the Director and Major shareholder of Ajiya and the director of ASG.</li> <li>• Yeo Ann Seck is the director of SHG.</li> <li>• Yeo Ann Seck is the major shareholder of SHG.</li> <li>• Yeo Ann Ling, the brother of Yeo Ann Seck, is the director and shareholder of FD and SHGS.</li> <li>• Yeo Tun Hong, Yeo Fei Lu, Yeo San San and Yeo Huei Shuang, the children of Yeo Ann Seck, are the shareholders of SHG.</li> <li>• Yeo Tun Hong, Yeo Tun Hian, Yeo Fei Lu, Yeo San San and Yeo Huei Shuang, the children of Yeo Ann Seck, are the shareholders of NC.</li> <li>• Yeo Tun Hong and Yeo Fei Lu are the directors of SHG and NC.</li> </ul>	5,000,000	61,918.42	3,000,000
	Seng Hiap Glass Sdn Bhd (“SHG”)			9,000,000	245,737.24	6,000,000
	Seng Hiap Glass (Segamat) Sdn Bhd (“SHGS”)			2,000,000	674,311.58	2,000,000
	Network Command Sdn Bhd (“NC”)			3,000,000	270,682.40	3,000,000
	Asteel Ajiya Sdn Bhd (“AASB”)	Sale of safety glass by ASG	<ul style="list-style-type: none"> <li>• Dato’ Chan Wah Kiang is the Chief Executive Officer of Ajiya and a director ASG.</li> <li>• Chan Tai Wei, the son of Dato Chan Wah Kiang, is the director of ASG and AASB.</li> <li>• Sim Chee Liang is the director of ASG and AASB.</li> </ul>	3,000,000	434,067.94	3,000,000
	Let out of factory <sup>(iii)</sup> by ASG	300,000		171,000.00	300,000	

**Part 2: Proposed New Shareholders' Mandate for RRPT of a Revenue or Trading Nature**

Transacting Company in the Group	Transacting Related Party	Nature of Transactions	Interested Directors, Major Shareholders and Nature of relationship with Related Party	Actual Value Transacted + ("Actual Value") (RM)	Estimated Value* From Forthcoming AGM to the Next AGM** (RM)
Ajiya Group	PP Chin Realty Sdn Bhd and its subsidiaries ("PPCH Realty Group")	<ul style="list-style-type: none"> <li>Supply of metal roll forming, safety glass, zinc and aluminium products for roof building, ceiling window and door frame and other similar products by Ajiya Group based on prevailing market price.</li> </ul>	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the Directors of Ajiya and PP Chin Hin Realty Sdn. Bhd and Quaver.</li> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the major shareholders of Ajiya. <sup>(1)</sup></li> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the major shareholders of PP Chin Hin Realty Sdn. Bhd. <sup>(2)</sup></li> </ul>	-	50,000,000
		<ul style="list-style-type: none"> <li>Leasing/renting of factory and office premises<sup>(iii)</sup> from PPCH Realty Group based on current market value and is payable on an equal pro-rated monthly basis.</li> </ul>		-	7,000,000
		<ul style="list-style-type: none"> <li>Provision of hotel accommodations by PPCH Realty Group based on prevailing market price.</li> </ul>		-	200,000
		<ul style="list-style-type: none"> <li>Provision of property development related services by PPCH Realty Group based on prevailing market price.</li> </ul>		-	100,000,000
Ajiya Group	Quaver Sdn Bhd ("Quaver") <sup>(3)</sup>	<ul style="list-style-type: none"> <li>Supply of metal roll forming, safety glass, zinc and aluminium products for roof building, ceiling window and door frame and other building materials by Ajiya Group based on prevailing market price.</li> </ul>			-

