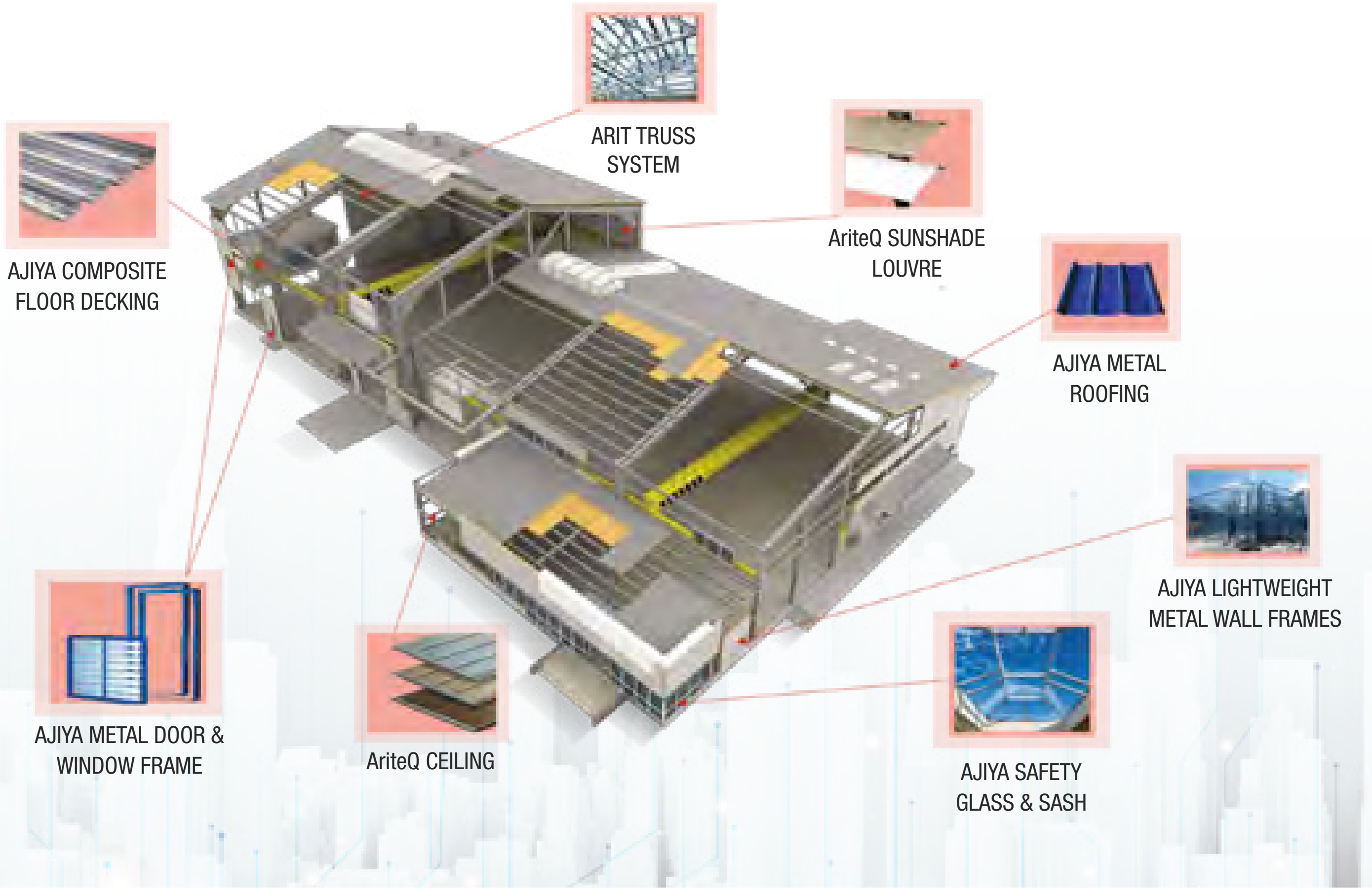
AJIYA

AJIYA BERHAD

Registration No.199601005281(377627-W)

SUSTAINABLE LIVING

ANNUAL REPORT 2023



OUR INNOVATION TO SUSTAINABLE BUILDING

AJIYA 8 SERIES AN ALL-IN-ONE HOUSING SOLUTION

- Ajiya Light Weight Metal Wall Frames
- Ajiya Metal Roofing Products
- ARIT Truss System / Components
- AriteQ Ceiling Products
- AriteQ Sunshade / Louvre Products
- Ajiya Safety Glass & Sash
- Ajiya Metal Door & Window Frame Products
- Ajiya Composite Floor Decking Products

OUR PURPOSE

To Build Trust & Commitment Together

OUR VISION

To Enrich Wellbeing For The Community

OUR MISSION

Explore New Frontiers

SUSTAINABLE LIVING

"**Sustainable Living**" symbolizes our unwavering commitment to balancing environmental stewardship, social responsibility, and economic vitality.

By consistently innovating, fostering collaboration, and placing a strong emphasis on the quality of our products, we readily adapt to evolving challenges. Our driving force is encapsulated in our vision, " To Enrich Wellbeing For The Community," as we endeavor to establish a sustainable way of life. We believe that our current endeavors lay the foundation for a resilient, inclusive, and thriving tomorrow.

OUR PURPOSE

To Build Trust & Commitment Together

CORE VALUES

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

CORE COMPETENCIES

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

CORE VALUE STREAMS

- PROCESS
- PRICE
- PRODUCT
- PEOPLE

LIVE

28th ANNUAL GENERAL MEETING

29th April 2024

Monday 11.30 a.m.

Online Meeting Platform
https://web.vote2u.my

Domain Registration No. with MYNIC
D6A471702

ACCESS MORE WITH JUST YOUR DEVICE

Please scan this QR code to view our Annual Report online.

This report has been compiled with information that the Board and Management believe is relevant to stakeholders and provides them a comprehensive view of the Group's performance for the financial year.

Ajiya Berhad continues to improve the quality of its reporting. To contact us, you may email us via "Contact Us" at www.ajiya.com.

This report is also available at www.ajiya.com.

WHAT'S INSIDE

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CORPORATE INFORMATION

BOARD OF DIRECTORS

NON-INDEPENDENT EXECUTIVE CHAIRMAN

Datuk Seri Chiau Beng Teik, JP

MANAGING DIRECTOR

Mr. Chiau Haw Choon

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Yeo Ann Seck

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Er Kian Hong
Mr. Teh Boon Beng
Datuk Hj Mohd Yusri Bin MD Yusof
Dato' Boey Chin Gan

AUDIT COMMITTEE
Ms. Er Kian Hong *(Chairman)*
Datuk Hj Mohd Yusri Bin MD Yusof
Dato' Boey Chin Gan

NOMINATION COMMITTEE
Dato' Boey Chin Gan *(Chairman)*
Datuk Hj Mohd Yusri Bin MD Yusof
Ms. Er Kian Hong

REMUNERATION COMMITTEE
Mr. Teh Boon Beng *(Chairman)*
Datuk Hj Mohd Yusri Bin MD Yusof
Dato' Boey Chin Gan

RISK MANAGEMENT COMMITTEE
Datuk Hj Mohd Yusri Bin MD Yusof *(Chairman)*
Dato' Boey Chin Gan
Mr. Teh Boon Beng

SECRETARIES
Ms. Chong Wui Koon
SSM PC No. 202008000920
(MAICSA 7012363)
Ms. Tai Yit Chan
SSM PC No. 202008001023
(MAICSA 7009143)
Ms. Santhi A/P Saminathan
SSM PC No. 201908002933
(MAICSA 7069709)

PRINCIPLE PLACE OF BUSINESS
Lot 153, Kawasan Perindustrian,
Jalan Genuang,
85000 Segamat, Johor
Tel : 07-943 4211
Fax : 07-943 1054

REGISTERED OFFICE
Suite 9D, Level 9
Menara Ansar
65, Jalan Trus,
80000 Johor Bahru, Johor
Tel : 07-224 1035
Fax : 07-221 0891
Email : boardroom-kl@boardroomlimited.com

REGISTRAR
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony,
No.5, Jalan Professor Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya, Selangor.
Tel : 03-7890 4700
Fax : 03-7890 4670
Email : BSR.Helpdesk@boardroomlimited.com

AUDITORS
ChengCo Plt
Chartered Accountants
No. 8-1, 10-1 & 10-2, Jalan 2/114,
Kuchai Business Centre,
Off Jalan Klang Lama,
58200 Kuala Lumpur

PRINCIPAL BANKERS
AmIslamic Bank Berhad
Aminvestment Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE
Main Market of Bursa Malaysia Securities Berhad
Stock Code : 7609
Stock Name : AJIYA

WEBSITE
www.ajiya.com

CORPORATE STRUCTURE

As at 29 February 2024

AJIYA

AJIYA BERHAD

INVESTMENT DIVISION

- 100% LTC Usaha Sdn. Bhd.

GLASS DIVISION

- 100% Ajiya Safety Glass Sdn. Bhd.
  - 100% ASG Marketing Sdn. Bhd.
- 100% Ajiya Glass Marketing Sdn. Bhd.
- 100% Thai Ajiya Safety Glass Co.,Ltd *
- 40% ASTEEL Ajiya Sdn. Bhd.

METAL DIVISION

- 100% Asia Roofing Industries Sdn. Bhd.
  - 100% ARITEQ Eco Sdn. Bhd.
  - 60% ARI Timur (KB) Sdn. Bhd.
- 80% ARI Utara Sdn. Bhd.

Note:

** Incorporated in Thailand*

ABOUT US

AJIYA BERHAD AND ITS GROUP OF COMPANIES (“AJIYA” OR “AJIYA GROUP”) ARE PRINCIPALLY INVOLVED IN THE MANUFACTURING AND SUPPLY OF BUILDING MATERIALS, WITH MORE THAN 30 YEARS OF EXPERIENCE IN THE BUILDING MATERIALS INDUSTRY. AJIYA GROUP WAS ESTABLISHED IN 1990 AS A METAL ROLL FORMING COMPANY AND VENTURED INTO THE BUSINESS OF MANUFACTURING HIGH VALUE-ADDED SAFETY GLASS PRODUCTS IN 1996.

OVER

30 YEARS

OF EXPERIENCE IN THE BUILDING MATERIALS INDUSTRY

In the same year, Ajiya was listed on Bursa Malaysia Securities Berhad’s Second Board. In 2003, Ajiya’s listing status was later transferred to the Main Market of Bursa Malaysia.

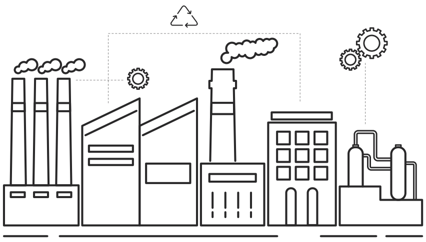
Underpinned by its fundamental principle to provide affordable building materials and unique solutions, Ajiya’s products cater to a wide variety of users, from industrial commercial buildings to common residential houses. The Group’s business operations comprise of 2 main business units:-

AJIYA METAL GROUP

- Manufacturing of metal roofing system, structural products, metal ceiling, metal sunshade/louvres, metal door and window frame, PU green series, steel truss system and Ajiya Green Integrated Building System (“AGiBS”). AGiBS is Ajiya’s very-own Industrialised Building System (“IBS”) solutions that is developed by combining the Group’s key strengths in the Metal Division and Safety Glass Division.

AJIYA GLASS GROUP

- Production of heat treated glass, tempered and laminated safety glass, insulating safety glass, decorative safety glass, Attoch, security safety and storm protection safety glass that are used for industrial, commercial, recreational, office, and residential buildings, as well as furniture and white goods.



AJIYA HAS AN EXTENSIVE NETWORK ACROSS MALAYSIA,
ENABLING IT TO BECOME A LEADING SUPPLIER
OF BUILDING MATERIALS IN THE COUNTRY.

Ajiya has established an extensive presence across Malaysia, specifically in the Northern, Central, Southern, and Eastern regions. Offering a diverse range of affordable priced products, coupled with excellent quality services and a commitment to continuous improvement, Ajiya aims to deliver customer satisfaction. Through these efforts, Ajiya aspires to solidify its position as a leading building materials supplier in Malaysia.

EVENT HIGHLIGHTS 2023

2023 **JANUARY** **FEBRUARY**

Celebrates CNY with residents of a charity center.

Visit by JKR Pasir Puteh to Ajiya metal factory, Bukit Kemuning.

Visit by Prima Corporation Malaysia and Wan Arjuna Architect to Ajiya metal factory, Bukit Kemuning.

MAY

Ajiya conducted AGiBS training for Politeknik students.

Exhibition In conjunction with PSIS Green Campus 2023.

"Roof Truss Installer – RTL1" training conducted by CIDB.

Training on "Basic First Aid".

Donation to a charity center from Ajiya Y2K Club.

Hari Raya Celebration.

MARCH

Visit by Samudera Selatan to Ajiya metal factory, Bukit Kemuning.

Ajiya conducted AGiBS training for Politeknik students.

Agibs Training to Politeknik Ungku Omar.

APRIL

Presentation of Long Services Award, Anugerah Pelajar Cemerlang, and Hero in Me blood donor rewards during Annual Gathering.

Training on “Pematuhan Undang-Undang & Persediaan Pemeriksaan Audit”.

Training on “Asas Pasukan Keselamatan Kebakaran”.

JUNE

JULY

Participates in the exhibition “JKR Terengganu Day with Industry Partners”.

Training on “Effective English Communication In The Workplace”.

Training on “Managing Discipline and Poor Performance”.

EVENT HIGHLIGHTS 2023

2023 JULY

Training on “Safety In Operating Overhead Crane”

ARCHIDEX 2023

Visit by JKR Johor Bahru to Ajiya metal factory, Kota Bharu.

OCTOBER

Risk Management Training

ISO 9001:2015 QMS Internal Audit Training

Visit by Pejabat Pembangunan Negeri Kelantan to Ajiya metal factory, Kota Bharu.

Basic First Aid & Cardiopulmonary Resuscitation (CPR) Training

Participated in exhibition organized by Lembaga Arkitek Malaysia (LAM)

Visit by JKR Pasir Mas to Ajiya Metal factory, Bukit Kemuning.

AUGUST

SEPTEMBER


Training on "Occupational Safety & Health Coordinator".


Training on "Pengenalan Kepada Akta Keselamatan & Kesihatan Pekerjaan".


Training on "Problem Solving Using 7 QC Tools"


Visit by Blackfox Engineering & JKR KL to Ajiya metal factory, Bukit Kemuning.


Training on "Understanding of Safety & Health Committee"


Training on "Sikap Kerja Positif"

NOVEMBER


Visit by students from Universiti Tun Hussein Onn Malaysia (UTHM)


BuildXpo Malaysia 2023


Visit from Universiti Kebangsaan Malaysia (UKM) student to Ajiya metal factory, Bukit Kemuning.

PROFILE OF DIRECTORS

DATUK SERI CHIAU BENG TEIK, JP

Non-Independent Executive Chairman

DATE OF APPOINTMENT : 6 May 2022

LENGTH OF SERVICES (as at 29 February 2024) : 1 year 10 months

DATE OF LAST RE-ELECTION : 27 April 2023

AGED 62

MALAYSIAN

MALE

BOARD MEETING ATTENDANCE IN 2023: 3/5

QUALIFICATION

- Primary Education

BOARD COMMITTEE MEMBERSHIP

- Nil

PRESENT DIRECTORSHIP

Listed Company

- Chin Hin Group Berhad
- Chin Hin Group Property Berhad
- Signature International Berhad
- Fiamma Holdings Berhad

Public Company

- Nil

Datuk Seri Chiau Beng Teik, JP was appointed to the Board as Executive Director on 06-05-2022 and redesignated as Non-Independent Executive Chairman on 01-07-2022.

Datuk Seri Chiau completed his primary education in Alor Setar, Kedah in December 1974. He has more than 45 years of working and management experience in building materials industry. Datuk Seri Chiau started his career from the family's modest hardware business which he subsequently led and grew to include building materials trading and cement transportation. Later, he started a cement distributor trading company and played an instrumental role in the growth of Chin Hin Group Berhad and its subsidiaries.

Datuk Seri Chiau is the father of Mr. Chiau Haw Choon, the Managing Director of the Company. He is a major shareholder of the Company through his deemed interest in the Company pursuant to Section 8 of the Companies Act, 2016.

MR. CHIAU HAW CHOON

Managing Director

DATE OF APPOINTMENT : 6 May 2022

LENGTH OF SERVICES : 1 year 10 months
(as at 29 February 2024)

DATE OF LAST RE-ELECTION : 27 April 2023

AGED 40

MALAYSIAN

MALE

BOARD MEETING ATTENDANCE IN 2023: 4/5

QUALIFICATION

- Bachelor Degree in Finance and Marketing

BOARD COMMITTEE MEMBERSHIP

- Nil

PRESENT DIRECTORSHIP

Listed Company

- Chin Hin Group Berhad
- Chin Hin Group Property Berhad
- Signature International Berhad
- Fiamma Holdings Berhad

Public Company

- Nil

Mr. Chiau Haw Choon was appointed to the Board as Managing Director on 06-05-2022.

Mr Chiau holds a Bachelor Degree in Finance and Marketing from Deakin University, Australia in April 2009.

Upon graduation in 2009, he joined Chin Hin Group Berhad as Group Managing Director responsible for the overall execution and implementation of the strategies, corporate policies, business operation, governance and sustainability of Chin Hin Group Berhad. He was instrumental in the successful transformation of Chin Hin Group Berhad from merely a building materials distributor into an integrated building materials provider.

In 2017, he was named as the EY Entrepreneur of the year for Malaysia.

Mr. Chiau is the son of Datuk Seri Chiau Beng Teik, JP, the Non-Independent Executive Chairman of the Company.

Mr. Chiau is a major shareholder of the Company through his deemed interest in the Company pursuant to Section 8 of the Companies Act, 2016.

PROFILE OF DIRECTORS

MR. YEO ANN SECK

Non-Independent Non-Executive Director

DATE OF APPOINTMENT	: 27 September 1996
LENGTH OF SERVICES (as at 29 February 2024)	: 28 years
DATE OF LAST RE-ELECTION	: 30 April 2021

AGED 68

MALAYSIAN

MALE

BOARD MEETING ATTENDANCE IN 2023: **4/5**

QUALIFICATION

- Secondary Education

BOARD COMMITTEE MEMBERSHIP

- Nil

PRESENT DIRECTORSHIP

Listed Company
- Nil

Public Company
- Nil

Mr. Yeo Ann Seck was appointed to the Board as Non-Independent Non-Executive Director on 27-09-1996.

Mr. Yeo is a businessman by profession. He started his career in safety glass trading business since 1977. He has vast experience in the building industry having been involved in the supply of building materials business.

He also sits on the board of other private limited companies.

MS. ER KIAN HONG

Independent Non-Executive Director

DATE OF APPOINTMENT : 1 July 2022

LENGTH OF SERVICES (as at 29 February 2024) : 1 year 8 months

DATE OF LAST RE-ELECTION : 27 April 2023

AGED 46

MALAYSIAN

FEMALE

BOARD MEETING ATTENDANCE IN 2023: 5/5

QUALIFICATION

- Bachelor Degree in Accounting and Finance from University of Technology, Sydney

BOARD COMMITTEE MEMBERSHIP

- Audit Committee (Chairman)
- Nomination Committee

PRESENT DIRECTORSHIP

Listed Company

- Aldrich Resources Berhad
- Opcom Holdings Berhad
- K. Seng Seng Corporation Berhad
- SSF Home Group Berhad

Public Company

- Nil

Ms. Er Kian Hong was appointed to the Board as Independent Non-Executive Director on 01-07-2022.

She is the Chairman of the Audit Committee and a member of the Nomination Committee.

She obtained her professional qualification from University of Technology, Sydney in 1999. She is also a Certified Practising Accountant registered with CPA Australia.

Ms Er began her career in the Audit and Assurance division in Deloitte Malaysia, involved in statutory financial audits for public listed and private companies. Currently she is the Associate Director of a boutique corporate advisory firm involved in advisory services and corporate exercises for various clients.

She has vast experience in providing advisory services and assistance to companies undertaking corporate exercises such as initial public offerings, fund raising and restructuring.

Ms Er served in the Corporate Finance department of M&A Securities Sdn Bhd from May 2014 to December 2021. Prior to that, she was in the Corporate Finance/Strategy department of KSK Group Berhad from February 2007 to March 2014 involved in the assessment and implementation of possible mergers and acquisition opportunities for KSK Group Berhad.

PROFILE OF DIRECTORS

TEH BOON BENG

Independent Non-Executive Director

DATE OF APPOINTMENT	: 1 July 2022
LENGTH OF SERVICES (as at 29 February 2024)	: 1 year 8 months
DATE OF LAST RE-ELECTION	: 27 April 2023

AGED 62

MALAYSIAN

MALE

BOARD MEETING ATTENDANCE IN 2023: **5/5**

QUALIFICATION

- Bachelor Degree in Economics majoring in Business Administration from University of Malaya

BOARD COMMITTEE MEMBERSHIP

- Remuneration Committee (Chairman)
- Risk Management Committee

PRESENT DIRECTORSHIP

Listed Company
- K. Seng Seng Corporation Berhad

Public Company
- Agricore CS Holdings Berhad

Mr. Teh was appointed to the Board as Independent Non-Executive Director on 01-07-2022.

He is the Chairman of the Remuneration Committee and a member of the Risk Management Committee of the Company.

Mr Teh holds a Bachelor Degree in Economics majoring in Business Administration from University of Malaya, 1984.

Mr. Teh has extensive experience in financial and banking industry through his 37 years exposure in banking sector.

He started his career in Maybank in 1984 as Credit Officer after graduation. He has built up his career path in Maybank from Credit Officer to Assistant Branch Manager Operation, Assistant Branch Manager Credit, Branch Manager of Pengkalan Weld and Nibong Tebal and the Business Centre Head in Prai over the years. He was the Business Centre Head in Alor Setar for the past 6 years prior to his retirement in 2021.

Indeed, he is an all-rounder, capable of handling banking operations and credit loan applications in various business entities and sectors which include property development, rice milling, manufacturing and trading. He is competent in building team work, guide, direct and track their individual performance to be in line with corporate goals.

DATUK HJ MOHD YUSRI BIN MD YUSOF

Independent Non-Executive Director

DATE OF APPOINTMENT	:	7 September 2022
LENGTH OF SERVICES (as at 29 February 2024)	:	1 year 6 months
DATE OF LAST RE-ELECTION	:	27 April 2023

AGED 54

MALAYSIAN

MALE

BOARD MEETING ATTENDANCE IN 2023: 5/5

QUALIFICATION

- Bachelor of Arts (Public Administration) from Michigan State University, USA

BOARD COMMITTEE MEMBERSHIP

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

PRESENT DIRECTORSHIP

Listed Company

- Chin Hin Group Berhad
- Chin Hin Group Property Berhad

Public Company

- Nil

Datuk Hj Mohd Yusri Bin MD Yusof was appointed to the Board on 07-09-2022.

He is the Chairman of the Risk Management Committee. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

Datuk Hj Mohd Yusri holds a Bachelor of Arts (Public Administration) from Michigan State University, USA in 1993.

Datuk Hj. Mohd Yusri started his career in 1993 in the banking and financial services industry in The Pacific Bank Berhad and EON Bank Group Berhad. In 2001, he joined UEM Group Berhad as Deputy Senior Manager Group Internal Audit and subsequently promoted as Chief Audit Executive in 2004 and Head of Improvement & Assurance Services Division in 2008. In 2010, he was appointed as the Head of Corporate Performance.

Datuk Hj. Mohd Yusri was subsequently appointed as the Managing Director of Cement Industries of Malaysia Berhad (CIMA) in August 2012 and as the Chairman of The Cement & Concrete Association of Malaysia in October 2015. He held both posts until October 2017.

He was the Managing Director of PROPEL Berhad, a post he assumed since March 2011 to July 2012. Prior to February 2020, Datuk Hj. Mohd Yusri was the Managing Director of Green Ocean Corporation Berhad where he served since December 2017.

Throughout his career, he has gained in-depth exposures in operations, corporate governance, risk management, internal control, quality and innovation practices, strategic planning and performance management. The experience was gained primarily in the banking, investment holding, commodity, building materials, asset & infrastructure management, development and construction sectors.

PROFILE OF DIRECTORS

DATO' BOEY CHIN GAN

Independent Non-Executive Director

DATE OF APPOINTMENT : 4 November 2022

LENGTH OF SERVICES (as at 29 February 2024) : 1 year 4 months

DATE OF LAST RE-ELECTION : 27 April 2023

AGED 59

MALAYSIAN

MALE

BOARD MEETING ATTENDANCE IN 2023: 5/5

QUALIFICATION

- Bachelor of Arts (Honours) from Universiti Kebangsaan Malaysia

BOARD COMMITTEE MEMBERSHIP

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

PRESENT DIRECTORSHIP

Listed Company
- Ecofirst Consolidated Berhad

Public Company
- Nil

Dato' Boey Chin Gan was appointed to the Board as Independent Non-Executive Director on 04-11-2022.

He is the Chairman of the Nomination Committee. He is also a member of the Audit Committee, Remuneration Committee and Risk Management Committee of the Company.

Dato' Boey is very active in the social economic development of the country. He has served as the Press Secretary to the Minister of Housing and Local Government of Malaysia for eleven years from 1993 to 2004. In 2004, Dato' Boey served as a Kedah State Assemblyman (for 2004 – 2008 terms). Dato' Boey has vast experiences and extensive knowledge in administrative and strategic planning by virtue of his long service in government sectors.

Note :
Save as disclosed, none of the Directors have:-
- *any family relationship with any other Director and/or major shareholders of the Company, save as disclosed above.*
- *any conviction of offences (other than traffic offences) within the past 5 years.*
- *any public sanction or penalty imposed on them by the relevant regulatory bodies.*
- *any conflict of interest with the Company other than the Recurrent Related Party Transaction disclosed in this Annual Report and the Circular to Shareholders dated 29 March 2024.*

PROFILE OF KEY SENIOR MANAGEMENT

NG WAI LUEN

AGED 54 MALAYSIAN MALE

DIRECTOR

Asia Roofing Industries Sdn Bhd

Mr. Ng Wai Luen holds a Bachelor of Business (Accounting) from RMIT University, Australia, in 1992. He is a member of the Certified Public Accountant Australia, the Malaysian Institute of Certified Public Accountant and a Chartered Accountant registered with the Malaysian Institute of Accountants.

Mr. Ng began his career with KPMG Malaysia in 1993 where he was responsible for statutory audits. His role involved the audit of public listed companies, due diligence reviews for corporate exercises and special audits for mergers and acquisitions.

In 1996, he joined OKA Corporation Berhad as a Finance Manager. In 1997, he was appointed as joint company secretary. Subsequently, in 2002, he was promoted to General Manager and Chief Financial Officer, responsible for the restructuring and the listing of OKA Corporation Berhad on the Second Board of the KLSE in 2002. He left OKA Corporation Berhad in November 2011.

He joined Starken AAC Sdn Bhd and G-Cast Concrete Sdn Bhd in 2012 as an executive director to head the business activities, where he is responsible for the operations of both companies including the initiation of the planning and setting up of the respective companies' factories. Currently, he is the Group Chief Executive Officer of Building Materials Division of Chin Hin Group Berhad.

Mr Ng Wai Luen is also a director of Perak Transit Berhad.

NG YEW CHEOK

AGED 46 MALAYSIAN MALE

DIRECTOR

Asia Roofing Industries Sdn Bhd

Mr. Ng Yew Cheok holds a Bachelor of Arts (Honours) and a Degree in Business Administration from University of Hertfordshire, UK.

Mr. Ng started his career at Asia Roofing Industries Sdn Bhd as a Marketing Executive in 2000. In recognition of his dedication and contributions, he was appointed as the General Manager (Sales & Marketing) in 2020. With over twenty years of experience and a proven track record of effective sales and marketing strategies, he currently serves as the Director of Asia Roofing Industries Sdn Bhd and the Chief Executive Officer for Ajiya's Metal Division. In these roles, he oversees the overall performance and growth of the division.

CHIN SIEW FOO

AGED 62 MALAYSIAN MALE

DIRECTOR

Thai Ajiya Safety Glass Co. Ltd.

Mr. Chin Siew Foo graduated from Federal Institute of Technology with a Diploma in Civil Engineering in 1983 and Diploma in Marketing from Chartered Institute of Marketing, UK in 1996.

He had worked in several building industries for over twenty years before he joined Ajiya Safety Glass Sdn Bhd in 2007. Before assuming his current position as the acting Chief Executive Officer of Ajiya Safety Glass Sdn Bhd in May 2023, Mr. Chin served as the Executive Director of the Sales & Marketing Business Unit, where he was responsible for managing the overseas business of Ajiya Safety Glass Sdn Bhd. In his current role, he is actively overseeing the growth and development of the Safety Glass Division.

PROFILE OF KEY SENIOR MANAGEMENT

SIM CHEE LIANG

AGED 52 | MALAYSIAN | MALE

DIRECTOR

Ajiya Safety Glass Sdn Bhd

Mr. Sim Chee Liang holds a Diploma in Business Administration from TAFE College in 1993 and obtained a Master in Management from North Borneo University College in 2020.

He started his career with MSG Glazing Sdn Bhd in 1993, and later Prime Granite (M) Sdn Bhd before he joined Ajiya Safety Glass Sdn Bhd in 1999. Recognising his contribution and experiance, he was appointed as a Director of Ajiya Safety Glass Sdn Bhd in August 2011. Currently, he heads the Project Division of Sales & Marketing Department. He is also overseeing several operational units in headquarter Segamat and export sales to Singapore.