Transacting Company in the Group	Transacting Related Party	Nature of Transactions	Interested Directors, Major Shareholders and Nature of relationship with Related Party	Actual Value Transacted + ("Actual Value") (RM)	Estimated Value* from Forthcoming AGM to the Next AGM** (RM)
Ajiya Group	Chin Hin Group Berhad, its subsidiaries and associates ("CHGB Group")	<ul style="list-style-type: none"> <li>Supply of metal roll forming, safety glass, zinc and aluminium products for roof building, ceiling window and door frame and other building materials by Ajiya Group based on prevailing market price.</li> </ul>	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the Directors of Ajiya and Chin Hin Group Berhad.</li> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the major shareholders of Ajiya. <sup>(1)</sup></li> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the major shareholders of Chin Hin Group Berhad. <sup>(4)</sup></li> <li>Shelly Chiau Yee Wern, the daughter of Datuk Seri Chiau Beng Teik, JP and sibling of Chiau How Choon, is the director of Chin Hin Group Bhd and Chin Hin Group Property Bhd</li> </ul>	-	50,000,000
		<ul style="list-style-type: none"> <li>Provision of property development related services by CHGB Group based on prevailing market price.</li> </ul>		-	50,000,000
		<ul style="list-style-type: none"> <li>Provision of construction services by CHGB Group based on prevailing market price.</li> </ul>		-	50,000,000
		<ul style="list-style-type: none"> <li>Provision of concrete and polymer products by CHGB Group based on prevailing market price.</li> </ul>		-	5,000,000
		<ul style="list-style-type: none"> <li>Provision of green products by CHGB Group based on prevailing market price.</li> </ul>			3,000,000
		<ul style="list-style-type: none"> <li>Provision of commercial vehicles by CHGB Group based on prevailing market price.</li> </ul>			5,000,000
		<ul style="list-style-type: none"> <li>Rental of forklift and other equipment from CHGB Group based on prevailing market price.</li> </ul>		-	3,000,000

Transacting Company in the Group	Transacting Related Party	Nature of Transactions	Interested Directors, Major Shareholders and Nature of relationship with Related Party	Actual Value Transacted + ("Actual Value") (RM)	Estimated Value* from Forthcoming AGM to the Next AGM** (RM)
Ajiya Group	Fiamma Holding Berhad, its subsidiaries and associates ("Fiamma Group")	<ul style="list-style-type: none"> <li>Supply of electrical home appliances products by Fiamma Group based on prevailing market price</li> </ul>	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the Directors of Ajiya and Fiamma Holdings Berhad.</li> </ul>	-	5,000,000
		<ul style="list-style-type: none"> <li>Provision of Property development related services by Fiamma Group</li> </ul>	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the major shareholders of Ajiya. <sup>(1)</sup></li> </ul>		10,000,000
		<ul style="list-style-type: none"> <li>Supply of metal roll forming, zinc aluminium, glass and glass related products by Ajiya Group based on prevailing market price.</li> </ul>	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the major shareholders of Fiamma Holdings Berhad. <sup>(4)</sup></li> </ul>	-	20,000,000
Ajiya Group	Signature International Berhad, its subsidiaries and associates ("Signature Group")	<ul style="list-style-type: none"> <li>Supply of metal roll forming, zinc aluminium, glass and glass related products by Ajiya Group based on prevailing market price.</li> </ul>	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the Directors of Ajiya and Signature International Berhad.</li> </ul>	-	50,000,000
		<ul style="list-style-type: none"> <li>Provision of kitchen systems, wardrobe systems and built-in kitchen appliances by Signatures Group based on prevailing market price.</li> </ul>	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the major shareholders of Ajiya. <sup>(1)</sup></li> </ul>	-	10,000,000
		<ul style="list-style-type: none"> <li>Provision of project management solution and interior fit out solutions by Signature Group based on prevailing market price.</li> </ul>	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the major shareholders of Signature International Berhad. <sup>(4)</sup></li> <li>Shelly Chiau Yee Wern, the daughter of Datuk Seri Chiau Beng Teik, JP and sibling of Chiau How Choon, is the director of Signature International Bhd.</li> </ul>	-	10,000,000

Transacting Company in the Group	Transacting Related Party	Nature of Transactions	Interested Directors, Major Shareholders and Nature of relationship with Related Party	Actual Value Transacted + ("Actual Value") (RM)	Estimated Value* from Forthcoming AGM to the Next AGM** (RM)
Ajiya Group	Signature Aluminium Sdn Bhd ("Signature Aluminium")	<ul style="list-style-type: none"> <li>Supply of metal roll forming, safety glass, zinc and aluminium products for roof building, ceiling window and door frame and other building materials by Ajiya Group based on prevailing market price.</li> </ul>	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the Directors of Ajiya and Signature International Berhad.</li> </ul>	-	50,000,000
	Signature Design & Technology Sdn Bhd ("Signature Design")		<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the major shareholders of Ajiya. <sup>(1)</sup></li> </ul>	-	20,000,000
	Signature Façade Treatment Sdn Bhd ("Signature Façade")		<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP and Chiau How Choon are the major shareholders of Signature Aluminium, Signature Design, Signature Façade and Signature Metal. <sup>(4)</sup></li> </ul>	-	50,000,000
	Signature Metal Treatment Sdn Bhd ("Signature Metal")		<ul style="list-style-type: none"> <li>Shelly Chiau Yee Wern, the daughter of Datuk Seri Chiau Beng Teik, JP and sibling of Chiau How Choon, is the director of and Signature International Bhd.</li> </ul>	-	20,000,000



<b>Transacting Company in the Group</b>	<b>Transacting Related Party</b>	<b>Nature of Transactions</b>	<b>Interested Directors, Major Shareholders and Nature of relationship with Related Party</b>	<b>Actual Value Transacted + (“Actual Value”) (RM)</b>	<b>Estimated Value* from Forthcoming AGM to the Next AGM** (RM)</b>
Asia Roofing Industries Sdn Bhd (“ARI”)	Network Command Sdn Bhd (“NC”)	<ul style="list-style-type: none"> <li>• Sale of metal roll forming products by ARI</li> </ul>	<ul style="list-style-type: none"> <li>• Yeo Ann Seck is the Director and Major shareholder of Ajiya and the director of ARI.</li> <li>• Yeo Tun Hong, Yeo Fei Lu, Yeo San San, Yeo Huei Shuang and Yeo Tun Hian, the children of Yeo Ann Seck, are the shareholders of NC.</li> <li>• Yeo Tun Hong and Yeo Fei Lu are the directors of NC.</li> </ul>	18,802.51	300,000
	Asteel Ajiya Sdn Bhd (“AASB”)	<ul style="list-style-type: none"> <li>• Sale of metal roll forming products by ARI</li> </ul>	<ul style="list-style-type: none"> <li>• Dato’ Chan Wah Kiang is the Chief Executive Officer of Ajiya and director of ARI.</li> <li>• Chan Tai Wei, the son of Dato Chan Wah Kiang, is the director of ARI and AASB.</li> </ul>	810,222.36	1,500,000
		<ul style="list-style-type: none"> <li>• Licensing agreement with ARI</li> </ul>		142,826.04	200,000
ARI Utara Sdn Bhd (“ARIU”)	ASTEEL Ajiya Sdn Bhd (“AASB”)	<ul style="list-style-type: none"> <li>• Sale of metal roll forming products by ARIU</li> </ul>	<ul style="list-style-type: none"> <li>• Dato’ Chan Wah Kiang is the Chief Executive Officer of Ajiya Berhad.</li> <li>• Chan Tai Wei, the son of Dato’ Chan Wah Kiang, is the director of AASB.</li> </ul>	909,250.79	2,000,000

Notes:

- \* The estimated transaction value is calculated based on the preceding years’ transactions, the anticipated business volume which take into consideration among others, the synergistic collaboration with its largest shareholder, Chin Hin Group Berhad and its subsidiaries/associate companies. The estimated transaction value is best estimates by the Management. The actual value of the transactions may vary from the estimated value disclosed above.
- \*\* The expected date of next AGM is April 2023.
- + Actual value is the period from last AGM, 27 April 2022 to 28 February 2023.
1. Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of their shareholdings in PP Chin Hin Realty Sdn Bhd, which is the holding company of Divine Inventions Sdn Bhd, which in turn hold shares in Chin Hin Group Berhad.
  2. PPCH Realty is also the ultimate holding company of those companies as per Appendix A annexed hereto.
  3. PPCH Realty Sdn Bhd is the holding company of Aera Property Group Sdn Bhd which in turn hold shares in Quaver Sdn Bhd. With reference to Chin Hin Group Property Bhd’s (“CHGP”) announcement and circular dated 15/12/2022, subject to the completion of the acquisition, Quaver Sdn Bhd will be a subsidiary of CHGP.
  4. Deemed interest pursuant to Section 8 of the Act by virtue of their interest in Chin Hin Group Berhad. Chin Hin Group Berhad is the major shareholder of Chin Hin Group Property Bhd and Signature International Berhad. Signature International Berhad in turn hold shares in Fiamma Holdings Berhad, Signature Aluminium, Signature Design, Signature Façade and Signature Metal.