TEE SING HUAT

AGED 53 | MALAYSIAN | MALE

DIRECTOR

ARI Utara Sdn Bhd

Mr. Tee Sing Huat obtained a Bachelor of Development Science (Hons) from National University of Malaysia (UKM).

In 1996, he started his career in Asia Roofing Industries Sdn Bhd holding senior sales position. With his extensive experience gained in the manufacturing industry, he was appointed as a Director of ARI Utara Sdn Bhd ("ARI Utara") in December 2004. He oversees the overall business operation of ARI Utara and is responsible for managing several operational units in East Region.

LAU MEI HO

AGED 57 | MALAYSIAN | FEMALE

DIRECTOR

Asia Roofing Industries Sdn Bhd

Ms. Lau Mei Ho holds a Diploma in Commerce (Management Accounting) from Tunku Abdul Rahman College and completed the CIMA program in 1996. She is currently a member of the Malaysian Institute of Accountants.

Ms. Lau has more than 30 years of experience in accounting and treasury roles across various industries, including construction, oil and gas, toll concessions, highway maintenance, property development, the manufacturing of plastic products, building materials, and B2B commerce. She joined Metex Steel Sdn Bhd, a wholly owned subsidiary of Chin Hin Group Berhad, in June 2014 as a senior finance and administration manager. She was promoted to Financial Controller of Chin Hin Group Berhad in April 2015. She was involved in the initial public offerings, group finance, and many corporate exercises of Chin Hin Group Berhad. After several promotions, she is currently the Chief Financial Officer of the Building Material Division of Chin Hin Group Berhad.

Note :

Save as disclosed, none of the Key Senior Management has:-

- *any directorship in public companies and/or listed issuers.*
- *any family relationship with any other Director and/or major shareholders of the Company.*
- *any conviction of offences (other than traffic offences,) within the past 5 years.*
- *any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year.*
- *any conflict of interest with the Company other than the Recurrent Related Party Transaction disclosed in this Annual Report and the Circular to Shareholders dated 29 March 2024.*

CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

FY2023 HAS MARKED A PIVOTAL YEAR OF DYNAMIC GROWTH AND STRATEGIC PROGRESS FOR AJIYA BERHAD ("AJIYA" OR "GROUP") AS WE CONTINUE TO NAVIGATE THROUGH THE COMPLEXITIES OF THE GLOBAL MARKET WITH RESILIENCE AND AGILITY.

DATUK SERI
CHIAU BENG TEIK, JP
Non-Independent Executive Chairman

CHAIRMAN'S STATEMENT

We are poised to leverage the strengths of our diverse product portfolio and our commitment to sustainability to drive future sustainable growth.

With the integration of our new Board in FY2022, we have witnessed a seamless synergy between experienced leadership and innovative management practices, strengthening our position in the building industry. Our steadfast commitment to innovation, sustainability, and operational excellence has solidified Ajiya's position as one of the leading players in the building materials sector.

Our management team has embarked on several key initiatives this year, including enhancing our operational capabilities through technological advancements, including the integration of SAP B1, MES and IoT, broadening our spectrum of product offerings, and bolstering our market presence. These efforts underscore our commitment to ensuring Ajiya is synonymous with quality and reliability, setting new benchmarks in the industry.

The economic landscape of FY2023 has been underscored by Malaysia's impressive growth trajectory, demonstrating remarkable resilience amidst the headwinds of global uncertainties. Although economic expansion moderated to an expected 3.8%, down from the vigorous 8.7% growth in 2022, Malaysia's robust domestic demand and proactive policy measures have steered the country onto a path of resilient growth. This robust economic foundation provides an advantageous environment for Ajiya to flourish long-term.

In this context, Ajiya has navigated the challenges and seized the opportunities arising from Malaysia's economic resilience. Our strategic emphasis on boosting operational efficiencies, committing to sustainable initiatives, and spearheading innovation has empowered us to fulfill the evolving demands of our customers and stakeholders adeptly.

As we reflect on the year's achievements, we are poised to leverage the strengths of our diverse product portfolio and our commitment to sustainability to drive future sustainable growth.

BUSINESS OPERATIONS

In 2023, the Malaysian construction sector experienced a robust revival, contributing significantly to the country's economic recovery. This resurgence, fueled by government initiatives and private sector revitalisation, has positively impacted the demand for building materials, benefiting Ajiya significantly.

Despite global challenges such as cost pressures from rising commodity prices and labour shortages, Ajiya's strategic adaptations have enabled a notable recovery in earnings and market share expansion.

Ajiya's operations are strategically divided into two core divisions, each leveraging the current market recovery:

Metal Division:

The Metal Division is advancing its strategy through the comprehensive 7P strategies. These 7P strategies includes Product, Price, Place, Promotion, Process, Physical Environment and People. Efforts to improve procurement efficiency, relocate to a larger factory, and enhance promotional activities have been key. One of the exciting developments was the launch of our new product, Concealed Rib, a first-of-its-kind product that enhances weather resistance and thermal efficiency, reaffirming our pioneering status in the industry. Aside from that, we also build on the progress made since the introduction of cloud-enabled SAP B1 for enhanced Enterprise Resource Planning ("ERP") capabilities, adopting Manufacturing Execution Systems ("MES") and Internet of Things ("IoT") technologies to boost production efficiencies and expand its market reach through strategic recruitment and new account openings.

Glass Division

This division aims to enhance product specialisation and expand into wholesale markets across Malaysia by focusing on operational consolidation and targeting high-demand areas such as tempered and laminated glass. Aside from that, this division also prioritises accounts with better margins and payment terms, ensuring the division's financial sustainability.

FINANCIAL PERFORMANCE REVIEW

In FY2023, Ajiya capitalised on the construction industry's recovery, achieving a revenue increase of 3.7% to RM304.8 million and a notable profit before tax (PBT) surge of 60.8% to RM58.9 million. The significant improvement in its PBT reflects the success of the Group's initiatives in driving profitability. In line with that, the Group's profit after tax (PAT) also jumped by 80.2% to RM55.7 million in FY2023, from RM30.9 million in FY2022, underlining our operational efficiency and cost management strategies.

Aside from the substantial improvement in its profitability, Ajiya has also strengthened its financial balance sheet. This is reflected by the improvement in its total assets to RM569.4 million and the reduction of its borrowings to RM4.4 million. This signalled a robust financial foundation and commitment to sustainability.

SUSTAINABILITY AND INNOVATION

Ajiya's agile approach in adapting to and anticipating market dynamics, particularly the shift towards sustainable construction materials and the incorporation of cutting-edge technologies, underscores its robust market positioning.

The Group's unwavering focus on innovation, customer engagement, and sustainability positions Ajiya at the forefront of Malaysia's building materials sector, driving the agenda for a more sustainable construction landscape. This proactive strategy has solidified Ajiya's financial performance and reinforced its commitment to operational excellence, sustainability, and market leadership, ensuring long-term growth and value creation for its stakeholders.

CORPORATE DEVELOPMENT

Subsequent to the completion of mandatory take-over offer to acquire all the remaining Ajiya shares not already owned by Chin Hin Group Berhad ("Chin Hin Group") as announced on 3 January 2024, accordingly, Ajiya has become a subsidiary of Chin Hin Group.

AJIYA'S REVENUE INCREASE OF

3.7% TO RM304.8 MILLION IN FY2023

THE GROUP'S PROFIT AFTER TAX JUMPED BY 80.2% TO RM55.7 MILLION IN FY2023 FROM RM30.9 MILLION IN FY2022.

CHAIRMAN'S STATEMENT

OUTLOOK AND STRATEGIC FOCUS

As we look forward, Ajiya is poised to continue its journey towards enhanced efficiency and sustainable growth. We are confident that the construction sector's recovery in Malaysia will continue into FY2024, and some of the acceleration of the projects in 2024 will benefit the Group.

A notable highlight for 2024 is the launch of pioneering products such as the Zipseam roofing profile, designed to cater to the specialized needs of specific industries. This commitment to operational excellence and continuous innovation forms the cornerstone of our long-term growth strategy, positioning us to stay ahead in the ever-evolving building materials market.

Moreover, our strategic alliance and synergy with Chin Hin Group are anticipated to play a critical role in elevating the demand for our products. This partnership is not merely a collaboration but a powerful lever for growth, leveraging mutual strengths to unlock new opportunities and drive innovation. Through this alliance, we aim to enhance our market presence, expand our product offerings, and cater to the evolving needs of our customers more effectively.

In the longer term, Ajiya plans to continue enhancing its products through research and development ("R&D") efforts. This commitment will keep Ajiya's offerings at the forefront of the market. As a subsidiary of Chin Hin Group, this will allow the Group to leverage the expertise and capabilities of Chin Hin Group.

ACKNOWLEDGEMENT

I extend my heartfelt thanks and appreciation to every member of our team who has tirelessly contributed throughout the past year, navigating through the challenges brought on by global conflicts and economic pressures. We owe a debt of gratitude to the visionary leadership of the Board and Management that has laid a robust foundation for our accelerated growth path. Their efforts have been instrumental in positioning Ajiya for a future prosperous in opportunities, ensuring we remain at the forefront of creating sustainable value for our shareholders and delivering unparalleled customer service.

The resilience, determination, and unwavering commitment to our values and objectives displayed by our Board, employees, business partners, and shareholders have been the cornerstone of our strength and success.

These past few years have tested us all, yet the solidarity and dedication shown by our team have been instrumental in our journey towards recovery.

As we look ahead, I am optimistic about the synergy between our new Board and Management Team, bolstered by the strategic partnership with Chin Hin Group. This collaboration positions us uniquely to enhance shareholder value and elevate our financial performance significantly.

With a clear vision for the future and a solid strategy, I am confident in our path towards accelerated growth. Our ambition to become the leading building materials supplier in Malaysia and Southeast Asia is within reach, thanks to our remarkable team's collective effort and dedication.

MANAGEMENT DISCUSSION & ANALYSIS

GROUP BUSINESS OVERVIEW

Since its inception in 1990, Ajiya Berhad ("Ajiya" and "Group") has evolved from a pioneering metal roll forming entity to a key player in the production of high-value-added safety glass products, leveraging the esteemed "AJIYA" brand.

Throughout its impressive three-decade journey, Ajiya has not only expanded its product offerings to serve a broad spectrum of users, from industrial and commercial to residential sectors, but has also cemented its reputation for delivering high quality products coupled with outstanding customer service.

Ajiya's unwavering commitment to excellence is backed by its adoption of cutting-edge technology and sophisticated manufacturing processes, ensuring that its products consistently meet and exceed the highest quality and durability standards. This dedication to excellence has propelled Ajiya to the forefront of the building materials industry, making it a trusted partner for construction projects across Malaysia and beyond.

The Group's initial public offering on Bursa Malaysia Securities Berhad in 1996, followed by its progression to the Main Market in 2003, highlights Ajiya's strong financial foundation and its ongoing commitment to growth.

Today, Ajiya operates through two primary business units: the Metal Division and the Safety Glass Division. These divisions represent the core of Ajiya's business, driving innovation and excellence across its operations. The introduction of Ajiya Green Integrated Building Solutions ("AGiBS") further illustrates the Group's commitment to advancing the construction industry through modern, efficient, and quality-focused methodologies. AGiBS epitomises the Group's alignment with the Construction Industry Development Board's ("CIDB") initiatives to enhance productivity and quality in construction, demonstrating Ajiya's role as a one-stop solution provider in the Industrialised Building System ("IBS") sector.

Ajiya's broad product range addresses the needs of various building types, from industrial and commercial facilities to residential homes, emphasising the Group's dedication to sustainable growth. This growth is steered by a clear focus on product development, process optimisation, and a steadfast commitment to realising its Vision 2040.

SINCE ITS INCEPTION IN 1990, AJIYA BERHAD ("AJIYA" AND "GROUP") HAS EVOLVED FROM A PIONEERING METAL ROLL FORMING ENTITY TO A KEY PLAYER IN THE PRODUCTION OF HIGH-VALUE-ADDED SAFETY GLASS PRODUCTS, LEVERAGING THE ESTEEMED "AJIYA" BRAND.

MANAGEMENT DISCUSSION & ANALYSIS

Ajiya's vision, mission and a set of core values, and competencies form the foundation of its business philosophy, guiding the Group towards achieving its long-term objectives.

Despite facing unprecedented industry challenges, including the COVID-19 pandemic and geopolitical tensions, Ajiya's resilience and strategic foresight have kept it on course to fulfil its aspirations.

With an extensive operational network comprising factories and offices, Ajiya is well-positioned to deliver a wide array of affordable, high-quality products and services, thereby maintaining its legacy of continuous product innovation and excellence in customer service. This expansive infrastructure enables Ajiya to meet the dynamic demands of the market efficiently, reinforcing its commitment to being a leader in the building materials sector and shaping the future of construction with sustainable and innovative solutions.

In FY2023, we have seen a significant recovery phase, buoyed by the reopening of the economy and this period marked a notable shift from the challenges posed by the COVID-19 pandemic, leading to renewed vigour within the construction and building materials sectors. The easing of restrictions and the resurgence of economic activities catalysed a demand surge for Ajiya's diverse product offerings, from the Metal Division's innovative solutions to the Safety Glass Division's high-value-added products.

The discussions below will encompass a comprehensive analysis of Ajiya's financial performance, delving into aspects of business operations and the operating environment while also providing insights into the company's future prospects and outlook.

REVIEW OF FINANCIAL PERFORMANCE

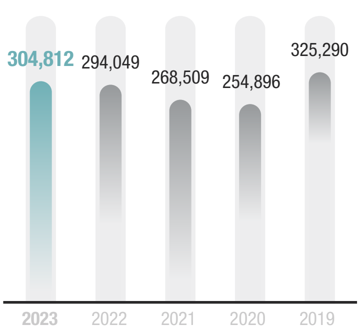
FY2023 has marked a pivotal year of dynamic growth and strategic progress for Ajiya as we navigate the complexities of the global market with resilience and agility. With the integration of our new Board in FY2022, we have witnessed a seamless synergy between experienced leadership and innovative management practices, strengthening our position in the building industry.

Our steadfast commitment to innovation, sustainability, and operational excellence has solidified Ajiya's position as one of the leading players in the building materials sector.

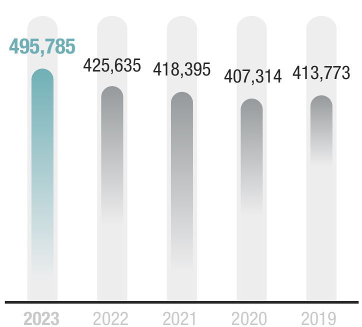
FINANCIAL HIGHLIGHTS

	2023 (RM'000)	2022 (RM'000)	2021 (RM'000)	2020 (RM'000)	2019 (RM'000)
Revenue	304,812	294.049	268,509	254,896	325,290
Profit/(Loss) Before Tax	58,864	36,616	25,381	(745)	5,954
Profit After Tax	55,736	30,927	19,283	397	4,277
Net Profit Attributable to Equity Holders	55,425	29,368	17,510	1,194	5,074
Total Assets	569,430	490,309	490,148	465,699	477,923
Total Borrowings	4,392	12,133	834	4,219	5,265
Net Assets	495,785	425,635	418,395	407,314	413,773

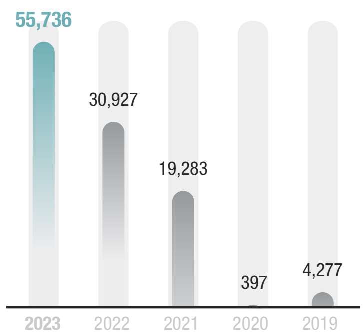
Revenue (RM'000)



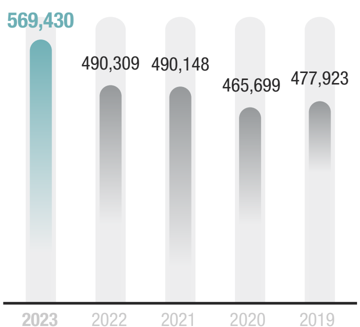
Net Assets (RM'000)



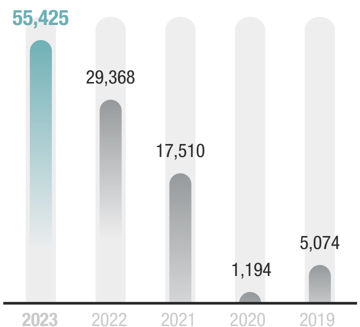
Profit After Tax (RM'000)



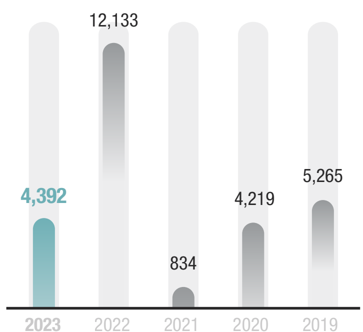
Total Assets (RM'000)



Net Profit Attributable to Equity Holders (RM'000)

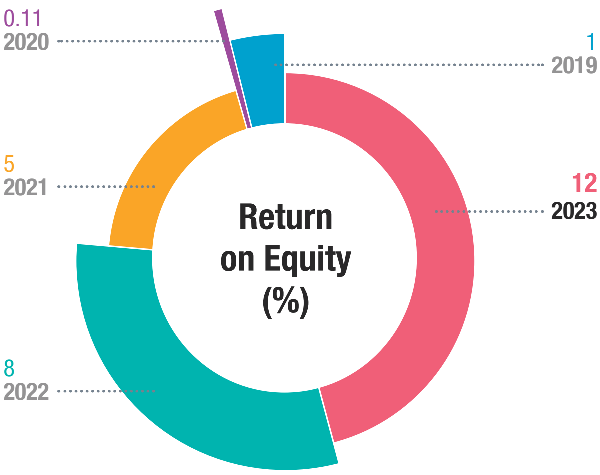


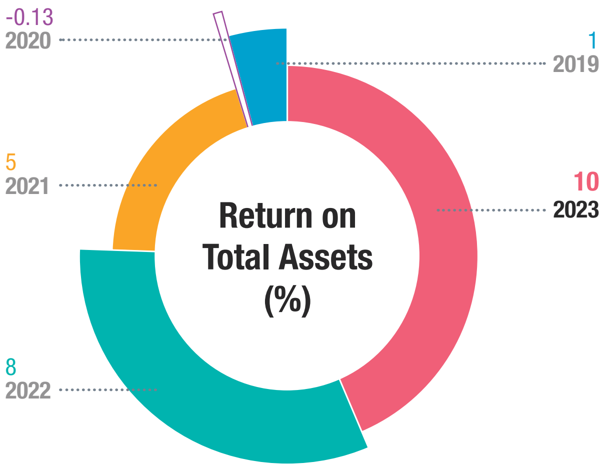
Total Borrowings (RM'000)

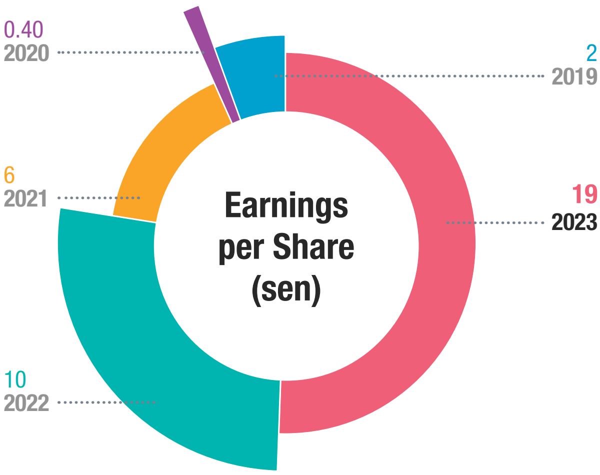


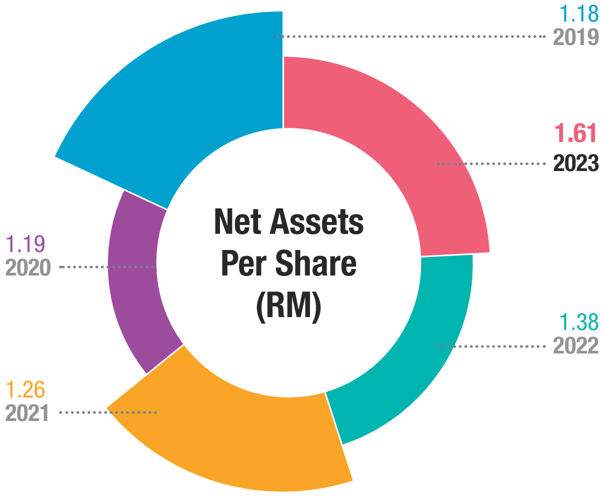
FINANCIAL INDICATORS

	2023	2022	2021	2020	2019
Return on Equity (%)	12	8	5	0.11	1
Return on Total Assets (%)	10	8	5	-0.13	1
Gearing Ratio (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash
Earnings per Share (sen)	19	10	6	0.40	2
Net Assets Per Share (RM)	1.61	1.38	1.26	1.19	1.18
Price Earning Ratio	8	17	15	117	25
Share Price as at the Financial Year End (RM)	1.54	1.75	0.92	0.47	0.42









Sustained Revenue Growth And Enhanced Profitability

In FY2023, Ajiya's financial performance showcased a solid trajectory of recovery and growth. The Group reported a revenue increase to RM304.8 million in FY2023 from RM294.0 million in FY2022. This represents a 3.7% growth year-on-year, indicating Ajiya's effective capitalisation in the rebounding construction sector. The Profit Before Tax ("PBT") for the year was particularly noteworthy, recording a substantial increase of 60.8%, rising from RM36.6 million in FY2022 to RM58.9 million in FY2023.

Such a significant rise in profitability can be attributed to the company's strategic initiatives, efficient cost management, and the positive impact of a recovering economy on the building materials sector. Additionally, Ajiya's financials were positively influenced by other income, notably from share investments, which contributed RM48.3 million. Profit After Tax ("PAT") followed a similar upward trend, increasing by 80.2% to RM55.7 million, clearly indicating Ajiya's operational efficiency and the successful implementation of cost-saving measures, further augmented by the strategic income from investments.

In line with the improvement, the Group's earnings per share ("EPS") improved to 19.03 sen per share in FY2023, from 10.19 sen per share in the preceding financial year.

Strong Foundation with Improved Balance Sheet

Ajiya's asset management also reflected a solid financial foundation, with total assets increasing to RM569.4 million from RM490.3 million in the previous year. Moreover, a notable reduction in total borrowings from RM12.1 million in 2022 to RM4.4 million in 2023 underlined Ajiya's commitment to financial prudence and stability. The Group is also in a net cash position, which is vital given the current rising interest rate environment.

Strong Return for Shareholders and Positive Operating Cash Flow

From a shareholder perspective, the Return on Equity ("ROE") and Return on Total Assets ("ROTA") stood impressively at 12% and 10% respectively, emphasising the Group's effectiveness in utilising its equity and assets profitably. Aside from that, the Net Assets Per Share also saw an increase to RM1.61 in 2023 as compared to RM1.38, showcasing Ajiya's enduring commitment to enhancing shareholder wealth.

Overall, The Group managed to generate a positive cashflow of RM8.9 million from its operating activities for FY 2023.

Business Segment Performance

The Metal Division of Ajiya reported a 6% growth in PBT, from RM15.4 million in FY2022 to RM16.4 million in FY2023, while sales grew by approximately 8.6% during the same period. The strong growth indicates a robust performance and sustained demand for the Group's products.

Aside from that, the synergy with Chin Hin Group Berhad ("Chin Hin Group") and the introduction of a new management team were key drivers behind this growth, facilitating more business opportunities and a more expansive market share.

Meanwhile, the Glass Division faced a decrease in both sales and PBT, with a noted 6% decrease in sales and a significant reduction in PBT, primarily due to downsizing and consolidation efforts aimed at streamlining operations and improving efficiency.

Overall, the Group's financial performance in FY2023 paints a picture of a company on the mend, capitalising on the post-pandemic economic recovery, strategically investing in its growth, and maintaining a strong focus on financial sustainability and shareholder value.

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONS OVERVIEW

Throughout FY2023, our management team has actively pursued numerous strategic initiatives to enhance Ajiya's operational strength, diversify our product line, and fortify our presence in the market. These actions are a testament to our enduring pledge to uphold Ajiya's reputation for delivering top-tier quality and reliability.

Even as Malaysia's economy reported more modest growth of 3.8% in 2023, compared to the rapid 8.7% expansion in 2022, Ajiya adeptly capitalised on emerging opportunities to amplify our operational efficiencies and broaden our market footprint with innovative offerings.

In 2023, the Malaysia construction industry witnessed a significant turnaround, echoing the broader economic recovery trends nationwide. Continuing the momentum from the previous year, the industry has seen a substantial increase in activities, buoyed by the government's efforts to revitalise infrastructure development and the private sector's resurgence post-pandemic. The total value of projects realised from January to October amounted to RM54.71 billion, underscoring the sector's robust comeback and its critical role in driving Malaysia's economic growth.

This resurgence in construction activities comes after a challenging period marked by lockdowns and delays in development projects due to the COVID-19 pandemic. The gradual reopening of the economy has allowed construction players to resume work and expedite project completions, significantly boosting demand for building materials.

However, the path to recovery has not been without its challenges. The global economic environment, influenced by factors such as the Russia-Ukraine conflict, rising commodity prices, and supply chain disruptions, has introduced new cost pressures. Additionally, labour shortages have further complicated the recovery process.

Despite these obstacles, the Group's management team has adeptly navigated the landscape by adopting proactive measures to sustain growth. Ajiya has strategically positioned its two main divisions, the Metal Division and the Glass Division, to capitalise on the rising demand for building materials, thereby solidifying its role as a pivotal player in spearheading innovative and sustainable solutions in the building materials sector.

METAL DIVISION

The Metal Division adopted a forward-looking 7P's Proactive Strategy, encompassing Product, Price, Place, Promotion, Process, Physical Environment and People. This strategy is a multifaceted approach designed to drive comprehensive growth and market penetration in 2024.

One of the key milestones in FY2023 was the introduction of an innovative roofing solution: the Concealed Rib, a pioneering product in the market. The development is in line with our proactive strategy to push for innovation in our product offerings. The groundbreaking development features a unique design that allows for elevation with Rib caps, positioning it at the forefront of roofing technology. Our extensive range of cutting-edge roofing products, including the Concealed Rib, is engineered to enhance weather resistance and thermal performance significantly. This launch underscores our commitment to innovation, catering meticulously to the evolving needs and preferences of our esteemed customers. By leading with such inventive solutions, we reaffirm our dedication to excellence and our role as pioneers in the industry.

Aside from pushing for innovation, the division also focused on improving procurement efficiency to maintain competitive pricing, thereby increasing market shares for high-margin products such as AGiBS, Metal Frame, and AriteQ. Operational strategies also included relocating to a larger factory, enhancing production capabilities, and facilitating growth.

Promotional activities were ramped up through the development of the CRM Project databank and increasing the Ajiya Mobile Hub tour events, alongside nationwide billboard sponsorships. These efforts are aimed at elevating brand visibility and engaging directly with the customer base.

On the operational front, continuous improvement in SAP, Manufacturing Execution System ("MES"), and Internet of Things ("IoT") integration underscored the division's journey towards Industry 4.0, optimising production processes and enhancing efficiency. Employee performance and motivation were addressed by reviewing and enhancing reward scheme, ensuring a motivated workforce aligned with the division's goals.

Expansion of the sales force and market share was targeted through strategic recruitment and acquiring new accounts, demonstrating a clear focus on growth and market expansion. In line with stronger product sales, the Group has also seen an improvement in its average utilisation. In FY2023, the Metal Division's average utilisation improved to 36.1%, from 30.5% recorded in FY2022 based on 24 hours operation.

IN FY2023, AJIYA'S FINANCIAL PERFORMANCE SHOWCASED A SOLID TRAJECTORY OF RECOVERY AND GROWTH. THE GROUP REPORTED A REVENUE INCREASE TO RM304.8 MILLION IN FY2023 FROM RM294.0 MILLION IN FY2022.

SAFETY GLASS DIVISION

The Glass Division's strategy was centred around operational consolidation and market expansion. By narrowing its focus to core products such as Tempered, Laminated, and Low-E glass, the division aimed to streamline operations and enhance product specialisation. This focus was particularly strategic, considering the increasing demand for specialised glass products that meet higher safety, durability, and energy efficiency standards.

During FY2023, the Safety Glass Division witnessed a dip in its average utilisation rate to 25%, down from 30% in the prior year, based on 24 hours operation. This reduction was largely attributed to the significant slowdown in Thailand's construction sector, which consequently led to the cessation of manufacturing activities at Ajiya's Thai facility in FY2023. Despite the management's efforts to sustain the business amidst challenging circumstances, the adverse business environment necessitated a strategic pivot. As a result, the difficult decision was made to cease manufacturing activities. This decision highlights the management's flexibility and dedication to steering the company through difficult market conditions, focusing on preserving the company's resilience and exploring new growth opportunities.

To counterbalance this downturn, the division set its sights on penetrating new market territories, specifically targeting the wholesale sector in Peninsular and East Malaysia. By capitalising on its well-earned reputation for high-quality products, the division aimed to expand its customer base and create new avenues for revenue growth.

A key component of the division's strategy involved a strategic approach to account management, prioritising partnerships that align with our financial and operational goals. This methodical selection process is crucial to boost the division's financial stability and long-term sustainability of the business.

SUSTAINABLE BUILDING MATERIALS AND INNOVATION

Both divisions underscored Ajiya's commitment to sustainability and innovation, particularly through the development of products designed for a greener future. The Metal Division's AJIYA 8 Series products are a testament to this commitment, focusing on comfort, safety, security, and durability alongside sustainable material selection and energy efficiency.

Similarly, the Glass Division's focus on products like Insulated Glass Unit (IGU) Low-E and solar control glass aligns with global trends towards energy-efficient and environmentally friendly building solutions.

MANAGEMENT DISCUSSION & ANALYSIS

Metal Division: Sustainable Innovation

The AJIYA 8 Series results from Ajiya's extensive R&D efforts to foster sustainable living. This series encompasses roofing and wall products that are continuously evolving to meet the rigorous demands of the market in terms of environmental regulations and sustainable construction trends. This product line has been developed with the 'CSSD' framework in mind, ensuring each product delivers in terms of Comfort, Safety, Security, and Durability.

The Ajiya products are designed to optimise thermal performance, significantly improving energy efficiency in buildings, which contributes to a building's overall comfort. The roofing systems developed by Ajiya include features that enhance wind and fire resistance, ensuring the structural integrity and safety of buildings. The water-tight features of our products offer added security against the elements. In addition, the use of sustainable materials, such as HCFC-free blowing agents with zero ozone depletion potential, underlines its commitment to long-term sustainability, durability and environmental care.

Ajiya's products not only comply with but exceed industry standards, earning green building certifications like MGBC, and contributing to GBI points and LEED certification. This adherence to high standards is a testament to the Group's dedication to quality and sustainability.

Glass Division: Eco-Efficient Products

In line with global environmental trends, the Glass Division has focused on products like Insulated Glass Unit (IGU) Low-E & Solar Control Glass. These products are pivotal in reducing energy consumption within buildings, demonstrating Ajiya's alignment with energy conservation and green building requirements.

Law enforcement of low-carbon policies in building construction will likely enhance the demand for Ajiya's high-performance glass, positioning the Group to take advantage of market opportunities and regulatory changes favouring sustainable products.

Contributing to Sustainable Development Goals

Ajiya's operations and product development align with key Sustainable Development Goals ("SDGs"), including SDG 11 ("Sustainable Cities and Communities"), SDG 12 ("Responsible Consumption and Production"), and SDG 13 ("Climate Action"). The Group's proactive stance on sustainability ensures that it contributes to these global goals and sets a precedent in the building materials industry for responsible and sustainable operations.

Ajiya's strategic operations in FY2023, across both divisions, were not just about internal growth and efficiency improvements. They were also about adapting to and anticipating market trends, such as shifting towards sustainable building materials and integrating advanced technologies in construction processes.

The emphasis on innovation, customer engagement, and sustainability demonstrates Ajiya's proactive approach to maintaining and enhancing its market position in the competitive building materials industry.

In conclusion, Ajiya Berhad's operational strategies for FY2023, spanning both the Metal and Glass Divisions, illustrate a concerted effort towards innovation, market expansion, and sustainability. These efforts are poised to strengthen Ajiya's market presence and contribute positively to industry practices, ensuring the company remains at the forefront of the building materials sector.

ANTICIPATED RISKS AND CHALLENGES

Ajiya, cognizant of the evolving landscape, has identified several anticipated risks and challenges that could potentially impact its operations and market position in the near future.

- **Government Project Fluctuations**
  The Group acknowledges the risk associated with the potential termination, delay, or reduction in government infrastructure and development projects. Such changes could lead to an oversupply in the building materials market, adversely affecting the demand and profitability of Ajiya's products within the Metal and Safety Glass Divisions.

- **Economic Uncertainty**
  Ongoing economic uncertainties pose a significant risk to the Group's business activities. A large-scale disruption could impair Ajiya's cash flow, leading to a heightened risk of bad debt and impacting the company's ability to meet its financial obligations. Economic fluctuations may also affect clients' payment timeliness, potentially straining Ajiya's cash flow and receivables.

- **Change in Government Policies**
  Frequent and inconsistent shifts in government policies could pose substantial challenges to Ajiya's longer-term business planning. Sudden policy changes, particularly those made without industry consultation, could undermine the effectiveness of Ajiya's strategic plans and business confidence.

- **High Inflation**
  The global inflationary trend is another risk for Ajiya, especially given the international sourcing of some raw materials. While supply chain constraints are expected to ease, inflation remains an ongoing concern, potentially affecting the Group's procurement costs.

- **Currency Fluctuations**
  Currency risk, particularly the ringgit's depreciation against the US dollar, could increase the cost of imported raw materials, compelling the Group to either absorb these costs or transfer them to customers, impacting margins and profitability.

- **Competitive Landscape**
  The building materials industry is highly competitive, with Ajiya facing competition from local and international firms. Continuous innovation and product differentiation are crucial for maintaining Ajiya's competitive edge.

TO DRIVE GROWTH AND EFFICIENCY IN FY2024 AND BEYOND, AJIYA IS FOCUSED ON ENHANCING OPERATIONAL WORKFLOWS AND RESOURCE UTILIZATION, WHILE ALSO REDUCING WASTE TO MAINTAIN LEAN OPERATIONS.

Risk Mitigation Strategies

To counter these anticipated challenges, Ajiya has put in place several mitigating strategies. These strategies includes amongst others, the effort on strengthening of partnerships, securing sole distributorships and stockiest agreements with leading suppliers; enhancing brand awareness and quality perception; continued emphasis on product innovation; focusing on product consistency and process reliability. In addition, our Glass Division plans to concentrate on products with better margins and ensure that specifications are followed to prevent market conversion by competitors, thereby securing volume and profit margins.

In summary, Ajiya Berhad proactively addresses the known and anticipated risks with strategic foresight and practical measures. By maintaining agility in its business operations and staying ahead of industry trends, Ajiya is well-equipped to navigate the challenges and sustain its growth trajectory.

MANAGEMENT DISCUSSION & ANALYSIS

PROSPECTS AND OUTLOOK STRATEGY

In alignment with our vision for the future, Ajiya is set to embark on a strategic path characterised by innovation, efficiency, and collaborative growth. To drive growth and efficiency in FY2024 and beyond, Ajiya is focused on enhancing operational workflows and resource utilization, while also reducing waste to maintain lean operations. We are targeting cost reductions by adopting new technologies, renegotiating contracts, and streamlining our supply chain. Efforts to boost revenue include tapping into new markets, diversifying our offerings, and improving customer engagement. Additionally, our strategic partnership with Chin Hin Group is key to expanding our distribution, co-developing innovative products, and pursuing new ventures, all aimed at increasing our market share and operational efficiency.

A cornerstone of our innovation strategy is the upcoming launch of the Zipseam roofing profile, specifically engineered to cater to the unique requirements of multinational factory projects, with a focus on the data centre and semiconductor sectors. This initiative exemplifies Ajiya's dedication to fulfilling the specialized needs of niche markets through advanced technology and precision engineering.

Our outlook for the future is cautious optimism, guided by a clear strategy and a commitment to sustainability and growth. The building materials industry is poised for recovery and growth, and Ajiya is well-positioned to capitalise on these emerging opportunities.

Looking ahead, Ajiya has laid out ambitious plans for its Metal and Glass Divisions, positioning itself for leadership and innovation in sustainable building solutions.

Metal Division: Vision for Market Leadership

Over the next five years, Ajiya's Metal Division aims to become the market leader in housing solutions with its Ajiya 8 Series, focusing on technical and marketing advancements that emphasis the series' technical superiority and environmental benefits. This also includes investing in human resources to build a team dedicated to innovation and quality and driving product innovation to stay ahead in the industry through strategic partnerships and intellectual property protection.

Glass Division: Sustaining Profitability and Embracing Green Initiatives

For the Glass Division, the focus is on sustaining profitability while embracing eco-friendly initiatives. This involves expanding into wholesale market segment in addition to the existing project and route sale segment to boost profitability and market presence. The division is also developing a 'green' product portfolio in response to anticipated government policies like the National Building Energy Label Bill, and engaging in industry collaboration to support more stringent low-carbon policies, promoting a sustainable future for the industry.

These plans for both divisions reflect Ajiya's commitment to sustainable growth, industry leadership, and environmental responsibility, ensuring that the Group continues to provide innovative and eco-friendly building solutions. The journey ahead for Ajiya is filled with opportunities for growth and innovation. With a solid strategy in place and the support of our strategic partners, we are confident in our ability to navigate the challenges and seize the opportunities that lie ahead, ensuring a sustainable and prosperous future for the Group.

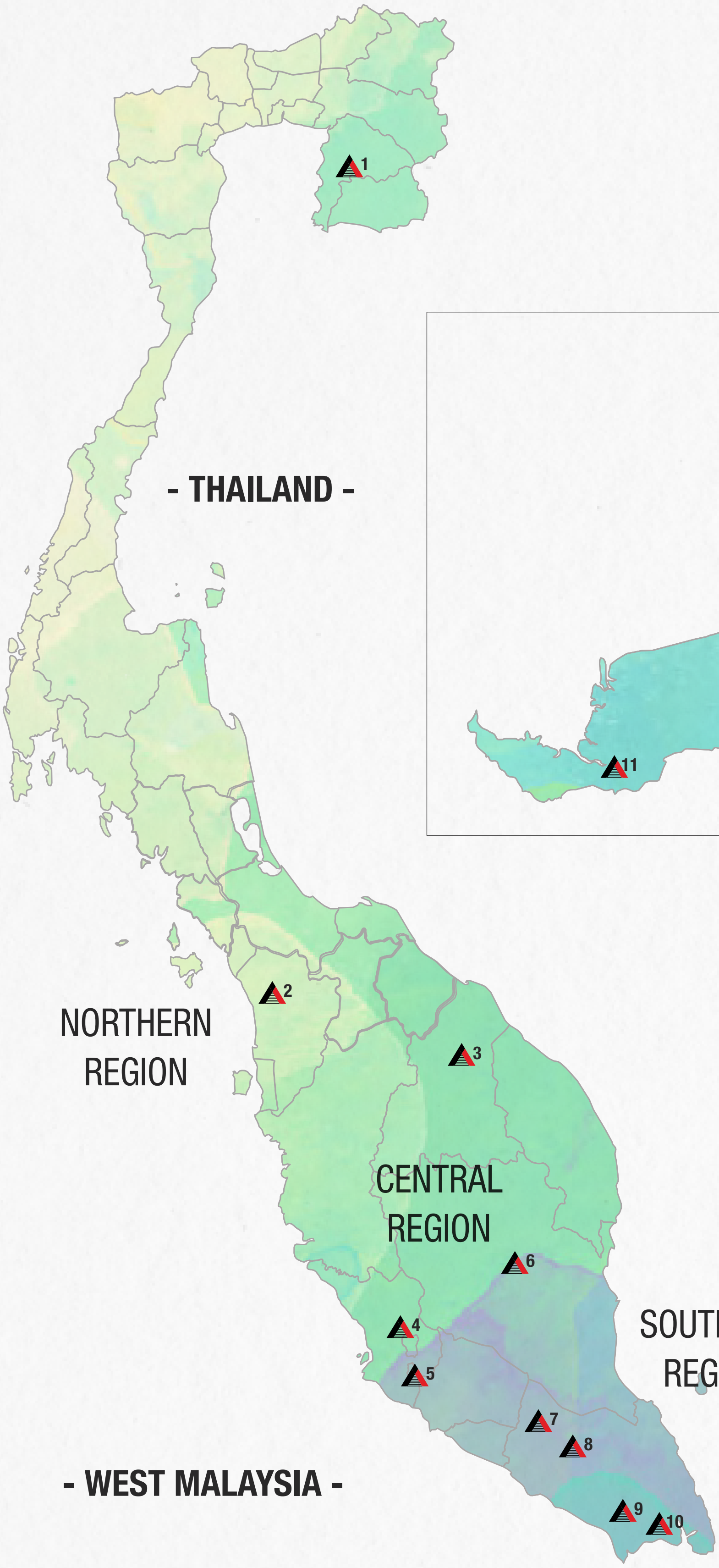
DIVIDEND POLICY

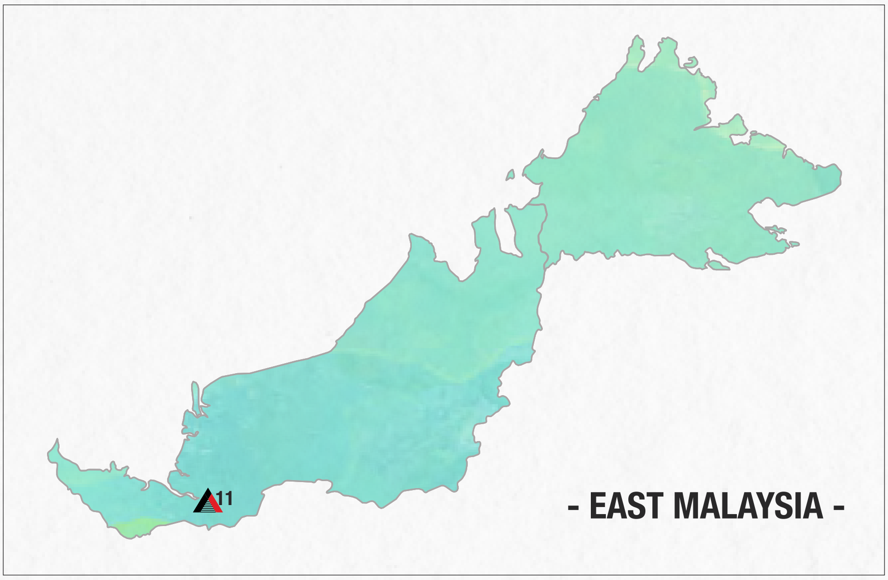
The Board of Directors profoundly appreciates the steadfast commitment of our shareholders, whose support has been a cornerstone of our success. Recognising the significance of shareholder returns, the Board carefully considers multiple factors before declaring dividends, including the Group's earnings, capital requirements, financial health, prospective expansions, and other pertinent considerations.

In light of the current market challenges and to preserve a robust cash flow position, the Board has decided to exercise prudence by not recommending a dividend distribution for FY2023. This cautious approach will ensure Ajiya's financial resilience and support our strategic initiatives.

The Board is dedicated to making decisions that balance immediate returns with long-term growth and stability.

OPERATION NETWORK





OPERATION NETWORK

1 Thai Ajiya Safety Glass Co. Ltd.
Chonburi, Thailand

2 ARI Utara Sdn Bhd
Sungai Petani, Kedah

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

4 Asia Roofing Industries Sdn Bhd
Shah Alam, Selangor

5 Ajiya Safety Glass Sdn Bhd
Puchong, Selangor

6 Asia Roofing Industries Sdn Bhd
Mentakab, Pahang

7 Ajiya Safety Glass Sdn Bhd
Segamat, Johor

8 Asia Roofing Industries Sdn Bhd
Segamat, Johor

9 Asia Roofing Industries Sdn Bhd
Johor Bahru, Johor

10 Ajiya Safety Glass Sdn Bhd
Johor Bahru, Johor

11 ASTEEL Ajiya Sdn Bhd
Kuching, Sarawak

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD OF DIRECTORS (THE "BOARD") OF AJIYA BERHAD (THE "COMPANY" OR "AJIYA") AND ITS SUBSIDIARIES (THE "GROUP") IS PLEASED TO PRESENT THIS CORPORATE GOVERNANCE OVERVIEW STATEMENT TO PROVIDE THE SHAREHOLDERS AND INVESTORS WITH AN OVERVIEW OF THE CORPORATE GOVERNANCE PRACTICES APPLIED BY THE GROUP DURING THE FINANCIAL YEAR ENDED 2023, WITH REFERENCE TO THE 3 KEY PRINCIPLES AND PRACTICES SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE ("MCCG").

This Statement is prepared pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). It is to be read together with the Corporate Governance Report ("CG Report") of the Company, which outlines the application of each practice set out in the MCCG. The CG Report is available on the Company's website at www.ajiya.com.

CORPORATE GOVERNANCE CULTURE

The Board acknowledges that a good corporate governance is a key element contributing to the long term sustainability performance and value creation. The Board continues to place emphasis to ensure responsible, sustainable and ethical conduct are practiced throughout the Group. Towards this, the governance practices at Ajiya Group are guided by its vision, mission and a set of core values to nurture positive corporate culture as well as its standard operating policies and procedures, underpinned by internal control and risk management systems.

The Board conducted annual review of its practices with reference to the MCCG. Application of the practices are reviewed appropriately in view of the evolving best practices and the changing needs of the Group.

As for financial year ended 2023, Ajiya has applied most of the CG practices of the Code, except the following:-

- Practice 5.9 : The Board comprises at least 30% women directors
- Practice 8.2 : The Board discloses on a named basis the top five senior management's remuneration component in bands of RM50,000.
- Practice 13.2 : All directors attend General meetings.

The details of how the Group has applied, departed or adopted the MCCG principles and practices are outlined in the CG Report 2023 published on our website at www.ajiya.com.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

I) BOARD RESPONSIBILITIES

1. Board Roles and Responsibilities

The Board, collectively plays a vital role in ensuring the long term success of the Group and creating sustainable value to the shareholders through its leadership and management. The Board is responsible for charting the strategic direction and exercise oversight on the proper conduct of business, risk management, internal controls, governance and compliance. Sustainability issues related to economic, environmental and social aspect are considered in setting the strategic direction of the Group.

The Board has a schedule of reserved matters, while delegating its authority in certain matters to its Board Committees to assist in the execution of its responsibilities.

I) BOARD RESPONSIBILITIES (Cont'd)

1. Board Roles and Responsibilities (Cont'd)

The governance structure of the Board is depicted as below:

Each of the Board Committees has its own functions and responsibilities and operates within its defined Terms of Reference approved by the Board. During the financial year, the Board approved the revised Terms of Reference of the Audit Committee to reflect the enhanced roles and responsibilities arising from the introduction of new regulatory requirements and practices as set out in the MMLR and MCCG.

The Chairman of the respective Committee shall report to the Board a summary of significant matters and resolutions made within its purview, for the Board's attention or approval.

As for the day-to-day operation, the Board delegated its authorities to the Management Team lead by the Managing Director and Chief Executive Officer. The responsibilities and authorities of the Management Team are clearly defined in the Group's Policies and Procedures Manual.

2. Role of Chairman and Managing Director

The Board Chairman of the Company is held by a Non-Independent Executive Director. The Chairman leads the Board and focuses on governance and compliance. He ensures the effective conduct and smooth functioning of the Board. The Chairman also ensures that decisions are taken on a sound and well-informed basis and that strategic issues are considered by the Board.

The Managing Director is responsible for managing the overall business operation and resources of the Group. He is also responsible to ensure due execution of strategies plans, policies and achievement of the Group's corporate vision. The Managing Director is supported by the Chief Executive Officer and Management Team to ensure the concerns and issues raised in respect of the Group's daily operations are properly executed.

The positions of the Chairman and Managing Director are held by different individuals with clear and distinct roles. This segregation ensures a balance of power and authority.

3. Company Secretaries

The Board is supported by qualified Company Secretaries. The Directors have direct access to the advice of the Company Secretaries on matters relating to corporate governance best practices, corporate disclosure obligations, security laws and regulations and compliance with the Company's Constitution, statutory and regulatory requirements.

4. Access to Information and Independent Advice

The Board has full and unrestricted access to information pertaining to the Group's business and affair. The Board interacts with the Management Team for further clarification as and when they deem necessary for informed decision making and effective discharge of the Board's responsibilities. The Board is provided with agenda and board papers prior to each Board meeting. The Board may seek independent professional advices at the expense of the Company on matters relating to the fulfilment of their roles and responsibilities.

5. Board Charter

The Board Charter outlines the duties and responsibilities of the Board, Board Committees and matters reserved for the Board. The role of the Chairman, Managing Director and Independent Directors are clearly defined in the Board Charter.

The Board Charter is reviewed and updated by the Board from time to time to ensure that it continues to remain relevant and appropriate. In October 2023, the Board approved amendments to the Board Charter to strengthen the management of conflict of interest situation involving Directors and Key Senior Management.

The Board Charter is available for reference on the Company's website.

I) BOARD RESPONSIBILITIES (Cont'd)

6. Ethics and Integrity

The Board has in place policies and procedures to uphold the principles of good business conduct, all of which form the foundation for the success of the Group.

- **Code of Ethics and Conduct**

  The Group's Code of Ethics and Conduct provides guidance for proper standards of ethical conduct and sound and prudent business practices for Directors and employees based on principles of integrity, responsibility, trust, discipline and diligence.

  The last update to the Code of Ethics and Conduct was approved by the Board in October 2023. Changes were made to enhance the monitoring of conflict of interest situations and the to improve measures in managing the conflict of interest.

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

- **Whistleblowing Policy**

  The Whistleblowing Policy adopted by the Board provides a mechanism for the handling of wrongdoings and protection to whistleblowers. This Policy facilitates the reporting of suspected and/or known misconducts, wrongdoing, corruption and instances of fraud and abuse involving the resources of the Group. The Policy was last reviewed and approved by the Board in October 2021.

  The Whistleblowing Policy is available for reference on the Company's website.

- **Stay Honest, Be Corrupt Free**

  As part of the Group's commitment to conduct its business affairs in an ethical manner, stay honest and be corrupt free, the Board has in place the Anti-Bribery and Anti-Corruption Policy. This Policy setting out the principles of Ajiya in upholding its position on bribery and corruption practices in relation to its business. It also provides guidance to prevent and address improper solicitation, bribery and corruption activities.

  The Anti-Bribery and Anti-Corruption Policy is available for reference on the Company's website.

- **Directors' Fit and Proper Policy**

  In April 2022, the Board approved the Directors' Fit and Proper Policy setting out the fit and proper criteria for the appointment and re-appointment of Directors. This Policy ensures that each Director possesses the character, experience, integrity, competence and time to effectively discharge their role.

7. Sustainability

The Board continues to play an oversight role in the strategic material sustainability matters, encompassing economic, environmental, social and governance aspects. It ensures that sustainability risks and opportunities are considered in the setting of the Group's strategic plans, recognizing the importance of sustainability in business and the creation of long term value for stakeholders. The strategic management of material sustainability matters of the Group is driven by the Management.

During the annual Board evaluation in 2023, the Board underwent an assessment of its sustainability leadership and roles related to ESG, with feedback provided for improvement in addressing the sustainability issues of the Group.

In addition to individual Directors attending external training programs to keep abreast with latest sustainability developments and trends, the Group had organized an in-house sustainability training conducted by an external consultant in November 2023. This session was attended by both Directors and Management of the Group, aiming to enhance their understanding of sustainability matters, practices, challenges and regulatory requirements. The focus included prioritising and managing sustainability issues. This arrangement aligned with the Board's increasingly responsibility to ensure the Group's sustainability activities and disclosures adhere to relevant sustainability reporting frameworks and regulatory requirements.

The Sustainability Statement attached in this report provides an overview of our sustainability performance, our endeavors and commitments, as well as the overall impact on the economic, environmental, and social aspects.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

I) BOARD RESPONSIBILITIES (Cont'd)

8. Key Focus Areas Considered by the Board

In addition to routine matters, key highlights considered by the Board are as follows:

Key Matters 2023	• Reviewed the succession planning of the Board and the composition of Board Committees. • Reviewed the Group's operating budget proposed by Key Senior Management. • Reviewed the succession planning of Key Senior Management • Approved revision to the Board Charter and Code of Ethics and Conduct. • Approved revision to the Terms of Reference of Audit Committee. • Reviewed and approved the operational restructuring and consolidation of the Group's manufacturing facilities to improve overall operational efficiency. • Reviewed and approved the Notification to the Shareholders of Ajiya Berhad in relation to the receipt of the Notice of Conditional Mandatory Take-over Offer dated 22 November 2023 from Aminvestment Bank Berhad ("Aminvestment Bank") on behalf of Chin Hin Group Berhad.
Looking Ahead to 2024	a) Review of Board Policies to ensure effectiveness and compliance with evolving regulatory requirements and the changing needs of the Group. b) Continue evaluating and exploring business diversification, joint venture, merger and acquisition. c) Continue reviewing Board and Key Senior Management's succession planning. d) Continue reviewing sustainability matters relevant to the Group. e) Continue the operational restructuring and consolidation efforts aimed at streamlining operations and improving efficiency.

II) BOARD COMPOSITION

1. Board Composition and Diversity

The Board currently comprises seven (7) members with majority being Independent Non-Executive Directors. The composition is as follows:-

- Non-Independent Executive Chairman
- Managing Director
- Non-Independent Non-Executive Director
- 4 Independent Non-Executive Directors

The Board recognizes the importance of diversity, encompassing gender, ethnicity, age and professional diversity for constructive discussion and effective functioning of the Board. This diverse composition allows the Board's decisions to be made from diverse perspectives and insights. The Board's skill is assessed annually through self-rating questionnaires. Based on the Board evaluation exercise and review of the Board Diversity and Skill Matrix, the Board considered that its existing size, structure and composition remain optimal for facilitating effective and objective decision making.

As guided by its Diversity Policy, the Board shall comprise at least one (1) woman Director, and the Board endeavours to promote more suitably qualified women Directors on the Board. Throughout the year, the Board maintained at least one woman Director, representing 14% of the current Board size.

The Board is of the view that the present Directors, with a balance mix of executive, independent and non-independent directors, along with their diverse range of skills, knowledge, background and professional specialization, collectively bring a wealth of experience and expertise to the Board.

II) BOARD COMPOSITION (Cont'd)

1. Board Composition and Diversity (Cont'd)

The current Board composition and diversity of the Company is as follow:-

Director	Independence		Gender		Age			Ethnic		Industry Knowledge/ Experience							
	Independent Directors	Non-independent Directors	Male	Female	40-49 years	50-59 years	60-69 years	Bumiputera	Chinese	Accounting/ Finance / Taxation	Building Material/ Property Development	Strategy & Entrepreneurship	Economics/ Banking/ Business Admin	Sales & Marketing	IT & Digital Strategy	Legal & Regulatory	Internal Controls/ Risk Management
Datuk Seri Chiau Beng Teik, JP		✓	✓				✓		✓		✓	✓					
Mr. Chiau Haw Choon		✓	✓		✓				✓		✓	✓					
Mr. Yeo Ann Seck		✓	✓				✓		✓		✓	✓		✓			
Ms. Er Kian Hong	✓			✓	✓				✓	✓						✓	✓
Mr. Teh Boon Beng	✓		✓				✓		✓	✓		✓	✓	✓		✓	✓
Datuk Hj Mohd Yusri bin MD Yusof	✓		✓			✓		✓		✓	✓	✓	✓	✓	✓		✓
Dato' Boey Chin Gan	✓		✓			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓

2. Succession Planning

a) Board Succession Planning

- **Appointment to the Board**

The Nomination Committee reviews the existing composition of the Board, identifies the needs and recommends the suitable candidate to the Board. The appointment of new Board members is governed by the Company's Nomination Policy. In addition to this Policy, the Board has adopted a Fit and Proper Policy, which outlines the criteria for assessing suitability before appointment to the Board. All potential Directors are required to declare their fit and propriety, including any declaration of interest.

The process for appointment of new Director is summarized as below:

Need Analysis > Profile Development > Search > Selection > Nomination > Appointment

The Nomination Committee takes into consideration various aspects to strengthen the Board's existing skill and diversity including among others, the following before submitting recommendation to the Board for decision:

- The Board's composition size, mix of skill, the adequacy of balance between Executive Director, Non-Executive Director and Independent Director.
- The skill, knowledge, expertise, experience and professionalism to bring different perspective to the Board.
- Conflict of interest and number of directorship.
- Fit and proper criteria which includes probity, personal integrity, competence, financial integrity, time and commitment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II) BOARD COMPOSITION (Cont'd)

2. Succession Planning (Cont'd)

a) Board Succession Planning (Cont'd)

- **Appointment to the Board (Cont'd)**

When appointing Independent Director, the Committee also ensures the candidates meet the requirements of independence as defined in the MMLR.

Candidates are sourced from a wide range of independent source, in addition to the existing Board member, Management and major shareholders. The Board is open to utilizing independent sources to identify suitably qualified candidates, where appropriate.

- **Re-election of Directors**

The Company's Constitution provides that one third of the Directors shall retire by rotation at every Annual General Meeting and that a Director who is appointed during the year shall retire at the next Annual General Meeting. The Constitution also provides that all Directors shall retire from office once at least in each three years but shall be eligible for re-election.

In this regards, Mr Yeo Ann Seck and Mr. Chiau Haw Choon shall retire by rotation and be eligible for re-election to the Board, subject to the shareholders' approval at the 28th Annual General Meeting. The annual assessment, together with the fit and proper declaration made in accordance with the Company's Fit and Proper Policy, form the basis and justification for recommending their re-election at the Annual General Meeting. The Board was satisfied with the favourable assessment results of their performance and their fit and propriety.

The profiles of Directors seeking for re-election are set out in the Profile of Directors' section of this Annual Report.

b) Senior Management Succession Planning and Diversity

Senior Management is playing a vital role in the implementation of corporate strategies and operational activities of the Group.

The Managing Director and Chief Executive Officers shall assist the Nomination Committee in ensuring that an appropriate succession planning framework, talent management and human capital development programme are in place for the Senior Management. The Nomination Committee received updates from the Managing Director and/or Chief Executive Officer in respect of succession planning and talent retention initiatives for Senior Management. Internal grooming is practiced throughout the Group to provide growth opportunity for internal talents.