### Description of Properties

Notes	Description	Use of Property	Build Up Area (Sq. ft.)	Rental Value (RM)	Period of Tenancy
i	Lot 28, Kawasan Perindustrian, Jalan Genuang, 85000 Segamat, Johor.	Warehouse	15,246	RM40,000.00 per annum	3 Year Expires on 30-11-2025
ii	Lot 1268, Block 8, Jalan Bako, Demak Laut Industrial Estate Phase IV, 93050 Kuching, Sarawak.	Factory	41,340	RM228,000.00 per annum	3 Years Expires on 31-05-2024
iii	Lot 61323 & 61324 at Mukim Labu, Bandar Baru Enstek, Daerah Seremban Negeri Sembilan.	Proposed New Factory and Office Premises	343,227 (estimated)	Estimated RM7,000,000 per annum, based on current market value and is payable on an equal pro-rated monthly basis.	3 Years Expires on 31-12-2025 (Estimated)

**PP Chin Hin Realty Sdn Bhd and its subsidiaries (“PPCH Realty Group”)**

- Divine Inventions Sdn Bhd
- Aera Property Group Sdn Bhd
- Midas Signature Sdn Bhd
- Platinum Eminent Sdn Bhd
- Fortune Merger Sdn Bhd
- Stellar 8 Sdn Bhd
- Asthetik Bangsar South Sdn Bhd
- Eupe Bangsar South Development (JV) Sdn Bhd
- Chin Hin Land Sdn Bhd
- Pintar Muda Development Sdn Bhd
- Chin Hin Building Materials Supply (JB) Sdn Bhd
- Coromax Sdn Bhd
- Chin Hin Hotel Sdn Bhd
- Sentosa Masa Sdn Bhd
- Ace Logistic Sdn Bhd
- Minda Megajuta Sdn Bhd
- Gerbang Kayamas Sdn Bhd
- Sunrich Victory Sdn Bhd
- Quaver Sdn Bhd

**Chin Hin Group Berhad, its subsidiaries and associates (“CHGB Group”)**

- PP Chin Hin Sdn Bhd
- C & H Transport Sdn Bhd
- Chin Hin Concrete Holdings Sdn Bhd
- Chin Hin Concrete (KL) Sdn Bhd
- Chin Hin Concrete (North) Sdn Bhd
- Starken AAC Sdn Bhd
- G-Cast Concrete Sdn Bhd
- Starken Drymix Solutions Sdn Bhd
- G-Cast UHPC Sdn Bhd
- Starken AAC 2 Sdn Bhd
- Green Cement Sdn Bhd
- Green Integrated Base Stabiliser Sdn Bhd.
- MI Polymer Concrete Pipes Sdn Bhd
- Starken Paint Sdn Bhd
- Addington Sdn Bhd
- Metex Steel Sdn Bhd
- Metex Asia Sdn Bhd
- Metex Modular Sdn Bhd
- Saujana Vision Sdn Bhd
- StradaVerse Sdn Bhd
- Chin Hin Group Property Berhad
- Boon Koon Vehicles Industries Sdn Bhd
- BKGM Industries Sdn Bhd
- BK Sepadu Sdn Bhd
- Boon Koon Motors Sdn Bhd
- BKCVC Sdn Bhd
- Boon Koon Fleet Management Sdn Bhd
- BK Fleet Management Sdn Bhd

**Chin Hin Group Berhad, its subsidiaries and associates (“CHGB Group”) (cont”)**

- BKG Development Sdn Bhd
- BKHS Capital Sdn Bhd
- Stellar Trinity Sdn Bhd
- Boon Koon Commercial Sdn Bhd
- BKSP Autoworld Sdn Bhd
- BK Alliance Sdn Bhd
- Boon Koon Capital Sdn Bhd
- Stellar Platinum Sdn Bhd
- Chin Hin Construction Sdn Bhd
- Makna Setia Sdn Bhd
- Kayangan Kemas Sdn Bhd
- 5<sup>th</sup> Capital Sdn Bhd
- Weida Kayangan Sdn Bhd
- R Synergy Sdn Bhd

**Signature International Berhad, its subsidiaries and associates (“Signature Group”)**

- Signature Cabinet Sdn Bhd
- Signature Manufacturing Sdn Bhd
- Signature Kitchen Sdn Bhd
- Fabriano Sdn Bhd
- Signature Surfaces Sdn Bhd
- Signature Aluminium Sdn Bhd
- Signature Design & Technology Sdn Bhd
- Signature Facade Treatment Sdn Bhd
- Signature Metal Treatment Sdn Bhd
- Signature Obicorp Sdn Bhd
- KubiQ Sdn Bhd
- Signature Distribution Sdn Bhd
- Signature Contempo Sdn Bhd
- Signature Reality Sdn Bhd
- Space Alliance Contracts Sdn Bhd
- Space Alliance Furniture Sdn Bhd
- SAF Manufacturing Sdn Bhd
- Space Alliance Cabinet Sdn Bhd
- Space Alliance Resources Sdn Bhd