Diversity is integrated into our work culture. Fair and equal opportunities are given to all candidates based on merits without discrimination against any form of diversity, recognising that a diverse workforce generates different ideas and perspectives. The Board is committed to maintaining a conducive working environment free of harassment, and all employees are treated equally with respect and dignity. The Group's Code of Ethics and Conduct is practiced throughout the Directors and all employees based on principles of integrity, responsibility, trust, discipline and diligence.

The Group has a diverse talent pool with an appropriate gender workforce aligned with the Group's nature of business. As at 30 November 2023, 19% of employees across the Group are female, with women holding 14% of senior management positions.

Further details pertaining the diversity of the Board and Senior Management are disclosed in the Sustainability Statement of this Annual Report.

II) BOARD COMPOSITION (Cont'd)

3. Board Independence

The Board comprises 3 Non-Independent Directors and a strong presence of 4 Independent Non-Executive Directors. The presence of a majority of Independent Directors in the Board provides effective check and balance and that relevant issues are subjected to independent judgment and objective deliberation by the Board, without being subordinated to operational consideration to safeguard the interest of all stakeholders.

The Board is guided by the recommended practice of MCCG for retention of Independent Directors beyond the cumulative term limit of nine (9) years. Independent Directors who exceed the cumulative term of nine (9) years shall be re-designated as Non-Independent Director, unless shareholders' approval is sought through a two-tier voting process, by providing justification.

To date, none of the Independent Directors has served the Board beyond nine (9) years from the date of their appointment.

The Nomination Committee reviews the independence of Independent Directors before their appointment. Annual evaluation is conducted to ensure that they continue to remain independent. Each Independent Directors has provided a written confirmation of their independence. The Board believes that all the Independent Directors have maintained their independence in their conduct and that each of them are able to provide impartial insights into the Group's affairs. They constantly provide objective challenges to the management. The Independent Directors are free from any relationship that could interfere the exercise of independent judgement on issues affecting the Group.

4. Meetings of the Board and Board Committees

The Board ordinarily schedules five (5) board meetings in a year with additional meetings to be convened as and when necessary. At the scheduled Board meetings, the Board received updates from management on matters related to financial, operational, governance, sustainability, risk management and internal control.

An annual meeting calendar with the scheduled meeting dates for each Board meeting, Board Committees meeting and Annual General Meeting is prepared and circulated in advance to all the Directors. The meeting agenda and board papers shall be distributed seven (7) days in advance electronically and/or by hard copy. Reminders are also sent in advance prior to the meetings. Directors are expected to devote sufficient time to discharge their responsibilities effectively. Where necessary, Senior Management are invited to attend meetings for particular items within their responsibility. The Board may also invite external consultants on specific item on the agenda, when the need arises.

Board and Board Committees meetings will be conducted physically and/or via electronic means where the Directors may participate in meetings via audio or video conferencing. Where appropriate, the Board may exercise control on matters that require its approval by way of circular resolutions. The circular resolutions passed by the Directors as well as the minutes approved at subsidiaries level will be noted at the next Board meeting of the Company.

The Board Chairman is not a member of any Board Committee. All Board Committees meetings are conducted separately from the Board meeting to enable objective and independent discussion during the meetings. The Chair of the Board Committee shall brief to the Board on salient matters discussed at the respective Board Committee meetings. Directors are require to disclose conflict of interest situations, if any, and abstained from relevant deliberation and decision making.

Directors are mindful of the importance of devoting sufficient time to carry out their responsibilities. It is the Board's policy that each Director shall not hold more than five (5) directorships in listed corporations. Directors are required to notify the Chairman or the Company Secretary of their directorship in other listed and non-listed companies and any changes thereof.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II) BOARD COMPOSITION (Cont'd)

4. Meetings of the Board and Board Committees (Cont'd)

The details of Directors' attendance at Board, Board Committee meetings and Annual General Meeting for financial year ended 2023 are set out as follows:

DIRECTORS	NO. OF MEETINGS ATTENDED					
	Board	AC	NC	RC	RMC	AGM
Directors						
Datuk Seri Chiau Beng Teik, JP	3/5	n/a	n/a	n/a	n/a	0/1
Mr. Chiau Haw Choon	4/5	n/a	n/a	n/a	n/a	1/1
Mr. Yeo Ann Seck	4/5	n/a	n/a	n/a	n/a	0/1
Ms. Er Kian Hong	5/5	5/5	1/1	n/a	n/a	1/1
Mr. Teh Boon Beng	5/5	n/a	n/a	1/1	1/1	1/1
Datuk Haji Mohd Yusri bin MD Yusof	5/5	5/5	1/1	1/1	1/1	1/1
Dato' Boey Chin Gan	5/5	5/5	1/1	1/1	1/1	1/1

5. Directors' Training and Development

To contribute effectively to the Board, the Directors continuously attend training, seminar and forum to stay updated on regulatory changes and developments in the business environment, in addition to the Mandatory Accredited Programme prescribed by the MMLR.

The Company Secretaries regularly provide Board members with updates on new guidelines, corporate governance practices and regulatory requirements to be observed by the Directors and the Company. Additionally, the External Auditors also presented in its report the latest updates of Financial Reporting Standards.

Newly appointed Directors will undergo an induction process, including the arrangement of factory visits. The induction manual offers insight into the Board's function, encompassing the Board Charter, minutes from the last Board meeting, the meeting timetable for the year, and the Company's annual report. Factory visits to the Group's operating plants allow new Directors to comprehend the Group's business operations, structure, and management.

During the year, Directors attended various training and professional development programmes covering audit matters, finance and taxation, business and management, technology and digitization, ESG matters and corporate governance.

Details of training programmes attended by the Directors during the financial year are tabulated as below:

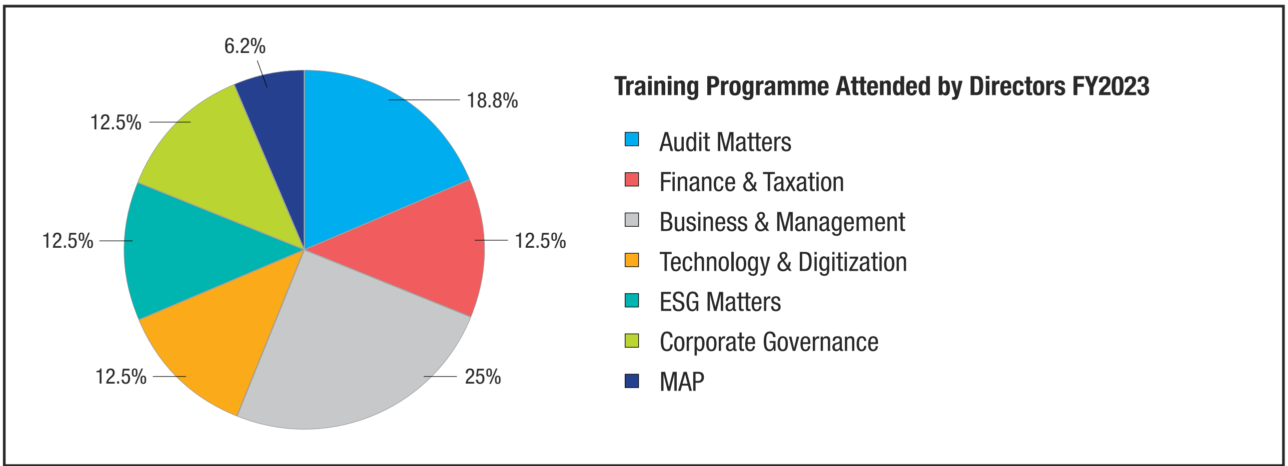
Attended By	Seminar/Program/Briefing
Datuk Seri Chiau Beng Teik, JP	• Awareness on Sustainability for Directors & Senior Management
Mr. Chiau Haw Choon	• China Customer Home Furniture & Interzeum GuangZhou • YPO Harvard Real Estate Program 2023 • YPO Forum • Awareness on Sustainability for Directors & Senior Management

II) BOARD COMPOSITION (Cont'd)

5. Directors' Training and Development (Cont'd)

Details of training programmes attended by the Directors during the financial year are tabulated as below: (Cont'd)

Attended By	Seminar/Program/Briefing
Mr. Yeo Ann Seck	• Construction Account & Tax Implication - Beginner Level Webinar • Awareness on Sustainability for Directors & Senior Management
Ms. Er Kian Hong	• Advancing Cyber Resilience : Board's Top 3 Must-Knows • ICDM PowerTalk: Generative AI – An Opportunity or Risk? • Advocacy Session for Directors and CEOs Of Main Market Listed Issuers • Management of Cyber Risk • AMLA in a nutshell • Ethics and the Financial Services Professional • Malaysia's Code of Corporate Governance • Financial Statement Frauds
Mr. Teh Boon Beng	• Updates on the Corporate Liability Provisions of the MACC Act 2009 • Advancing Cyber Resilience: Board's Top 3 Must-Knows • Generative AI – An Opportunity Or Risk • MAP Part II : Leading for Impact • Advocacy Session for Directors and CEOs of Main Market Listed Issuers • Awareness on Sustainability for Directors & Senior Management
Datuk Hj Mohd Yusri bin MD Yusof	• Bursa Malaysia Immersive Session: The Board "Agender • Monthly Futures Market Strategy and Projected Profiles • Future Trading Mastery • Exploring ESG Investing Strategies and Themes on Sustainable Investing • Advocacy Session for Directors and CEOs of Main market Listed Issuers • Audit Oversight Board Conversation with Audit Committees • Awareness on Sustainability for Directors & Senior Management
Dato' Boey Chin Gan	• Bursa Malaysia Immersive Session : The Board Agender • Advocacy Session for Directors and CEOs of Main Market Listed Issuers • Awareness on Sustainability for Directors & Senior Management



CORPORATE GOVERNANCE OVERVIEW STATEMENT

II) BOARD COMPOSITION (Cont'd)

6. Board Assessment

- **Annual Assessment**

  The Board through the Nomination Committee oversees the annual assessment process of the Board, Board Committees, individual Directors, and Board Committees members, including Independent Directors.

  The assessment was carried out by way of questionnaires according to the procedures set out in its Evaluation Policy, comprises self and peer rating model. The effectiveness of the Board is evaluated in terms of Board's size and composition, the administration of boardroom activities, the board process, provision of information to the Board, relationship with the Management and deliberation of sustainability matters on ESG. The evaluation on Board Committees includes a review on the effectiveness of Committees' practices, structures, expertise and meeting administration. Individual Director is assessed based on the criteria of fit and proper, contribution and participation, calibre and personality.

  The Board's effectiveness assessment 2023 was conducted internally and facilitated by the Company Secretaries. The assessment questionnaires were issued in Oct 2023. The Nomination Committee deliberated at length the Board Evaluation Report presented by the Company Secretaries, together with the comments given by the members of the Board. The report and recommended areas for improvement was subsequently presented to the Board.

  Based on the results of the 2023 assessment, the Board was satisfied with the performance of each Director, the Board and the Board Committees, and concluded that the current size and composition of the Board are optimum, and the Board Committees had been effective in fulfilling their functions within the respective Terms of Reference. The evaluation results indicated that each individual Director has discharged their duty effectively. The results of these assessment form the basis for the Nomination Committee's recommendations to the Board for the re-election of Directors at the forthcoming Annual General Meeting of the Company.

  The Nomination Committee also assessed the performance of each Independent Director. The Board was satisfied with the performance of all the Independent Directors who have discharged their duty impartially, approached transactions with an inquiring mind, provided valuable feedbacks and constructively challenge and scrutinize the performance of the Group and devoted sufficient time and attention to their role and responsibility.

- **Nomination Committee**

  As of the date of this statement, the Nomination Committee comprises three (3) members, all of whom are Independent Non-Executive Directors. The roles and responsibilities of the Nomination Committee are guided by its Terms of Reference.

  The Nomination Committee meets at least once a year or as needed. In the financial year 2023, the meeting was conducted in January 2023, and all members attended the meeting. The pertinent issues discussed and recommendations made by the Committee are reported by the Committee Chairman to the Board.

  The activities carried out by the Nomination Committee during the financial year included the following:-

  - Annual review of the Board Diversity and Skill Matrix which outlined the size, composition and competencies of the Board members, conducted in January 2023 in conjunction with the Board evaluation exercise.
  - Conducted annual assessment and reviewed the findings of performance evaluation of the Board, Board Committees and each individual Director.
  - Assessed the independence of the Independent Directors.
  - Recommended to the Board the re-election of Directors at the forthcoming Annual General Meeting,
  - Oversight the succession planning of Key Senior Management.
  - Reviewed the trainings attended by the Directors during the financial year 2023.

III) REMUNERATION

The Board has in place a Remuneration Policy setting out the remuneration guiding principles for Directors and Key Senior Management. The structure of the Group's Remuneration Policy is aligned with the business strategies and long term objectives of the Group, as is appropriate to attract, retain and reward the Directors and Key Senior Management.

III) REMUNERATION (Cont'd)

The Board is assisted by the Remuneration Committee in implementing its Remuneration Policy including reviewing and recommending matters relating to the remuneration of the Board and Key Senior Management. The Remuneration Committee comprises entirely of Independent Non-Executive Directors. The role and responsibilities of the Committee are guided by its Terms of Reference.

All the Executive and Non-Executive Directors are entitled to fixed Directors' fees and meeting allowances for each Board and Board Committees meeting they attended. The level of remuneration reflects the Directors' fiduciary duties and time commitment undertaken by the Directors as well as the Company's business performance and industry trends.

The remuneration of Executive Directors and Key Senior Management comprises fixed and performance linked elements, taking into consideration the market competitiveness, experience, responsibilities, individual and Group performance. The Board collectively authorized the Managing Director to review the remuneration packages of Key Senior Management. This review aligns with the Group's human resource policies and individual Key Performance Indicators, as well as profit and other targets set in the respective Business Division's annual budget. The Managing Director and/or Chief Executive Officer recommends the annual increment of Key Senior Management for approval by Remuneration Committee.

The Remuneration Committee conducts annual evaluation of Directors' remuneration to ascertain the competitiveness of the Board's remuneration, considering the responsibilities and time commitment required from the Directors.

The Remuneration Committee meets at least once a year or as needed. In the financial year 2023, the meeting took place in March 2023, with full attendance by all members. During this session, the Remuneration Committee reviewed and recommended to the Board the Directors' fees for financial year ended 2022 and, the provision for attendance allowance at Board Committee meetings. The Remuneration Committee also reviewed the proposed retirement gratuity for former Directors in the same meeting. The Board endorsed these recommendations, and they were subsequently approved by the shareholders at the last Annual General Meeting held in April 2023.

The remuneration details of Directors of the Company for the financial year ended 30 November 2023 are provided in the table below. The remuneration of the top 5 Key Senior Management is not disclosed on a named basis considering the competitiveness in the market for executive talent.

	Company (RM)		**Subsidiaries (RM)**		
Directors	**Fees**	**Meeting Allowances**	**Salary**	**Other Emoluments**	**Group Total (RM)**
Executive Director					
Datuk Seri Chiau Beng Teik, JP	42,000	2,000			44,000
Mr. Chiau Haw Choon	42,000	3,000			45,000
Independent Non-Executive Director					
Ms. Er Kian Hong	42,000	6,000			48,000
Mr. Teh Boon Beng	42,000	5,500			47,500
Datuk Haji Mohd Yusri bin MD Yusof	42,000	6,500			48,500
Dato' Boey Chin Gan	42,000	6,500			48,500
Non-Independent Non-Executive Director					
Mr. Yeo Ann Seck	42,000	3,000	126,000	5,040	176,040
Total	**294,000**	**32,500**	**126,000**	**5,040**	**457,540**

Notes:
Other emoluments include statutory contribution. The Directors' fees are subject to shareholders' approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B :
EFFECTIVE AUDIT AND RISK MANAGEMENT

I AUDIT COMMITTEE

The Audit Committee assists the Board in overseeing the quality and integrity of the financial reporting process to ensure a true and fair view of the financial statements of the Company and the Group, and review the effectiveness of external audit functions and internal control system.

The Audit Committee comprises three (3) members, all of whom are Independent Non-Executive Directors. The Chairman of the Audit Committee is not the Chairman of the Board. None of the members of the Audit Committee are former audit partners. The composition of the Audit Committee was last reviewed by the Nomination Committee in January 2024.

The Board has adopted an External Auditors Policy which provides guidelines for the Audit Committee in relation to selection and appointment of External Auditors as well as the assessment on the suitability, objectivity and independence of the External Auditors. The External Auditors are required to provide confirmation to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of the relevant professional and regulatory requirements.

The Terms of Reference of the Audit Committee was revised and approved by the Board in October 2023 and published on the Company's website. More information about the activities carried out by the Audit Committee during the year are set out in the Audit Committee Report of this Annual Report.

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is responsible for establishing and maintaining a sound system and framework of risk management and internal controls. The Board is assisted by the Risk Management Committee in identifying and reviewing the framework and process for managing risk within the Group.

The Risk Management Committee comprises three (3) members, all of whom are Independent Non-Executive Directors. The composition of the Risk Management Committee was last reviewed by the Nomination Committee in January 2024.

The key responsibilities of the Risk Management Committee is to oversee the implementation of Risk Management Framework and ensures its effectiveness, reviews the risk exposures and evaluates the risk mitigation measures undertaken by the Management. The role and responsibilities of the Risk Management Committee are guided by its Terms of Reference.

The Risk Management Committee is supported by Risk Management Steering Committee ("RMSC") at the operational level to ensure a risk management framework is embedded throughout the Group. The Risk Management Committee is also responsible for overseeing business continuity, compliance and governance functions of the Group. The Risk Management Framework was last reviewed by the Risk Management Committee and approved by the Board in October 2022.

The Board through the Audit Committee and Risk Management Committee, continued to provide independent assessment of the adequacy of risk management process and internal control system. Further, with the support from the Internal Auditors and RMSC, the Board is of the view that the system of internal control and risk management in place during 2023, is sound and sufficient to safeguard the Group's assets and shareholders' interest.

A review of the state of risk management and internal controls within the Group during the financial year is set out in the Statement on Risk Management and Internal Control of this Annual Report.

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

I COMMUNICATION WITH STAKEHOLDERS

The Board values the importance of maintaining regular and fair communication with its shareholders and various stakeholders. The Board ensures a timely and equal dissemination of information to its shareholders and stakeholders.

The Board had formalized an Investor Relation Policy and Disclosure Policy in handling disclosure of material information to shareholders and investors. The policies ensure communication with the public are made in accordance with the obligation imposed by Bursa Securities and other regulators. Investors' feedback and enquiries may be directed to "Contact Us" section of the Company's website.

The Group engages with its stakeholders through various channels, including the Company's corporate website, social media platforms, announcement via Bursa Link, quarterly results, annual reports, general meetings, dialogues with investing public and financial analysts, roadshows with local communities and customers, participation in industrial association activities and institutional forum. Further details on stakeholders engagement and partnership building are available in the Sustainability Report of this Annual Report.

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

II CONDUCT OF GENERAL MEETINGS

The general meetings remain the principal event for the Directors and Senior Management to interact with the shareholders.

The Company adopts the practice of dispatching at least 28 days notice of Annual General Meeting to ensure the shareholders are given sufficient notice and time to consider the proposed resolutions to be discussed at the Annual General Meeting.

The 27th Annual General Meeting for financial year ended 2022 was convened and held fully by leveraging technology to facilitate remote participation and electronic voting by all shareholders. The proceedings of the 27th Annual General Meeting included the Company's response to questions submitted in advance by the Minority Shareholders Watchdog Group and a Questions & Answers session where shareholders are given opportunities to raise questions. Shareholders are encouraged to raise questions through real-time submission of typed texts via query box facility. The Chief Executive Officer also presented an overview of the Group's business and major developments to the shareholders.

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

COMPLIANCE STATEMENT

The Corporate Governance Overview Statement together with the CG Report 2023 were approved by the Board of Directors on 11 March 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

ADDITIONAL DISCLOSURE STATEMENTS

1. Directors' Responsibilities Statement

The Directors are required under the Companies Act, 2016 ('the Act"), to prepare financial statements which have been drawn up in accordance with the applicable approved accounting standards which give a true and fair view of the financial position of the Company and of the Group as at the end of the financial year and of the results and cash flows of the Company and the Group for the financial year.

In addition, the MMLR set out that the Board must ensure an additional statement is included in the Company's Annual Report explaining the Board's responsibility for preparing the annual audited financial statements.

The Directors are of the view that, in preparing the financial statements of the Company and the Group for the year ended 30 November 2023, the Board has adopted appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgements and estimates and that the financial statements are prepared on the going concern basis.

The Directors are responsible for ensuring that the Company keeps adequate accounting records that disclose with reasonable accuracy the financial position of the Company and the Group to enable them to ensure that the financial statements comply with the requirements of the Companies Act, 2016 and all applicable accounting standards in Malaysia.

The Directors also have general responsibilities for taking such steps to safeguard the assets of the Group, and to prevent fraud and other irregularities.

The Statement by Directors pursuant to Section 251(2) of the Companies Act, 2016 is set out on page 89 of this Annual Report.

2. Audit Fees and Non-Audit Fees

Detail of audit fees and non-audit fees paid to the Company's External Auditors for the financial year ended 2023 are as follows:

	Audit Fees (RM)	Non-Audit Fees (RM)
Group	183,000	5,000
Company	86,500	5,000

The non-audit services rendered are in respect of the review of Statement on Risk Management and Internal Control.

3. Material Contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year by the Company and its subsidiaries which involve the interest of the Directors, Executive Director and substantial shareholders.

4. Utilisation of Proceeds

There were no proceeds raised from the Company's corporate proposal during the financial year under review.

5. Revaluation of Landed Properties

The Company did not have a revaluation policy on landed properties.

6. Employees Share Option Scheme

The Group has not implemented the Employees Share Option Scheme during the financial year under review.

7. Recurrent Related Party Transactions of a Revenue Nature ("RRPT")

The Company had, at the last Annual General Meeting, obtained a shareholders' mandate for RRPT entered into by the Company and the Group. The details of the RRPTs are disclosed in Note 33 of the Financial Statements for the financial year ended 30 November 2023 and in the Circular to Shareholders dated 29 March 2024.

AUDIT COMMITTEE REPORT

The Audit Committee continues to assist the Board in overseeing the integrity of financial reporting, adequacy of internal control system, effectiveness of internal auditing and external auditing, governance control and regulatory compliance matters of the Company and its subsidiaries ("Group").

The Board is pleased to present the Audit Committee Report for the financial year ended 30 November 2023.

1. COMPOSITION

The Audit Committee was established on 12 November 1996 with duties and responsibilities guided by its Terms of Reference.

As of the date of this Report, the Audit Committee consists three (3) members, all of whom are Independent Non-Executive Directors. The Chairman of the Audit Committee is not the Chairman of the Board. None of the Audit Committee members is an alternate director and no former key audit partner has been appointed as a member of the Audit Committee. The Audit Committee members are financially literate and possess professional experience in finance, management, internal control and risk management and able to understand, analyse and objectively review matters under the purview of the Audit Committee.

All the Independent Non-Executive Directors satisfied the independence criteria prescribed under the Bursa Malaysia Securities Berhad Main Market Listing Requirement ("MMLR"). The composition of the Audit Committee meets the requirement of paragraph 15.09(1)(a), (b) and (c)(i) of the MMLR and Practice 9.1 to 9.5 under Principles B of the revised Malaysian Code on Corporate Governance ("MCCG").

Chairman : Ms. Er Kian Hong
(Independent Non-Executive Director)

Members : Datuk Hj Mohd Yusri bin MD Yusof
(Independent Non-Executive Director)

Dato' Boey Chin Gan
(Independent Non-Executive Director)

2. TERMS OF REFERENCE

The Terms of Reference set out the authorities, responsibilities and operating procedures of the Audit Committee. The Terms of Reference is reviewed periodically. The last revision was carried out in October 2023 and is published on the Company's website at www.ajiya.com.

3. MEETINGS

The Audit Committee held five (5) committee meetings during the financial year 2023. The meetings were properly convened with notice and agenda distributed prior to the meetings.

The Managing Director, Chief Executive Officer, Financial Controller, Internal Auditors and External Auditors were invited to attend the meetings to provide clarification on audit issues, financial and business operation of the Group. The Audit Committee may, as and when deemed necessary, invite other Board members, Management members and any other person deemed necessary to attend the meetings.

The External Auditors attended three (3) Audit Committee meetings held during the financial year. Separate meeting between the Audit Committee and the External Auditors without the presence of executive Board members and Management of the Group was held twice during the financial year to discuss on audit feedback.

All proceedings of the Audit Committee meetings are duly recorded and confirmed at the next following Audit Committee meeting. Minutes of the Audit Committee meetings are included in the Board meeting papers to keep the Board updated on activities of the Audit Committee. The Chairman of the Audit Committee also briefed the Board on matters of significant concern raised in the Audit Committee meetings.

The attendance of members at meetings held during financial year 2023 is tabled as follows:-

Audit Committee Members	No. of Meetings Attended
Ms. Er Kian Hong	5/5
Datuk Haji Mohd Yusri bin MD Yusof	5/5
Dato' Boey Chin Gan	5/5

4. SUMMARY OF ACTIVITIES

The summary of activities and main matters carried out by the Audit Committee during the financial year are described below:-

(i) Financial Reporting

a. Quarterly Financial Statements

The Audit Committee reviewed the unaudited quarterly financial statements of the Company and the Group, held in January 2023, April 2023, July 2023 and October 2023.

AUDIT COMMITTEE REPORT

4. SUMMARY OF ACTIVITIES (Cont'd)

(i) Financial Reporting (Cont'd)

b. Audited Financial Statements

In March 2023, the Audit Committee discussed with the Management and the External Auditors the audited financial statements for the financial year ended 30 November 2022.

In the review of the unaudited quarterly financial results and annual audited financial statements, the Audit Committee remains focus on ensuring the integrity of the financial reporting. On 30 January 2023, the Audit Committee deliberated and analysed with the Management, Financial Controller and External Auditors on significant audit and accounting matters identified during the course of audit. The Committee ensured appropriate accounting policies had been adopted and complied with applicable financial reporting standards and regulatory requirements.

(ii) Oversight Matters Relating to External Audit

a. The Audit Committee had on 30 January 2023, reviewed with the External Auditors, ChengCo PLT the Audit Review Memorandum for financial year ended 2022, which outlined areas of audit emphasis, commentary on accounting systems and internal controls, outstanding matters, key audit matters and judgements made by the Management.

   At the same meeting, ChengCo PLT provided a written assurance that they had been independent throughout the audit engagement for the financial year ended 2022, in accordance with the By-law (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

b. The Audit Committee deliberated with the External Auditors the final draft of Financial Statements for the financial year ended 30 November 2022, held on 9 March 2023.

c. On 19 October 2023, the Audit Committee reviewed the Audit Planning Memorandum for the financial year 2023 presented by ChengCo PLT which outlined the audit scope, engagement and reporting requirements, audit approach, materiality and multi-location scoping, areas of audit emphasis, audit engagement team and audit timetable, before their commencement of audit for financial year 2023.

d. At the same meeting held on 19 October 2023, the Audit Committee reviewed the proposed provision of audit and non-audit fees by the External Auditors, ChengCo PLT for the financial year 2023. The Audit Committee having reviewed the nature and amount of the non-audit fees, was satisfied that the non-audit services would not impair the independence of the External Auditors.

   The details of the audit fees and non-audit fees paid to the External Auditors of the Company for the financial year ended 2023 are set out in the Additional Disclosure Statements of this Annual Report.

e. Throughout the financial year, the Audit Committee held two private sessions with the External Auditors, in January 2023 and October 2023 without the presence of the executive Board members and Management, for a greater exchange of free views and opinion concerning audit matters, including the level of cooperation received from the staff throughout the course of their engagement. No major concerns were raised that required the attention of the Board of Directors.

f. Reviewed the performance, suitability and independence of the External Auditors pursuant to the External Auditors Policy. The performance of the External Auditors throughout the financial year ended 2023 was reviewed by the Audit Committee and the Financial Controller in October 2023. The assessment were carried out in accordance with the External Auditors Policy based on, amongst others, the calibre, quality process, sufficiency of resources, independency and objectivity, audit scope and planning, audit fees and communication. The Audit Committee was satisfied with the External Auditors' overall performance, competency and independence and recommended to the Board the reappointment of ChengCo PLT for shareholders' approval at the forthcoming Annual General Meeting.

4. SUMMARY OF ACTIVITIES (Cont'd)

(iii) Oversight Matters Relating to Internal Audit

The Audit Committee reviewed the adequacy and effectiveness of the Group's internal audit function. The internal audit function operates on a clearly defined audit plan which was reviewed and approved by the Audit Committee.

During the financial year 2023, the Audit Committee carried out the following:-

a. Reviewed and approved the Internal Audit Annual Planning Memorandum 2023. The Internal Audit annual plan was developed based on risk based approach, outlining the areas of coverage and scope of audit.

b. In April 2023, the Audit Committee discussed and recommended to the Board that the internal audit function of the Group be carried out internally by the inhouse Governance, Risk and Compliance team ("GRC").

c. Reviewed and deliberated the Internal Audit Report tabled by the Internal Auditors quarterly. At the meeting, the Audit Committee discussed the audit findings, management responses and recommendations for improvement. The Audit Committee also discussed the status of implementation by Management on observation raised in the preceding audits.

d. In October 2023, the Audit Committee conducted an assessment on Internal Auditors' performance. The assessment focused on the scope, adequacy of resources and manpower, competency as well as collaboration with External Auditors. The Audit Committee was satisfied with the effectiveness of the internal audit function.

(iv) Related Party Transaction

a. At each quarterly Audit Committee meeting, the Committee reviewed the Related Party Transaction and Recurrent Related Party Transaction entered into by the Company and/or its subsidiaries with related parties and ensure disclosure requirements of the Main Market Listing Requirements are adhered to.

b. On 19 October 2023, the Audit Committee reviewed the register of conflict of interest situations declared by the Directors and Key Senior Management. No conflict of interest situations required the Committee's attention, except for the Recurrent Related Party Transaction.

c. The Audit Committee also reviewed the Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transaction of a revenue or trading nature, in its meeting held in March 2023.

(v) Other Matters Considered by the Audit Committee

a. Recommended to the Board for approval, the revision to the Terms of Reference of the Audit Committee.

b. Reviewed the findings on whistleblowing cases on quarterly basis, if any.

c. On 9 March 2023, reviewed and recommended for the Board's approval the Corporate Governance Overview Statement, CG Report, Audit Committee Report, Statement on Risk Management and Internal Control for inclusion in the Annual Report 2022.

d. Reviewed other reports and/or circulars notification issued by the Company, which is under the purview of the Audit Committee's responsibilities.

5. AUDIT COMMITTEE PERFORMANCE ASSESSMENT

The Board through the Nomination Committee, carried out an annual assessment on the performance of the Audit Committee. The Audit Committee members also conducted an evaluation of each Audit Committee member based on self and peer rating model.

5. AUDIT COMMITTEE PERFORMANCE ASSESSMENT (Cont'd)

Based on the assessment, the Board was satisfied that the Audit Committee was functioning effectively and all its members have discharged their duties, function and responsibilities in accordance with the Audit Committee's Terms of Reference. The Board also concluded that the Audit Committee members possess the relevant knowledge, experience and attributes to discharge their duties effectively.

6. TRAINING AND REGULATORY UPDATING

During the financial year, the Audit Committee members had attended relevant training programmes and seminars to keep abreast with regulatory changes and development, details as set out in the Corporate Governance Overview Statement of this Annual Report.

7. INTERNAL AUDIT FUNCTION

The internal audit function is an integral part of the assurance framework. It provides independent and objective assurance on the state of risk management and internal control of key operation and governance procedures within the Group.

In its meeting held on 27 April 2023, the Audit Committee discussed, and subsequently the Board approved the transition of the internal audit function from the initially outsourced external consulting firm, Indah Corporate Governance Sdn Bhd, to the in-house Governance, Risk and Compliance ("GRC") team. This strategic move aims to enhance the evaluation of the adequacy and effectiveness of the Group's internal control system. This transition took effect from the 3rd quarter of the financial year 2023. The decision to bring the internal audit function in-house reflects the Group's commitment to strengthening its internal control processes and aligning them with its evolving needs and objectives.

The GRC undertook the internal audit function effective from 3rd quarter onwards. The GRC is headed by Mr. Benedict Lee Yee Kuan, who has more than 15 years of experience encompassing Enterprise Risk Management, Internal Audit, Corporate Governance, and Business Process Development. He is a Chartered Member of the Institute of Internal Auditors Malaysia and The Chartered Governance Institute of the UK which holds Professional designations CMIIA and CGP.

The GRC operates independently of the activities it audits, and the works are carried out in accordance with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The Internal Auditors adopted a risk-based approach in the planning of the Internal Audit Annual Planning. The Audit Committee reviewed and approved the annual audit plan prior to the commencement of audits. The scope of audit focus on key risk processes which covers the review of adequacy and effectiveness of internal controls and risk management practices, operational controls, the extent of compliance with the established Group policies, procedures and statutory requirements.

The Internal Auditors reported audit findings and recommendations for improvements to the Audit Committee at its quarterly meeting. The internal audit reports also included follow up on implementations of agreed action plan by Management to ensure all matters arising are addressed appropriately.

During the financial year, the Audit Committee carried out annual assessment of the work of the inhouse Internal Auditors, GRC team and was satisfied with the overall performance of the internal audit function.

The total cost incurred in relation to the internal audit function, mainly to the outsourced external consulting firm for the financial year under review was RM31,856.

8. COMPLIANCE STATEMENT

This Report was approved by the Board of Directors on 11 March 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") is pleased to present the Statement on Risk Management and Internal Control ("Statement"), according to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), Malaysian Code on Corporate Governance 2021 ("MCCG") and Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines"). This statement outlines the nature and scope of the Group's risk management and internal control systems for the financial year ended 30 November 2023 ("FY2023").

BOARD RESPONSIBILITY

The Board recognises its overall responsibility for safeguarding stakeholders' interests and maintaining a good risk management and internal control system to address all key risks the Group considers relevant to the operations. The Group recognises that effective risk management and a sound internal control system are fundamental to good corporate governance and to address emerging issues or areas of control deficiencies.

The internal control system is to manage but does not eliminate the risks to achieve business objectives. As such, the Board recognises the inherent limitations of the internal control system and that it only provides reasonable and not absolute assurance against material misstatement of management and financial information, losses, fraud, or irregularities.

The Board, through its Audit Committee and Risk Management Committee, ensures that the Group implements adequate risk management and internal control practices. The Board continuously improves and embeds controls throughout the Group and maintains the systems under review to ensure they remain fit to cover the financial, risk management, governance, strategy, operational, and compliance aspect of the Group.

RISK MANAGEMENT FRAMEWORK

The Board follows Practices 10.1 and 10.2 of the MCCG to establish an effective risk management and internal control framework. The Risk Management Committee is responsible for identifying and ensure adequacy of framework and process for managing risk within the Group. The Risk Management Committee is supported by Risk Management Steering Committee ("RMSC"), an operational management committee, to ensure a risk management system and governance is embedded throughout the Group. The RMSC works together with the operational department heads to identify, evaluate and manage the significant risks affecting the affairs of the business.

The Board believes a top-down structure with an ongoing risk management process to identify, evaluate, and manage uncertainties is effective. Accordingly, the Chief Executive Officer and every functional head are involved in the day-to-day risk management process to support the Board in reviewing the risk management process and the effectiveness of the internal control.

The Board recognises that risk management shall be an integral part of the corporate culture and continuously embed the risk management practices in the operations and extensively apply them in all decision-making. The Managing Director and the Management team ensure the implementation of policies and guidelines on risks and controls, formulate business processes and structures with the agreed risk parameters, and operate the internal control system to manage the risks.

The business units and key process owners review the identified risks and their potential impact on the Group and periodically reports the risk assessment, monitoring, and situation to the Management. The Management summarises the risk identification and assessment in the Risk Management Report to the Risk Management Committee for further deliberation. The Management regularly assesses the likelihood of the identified risks and their potential impact on financial and non-financial parameters to determine the risk rating for risk reporting and monitoring.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

The Group initially outsourced its internal audit function to an external independent professional consulting firm, Indah Corporate Governance Sdn Bhd. Currently, the internal audit function is conducted in-house by the Governance, Risk and Compliance ("GRC") team of the Group. This transition took effect from the 3rd quarter of the financial year 2023. The in-house internal audit function reflects the Group's commitment to strengthening its internal control processes and aligning with the evolving needs and objectives.

The internal audit function reports administratively to the Managing Director and functionally to the Audit Committee to preserve its objectivity. The Internal Auditors are free from any relationships which could impair its objectivity and independence of the internal audit function. There is no conflict of interest, and the Internal Auditors do not have direct operational responsibility or authority over any of the activities audited.

The Internal Auditors carry out the internal audit activities according to an annual plan approved by the Audit Committee. The internal audit function adopts a risk-based approach and prepares its annual planning based on risks identified in the risk management report, previous audit cycles, and discussions with the management. The Internal Auditors assess the adequacy and integrity of the Group's system of internal controls, as well as recommendations, if any, to improve the control policies and procedures. The results of the internal audit review are reported periodically to the Audit Committee. The operational management team is responsible for implementing the recommended corrective actions on the reported weaknesses or areas for improvement. The Internal Auditors perform follow-ups on the identified issues and report the status to the Audit Committee quarterly.

The Internal Auditors asses the effectiveness of the internal control system and align their current internal audit practices with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The Internal Auditors address financial, operational, and compliance risks. The Internal Auditors audit the critical business processes, internal control gaps, effectiveness, and adequacy of the existing procedures and recommends improvements to the internal control process. The internal audit plan is reviewed and approved by the Audit Committee to provide reasonable assurance that such a system continues to operate satisfactorily and effectively within the Group.

The internal audit function assists the Board in providing an independent assessment of the effectiveness and adequacy of the Group's system of internal controls. The assessment is through interviews and discussions with the Management, walkthrough tests, review of the relevant established policies and procedures and authority limits, and observing and testing the internal controls.

KEY ELEMENTS OF INTERNAL CONTROL

The Board recognises that a sound internal control system reduces, but not eliminates, the possibility of poor judgment in decision-making. Thus, the Board maintains key elements of an organizational structure that clearly define levels of responsibility, accountability, authority, lines of responsibility, and delegation of authority. The Board reviews internal control matters and is updated on significant control gaps, if any. The Management will highlight to the Board on those issues relating to the business operations and any significant fluctuation or exception noted will be acted on time.

Key elements of the internal control system, in place throughout the financial year 2023 and up to the date of this Statement, include:

- Well-defined Terms of Reference, Authorities, and Responsibilities of Various Board Committees:
  This encompasses the Audit Committee, Risk Management Committee, Nomination Committee, and Remuneration Committee.

- Systematically Documented and Revised Policies and Standard Operating Procedures (SOPs):
  These are made available to guide employees in their daily operations, ensuring alignment with the business objectives.

- Clearly Defined Corporate Policies:
  This includes the Code of Ethics and Conduct, Whistleblowing Policy, and Anti-Bribery and Anti-Corruption Policy.

KEY ELEMENTS OF INTERNAL CONTROL (CONT'D)

- Structured Recruitment Process:
  The Group has established a comprehensive recruitment process to bring in talent effectively.

- Training and Development Programs:
  A wide variety of programs are in place to maintain and enhance employee competency.

- Quarterly Review of Financial Results and Management Report:
  Conducted by the Audit Committee and the Board, this ensures ongoing oversight of financial performance.

- Review of the internal Audit Report and Findings:
  The Audit Committee systematically reviews internal audit reports and findings to address control deficiencies.

- Regular Management and Operational Meetings:
  These meetings focus on business operational performance to ensure that actions are implemented to meet its objectives.

ASSURANCE FROM MANAGEMENT

The Board continuously reviews and monitors to ensure changes in the Group's business and operating environment are adequately managed to safeguard the interest of the stakeholders.

The Board has received assurance from the Managing Director and Financial Controller that the risk management and internal control system of the Group is operating adequately and effectively, in all material aspects, based on the risk management and internal control system adopted for the financial year under review and up to date as of this Statement. With the assurance, input from the Internal Auditors, and the feedback from External Auditors on our control system, the Board believes that the risk management and internal control system is adequate and has not resulted in any material losses.

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

Under paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for inclusion in the Annual Report 2023. Messrs ChengCo PLT have reviewed this Statement according to Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants ("MIA") for the financial year ended 30 November 2023. The External Auditors have reported to the Board that nothing has come to the attention that causes them to believe that this Statement has not been prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines or is factually inaccurate.

CONCLUSION

The Board is of the view that the risk management and internal control system is adequate to safeguard the stakeholders' interests. The Board recognises the need for continuous improvement to evolve the system in meeting the rapidly changing business environment. Accordingly, the Board will continue to take appropriate action plans to strengthen and enhance the risk management and internal control systems to meet the Group's objectives.

This Statement of Risk Management and Internal Control was approved by the Board on 11 March 2024.

SUSTAINABILITY STATEMENT

INTRODUCTION

Ajiya presents its annual Sustainability Statement, offering a comprehensive overview of our sustainability endeavors and spotlighting our Environmental, Social, and Governance (ESG) performance for the financial year ended 2023. At Ajiya Berhad (referred to as "Ajiya" or the "Group"), sustainability is at the heart of our business practices. We are committed to operating in a socially responsible and ethical manner, while generating lasting value for our stakeholders. Within these pages, we detail the initiatives implemented to foster sustainability across our business and operations, ultimately contributing to the well-being of our stakeholders and the environment. This Statement delves into the notable risks and opportunities that shaped our operations, encompassing challenges in both ESG and economic domains during the review period. At the core of our sustainability journey lie strategic approaches, a robust framework, and diverse initiatives propelling us toward our sustainability goals and targets. Essentially, this Statement serves as a record of the progress, achievements, and challenges encountered on our sustainability journey throughout the financial year ended 2023.

ECONOMIC • ENVIRONMENTAL • SOCIAL • GOVERNANCE

OUR PURPOSE
To Build Trust & Commitment Together

OUR VISION
To Enrich Wellbeing for the Community

OUR MISSION
Explore New Frontiers

REPORTING SCOPE AND BOUNDARIES

This Sustainability Statement encapsulates Ajiya's commitment, initiatives, and achievements throughout the financial year 2023, offering a comprehensive overview of our impact on economic, environmental, social, and governance aspects. Covering our operations in Malaysia, including two main business divisions representing over 98% of our revenue, this statement is issued annually and seamlessly integrates into our broader Annual Report. The selected content ensures meaningful, accurate, and balanced representation, providing shareholders with a deeper understanding of the Group's sustainability performance and its unique context. The included business divisions are as follows:

Metal Base Division ("AMG")	Glass Base Division ("AGG")
Asia Roofing Industries Sdn Bhd	Ajiya Safety Glass Sdn Bhd
ARI Utara Sdn Bhd	
ARI Timur (KB) Sdn Bhd	

ASSURANCE STATEMENT

The data presented in this Sustainability Statement is sourced internally from within the Group. It is compiled and measured against industry standards in alignment with our sustainability targets. To the best of our ability, the results are verified by the Management and undergo a review by the Sustainability Management Committee before being presented to the Board.

As part of our continuous improvement efforts, the Group is actively working to enhance our data collection processes, address any reporting gaps and expand our assurance has been sought for the disclosures made in this report.

GUIDELINES AND STANDARDS

We ensure that the production of this Statement conforms to the highest reporting standards and best industry practices. This Statement has been prepared in accordance with:

- Global goals – United Nation Sustainable Development Goals (UN-SDGs) Reporting frameworks
- Sustainability Reporting Guide 2022, 3rd Edition and Toolkits issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia")
- Malaysian Code on Corporate Governance (MCCG) of Securities Commission Malaysia

While Ajiya acknowledges that there may be significant ESG impacts across its value chain, this Statement focuses on the impacts of its own operations. Nevertheless, Ajiya remains committed to embedding sustainability practices throughout the entire Group and sharing its ESG commitments with business partners, suppliers, and contractors. We are also in the process of implementing a more rigorous data-gathering process to address any gaps in our sustainability reporting.

We advise shareholders that forward-looking statements in this report regarding future plans, targets, and expectations are made with reasonable assumptions based on current business trajectories. Actual results may vary as Ajiya adjusts its business strategies and operational decisions to respond to emerging risks, opportunities, and changing circumstances.

Regarding data quality and assurance, all information disclosed in this Statement has been sourced internally and verified by the respective information owners. The Board of Directors has reviewed this Statement and is satisfied that it provides a fair representation of the Group's sustainability impacts for the year under review.

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

In FY2023, our Group had an exciting year as we further geared up Ajiya for our next phase of growth by aligning our Company's strategies. Our Board collaborated seamlessly with our Management team, which has a proven track record in the building materials industry. In addition, we made significant strides in our succession planning by promoting executive management members from within our talented pool of employees, thereby infusing new energy into our management team.

The Board constantly reinforces our commitment to our sustainability journey. Our aim is to offer affordable and sustainable building solutions that inspire trust and commitment within the community. We strive to maintain our position as leaders in the industry by providing innovative and eco-friendly building solutions to our clients and partners. We achieve this by:

- Pushing the boundaries in search of ground-breaking sustainable building solutions that enhance the community's well-being.
- Establishing ourselves as the preferred business partner for our clients by providing constant technical support and value-added services that enhance building efficiency.

We are dedicated to pursuing a sustainable future while adhering to strong governance principles and promoting economic, environmental, and social well-being in the community. Our purpose, vision, and mission statements reflect our unwavering commitment to this journey.

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE FRAMEWORK

For a company to effectively manage sustainability and achieve successful implementation, committed leadership, clear direction, and strategic influence are vital. At Ajiya, we have established a governance structure that ensures sustainable practices are integrated into our business strategies in alignment with the Group's purpose, vision, and mission.

BOARD OF DIRECTORS

- Ensures all businesses embrace sustainability with commitments
- Approves sustainability strategy

MANAGEMENT TEAM

- Approves sustainability targets and disclosures
- Oversees implementation of sustainability strategy

ON-GROUND MEMBERS

- Supports strategy implementation
- Ensures processes and controls are in place within its departments / functions
- Reports on the performance of processes and controls
- Reports management targets

SUSTAINABILITY MANAGEMENT TEAM

- Develops sustainability strategy and recommend revisions to the management
- Evaluates overall sustainability risks and opportunities
- Oversees departments / functions in ensuring the robustness of system of sustainability management
- Considers input of all departments / functions in sustainability processes
- Develops plan and timeline for disclosure

AJIYA'S SUSTAINABILITY SCORECARD HIGHLIGHTS AND ACHIEVEMENTS

The table provided below presents Ajiya's Sustainability Scorecard highlights and accomplishments for FY2023. These achievements are linked to the Group's 4 Sustainability Pillars, demonstrating the progress made in pursuing our comprehensive sustainability objectives and priorities. Furthermore, we have correlated these highlights and achievements with the UNSDGs, thereby aligning our efforts with the global sustainability agenda.

ESG Pillars (Material Matters)	Targets	Current Progress Against Targets	Progress Tracking	Linkage to UNSDGs'
ECONOMIC RESILIENCE & EXCELLENCE	1. Upholding Customer Satisfaction Index (CSI) at minimum of 75% (rated good and above)	1. The Metal Division achieved a CSI score of 75% and above, while the Safety Glass Division came close to reaching the 75% mark.	● ● ●	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	2. To achieve a minimum of 80% satisfaction for Supplier Evaluation (Raw Materials)	2. Attained scores of 93% for Supplier Evaluation (Raw Material) in AMG and 79% in AGG.		
ENVIRONMENTAL - ECO-CONSCIOUS CORPORATE CITIZEN	1. To conduct a baseline assessment of GHG emissions and energy efficiency for our operations in FY2024, followed by setting targets. Note: These targets will be established with the aim of reducing GHG emissions and improving energy efficiency, and will be compared with the 2024 baseline levels to track our progress.	1. In FY2023, we commenced collecting GHG emission data, achieving disclosure for GHG scope 2 emissions. Plans are underway for GHG scope 1 emissions data collection, and comprehensive efforts are outlined for GHG scope 3 emissions, including business travel and employee commuting. A thorough energy efficiency review and data collection are scheduled for FY2024.	● ● ●	6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
	2. Zero (0) environmental violations	2. Achieved Zero (0) environmental violations		
	3. Maintain material waste reduction at 10% per annum.	3. Planning for a baseline assessment in FY2024 on waste quantum (raw material).		
	4. Conduct Awareness Training on environmental and energy conservation, focusing on 3R (Reduce, Reuse, Recycle), water, and energy conservation.	4. In the planning phase for awareness training on 3R (Reduce, Reuse, Recycle) and resource conservation.		
	5. Aim for ARI HQ (L142) Factory certification to ISO14001 by the 1st quarter of 2025.	5. Deferred the implementation of ISO 14001 in FY2023 due to requirement of additional time for the improvement actions.	● ● ●	

Legend: Progress Tracking

- ● ● ● Progressing well and on track to achieving targets by 2030
- ● ● ● Progressing but slightly behind targets, to increase efforts
- ● ● ● Progressing with delays, to review current approach

AJIYA'S SUSTAINABILITY SCORECARD HIGHLIGHTS AND ACHIEVEMENTS (CONT'D)

ESG Pillars (Material Matters)	Targets	Current Progress Against Targets	Progress Tracking	Linkage to UNSDGs'
SOCIAL - SUSTAINABLE WORKFORCE & COMMUNITY	1. Conduct a minimum of 8 hours of training annually for at least 60% of employees at the executive and above levels.	1. Successfully achieved a minimum of 8 hours of training per annum for 65% of employee in FY2023 (Executive & above level)	● ● ●	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES
	2. Maintain zero workplace fatalities.	2. Accomplished Zero (0) workplace fatalities.		
	3. Aim for zero incidents of Human Rights violation complaints.	3. Successfully maintained Zero (0) reported cases of human rights violations.		
	4. Enhance supplier disclosure process and evaluation to include ESG aspects.	4. Currently in the planning stage for enhancing supplier evaluation criteria to include ESG considerations		
	5. Diversity Target: To achieve a representation of 20% woman employees in Senior Management position by 2025.	5. Achieved 14% representation of women employees in Senior Management position in FY2023.		
	6. Investment in Local Supplier Target: To achieve at least 70% annual spending on local raw material supplies.	6. Achieved a minimum of 70% annual spending on local raw material suppliers.		
	7. OHS target: Continuing OHS enhancement in FY2024 and beyond.	7. Updated the HIRARC and sustained the implementation of sound Occupational Health and Safety (OHS) practices in FY2023.		
RESPONSIBLE GOVERNANCE	1. Aim for zero (0) incidents of whistleblowing cases.	1. Successfully maintained zero (0) reported whistleblowing cases.	● ● ●	17 PARTNERSHIPS FOR THE GOALS; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	2. Strive for zero (0) incidents of corruption cases.	2. Successfully maintained zero (0) reported corruption cases		
	3. Target zero (0) incidents of customer data leaks.	3. Successfully maintained zero (0) incidents of customer data leaks.		

Legend: Progress Tracking

- ● ● ● Progressing well and on track to achieving targets by 2030
- ● ● ● Progressing but slightly behind targets, to increase efforts
- ● ● ● Progressing with delays, to review current approach

STAKEHOLDER ENGAGEMENT

We value meaningful stakeholder engagement. The outcome of the engagement helps us to identify upcoming market trends, anticipate challenges and align our sustainability strategy and business activities with broader interests of the economy, environment and society. The Group consistently engages with our stakeholders via various methods and platforms. The table below illustrates our key focus areas and methods of engagement with our stakeholders:

STAKEHOLDERS	KEY FOCUS AREA	METHODS OF ENGAGEMENT
Shareholders, Financiers and Investors	• Profitability • Dividend • Shareholders' value/responsibility	• Annual General Meetings • Company website • Annual Reports
Clients/Customer, Suppliers, and Industry Partners	• Product and service quality • Timely delivery of products/ projects • Payment terms and timeliness • Product innovation	• Customer satisfaction survey and supplier evaluation form • Customer service platforms, including phone calls and emails • Face-to-face meetings • Events and site visits • Company policies compliance declarations • Social media platform
Regulators and Government Authorities	• Compliance with laws and regulations • Certifications/awards • Industry best practices and updates	• Compliance and certification exercises • Periodic site visits and audits • Company representation at initiatives/technical working groups • Briefings and training
Employees	• Business performance and direction • Career development • Learning and development • Employee welfare and benefits • Employee wellness • Health and safety	• Regular meetings and discussions • Townhall meetings • Annual performance appraisal • Forums, training, and workshops • Sports clubs, i.e., Y2K and One AJIYA Club • Employee events including festive celebrations and annual gathering • Company policies compliance declarations
Local Community, Industry Associations, Academia and Non-Governmental Organisations ("NGOs")	• Company reputation and branding • Corporate social responsibility • Best management practices and industry-related research • Partnerships • Research and collaborations with the industry and academia institutions	• Community outreach and development programs • Public events e.g., forums and symposiums • Annual Report • Educational site visits • Briefings and training

OUR MATERIALITY MATTERS

MATERIALITY ASSESSMENT

To create enduring value, it is imperative for us to gain insight into industry trends, risks, opportunities, and the expectations of our stakeholders. Our sustainability strategies and business plans are shaped by critical aspects of business growth and stakeholder requirements. Through a thorough materiality assessment, we identify pertinent sustainability issues, guiding the Group's sustainability direction and priorities.

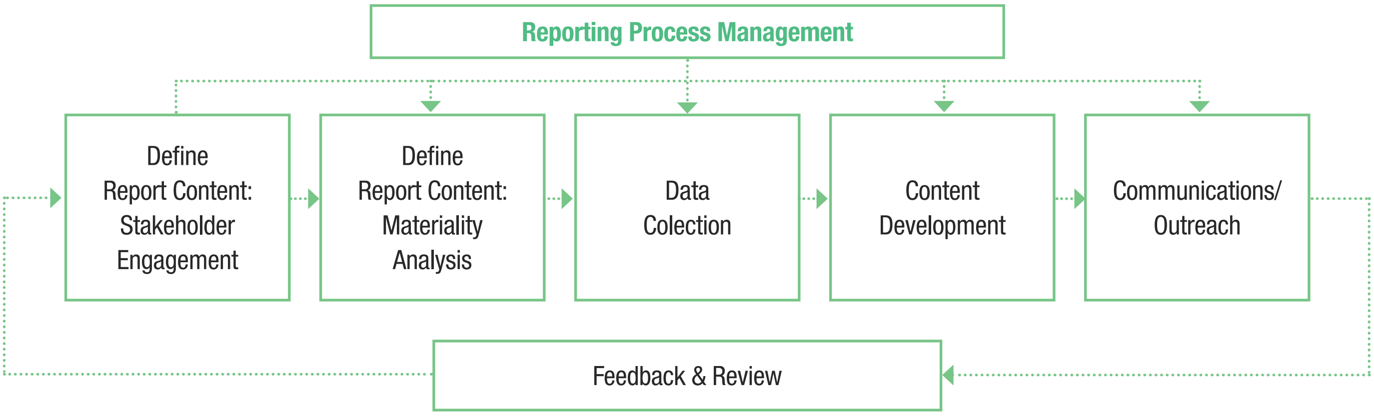
Our materiality matters are crafted by considering inputs from both internal and external stakeholders, as well as factors influencing our financial stability, economic growth, and the significance of environmental, social, and governance impacts.

SUSTAINABILITY STATEMENT

In the financial year 2022, our focus rested on 19 sustainability matters, carefully chosen for their relevance to our businesses in terms of environmental, social, and governance aspects.

As we entered the financial year 2023, we undertook a comprehensive survey questionnaire that delved into 29 material matters. From this pool, we refined the considerations into 13 core material matters. Subsequently, we prioritized from these thirteen (13) material matters that best encapsulate our areas of focus. While our goal is to conduct a comprehensive materiality assessment every three years, we commit to an annual review, ensuring the continued relevance of our prioritized economic, environmental, social, and governance impacts resulting from our daily operations. The following flow diagram outlines our materiality assessment process, accompanied by a table illustrating our materiality matters and their correlation to the United Nations Sustainable Development Goals (UNSDGs)

Materiality Assessment Process Flow



Materiality Matters and Their Correlation to the United Nations Sustainable Development Goals (UNSDGs)

CATEGORY	MATERIAL MATTER	DESCRIPTION	SDG
Economic	Company Financial Performance	Addressing environmental and social risks, as well as governance issues, can lead to better financial resilience, and stability over time and may attract capital and financing opportunities.	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Digital Transformation	To embrace technological advancement in all aspects of the business to improve productivity, traceability, and data privacy.	
	Product Quality & Product Safety	To deliver quality products and assure product safety through quality management practices.	
Environment	Conservation of Energy & Resources	Responsible management of natural resources and energy to minimize waste, reduce environmental impact, and ensure sustainability for the future. It includes promoting energy efficiency, using renewable energy sources, and practicing recycling and responsible sourcing of resources.	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Effluent and Waste Management	Proper handling and treatment of liquid and solid waste to minimize environmental harm, conserve resources, and promote a cleaner and healthier environment.	