**Fiamma Holdings Bhd, its subsidiaries and associates (“Fiamma Group”)**

- Fiamma Sdn Bhd
- Fiamma Logistics Sdn Bhd
- Exact Quality Sdn Bhd
- Fimaco Sdn Bhd
- Fiamma Trading Sdn Bhd
- Ebac Home Sdn Bhd
- FHB Management Sdn Bhd
- Fiamma Development Sdn Bhd
- Pinang Sutera Sdn Bhd
- Affluent Crafts Sdn Bhd
- Active Edge Sdn Bhd
- Oaksvilla Sdn Bhd
- Uniphoenix Jaya Sdn Bhd
- Fiamma Land Sdn Bhd
- Fiamma Properties Sdn Bhd
- Kinsmedic Sdn Bhd

## 2.4 DETAILS OF AMOUNT OWING BY EXISTING RELATED PARTY

The breakdown of the principal sum and interest of the total outstanding amount due and owing to the Group by its related parties under existing RRPT which exceed the credit term for the following period as at the end of the financial year ended 30 November 2022 are as below:

Amount owing (RM)	Ageing Analysis (RM)	
	Less Than One Year	One to Two Years
247,671.56	247,671.56	-

There were no interest and late payment charges imposed by Ajiya Group on the above outstanding as the late payment charges/interest will only be determined upon settlement of the principal sum, the quantum of which will be decided/negotiated on case to case basis after taking into account inter-alia the following:

- (a) Length of business relationship; and
- (b) Volume of existing and potential trade.

As at the date of this Circular, the total outstanding amount has been settled.

## 2.5 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.

- (c) Licencing Agreement

The royalty payment under this agreement is taking into consideration of limit of territory, field of use, intellectual property rights, licensed technology, licensed products and duration of the agreement.

## 2.6 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 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 abstain from deliberations and voting in respect of these RRPT. The Audit Committee 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. 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 transactions will be reviewed and approved by Managing Director or Chief Executive Officer who 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 and Proposed New Shareholders' Mandate.

## **2.7 STATEMENT BY AUDIT COMMITTEE**

The Audit Committee of Ajiya has seen and reviewed the terms of the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate and is satisfied that the review procedures for the RRPT (as set out in section 2.6 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.

## **3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE**

The RPPT that are set out in Section 2.3 of this Circular are all in the ordinary course of business and intended to meet the business needs of Ajiya 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 and Proposed New 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, Proposed Renewal of Shareholders' Mandate and Proposed New 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.

#### 4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate and Proposed New 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.

#### 5. APPROVAL REQUIRED

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

#### 6. DIRECTORS' AND 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	Direct Shareholding		Indirect Shareholding	
	No of Shares	%	No. of Shares	%
Datuk Seri Chiau Beng Teik, JP	-	-	93,353,250	32.67
Chiau Haw Choon	-	-	93,353,250	32.67
Yeo Ann Seck	37,382,000	13.08	-	-

Major Shareholders	Direct Shareholding		Indirect Shareholding	
	No of Shares	%	No. of Shares	%
PP Chin Hin Realty Sdn Bhd	-	-	93,353,250	32.67
Chin Hin Group Berhad	72,000,000	25.20	-	-
Divine Inventions Sdn Bhd	21,353,250	7.47	72,000,000	25.20
Datin Seri Wong Mee Leng	-	-	93,353,250	32.67

6.2 Datuk Seri Chiau Beng Teik, JP, Chiau Haw Choon and Yeo Ann Seck, being the interested Directors and PP Chin Hin Realty Sdn Bhd, Chin Hin Group Berhad and Divine Inventions Sdn Bhd, being the interested Major Shareholders, have and will continue to abstain from board deliberations and voting in the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate. The interested Directors 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 and Proposed New Shareholders' Mandate.

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

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

#### 7. DIRECTORS' RECOMMENDATION

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



## **8. ANNUAL GENERAL MEETING**

The forthcoming AGM, the notice of which is enclosed in the Annual Report, is scheduled to be conducted via Fully Virtual through live streaming and online remote voting using Remote Participation and Electronic Voting facilities via the online meeting platform at <https://web.vote2u.my> (Domain Registration No. with MYNIC: D6A471702) on Thursday, 27 April 2023 at 11.30 a.m.

## **9. FURTHER INFORMATION**

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

**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 financial year ended 30 November 2022, 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 9D, Level 9, Menara Ansar, 65 Jalan Trus 80000 Johor Bahru, Johor from Monday to Friday (except public holidays) during normal business hours from the date of this Circular up to and including the date of the forthcoming 27<sup>th</sup>AGM:-

- i. Constitution of Ajiya; and
- ii. Audited Financial Statements of Ajiya for the past two (2) financial years ended 30 November 2021 and 2022.

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