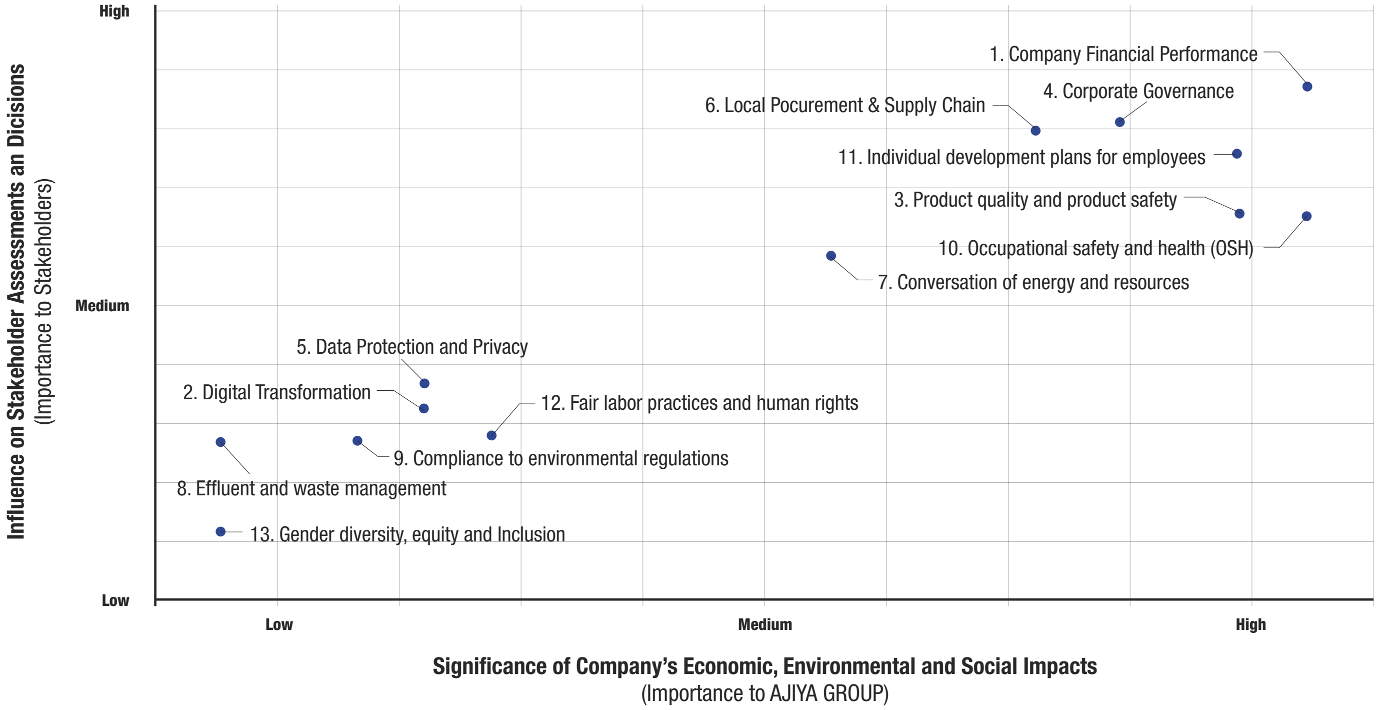
CATEGORY	MATERIAL MATTER	DESCRIPTION	SDG
Environment	Compliance to Environmental Regulations	Adhering to legal requirements for protecting the environment, conserving resources, and promoting sustainability. Essential for preserving ecosystems and community well-being.	11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
Social	Local Procurement & Supply Chain	To create decent jobs and economic growth within local communities, fostering sustainable economic development, local procurement aligns with the goal of responsible consumption and production. This is achieved by reducing the environmental impact of transportation, promoting sustainable sourcing, and minimizing waste in the supply chain	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 17 PARTNERSHIPS FOR THE GOALS
	Occupational Health & Safety (OHS) at Workplace	To ensure the safety and health of employees at the workplace.	
	Individual Development Plans for Employees	To increase opportunities for employee's career growth & advancement to broaden their skills and add value to the company	
	Fair Labor Practices and Human Rights	Treating workers with dignity, providing safe conditions, fair wages, and equal opportunities. Upholding fundamental freedoms and non-discrimination for an inclusive and equitable society.	
	Gender Diversity, Equity and Inclusion	To achieve gender equality and empower all women and girls by eliminating discrimination, violence, and harmful practices against women and girls. It also advocates for equal access to opportunities, education, healthcare, and decision-making positions regardless of gender.	
Governance	Corporate Governance	To ensure that good governance is practiced throughout the Company for business sustainability and also enhancing shareholders value.	17 PARTNERSHIPS FOR THE GOALS; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Data Protection and Privacy	Ensuring data protection and privacy helps build trust between institutions and the public, fosters transparency, and promotes accountability in data handling practices.	

SUSTAINABILITY STATEMENT

MATERIALITY MATRIX

From the materiality assessment, seven (7) key issues emerged as top priorities for stakeholders, considering their impact on our operations. These material issues signify our transition to a multi-value perspective, going beyond a solely profit-driven approach. We recognize the influence of Environmental, Social, and Governance (ESG) factors on our financial performance. The resulting material matters are visually depicted in the accompanying materiality matrix below.

MATERIALITY MATRIX



Note: A total of 13 material matters and 7 priorities were concluded through the assessment.

The outcomes of our materiality assessment have directed resource allocation by management, leading to the creation of long-term value for our business and stakeholders. Each material matter profoundly influences our decision-making and aligns with the 4 pillars of sustainability.

Sustainability Pillars	Materiality Matters
E - Economic	1. Company Financial Performance (*) 2. Digital Transformation 3. Product Quality and Product Safety (*)
E - Environmental	7. Conservation of Energy and Resources (*) 8. Effluents and Waste Management 9. Compliance to Environmental Regulations
S - Social	6. Local Procurement and Supply Chain (*) 10. Occupational Safety and Health (OSH) – (*) 11. Individual Development Plans for Employees (*) 12. Fair Labor Practices and Human Rights 13. Gender Diversity, Equity and Inclusion
G - Governance	4. Corporate Governance (*) 5. Data Protection and Privacy

(*) Significant Materiality Matters

PILLAR NO. 1: OUR BUSINESS, AND THE ECONOMIC

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ECONOMIC VALUE CREATED

As a responsible corporate citizen, our commitment to sustainability underscores our focus on generating lasting economic value for shareholders, customers, and society. Operating ethically, we foster fair competition and support community economic development. Throughout our supply chain, we advocate for responsible sourcing, ethical labor practices, and environmental sustainability. By aligning economic goals with social and environmental responsibility, we believe in creating enduring value for shareholders, customers, employees, and the wider community.

Our responsibility extends to continuous improvement in financial performance, ensuring relevance to customer needs and providing job security for our workforce. Mindful of finite resources, we strategically allocate resources, making informed trade-offs for optimal value creation across our business.

Stakeholders, including the community, customers, investors, suppliers, and employees, are integral to defining our business's true value. Dedicated to optimizing value and delivering returns, we take a long-term approach to value creation, considering the broader implications of our decisions.

Through ongoing engagement and understanding of stakeholder needs, we seek a harmonious balance that maximizes positive outcomes. Our commitment to sustainable value creation guides our actions, positively impacting stakeholder well-being and the communities we serve.

With an unwavering dedication to improving financial performance and responsible resource allocation, we aim to remain a trusted, successful business, providing long-term value to stakeholders while contributing positively to society and the environment.

DIGITAL TRANSFORMATION

Digital transformation has efficiently streamlined our production cycles, resulting in reduced lead times and a significant decrease in reliance on manual work, ultimately enhancing overall productivity. For the financial year ended 2023, we successfully executed a key initiative. This involved leveraging robotic arms and automatic stacking machines to expedite production, increase capacity, and reduce dependency on manual labor, consequently lowering the risk of injuries.

Simultaneously, our second digital initiative aims to enhance operations by fostering interoperability among various software systems. This facilitates the seamless collection and analysis of operation data for daily monitoring. This, in turn, contributes to heightened efficiency in operational processes, eliminating redundancies and optimizing resource allocation.

SUSTAINABILITY STATEMENT

PRODUCT QUALITY AND PRODUCT SAFETY

As a prominent manufacturer specializing in metal-based and glass-based building products, we prioritize the utmost quality of our products. Our commitment is rooted in the drive to ensure customer satisfaction, safeguard our brand reputation, and maintain industry credibility. Additionally, we acknowledge that product quality transcends business considerations, as it directly impacts public health and safety, given the integral role our products play in our customers' overall product strategy.

The foundation of our commitment to product quality begins at the sourcing stage, where stringent quality control and assurance measures are implemented. We rigorously assess all products sourced from suppliers to meet our high-quality standards, aligning with certifications established by industry bodies such as SIRIM or equivalent entities regulating manufacturing standards.

Throughout our processes, prioritizing quality and safety remains paramount. From concept to prototype and production, we continually monitor product safety, proactively addressing and preventing issues. Our internal experts in Industrial Engineering, Quality, and Operations actively engage in ensuring product safety and driving updates to standards across the Company.

Collaboration with customers and regulatory authorities is crucial to ensuring our products meet specifications and comply with quality and safety standards. For the financial year ended 2023, we proudly report zero product recalls due to safety negligence or defects, underscoring our commitment to maintaining the highest product quality and safety standards. To achieve this, our businesses have implemented certified Management Systems (ISO 9001) and Product Standards recognized by relevant regulatory bodies.

Commitment to Customer Satisfaction

As part of our ongoing commitment, we annually survey our customers to gauge their expectations regarding product quality, the sales process, and services. The most recent survey results for FY2023 indicate favorable feedback across all business segments, reflecting our dedication to superior performance.

QUALITY PRODUCTS & SERVICES		
Subsidiaries	**Metal Division**	**Safety Glass Division**
Overall Performance FY2021*	83%	78%
Overall Performance FY2022*	81%	85%
Overall Performance FY2023*	84%	76%

*A performance rating of 75% and above is considered as good.

Quality Assurance In Supply Chain

At Ajiya, effective supply chain management plays a crucial role in upholding product quality and safety standards. Through close collaboration with our suppliers, we emphasize quality assurance programs to ensure adherence to rigorous standards throughout the value chain. This collaborative approach fosters a culture of quality assurance, promoting excellence in our products and operations.

SUPPLIER CONFORMANCE INDEX - AMG			
Financial Year Ended (FYE)	**2021**	**2022**	**2023**
Supplier Conformance Index/Score (%), target 80%	92%	87%	93%
Number of supplier surveyed (Raw Material)	12	11	11

SUPPLIER CONFORMANCE INDEX - AGG			
Financial Year Ended (FYE)	**2021**	**2022**	**2023**
Supplier Conformance Index/Score (%), target 80%	71%	72%	72%
Number of supplier surveyed (raw material)	13	12	10

PILLAR NO. 2: PROTECTING THE ENVIRONMENT

At the core of our business philosophy lies a deep commitment to environmental responsibility. We take a comprehensive approach, ensuring that every aspect of our operations, from sourcing materials and services to manufacturing products, aligns with sustainable practices. Our environmental sustainability efforts center around crucial material matters, such as the conservation of energy and resources, efficient waste management, and strict compliance with environmental regulations. By proactively addressing these critical areas, we aim to make a positive impact on our planet while fostering a greener and more sustainable future for generations to come.

We acknowledge the crucial significance of environmental sustainability and is steadfastly committed to advocating sustainable practices across all facets of our operations. To diminish our environmental impact and safeguard natural resources, we have executed various initiatives. These include augmenting our reliance on renewable energy sources, conservation of energy, waste management, and promoting sustainable practices within our supply chain. Moreover, we continually foster environmental awareness and responsibility throughout our organization. Interacting with employees, customers, and stakeholders, we aim to foster a culture of sustainability, encouraging practices that contribute to reducing our environmental footprint.

SUSTAINABILITY STATEMENT

CONSERVATION OF ENERGY AND ENVIRONMENT

We advocate for eco-friendly building through AGiBS, offering durable and recyclable metal products made from galvanized steel and aluminium coils. Our metal roofing features built-in heat insulation and supports solar PV integration, while prefabricated AGiBS components reduce waste. Our glass-based products contribute to sustainability by reducing energy costs and carbon footprints in buildings.

In line with our commitment to product quality, we introduce resource-efficient alternatives to not only cut costs but also preserve natural resources. Aligned with our vision for a sustainable future, we aim to achieve net-zero carbon emissions by 2050, in accordance with the Malaysian government’s goals in the 12th Malaysia Plan. Currently, we are in the initial stages of evaluating greenhouse gas (GHG) data collection for the Group’s operational activities.

Usage Of Renewable Energy

We value sustainability and have embraced renewable energy sources, particularly solar power, across our facilities. We’ve installed 3.1 megawatts peak (MWp) of solar photovoltaic (“PV”) systems on our factory rooftops. This step reflects our commitment to reducing environmental impact and adopting eco-friendly practices, aligning with our broader goal of responsible business operations. Harnessing the sun’s energy helps us minimize our reliance on traditional power sources and contributes to a greener, more sustainable future

WASTE MANAGEMENT

We generate various types of waste, encompassing hazardous waste, classified as scheduled waste, as well as non-hazardous waste like domestic waste, production waste, and recyclable materials. Mismanagement of waste can lead to severe consequences, such as compromised air and water quality, soil contamination, and increased risks of hazardous material exposure for our employees and the communities around our operational areas. In our ongoing efforts, we plan to pursue environmental management system certification to systematically address environmental aspects and impact.

To address this, we implement a waste management process. Production waste is segregated into wood and steel/metal at their respective operations to facilitate reuse and proper disposal. Scheduled waste undergoes on-site management through regular monitoring and data recording. We ensure that all scheduled waste is appropriately stored and managed from its collection point to final disposal, carried out by licensed contractors.

COMPLIANCE TO ENVIRONMENTAL REGULATIONS

Our unwavering commitment extends to ensuring compliance with regulatory requirements outlined in the Malaysian Environmental Quality Act 1974. Notably, there were no legal cases involving violations of discharges during the reporting year. Throughout FYE 2023, and consistent with past practices, we collaborated with licensed waste disposal companies to responsibly manage both scheduled and general wastes.

Metrics related to environmental performance collected during the reporting period include:

ENVIRONMENTAL FOOTPRINT: WATER

Total Volume of Water Consumption (m3)	2021	2022	2023
Municipal water supply (m3)	44,133	49,063	54,372

ENVIRONMENTAL FOOTPRINT: ENERGY

Energy Consumption	2021	2022	2023
Total electricity consumption (MWh) -AMG	483	491	692
Total electricity consumption (MWh) - AGG	8,046	8,763	8,902
Total (MWh)	8,529	9,254	9,592

ENVIRONMENTAL FOOTPRINT: EMISSIONS

GHG Emissions (tCO2e)	2021	2022	2023
Scope 2 - AMG operations	377	383	540
Scope 2 - AGG operations	5672	6650	6,035
Total	6,049	7,033	6,575

Carbon Emissions Intensity			
Scope 2 (tCO2e/m2) - AMG operations	0.0099	0.0101	0.0133
Scope 2 (tCO2e/m2) - AGG operations	0.0014	0.0013	0.0012
Total	0.0113	0.0114	0.0145

ENVIRONMENTAL FOOTPRINT: WASTE

Total Waste (Tonnage)	2021	2022	2023
Hazardous Waste diverted from disposal (Tonnage)	0	0.5	1.1
Hazardous Waste directed to disposal (Tonnage)	0	0.0	0.0
General Waste diverted from disposal (Tonnage)	842	851	1,010
General Waste directed to disposal (Tonnage)	90	110	171
Total Waste (Tonnage)	932	962	1,182

SUSTAINABILITY STATEMENT

PILLAR NO. 3: SOCIAL, PEOPLE AND COMMUNITIES

At the core of our sustainability and growth initiatives is the essence of our relationships with stakeholders. We acknowledge the direct and indirect impacts our business operations can have on employees, suppliers, customers, and local communities. As a result, we are unwavering in upholding health and safety, cultivating an inclusive culture that embraces diversity, and prioritizing human rights.

Managing the Impacts:
To ensure the quality of these relationships, we have identified five material matters of focus:

1. Employee Development: Prioritizing continuous learning and skill enhancement for our employees.
2. Employee Health & Safety: Maintaining rigorous measures to create a secure work environment.
3. Fair Labor Practices and Human Rights: Upholding ethical and responsible business practices.
4. Gender Diversity, Equity, and Inclusion: Fostering an inclusive culture that values diversity and promotes equal opportunities.
5. Local Procurement & Supply Chain: Engaging with local communities, making meaningful investments to create a positive and lasting impact.

EMPLOYEES DEVELOPMENT

At Ajiya, we understand that the success of our company hinges on the quality of our employees. As the backbone and front-liners of our organization, we prioritize upskilling and enhancing the knowledge base of our workforce. Emphasizing the importance of training and development, we continually introduce learning programs for both existing and newly employed staff. Moreover, we conduct annual performance appraisals to monitor the career growth of our employees and address any identified gaps.

We firmly believe that investing in the training and development of our employees not only benefits our organization but also empowers our staff to grow and advance in their careers.

The following table presents our Learning & Development Performance data:

Learning and Development			
Training hours	**2021**	**2022**	**2023**
Total Training Hours - By Gender			
Male	555	3111	3741
Female	294	1231	1548
Average Training Hours - By Gender			
Male	2	13	14
Female	4	18	23

Learning and Development			
Training hours	**2021**	**2022**	**2023**
Total Training Hours By Employee Category			
Senior Management	107	37	58
Middle Management	492	807	1347
Average Training Hours By Employee Category			
Senior Management	15	5	11
Middle Management	15	27	52
Total Amount Invested in Employee Learning and Development (RM)	29,244	118,134	174,122

EMPLOYEE HEALTH & SAFETY

Our OSHA Committee, responsible for regularly reviewing workplace safety and health issues, including the establishment of an Emergency Preparedness and Responsive Team (EPRT), continues to actively fulfil its role. To ensure the safety and health of our employees, we've implemented various measures, including:

- Compliance with relevant laws, regulations, and company policies.
- Implementation of Hazard Identification, Risk Assessment, and Risk Control (HIRARC), with employee feedback and accident investigation processes.
- Reinforcement of safe behaviors through regular safety meetings and awareness campaigns.

In addition to these measures, we prioritize providing our employees with necessary training to ensure their safety and well-being during their tasks. Various safety and health trainings, such as emergency response, basic occupational first aid, machine handling, and fire safety, are organized and conducted across the Group. Employees receive regular updates and reminders on safety procedures and guidelines to remain vigilant and informed.

We firmly believe that training and education are crucial in promoting a safety culture within the organization. By equipping our employees with the necessary knowledge and skills, we empower them to identify and mitigate potential hazards in their work environment. Our commitment to safety is unwavering, aiming for zero work-related fatalities. This commitment is reflected in the trend of work-related fatalities, which has remained at zero since the reporting year, attributable to our stringent precautionary measures.

Workplace Environment: A Safe and Healthy Workplace			
Training hours	**2021**	**2022**	**2023**
Number of work-related fatalities	0	0	0
Lost time incident rate	18.82	20.94	23.28
Number of employees trained on health and safety standards	0	100	92

SUSTAINABILITY STATEMENT

FAIR LABOR PRACTICES & HUMAN RIGHTS

At our company, we are steadfast in upholding human rights and ensuring fair labor practices. Creating a work environment that respects the fundamental rights and well-being of every individual is foundational to our values. Within our organization, we rigorously adhere to all relevant Malaysian statutory requirements, including the amended Employment Act 2022, covering essential provisions such as minimum wage, maximum working hours, extended maternity and paternity leave, and more.

Our employment policies are designed to ensure that each employee enjoys the right working conditions and opportunities. We are committed to providing equal opportunities irrespective of gender, ethnicity, or religion, and eliminating any form of exploitation, including child or forced labor. Respecting and supporting our employees' rights is both a legal obligation and a moral imperative. By upholding these principles, we aim to create a workplace where everyone feels valued and empowered. In FY 2023, we are proud to report zero complaints regarding human rights violations.

Incidents of Human Rights Violations	2021	2022	2023
Incident of human rights violations complaints	0	0	0

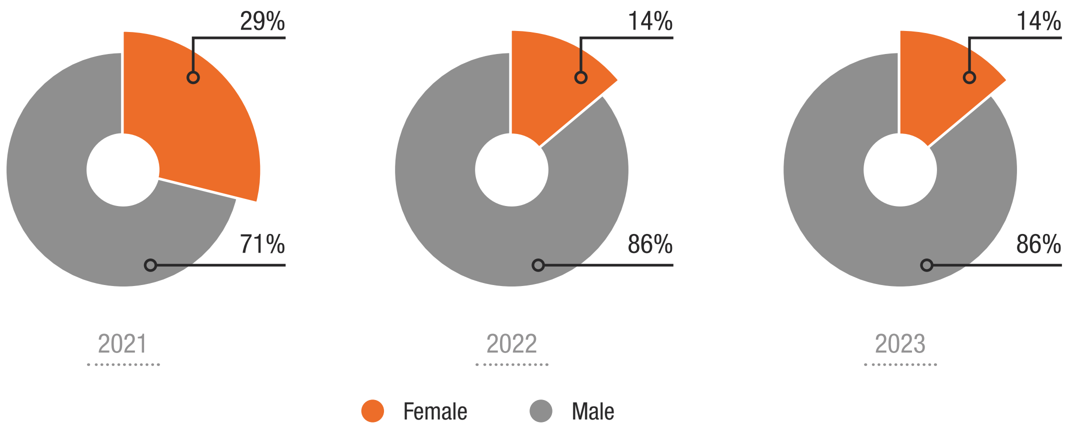
DIVERSITY, EQUITY AND INCLUSION

At our company, we strongly believe in the power of diversity, equity, and inclusion to drive a robust organizational culture. Committed to creating an inclusive environment where employees from all backgrounds feel engaged, empowered, recognized, and valued, our goal is to foster a workplace where everyone can thrive authentically. This extends to our foreign national employees, who contribute unique perspectives to our organization.

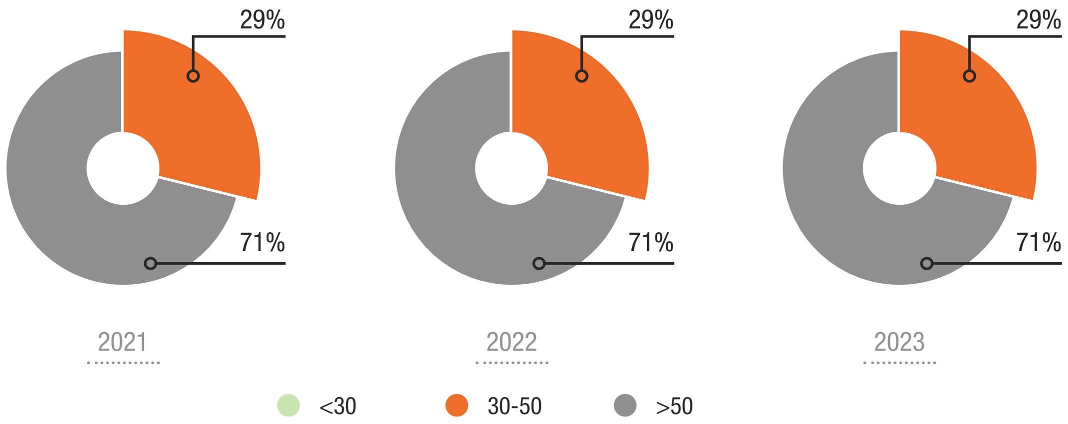
We are dedicated to maintaining a discrimination-free workplace, making all employment decisions based on qualifications, merit, and performance, in full compliance with applicable laws and regulations. Our diverse workforce, including employees from various ethnic groups and foreign nationals, enriches our organization with diverse backgrounds, experiences, and qualifications. This diversity enhances our ability to meet the dynamic challenges of today's world and cater effectively to our diverse customer base.

Workplace Environment: A Diverse and Inclusive Workplace

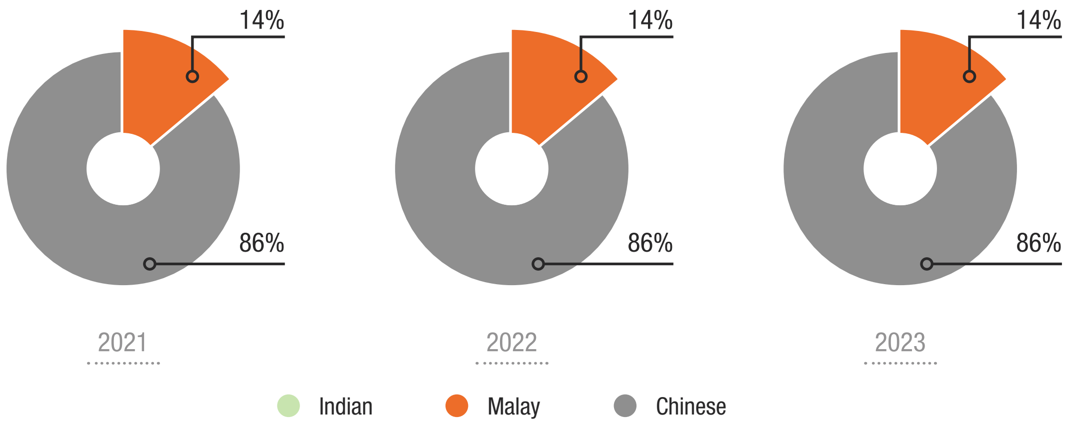
Board Member Breakdown by Gender



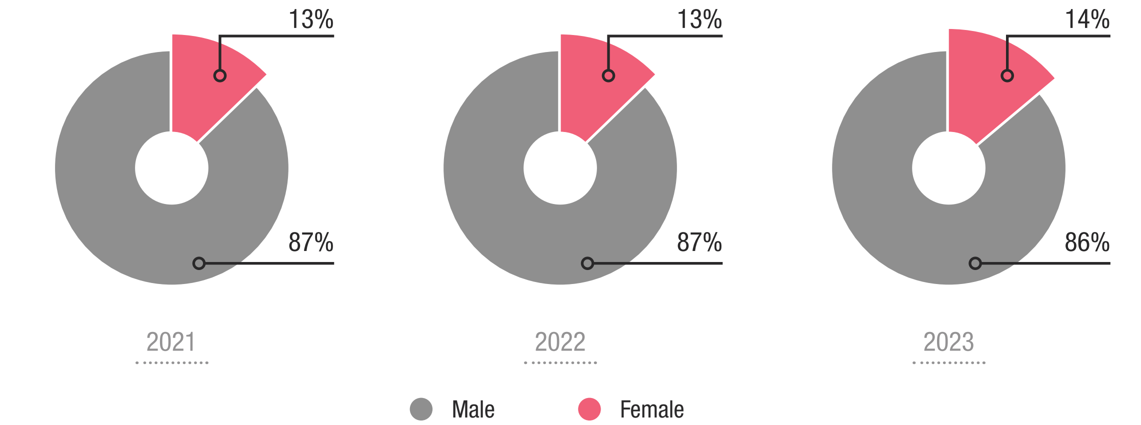
Board Member Breakdown by Age



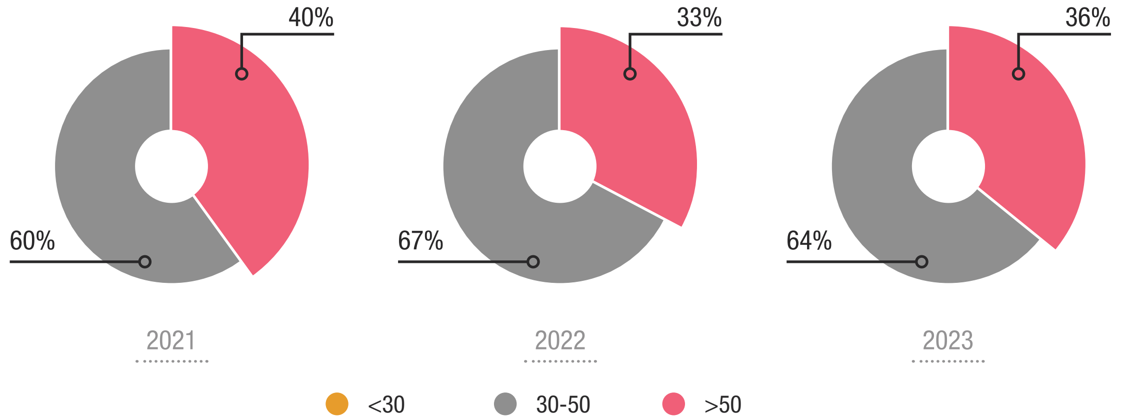
Board Member Breakdown by Ethnicity



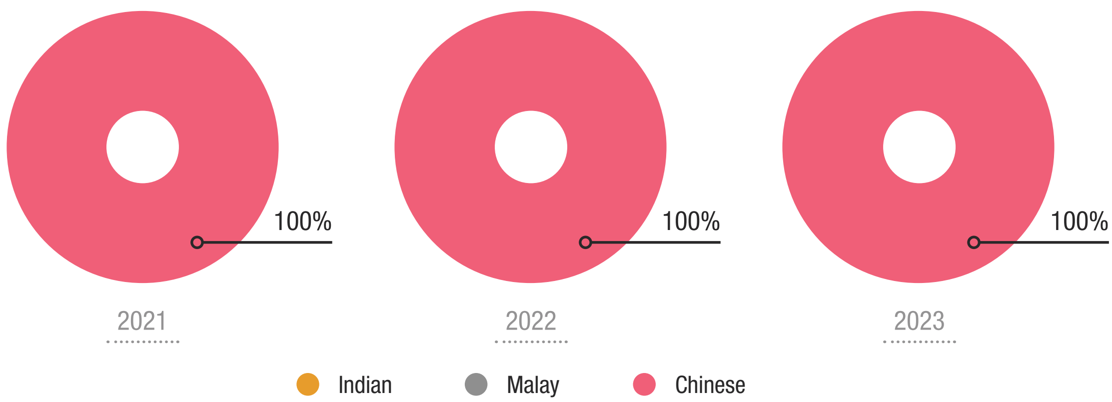
Senior Management Breakdown by Gender



Senior Management Breakdown by Age

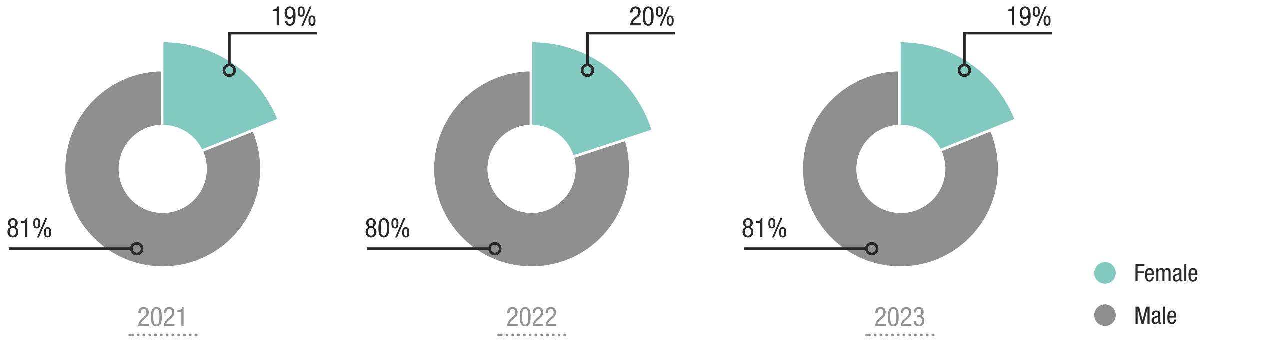


Senior Management Breakdown by Ethnicity

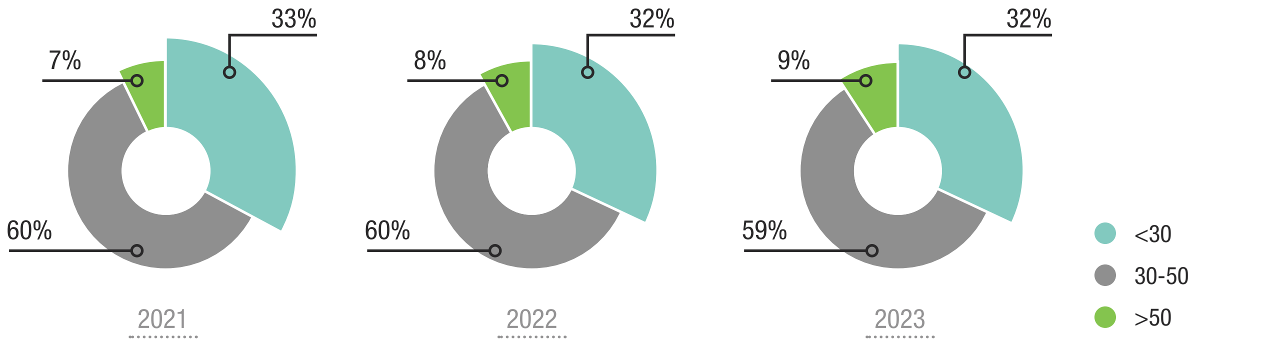


Notes:
1. Senior Management - CEO, COO, CMO, GFC and Director

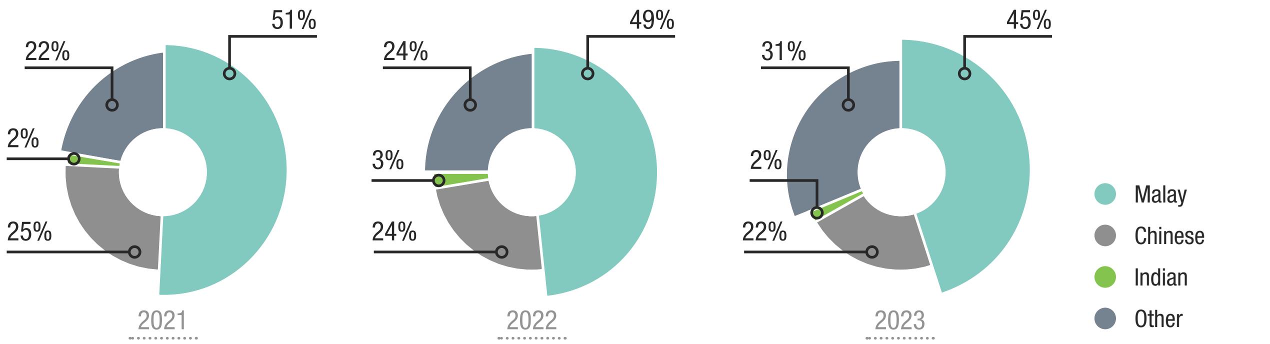
Employee Breakdown by Gender



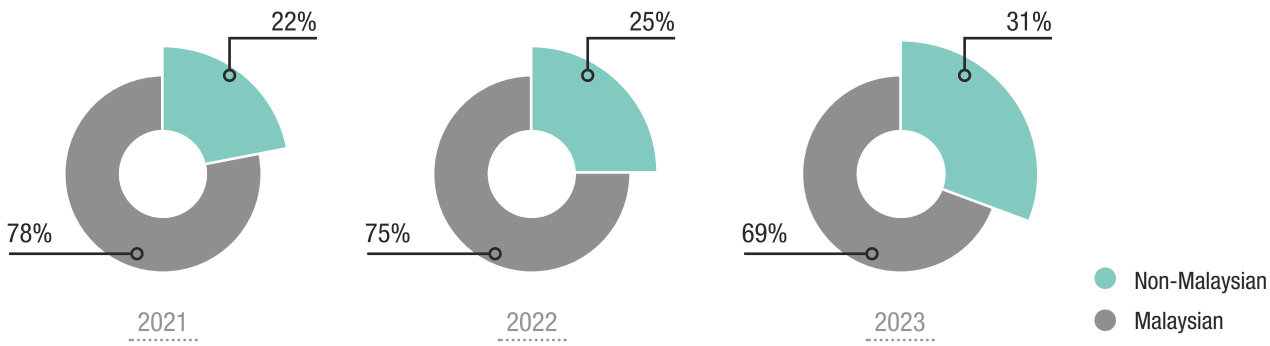
Employee Breakdown by Age



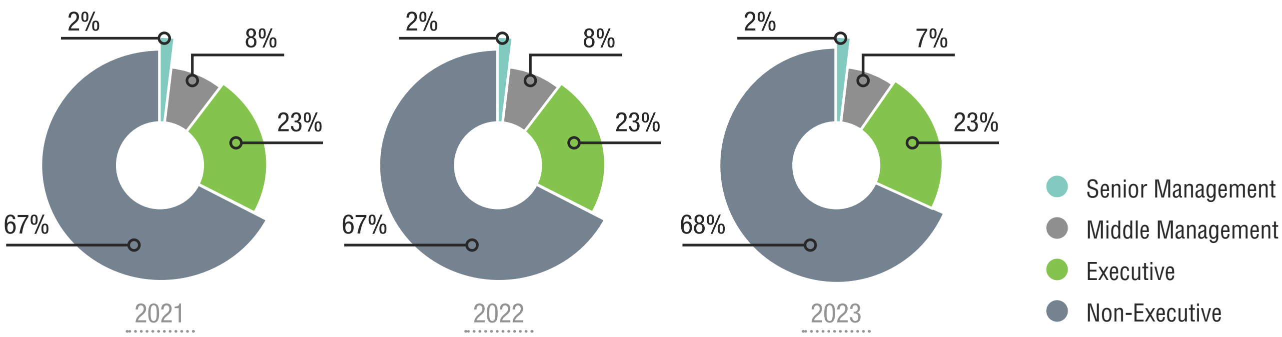
Employee Breakdown by Ethnicity



Employee Breakdown by Nationality



Employee Breakdown by Category



Total Number of Employee Turnover

	2021	2022	2023
Employee Breakdown by By Gender			
Male	209	232	92
Female	28	31	35
Employee Breakdown by By Age			
<30	108	164	58
30-50	125	97	66
>50	3	2	3

LOCAL PROCUREMENT AND SUPPLY CHAINS

At Ajiya, we are deeply committed to nurturing the local economy and communities in the areas where we operate. Our steadfast commitment to this principle is reflected in our preference for local suppliers, prioritizing those that align with our stringent standards for quality, reliability, and cost-effectiveness.

This preference for local procurement is underpinned by multiple factors, including the advantages of shorter transportation cycles and reduced resource consumption. Sourcing goods and services locally not only minimizes the environmental impact of our operations but also fosters sustainable business practices.

Beyond environmental benefits, local procurement holds substantial social and economic advantages. By supporting local businesses, we actively contribute to stimulating economic development, creating opportunities for growth and innovation, and fostering positive changes within local communities. This holistic approach contributes to job creation, skill development, and overall community enhancement.

While our commitment to local sourcing is unwavering, we acknowledge that in certain cases, reliance on foreign suppliers may be necessary, especially for raw materials not readily available locally. However, we continuously explore avenues to reduce dependence on foreign suppliers, actively collaborating with our stakeholders and suppliers to build a more sustainable and resilient supply chain.

By working together, we are confident in our ability to create a supply chain that not only meets our business needs but also contributes to the sustainable development of the areas we serve.

Supply Chain Management			
Proportion of spending on local suppliers	**2021**	**2022**	**2023**
Metal Division - AMG	89%	76%	76%
Safety Glass Division - AGG	87%	81%	77%

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

PILLAR NO. 4: GOVERNANCE

Our Group is dedicated to upholding the highest standards of corporate governance, transparency, and accountability. We have implemented robust governance policies and procedures, including a strong code of ethics and conduct, to ensure that our business practices are ethical and legal. We also have a strong commitment to transparency, regularly reporting on our performance and engaging with our stakeholders to promote transparency and accountability throughout our organization. By maintaining strong governance practices, we can build trust and confidence with our stakeholders and create a foundation for sustainable success.

CORPORATE GOVERNANCE

In addition to prioritizing business performance, Ajiya acknowledges the importance of integrity, transparency, and commitment in sustaining the business and enhancing shareholder value. The Board and Management are dedicated to nurturing a positive corporate culture that promotes ethical and professional conduct among all employees.

To ensure robust corporate governance, the Board has established key policies and procedures, including the Code of Ethics and Conduct, Corporate Disclosure Policy, Whistleblowing Policy, and Anti-Bribery and Anti-Corruption Policy. Further details about the Group's corporate governance practices in the financial year 2023 are available in the Corporate Governance Overview Statement in the Annual Report 2023 and the Corporate Governance Report 2023. These efforts underscore the Group's commitment to responsible business practices aligned with its core values and principles.

In FY2023, Ajiya received no fines or censures from regulatory authorities for environmental, socio-economic, corporate governance, or anti-corruption non-compliance or misconduct. The Group recorded zero incidents of corruption, Customer Data Breaches, and Regulatory Non-Compliance. As a policy, all employees are briefed on and required to sign the 'Director and Employee Free Anti-Corruption' declaration. In FY2023, this briefing and declaration were completed by all employees across various categories.

SUSTAINABILITY STATEMENT

Data Privacy and Protection

As of FY2023, we are proud to report zero incident of data breaches, underscoring our commitment to data privacy and protection.

Anti-Fraud, Bribery and Corruption			
Percentage of Employees Received Briefing/Training on Anti-Corruption	**2021**	**2022**	**2023**
All employees were briefed and signed off the "Director and Employee Free Anti-Corruption"	100%	100%	100%
Percentage of operations assessed for corruption-related risks	100%	100%	100%
Confirmed incidents of corruption and action taken	0	0	0

Cyber Security and Customer Privacy	2021	2022	2023
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

CATALYZING POSITIVE CHANGE : AJIYA'S COMMITMENT TO SUSTAINABILITY

Ajiya is steadfast in its sustainability journey, evaluating Environmental, Social, and Governance (ESG) performance under the leadership of the Board, Management, and Sustainability Team. With a focus on technology adoption, we aim to improve efficiency and reduce environmental impact, aligning with the Malaysian government's vision for carbon neutrality by 2050.

Embracing technology enhances productivity and cost efficiency while minimizing our environmental footprint. Ajiya actively pursues initiatives such as solar energy adoption and eco-friendly product choices, contributing to a sustainable impact on both the environment and society. As we progress, our commitment remains strong to be a leader in sustainability, creating lasting value for a better future where businesses thrive, communities flourish, and the environment prospers.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 November 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are manufacturing and trading of roofing materials, manufacturing and trading of all kinds of glass, trading of building materials and investment holding.

Other information relating to the subsidiaries are disclosed in Note 16 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	55,735,689	46,676,227
Profit net of tax attributable to:		
Owners of the parent	55,425,352	46,676,227
Non-controlling interests	310,337	-
	55,735,689	46,676,227

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options have been granted by the Company to any parties during the financial year to take up any unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any options to take up unissued shares of the Company. At the end of the financial year, there were no unissued shares of the Company under options.

REPURCHASE OF SHARES

During the financial year, the Company has resale 9,215,600 treasury shares.

As at 30 November 2023, the Company held 9,614,400 treasury shares out of its 304,584,484 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM7,709,422.

Further details are disclosed in Note 29 to the financial statements.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

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

* Director of the Company and certain subsidiaries

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are :

Chan Wah Hang (Resigned on 3 May 2023)
Tee Sing Huat
Tey Hiang Heng (Resigned on 3 May 2023)
Chan Wah Beow (Resigned on 3 May 2023)
Sim Chee Liang
Ng Yew Cheok (Appointed on 2 May 2023)
Ng Wai Luen (Appointed on 2 May 2023)
Lau Mei Ho (Appointed on 2 May 2023)
Tan Chor Ho (Resigned on 3 May 2023)
Chan Tai Wei (Resigned on 3 May 2023)
Dato' Chan Wah Kiang (Resigned on 3 May 2023)
Dato' Dr Mohd Aminuddin Bin Mohd Rouse (Resigned on 3 May 2023)
Kong Cheun Kok (Resigned on 7 February 2023)
Chau Hwa Kwang (Resigned on 3 May 2023)
Chin Siew Foo
Somchai Punyapongpaet

DIRECTORS' INTERESTS

According to the register of directors' shareholdings required to be kept under Section 59 of the Companies Act, 2016, the directors who held office at the end of the financial year and their interests in the shares in the Company and its related corporations (other than wholly-owned subsidiaries) during the financial year were as follows:

	I------------------ Number of Ordinary Shares			------------------I
	1 December 2022	Bought	Sold	30 November 2023
Direct interest				
Yeo Ann Seck	37,382,000	-	-	37,382,000
Teh Boon Beng	780,000	-	(780,000)	-
Indirect/Deemed interest				
Dato' Seri Chiau Beng Teik, JP #	93,353,250	19,158,200	-	112,511,450
Chiau Haw Choon #	93,353,250	19,158,200	-	112,511,450

Deemed interest through Chin Hin Group Berhad and Divine Inventions Sdn. Bhd. by virtue of Section 8(4) of the Companies Act 2016.

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

By virtue of Section 8(4) of the Companies Act 2016, Dato' Seri Chiau Beng Teik, JP, Chiau Haw Choon and Yeo Ann Seck are also deemed interested in shares of all the subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received nor become entitled to receive any benefit (other than the benefits shown under directors' remuneration) by reason of a contract made by the Company with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to have arisen from the transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 33(a) to the financial statements.

Neither during, nor at the end of the financial year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of directors' remuneration are disclosed as below.

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors of the Company				
Executive:				
Other benefits	5,000	4,000	5,000	4,000
Fees	84,000	17,500	84,000	17,500
	89,000	21,500	89,000	21,500
Non-executive (but holding executive position in subsidiaries):				
Salary	126,000	126,000	-	-
Other benefits	8,040	8,040	3,000	3,000
Fees	42,000	42,000	42,000	42,000
	176,040	176,040	45,000	45,000
Non-executive:				
Other emoluments	24,500	32,000	24,500	32,000
Fees	168,000	234,500	168,000	234,500
	192,500	266,500	192,500	266,500
Total	457,540	464,040	326,500	333,000

DIRECTORS' REMUNERATION (CONT'D)

The details of directors' remuneration are disclosed as below. (Cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors of subsidiaries				
Salary	1,240,994	2,012,183	-	-
Executive:				
Bonus and incentive				
- current financial year	571,402	969,566	-	-
- (over)/under provision in prior financial year	(766,506)	379,917	-	-
Other benefits	154,875	242,524	-	-
Fees	30,418	121,248	-	-
	1,231,183	3,725,438	-	-
Non-executive:				
Fees	-	19,100	-	-
Total	1,231,183	3,744,538	-	-
Grand total	**1,688,723**	**4,208,578**	**326,500**	**333,000**

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction, or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

There was no indemnities given to or insurance effected for any director, officer or auditors of the Group and of the Company.

AUDITORS

The auditors, CHENGCO PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company amounted to RM188,000 and RM91,500 (2022: RM188,000 and RM91,500) resprectively during the financial year.

Signed on behalf of the board of directors in accordance with a resolution of the directors dated on 11 March 2024.

DATUK SERI CHIAU BENG TEIK, JP

CHIAU HAW CHOON

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon, being two of the directors of Ajiya Berhad, do hereby state that, in the opinion of the directors, the financial statements set out on pages 94 to 156, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 November 2023 and of their financial performance and their cash flows for the financial year ended on that date.

Signed on behalf of the board of directors in accordance with a resolution of the directors dated on 11 March 2024,

DATUK SERI CHIAU BENG TEIK, JP	**CHIAU HAW CHOON**

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b)OF THE COMPANIES ACT 2016

I, Chiau Haw Choon (I/C no.: 840319-02-5077), being the director primarily responsible for the financial management of Ajiya Berhad, do solemnly and sincerely declare that the financial statements set out on pages 94 to 156, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at)
Puchong in the state of)
Selangor Darul Ehsan)
on 11 March 2024)

Before me,

CHIAU HAW CHOON

No. PJS: B437
Samuel John A/L Ponniah
Pesuruhjaya Sumpah

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS Of AJIYA BERHAD (Incorporated in Malaysia)
(Company No.: 199601005281 (377627-W))

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ajiya Berhad, which comprise the statements of financial position as at 30 November 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 94 to 156.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 November 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Our Response
GROUP **Impairment of property, plant and equipment** The Group has significant balances of property, plant and equipment amounted to RM148 million representing approximately 26% of the Group's total assets as at 30 November 2023. There is a risk the future performance of the assets may not lead to their carrying values being recoverable in full. Determining whether the asset impaired requires management estimation of the recoverable amount, which is determined based on an estimation of the present value of future cash flows expected to be generated. The key assumptions used in the estimation of the recoverable amount involves a significant degree of management judgement.	*Our procedures in relation to management's assessment included:* * How the Group identifies and assesses the impairment of the property, plant and equipment; * How the Group makes accounting estimates for impairment; * Evaluated the reasonableness of the methods and assumptions used by management to estimate the impairment under MFRS 9 and MFRS 136; * Performed test on the accuracy and completeness of the data used by management to assess the impairment; * Review forecast revenue, operational and administrative costs; * Assessed the adequacy and appropriateness of the disclosures made in the financial statements.

Report on the audit of the financial statements (Cont'd)

Key audit matters (Cont'd)

Key Audit Matter	Our Response
GROUP **Inventories valuation** The Group has inventories amounting to RM75 million, representing approximately 13% of the Group's total assets as at 30 November 2023. The judgement made by the directors in determining an appropriate inventories valuation involves predicting the amount of future demand from customers as the sales in the Group is subject to customer's preference which is based on trends and there is a risk that the net realisable value lower than the cost. Besides that, judgements are also required to identify slow moving and obsolete inventories which need to be written down to their net realisable value.	*Our procedures in relation to management's assessment included:* * Reviewed the valuation method of inventories in accordance with MFRS 102 Inventories and ascertained that inventories are stated at the lower of cost and net realisable value; * Reviewed the management's assessment of net realisable value of the inventories and determined adequate inventories written down has been made; * Reviewed the inventories count procedures and attended the physical count at year end. We assessed the appropriateness of the disclosures made in the financial statements.

Information other than the financial statements and auditors' report thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS Of AJIYA BERHAD (Incorporated in Malaysia)
(Company No.: 199601005281 (377627-W))

Report on the audit of the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 16 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF0886
Chartered Accountants

Kuala Lumpur
Date: 11 March 2024

HONG THUAN BOON
02233/03/2024 J
Chartered Accountant

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 November 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Revenue	4	304,812,004	294,048,777	-	-
Cost of sales	5	(254,013,030)	(237,216,912)	-	-
Gross profit		50,798,974	56,831,865	-	-
Other items of income:					
Interest income	8	2,943,526	3,768,919	224,666	1,326,909
Other operating income	6	53,004,911	28,606,331	49,009,038	15,783,336
Other items of expense:					
Administrative expenses		(47,963,891)	(52,782,747)	(1,081,459)	(4,053,561)
Finance costs	7	(167,990)	(203,864)	(1,494,185)	(66,250)
Share of profit of associates	17	248,019	395,502	-	-
Profit before tax	8	58,863,549	36,616,006	46,658,060	12,990,434
Income tax expense	11	(3,127,860)	(5,688,605)	18,167	(156,267)
Profit for the financial year		55,735,689	30,927,401	46,676,227	12,834,167
Other comprehensive income:					
Foreign currency translation		1,107,742	296,209	-	-
Other comprehensive income, net of tax		1,107,742	296,209	-	-
Total comprehensive income		56,843,431	31,223,610	46,676,227	12,834,167
Profit for the financial year attributable to:					
Owners of the parent		55,425,352	29,368,018	46,676,227	12,834,167
Non-controlling interests		310,337	1,559,383	-	-
		55,735,689	30,927,401	46,676,227	12,834,167
Total comprehensive income attributable to:					
Owners of the parent		56,533,094	29,664,227	46,676,227	12,834,167
Non-controlling interests		310,337	1,559,383	-	-
		56,843,431	31,223,610	46,676,227	12,834,167
Earnings per share attributable to owners of the parent (sen per share)					
Basic	12	19.03	10.19		
Diluted	12	19.03	10.19		

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

STATEMENTS OF FINANCIAL POSITION

As at 30 November 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Assets					
Non-current assets					
Property, plant and equipment	13	148,157,799	144,457,583	-	-
Investment properties	14	25,799,202	20,682,245	-	-
Intangible assets	15	451,895	612,082	-	-
Right-of-use assets	28	3,258,956	2,867,646	-	-
Investments in subsidiaries	16	-	-	75,327,074	75,227,074
Investment in associates	17	1,917,138	1,669,119	400,000	400,000
Other investments	18	2,000,000	2,000,000	-	-
Deferred tax assets	26	3,130,200	4,207,440	-	-
		184,715,190	176,496,115	75,727,074	75,627,074
Current assets					
Other investments	18	182,010,064	124,392,332	160,220,562	55,721,467
Inventories	20	74,983,042	67,981,719	-	-
Trade and other receivables	21	85,368,584	70,781,038	28,231	1,000
Other current assets	22	322,774	291,903	-	-
Tax recoverable		2,533,229	918,765	68,304	2,508
Cash and bank balances	23	39,497,465	49,447,259	258,383	317,659
		384,715,158	313,813,016	160,575,480	56,042,634
Total assets		569,430,348	490,309,131	236,302,554	131,669,708
Equity and liabilities					
Current liabilities					
Loans and borrowings	24	4,392,000	12,133,440	-	5,652,595
Government grant	27	100,827	100,827	-	-
Trade and other payables	25	57,526,553	40,429,458	523,490	243,066
Amount due to subsidiaries	19	-	-	55,556,892	6,000,000
Tax payable		569	182,520	-	-
Lease liabilities	28	604,834	144,262	-	-
		62,624,783	52,990,507	56,080,382	11,895,661
Net current assets		322,090,375	260,822,509	104,495,098	44,146,973

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

STATEMENTS OF FINANCIAL POSITION

As at 30 November 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Non-current liabilities					
Deferred tax liabilities	26	10,129,910	10,692,472	-	-
Goverment grant	27	890,634	991,460	-	-
		11,020,544	11,683,932	-	-
Total liabilities		73,645,327	64,674,439	56,080,382	11,895,661
Net assets		495,785,021	425,634,692	180,222,172	119,774,047
Equity attributable to equity holders of the Company					
Share capital	29	98,878,598	98,878,598	98,878,598	98,878,598
Treasury shares	29	(7,709,422)	(14,437,343)	(7,709,422)	(14,437,343)
Foreign currency translation reserve	30	1,869,352	761,610	-	-
Other reserves	30	21,799,042	14,755,065	7,043,977	-
Retained earnings	30	353,485,979	298,060,627	82,009,019	35,332,792
		468,323,549	398,018,557	180,222,172	119,774,047
Non-controlling interests		27,461,472	27,616,135	-	-
Total equity		495,785,021	425,634,692	180,222,172	119,774,047
Total equity and liabilities		569,430,348	490,309,131	236,302,554	131,669,708

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 November 2023

GROUP	Share capital (Note 29) RM	Treasury shares (Note 29) RM	Foreign currency translation reserve (Note 30(a)) RM	Other reserves (Note 30(b)) RM	Retained earnings (Note 30(c)) RM	Total RM	Non-controlling interests RM	Total RM
	<---------- Attributable to owners of the parent				---------->			
	<---------- Non-Distributable			---------->	Distributable			
2023								
Opening balance at 1 December 2022	98,878,598	(14,437,343)	761,610	14,755,065	298,060,627	398,018,557	27,616,135	425,634,692
Total comprehensive income	-	-	1,107,742	-	55,425,352	56,533,094	310,337	56,843,431
Transactions with owners								
Resale of treasury shares	-	6,727,921	-	7,043,977	-	13,771,898	-	13,771,898
Dividends	-	-	-	-	-	-	(465,000)	(465,000)
Closing balance at 30 November 20223	98,878,598	(7,709,422)	1,869,352	21,799,042	353,485,979	468,323,549	27,461,472	495,785,021

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 November 2023

GROUP	Share capital (Note 29) RM	Treasury shares (Note 29) RM	Foreign currency translation reserve (Note 30(a)) RM	Other reserves (Note 30(b)) RM	Retained earnings (Note 30(c)) RM	Total RM	Non-controlling interests RM	Total RM
	<---- Attributable to owners of the parent ----					---->		
	<---- Non-Distributable			---->	Distributable			
2022								
Opening balance at 1 December 2021	98,878,598	(7,473,873)	465,401	6,524,250	268,681,510	367,075,886	51,318,666	418,394,552
Total comprehensive income	-	-	296,209	-	29,368,018	29,664,227	1,559,383	31,223,610
Transactions with owners								
Purchase of treasury shares	-	(6,963,470)	-	-	-	(6,963,470)	-	(6,963,470)
Impact of subsidiary's striking off	-	-	-	(11,099)	11,099			
Acquisition of non-controlling interest	-	-	-	8,241,914	-	8,241,914	(24,941,914)	(16,700,000)
Dividends	-	-	-	-	-	-	(320,000)	(320,000)
Closing balance at 30 November 2022	98,878,598	(14,437,343)	761,610	14,755,065	298,060,627	398,018,557	27,616,135	425,634,692

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

COMPANY STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 November 2023

	<------ Non-distributable	------>			
	Share capital (Note 29) RM	Treasury shares (Note 29) RM	Other reserves (Note 30(b)) RM	Distributable Retained earnings (Note 30(c)) RM	Total RM
2023					
Opening balance at 1 December 2022	98,878,598	(14,437,343)	-	35,332,792	119,774,047
Total comprehensive income	-	-	-	46,676,227	46,676,227
Resale of treasury shares	-	6,727,921	7,043,977	-	13,771,898
Closing balance at 30 November 2023	98,878,598	(7,709,422)	7,043,977	82,009,019	180,222,172
2022					
Opening balance at 1 December 2021	98,878,598	(7,473,873)	-	22,498,625	113,903,350
Total comprehensive income	-	-	-	12,834,167	12,834,167
Purchase of treasury shares	-	(6,963,470)	-	-	(6,963,470)
Closing balance at 30 November 2022	98,878,598	(14,437,343)	-	35,332,792	119,774,047

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

STATEMENTS OF CASH FLOWS

For the financial year ended 30 November 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Operating activities				
Profit before tax	58,863,549	36,616,006	46,658,060	12,990,434
Adjustments for:				
Amortisation of government grants	(100,826)	(100,827)	-	-
Amortisation of intangible assets	160,531	160,262	-	-
Depreciation of property, plant and equipment	7,203,292	7,806,035	-	-
Depreciation of investment properties	387,907	320,937	-	-
Depreciation of right-of-use assets	266,685	95,187	-	-
Fair value loss on other investments	179,311	-	-	-
Fair value gain on other investments	(33,774,433)	(5,560,200)	(33,774,433)	(5,560,200)
Gain on disposal of property, plant and equipment	(69,167)	(8,110,848)	-	-
Gain on disposal of investment in associate	-	(70,950)	-	-
Gain on disposal of other investments	(14,535,305)	(10,242,900)	(14,535,305)	(10,214,736)
Impairment loss on other investments	32,800	2,975,540	32,800	2,975,540
Impairment loss on property, plant and equipment	1,627,503	-	-	-
Impairment loss on trade receivables	1,497,799	4,202,326	-	-
Interest expense	123,511	198,667	1,494,185	66,250
Interest expense on lease liabilities	44,479	5,197	-	-
Interest income	(2,943,526)	(3,768,919)	(224,666)	(1,326,909)
Loss on disposal of property, plant and equipment	158,889	-		
Loss on disposal of other investments	-	1,216,380	-	-
Right-of-use assets written off	-	936,072	-	-
Property, plant and equipment written off	575,762	105,610	-	-
Reversal of impairment loss on trade receivables	(2,330,827)	(3,017,365)	-	-
Share of profit of associates	(248,019)	(395,502)	-	-
Unrealised gain on foreign exchange	(158,441)	(76,828)	-	-
Total adjustments	(41,902,075)	(13,322,126)	(47,007,419)	(14,060,055)
Operating cash flows before changes in working capital	16,961,474	23,293,880	(349,359)	(1,069,621)

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

STATEMENTS OF CASH FLOWS

For the financial year ended 30 November 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Changes in working capital				
(Increase)/Decrease in inventories	(7,001,323)	14,888,497	-	-
(Increase)/Decrease in trade and other receivables	(13,751,918)	8,812,801	(27,231)	-
(Increase)/Decrease in other current assets	(30,871)	412,562	-	-
Increase/(Decrease) in trade and other payables	17,252,936	(16,360,801)	280,424	2,948
Cash generated from/(used in) operations	13,430,298	31,046,939	(96,166)	(1,066,673)
Interest paid	(100,821)	(198,667)	(1,494,185)	(66,250)
Tax paid	(4,503,122)	(8,028,550)	(80,100)	(143,620)
Tax refunded	93,525	45,000	32,471	-
Net cash flows generated from/(used in) operating activities	8,919,880	22,864,722	(1,637,980)	(1,276,543)
Investing activities				
Interest received	2,943,526	3,768,919	224,666	1,326,909
Advance from subsidiaries	-	-	49,556,892	6,000,000
Repayment from subsidiaries	-	-	-	210,000
Purchase of property, plant and equipment	(18,659,021)	(17,941,517)	-	-
Acquisition of right-of-use assets	(657,995)	(1,108,573)	-	-
Acquisition of other investments	(9,520,105)	(12,240,900)	-	-
Proceeds from disposal of investment in associate	-	1,001,565	-	-
Proceeds from disposal of property, plant and equipment	946,571	14,317,605	-	-
Proceeds from disposal of other investments	-	13,064,792	(56,222,157)	10,923,186
Net cash flows (used in)/generated from investing acitivities	(24,947,024)	861,891	(6,440,599)	18,460,095
Financing activities				
(Withdrawal)/Drawdown of loans and borrowings	(7,290,440)	12,133,440	(5,652,595)	5,652,595
Addition of lease liabilities	657,995	139,065	-	-
Repayment of loans and borrowings	(473,690)	(834,000)	-	-
Repayment of lease liabilities	(241,902)	(6,965)	-	-
Resale/(Purchase) of treasury shares	6,727,921	(6,963,470)	6,727,921	(6,963,470)
Acquisition of non-controlling interests	-	(16,700,000)	-	(16,700,000)
Acquisition of subsidiary	-	-	(100,000)	-
Proceeds from resale of treasuring shares	7,043,977	-	7,043,977	-
Dividends paid to non-controlling interests	(465,000)	(320,000)	-	-
Net cash flows generate from/(used in) financing activities	5,958,861	(12,551,930)	8,019,303	(18,010,875)

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

STATEMENTS OF CASH FLOWS

For the financial year ended 30 November 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Net (decrease)/increase in cash and cash equivalents	(10,068,283)	11,174,683	(59,276)	(827,323)
Effect of exchange translation differences	118,489	22,658	-	-
Cash and cash equivalents at 1 December	49,447,259	38,249,918	317,659	1,144,982
Cash and cash equivalents at 30 November (Note 23)	39,497,465	49,447,259	258,383	317,659

Reconciliation of liabilities arising from financing activities

The table below set out the reconciliation of liabilities arising from financing activities for the financial year ended 30 November 2023 and 30 November 2022:

	At the beginning of financial year RM	Net Addition/ (withdrawal) RM	Interest expenses RM	Net repayment RM	At the end of financial year RM
Group					
2023					
Lease liabilities	144,262	657,995	44,479	(241,902)	604,834
Loans and borrowings	12,133,440	(7,290,440)	22,690	(473,690)	4,392,000
	12,277,702	(6,632,445)	67,169	(715,592)	4,996,834
2022					
Lease liabilities	6,965	139,065	5,197	(6,965)	144,262
Loans and borrowings	834,000	12,133,440	-	(834,000)	12,133,440
	840,965	12,272,505	5,197	(840,965)	12,277,702
Company					
2023					
Loans and borrowings	5,652,595	-	11,991	(5,664,586)	-
	5,652,595	-	11,991	(5,664,586)	-
2022					
Loans and borrowings	-	5,652,595	-	-	5,652,595
	-	5,652,595	-	-	5,652,595

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 November 2023

1. Corporate information

Ajiya Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the main market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at Suite 9D, Level 9, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Johor Darul Ta'zim. The principal place of business of the Company is located at Lot 153, Kawasan Perindustrian, Batu 3, Jalan Genuang, 85000 Segamat, Johor Darul Ta'zim.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are manufacturing and trading of roofing materials, manufacturing and trading of all kinds of glass, trading of building materials and investment holding.

Other information relating to the subsidiaries are disclosed in Note 16 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have also been prepared on a historical basis, except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM").

2.2 Standards and interpretations issued but not yet effective

The Standards, Amendments and Annual Improvements issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intends to adopt these Standards, Amendments and Annual Improvements issued, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
MFRS 17 - Insurance Contracts	1 January 2023
Amendments to MFRS 17 - *Insurance Contracts*	1 January 2023
Amendments to MFRS 101 - *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to MFRS 101 - *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 112 - *International Tax Reform - Pillar Two Model Rules*	1 January 2023
Amendments to MFRS 108 - *Definition of Accounting Estimates*	1 January 2023
Amendments to MFRS 112 - *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 16 - *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to MFRS 101 - *Non-Current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 107 and MFRS 7 - *Supplier Finance Arrangements*	1 January 2024
Amendments to MFRS 121 - *Lack of Exchangeability*	1 January 2025
Amendments to MFRS 10 and MFRS 128 - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The directors are of the opinion that the standards, amendments and interpretations above will have no material impact on the financial statements in the year of initial adoption.

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

2.3 Current versus non-current classification

Assets and liabilities in the statements of financial position are presented based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and of its subsidiaries as at 30 November 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non- controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

2.4 Basis of consolidation (Cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 November 2023

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

2.5 Business combinations and goodwill (Cont'd)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group or by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.6 Fair value measurement

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Policies and procedures are determined by senior management for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided by senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The senior management decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed according to the accounting policies of the Group and of the Company. For this analysis, the senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The senior management, in conjunction with the external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, classes of assets and liabilities are determined based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

2.7 Foreign currencies

(a) Functional and presentation currency

The Group's and the Company's financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(c) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rate of exchange prevailing at the reporting date and their statement of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.8 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The Company and its subsidiaries assess their revenue arrangements against specific criteria in order to determine if the Company and its subsidiaries are acting as a principal or an agent. The Company and its subsidiaries have concluded that they are acting as principals in all of their revenue arrangements.

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

2.8 Revenue recognition (Cont'd)

The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from the sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods have passed to the customers.

Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

(c) Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate ("EIR"), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the profit or loss.

(d) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(e) Management fees

Management fees are recognised when services are rendered.

2.9 Employee benefits

(a) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

The Group makes contributions to the Employees Provident Fund ("EPF") in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

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

2.10 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 November 2023

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

2.10 Taxes (Cont'd)

(b) Deferred tax (Cont'd)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

(c) Sales tax

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

(i) where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) receivables and payables that are stated with the amount of sales tax included.

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

2.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.12 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress are not depreciated as these assets are not available for use. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	over the lease period
Buildings	50 years
Plant and machinery	7 to 15 years
Other assets	5 to 10 years

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

2.12 Property, plant and equipment (Cont'd)

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.13 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. The depreciation policy for investment properties is in accordance with that for property, plant and equipment as described in Note 2.12.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the profit or loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.12 up to the date of change in use.

2.14 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short- term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.18 Impairment of non-financial assets.

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

2.14 Leases (Cont'd)

(a) Group as a lessee (Cont'd)

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low- value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(b) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statements of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.15 Investment in subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.16 Investment in associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

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

2.16 Investment in associates (Cont'd)

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associate is measured in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in/first-out basis.
- Finished goods and work-in-progress: costs are direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first- in/first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

2.18 Impairment of non-financial assets (Cont'd)

Impairment calculations are based on detailed budgets and forecast calculations, which are prepared separately for each CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

Goodwill is tested for impairment annually at each reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

For assets other than goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such an indication exists, the recoverable amount of the asset or CGU is estimated. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

2.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do no contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

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

2.19 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group's and the Company's financial assets comprise of financial assets at amortised cost (debt instruments) and financial assets at fair value through profit or loss.

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost comprise of its trade and other receivable balances and cash and bank balances.

- **Financial assets at fair value through profit or loss**

  Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

  This category generally applies to other investments. For more information on other investments, refer to Note 18.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and Company's statement of financial position) when:

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

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

2.19 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Derecognition (Cont'd)

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if and to what extent they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continues to recognise the transferred asset to the extent of the Group's and the Company's continuing involvement. In that case, the Group and the Company also recognise the associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset to be in default when contractual payments are 180 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables and loans and borrowings.

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

2.19 Financial instruments (Cont'd)

(b) Financial liabilities (Cont'd)

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of comprehensive income.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

2.20 Cash and cash equivalents

Cash and bank balances in the statements of financial position consist of cash at banks, cash on hand and short-term deposits with a maturity of three months or less, that are readily convertible to known amount of cash and which subject to an insignificant risk of changes in value.

For the purposes of the statements of cash flows, cash and cash equivalents consist of cash and short- term deposits, net of any outstanding bank overdrafts.

2.21 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

2.22 Share capital and share issuance expenses

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.23 Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable transaction costs are classified as treasury shares and presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

2.24 Cash dividend and non-cash distribution to equity holders of the company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders and a corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re- measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in profit or loss.

2.25 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group and of the Company.

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their geographical location which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

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

2.28 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible asset are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the expense category of the statement of profit or loss that is consistent with the function of the intangible asset.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making its judgment on whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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

3.2 Estimates and assumptions (Cont'd)

(a) Useful lives of plant and equipment

The cost of plant and machinery for the roofing, metal, safety glass manufacturing is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and equipment to be within 7 and 15 years. These are common life expectancies applied in the manufacturing industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at 30 November 2023 is disclosed in Note 13.

(b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group and the Company establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the Group's and the Company's domicile.

(c) Inventories

The allowance for inventory obsolescence of the Group is based on the estimation of net realisable value of inventories. The management considers all the facts relating to the inventories and the operating environment at the time the estimates are made. Where the actual realised values of the inventories differ from the original estimate, such differences will be taken to profit or loss in the period in which the inventories are sold.

(d) Provision for expected credit losses ("ECL") of trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. Information about the ECLs on the Group's trade receivables is disclosed in Note 35(b)(i).

(e) Impairment of property, plant and equipment and investment properties

MFRS 136 Impairment of assets requires the Group and the Company to assess at the end of each reporting period whether there is any indicators that the carrying amounts may not be recoverable.

In respect of the lands and buildings within the groups of CGUs, management has engaged the independent valuers to estimate their fair values. The fair value hierarchy information and the valuation method for the fair value of the lands and buildings are disclosed in Note 13, Note 14 and Note 34 respectively.

4. Revenue

4.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Group	
	2023 RM	2022 RM
Type of goods or services		
Sales of goods	303,159,034	289,818,764
Delivery services	470,391	341,714
Construction contract revenue	1,182,579	3,888,299
	304,812,004	294,048,777
Timing of revenue recognition		
Recognised at a point in time	303,629,425	290,160,478
Recognised over time	1,182,579	3,888,299
	304,812,004	294,048,777
Geographical markets		
Malaysia	301,686,822	286,915,484
Thailand	3,125,182	7,133,293
	304,812,004	294,048,777

4.2 Contract assets

	Group	
	2023 RM	2022 RM
Receivables from contracts with customers (Note 21)	195,171	303,759

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date. Contract assets are transferred to receivables when the rights become unconditional.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 November are, as follows:

	Group	
	2023 RM	2022 RM
Within one year	195,171	303,759

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For the financial year ended 30 November 2023

5. Cost of sales

	Group	
	2023 RM	2022 RM
Cost of inventories sold	253,211,355	233,724,069
Construction contract cost	801,675	3,492,843
	254,013,030	237,216,912

6. Other operating income

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Amortisation of government grants (Note 27)	100,826	100,827	-	-
Government grants on Prihatin wage subsidy	32,690	527,028	-	-
Reversal of impairment loss on trade receivables (Note 21(a))	2,330,827	3,017,365	-	-
Fair value gain on other investments	33,774,433	5,560,200	33,774,433	5,560,200
Gain on disposal of investment in associate	-	70,950	-	-
Gain on disposal of other investments	14,535,305	10,242,900	14,535,305	10,214,736
Gain on disposal of property, plant and equipment	69,167	8,110,848	-	-
Loss on disposal of right-of-use assets	-	(1,216,380)	-	-
Dividends received	363,300	117,079	699,300	8,400
Realised gain on foreign exchange	57,900	20,051	-	-
Unrealised gain on foreign exchange	158,441	76,828	-	-
Rental income of land and buildings	1,271,060	1,264,293	-	-
Scrap sales	549	1,821	-	-
Miscellaneous income	310,413	712,521	-	-
	53,004,911	28,606,331	49,009,038	15,783,336

7. Finance costs

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Bank interest	7,939	-	-	-
Interest expense on amount due to subsidiaries	-	-	1,487,938	-
Interest expense on term loans - current financial year	22,690	95,776	11,991	66,250
Interest expense on term loans - over provision in prior financial year	(5,744)	-	(5,744)	-
Interest expense on banker's acceptance	98,626	102,891	-	-
Interest expense on lease liabilities (Note 28 (b))	44,479	5,197	-	-
	167,990	203,864	1,494,185	66,250

8. Profit before tax

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration:				
- Auditors of the Company:				
Statutory audit	183,000	183,000	86,500	86,500
Other services	5,000	5,000	5,000	5,000
- Other auditors:				
Statutory audit	65,602	59,508	-	-
Over provision in prior financial year	-	(3,710)	-	(3,710)
Depreciation of				
- Property, plant and equipment (Note 13)	7,203,292	7,806,035	-	-
- Investment properties (Note 14)	387,907	320,937	-	-
- Right-of-use assets (Note 28a)	266,685	95,187	-	-
- Intangible assets (Note 15)	160,531	160,262	-	-
Directors' remuneration (Note 10)	1,688,723	4,208,578	326,500	333,000
Interest income	(2,943,526)	(3,768,919)	(224,666)	(1,326,909)
Fair value loss on other investments	179,311	-	-	-
Loss on disposal of property, plant and equipment	158,889	-	-	-
Property, plant and equipment written off	575,762	105,610	-	-
Impairment loss on other investments	32,800	2,975,540	32,800	2,975,540
Impairment loss on trade receivables (Note 21(a))	1,497,799	4,202,326	-	-
Impairment loss on property, plant and equipment (Note 13)	1,627,503	-	-	-
Government grants on Prihatin wage subsidy	(32,690)	(527,028)	-	-
Realised loss on foreign exchange	28,531	-	-	-
Rental income of land and buildings	(1,271,060)	(1,264,293)	-	-
Rental expense of land and buildings	485,639	142,510	-	-
Lease of low-value assets:				
- Rental of office equipment	16,055	-	-	-
- Rental of photocopy machine	2,700	-	-	-

9. Employee benefits expense

	Group	
	2023 RM	2022 RM
Wages and salaries	32,975,562	28,982,486
Defined contribution plan	3,012,829	2,654,263
Social security contributions	474,604	424,112
Other staff related expenses	4,355,911	3,089,944
	40,818,906	35,150,805

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For the financial year ended 30 November 2023

10. Directors' remuneration

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors of the Company				
Executive:				
Other benefits	5,000	4,000	5,000	4,000
Fees	84,000	17,500	84,000	17,500
	89,000	21,500	89,000	21,500
Non-executive (but holding executive position in subsidiaries):				
Salary	126,000	126,000	-	-
Other benefits	8,040	8,040	3,000	3,000
Fees	42,000	42,000	42,000	42,000
	176,040	176,040	45,000	45,000
Non-executive:				
Other emoluments	24,500	32,000	24,500	32,000
Fees	168,000	234,500	168,000	234,500
	192,500	266,500	192,500	266,500
Total	457,540	464,040	326,500	333,000
Directors of subsidiaries				
Executive:				
Salaries and other emoluments				
Salary	1,240,994	2,012,183	-	-
Bonus and incentive				
- current financial year	571,402	969,566	-	-
- (over)/under provision in prior financial year	(766,506)	379,917	-	-
Other benefits	154,875	242,524	-	-
Fees	30,418	121,248	-	-
	1,231,183	3,725,438	-	-
Non-executive:				
Fees	-	19,100	-	-
Total	1,231,183	3,744,538	-	-
Grand Total	1,688,723	4,208,578	326,500	333,000

11. Income tax

Major components of income tax

The major components of income tax for the finanical year ended 30 November 2023 and 2022 are:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Statement of comprehensive income:				
Current income tax:				
Malaysian income tax	3,581,290	5,578,920	26,748	156,663
Over provision in prior financial year	(973,608)	(196,878)	(44,915)	(396)
Real property gains tax	5,500	534,154	-	-
	2,613,182	5,916,196	(18,167)	156,267
Deferred income tax (Note 26):				
Relating to origination and reversal of temporary differences	323,811	(201,591)	-	-
Under/(Over) provision in prior financial year	190,867	(26,000)	-	-
	514,678	(227,591)	-	-
	3,127,860	5,688,605	(18,167)	156,267

Reconciliation between tax expense and accounting profit

The reconciliations between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 30 November 2023 and 2022 are as follows:

	2023 RM	2022 RM
Group		
Profit before tax	58,863,549	36,616,006
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	14,127,252	8,787,841
Different tax rates in other countries	407,161	970,673
Adjustments:		
Expenses not deductible for tax purposes	2,512,927	1,182,542
Income not subject to tax	(12,077,330)	(5,435,646)
Effect of utilisation of current year tax losses, reinvestment allowances and Green Investment Tax Allowances	(1,066,008)	(3,264)
Deferred tax assets recognised in respect of unutilised Green Investment Allowances	-	(124,818)
Over provision of income tax in prior financial year	(973,608)	(196,878)
Real property gains tax	5,500	534,155
Under/(Over) provision of deferred tax in prior financial year	190,867	(26,000)
Deferred tax assets not recognised during the financial year	1,099	-
Income tax recognised in profit or loss	3,127,860	5,688,605

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 November 2023

11. Income tax (Cont'd)

Reconciliation between tax expense and accounting profit (Cont'd)

	2023 RM	2022 RM
Company		
Profit before tax	46,658,060	12,990,434
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	11,197,934	3,117,704
Adjustments:		
Income not subject to tax	(11,767,904)	(2,961,041)
Expenses not deductible for tax purposes	596,718	-
Over provision of income tax in prior financial year	(44,915)	(396)
Income tax recognised in profit or loss	(18,167)	156,267

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

12. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the financial year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the financial year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial year ended 30 November:

	Group	
	2023 RM	2022 RM
Profit net of tax attributable to owners of the parent used in the computation of basic and diluted earnings per share (RM)	55,425,352	29,368,018
Weighted average number of ordinary shares for basic earnings per share computation	291,237,652	288,159,709
Basic earnings per share (sen)	19.03	10.19

13. Property, plant and equipment

Group	*Land and buildings RM	Plant and machinery RM	# Other assets RM	Total RM
Cost				
At 1 December 2021	124,876,620	121,118,057	30,579,509	276,574,186
Additions	-	1,013,808	16,927,709	17,941,517
Disposals	(6,526,735)	(1,558,402)	(1,879,559)	(9,964,696)
Written off	-	(358,108)	(263,873)	(621,981)
Reclassification	-	390,038	(390,038)	-
Exchange differences	202,647	114,730	16,521	333,898
At 30 November 2022 and 1 December 2022	118,552,532	120,720,123	44,990,269	284,262,924
Additions	-	6,903,052	11,755,969	18,659,021
Disposals	(100,000)	(3,877,547)	(351,846)	(4,329,393)
Impairment loss (Note 8)	-	(34,478,674)	-	(34,478,674)
Written off	(102,870)	(2,519,529)	(211,784)	(2,834,183)
Reclassification	1,354,643	273,157	(1,627,800)	-
Reclassified as investment properties (Note 14)	(6,308,500)	-	-	(6,308,500)
Exchange differences	1,032,158	550,445	83,163	1,665,766
At 30 November 2023	114,427,963	87,571,027	54,637,971	256,636,961
Accumulated depreciation				
At 1 December 2021	24,011,406	92,698,812	19,432,906	136,143,124
Charge for the financial year (Note 8)	1,797,302	5,108,906	899,827	7,806,035
Disposals	(1,504,543)	(1,502,405)	(750,993)	(3,757,941)
Written off	-	(256,144)	(260,227)	(516,371)
Exchange differences	29,979	83,940	16,575	130,494
At 30 November 2022 and 1 December 2022	24,334,144	96,133,109	19,338,088	139,805,341
Charge for the financial year (Note 8)	1,692,956	4,623,062	887,274	7,203,292
Disposals	(13,666)	(2,908,716)	(370,718)	(3,293,100)
Impairment loss (Note 8)	-	(32,851,171)	-	(32,851,171)
Written off	(24,150)	(2,053,824)	(180,447)	(2,258,421)
Reclassified as investment properties (Note 14)	(803,636)	-	-	(803,636)
Exchange differences	164,114	430,150	82,593	676,857
At 30 November 2023	25,349,762	63,372,610	19,756,790	108,479,162
Net carrying amount				
At 30 November 2022	94,218,388	24,587,014	25,652,181	144,457,583
At 30 November 2023	89,078,201	24,198,417	34,881,181	148,157,799

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 November 2023

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

* Land and buildings

	Freehold land and buildings RM	Leasehold land and buildings RM	Total RM
Cost			
At 1 December 2021	100,913,512	23,963,108	124,876,620
Disposal	(626,000)	(5,900,735)	(6,526,735)
Exchange differences	202,647	-	202,647
At 30 November 2022 and 1 December 2022	100,490,159	18,062,373	118,552,532
Disposal	(100,000)	-	(100,000)
Written off	-	(102,870)	(102,870)
Reclassification	1,354,643	-	1,354,643
Reclassified as investment properties (Note 14)	-	(6,308,500)	(6,308,500)
Exchange differences	1,032,158	-	1,032,158
At 30 November 2023	102,776,960	11,651,003	114,427,963
Accumulated depreciation			
At 1 December 2021	17,678,838	6,332,568	24,011,406
Charge for the financial year	1,459,244	338,058	1,797,302
Disposal	(105,377)	(1,399,166)	(1,504,543)
Exchange differences	29,979	-	29,979
At 30 November 2022 and 1 December 2022	19,062,684	5,271,460	24,334,144
Charge for the financial year	1,471,212	221,744	1,692,956
Disposal	(13,666)	-	(13,666)
Written off	-	(24,150)	(24,150)
Reclassified as investment properties (Note 14)	-	(803,636)	(803,636)
Exchange differences	164,114	-	164,114
At 30 November 2023	20,684,344	4,665,418	25,349,762
Net carrying amount			
At 30 November 2022	81,427,475	12,790,913	94,218,388
At 30 November 2023	82,092,616	6,985,585	89,078,201

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

Assets under construction

During the financial year, other property, plant and equipment of the Group included capital work-in- progress in respect of plant and machinery and factory building amounting to RM26,272,025 (2022: RM16,814,691).

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

Impairment of property, plant and equipment

Certain subsidiaries of the Company which involved in the manufacturing of glass products recorded loss during the financial year, indicating that the carrying amount of property, plant and equipment of these subsidiaries amounted to approximately RM1.6 million may be impaired. Accordingly, management performed an assessment of the recoverable amounts of CGUs using fair value less costs of disposal (''FVLCD") method.

In respect of the lands and buildings within the groups of CGUs, management has engaged the independent valuers to estimate their fair values. No impairment loss is required based on the impairment assessment.

Description of valuation techniques used and key inputs to valuation on the property, plant and equipment are as follows:

	Valuation technique	Significant unobservable inputs
Land	Comparison Method of Valuation	Comparing the property with comparable properties which have been sold and making adjustments for factors which affect value such as location and accessibility, market conditions, size, shape and terrain of land, tenurial interest and restrictions if any, occupancy status, built-up area building construction, finishes and services, age and condition of building and other relevant characteristics. The significant unobservable valuation input is the estimated price per square foot which ranges between RM24 to RM412.
Buildings	Depreciated Replacement Cost Method	Aggregated amount of gross replacement cost of the buildings and other site works, from which appropriate deductions may then be made for the age, condition, economic or fuctional obsolescence and environmental factors. The significant unobservable valuation input is the estimated price per square foot which ranges between RM76 to RM123.

14. Investment properties

	Group	
	2023 RM	2022 RM
At cost		
At beginning of financial year	23,816,674	23,816,674
Reclassified from property, plant and equipment (Note 13)	6,308,500	-
At end of financial year	30,125,174	23,816,674
Accumulated depreciation		
At beginning of financial year	3,134,429	2,813,492
Charge for the financial year (Note 8)	387,907	320,937
Reclassified from property, plant and equipment (Note 13)	803,636	-
At end of financial year	4,325,972	3,134,429
Net carrying amount	25,799,202	20,682,245

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14. Investment properties (Cont'd)

As at the reporting date, the fair value of the investment properties were estimated by the directors at RM84,625,000 (2022: RM88,629,630). In arriving at their estimate, the directors considered the results of the valuations performed by independent valuers during December 2023 and recent transacted prices for similar properties during the current financial year.

The Group's investment properties comprise a number of commercial and non-commercial properties that are leased to third parties. Each lease contains an initial non-cancellable period of 1 - 3 years with option to renew for 1 - 2 years. Subsequent renewals are negotiated with the lessee.

The fair value as at 30 November 2023 was determined based on valuation conducted by independent professional valuers by using the comparison method. The comparison method involves comparing and adopting recent transactions as a yardstick and sale evidences involving other similar properties in the vicinity. The Group has assessed that the highest and best use of its properties do not differ from their current use.

The significant unobservable valuation input is the estimated price per square foot which ranges between RM58 to RM608 (2022: RM52 to RM706).

The following are recognised in profit or loss in respect of investment properties

	Group	
	2023 RM	2022 RM
Rental income	1,271,060	1,264,293

15. Intangible assets

Group	Software RM	Total RM
At cost		
At 1 December 2021	846,606	846,606
Exchange differences	798	798
At 30 November 2022 and 1 December 2022	847,404	847,404
Exchange differences	4,065	4,065
At 30 November 2023	851,469	851,469
Accumulated amortisation		
At 1 December 2021	74,374	74,374
Charge for the financial year (Note 8)	160,262	160,262
Exchange differences	686	686
At 30 November 2022 and 1 December 2022	235,322	235,322
Charge for the financial year (Note 8)	160,531	160,531
Exchange differences	3,721	3,721
At 30 November 2023	399,574	399,574
Net carrying amount		
At 30 November 2022	612,082	612,082
At 30 November 2023	451,895	451,895

16. Investments in subsidiaries

	Company 2023 RM	Company 2022 RM
Unquoted shares, at cost:		
- In Malaysia		
At beginning of financial year	51,211,074	34,511,074
Addition	100,000	16,700,000
At end of financial year	51,311,074	51,211,074
- Outside Malaysia	24,016,000	24,016,000
	75,327,074	75,227,074

(a) The movement of the Company's impairment loss during the financial year are as below:

	Company 2023 RM	Company 2022 RM
At beginning of financial year	-	100,000
Reversal of impairment loss	-	(100,000)
At end of financial year	-	-

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation and operation	Principal activities	Equity interest held (%) 2023	Equity interest held (%) 2022
Asia Roofing Industries Sdn. Bhd.	Malaysia	Manufacturing and trading of metal roll forming products	100	100
ARI Utara Sdn. Bhd. *	Malaysia	Manufacturing and marketing of metal roll forming products	80	80
Ajiya Safety Glass Sdn. Bhd.	Malaysia	Manufacturing and trading of all kinds of glass	90	90
Ariteq Eco Sdn. Bhd.@ *	Malaysia	Manufacturing of metal, zinc and aluminium products for building, ceiling, window and door frame and other similar products and has ceased manufacturing activities; only derives revenue from subletting of its leased land	100	100
ARI Timur (KB) Sdn. Bhd. @	Malaysia	Manufacturing of metal, zinc and aluminium products for roof building, ceiling, building materials and other similar products	60	60
ASG Marketing Sdn. Bhd. #	Malaysia	Marketing and sales of safety glass and other glass related products. Ceased operation in 2016	100	100
Thai Ajiya Safety Glass Co. Ltd. *	Thailand	Processing and trading of all kinds of glasses related products	100	100
LTC Usaha Sdn. Bhd. *	Malaysia	Property holding	100	100
Ajiya Glass Marketing Sdn. Bhd.	Malaysia	Retail sale of construction materials, hardware, paints and glass	100	0

@ Equity interest held through Asia Roofing Industries Sdn. Bhd.
# Equity interest held through Ajiya Safety Glass Sdn. Bhd.
* Audited by firms of auditors other than ChengCo PLT

16. Investments in subsidiaries (Cont'd)

Acquisition of equity interest in shares

During the financial year, the Company acquired of 100,000 shares representing 100% equity interest in Ajiya Glass Marketing Sdn. Bhd. for a total cash consideration of RM100,000.

Material partly-owned subsidiaries

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

	2023 RM	2022 RM
Proportion of equity interest held by non-controlling interests:		
ARI Utara Sdn. Bhd. ("ARIU")	20%	20%
Ajiya Safety Glass Sdn. Bhd. ("ASG")	10%	10%
ARI Timur (KB) Sdn. Bhd. ("ARIT")	40%	40%
Carrying amount of NCI		
ARIU	4,660,890	4,476,456
ASG	17,359,923	17,586,914
ARIT	5,544,685	5,552,765
Profit/(Loss)allocated to NCI		
ARIU	184,434	79,712
ASG	(226,991)	952,393
ARIT	351,920	527,278

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

Summarised statement of financial position as at 30 November 2023

	ARIU RM	ASG RM	ARIT RM
Non-current assets	5,840,870	90,530,710	1,281,359
Current assets	32,430,363	109,380,947	17,927,607
Non-current liabilities	(1,063,000)	(2,303,650)	(43,170)
Current liabilities	(14,428,779)	(24,014,846)	(5,304,085)
Net assets	22,779,454	173,593,161	13,861,711

Summarised statement of financial position as at 30 November 2022

	ARIU RM	ASG RM	ARIT RM
Non-current assets	6,500,902	88,117,570	818,906
Current assets	31,673,782	107,845,172	16,387,529
Non-current liabilities	(1,222,000)	(2,124,453)	(15,319)
Current liabilities	(14,570,402)	(17,975,222)	(3,309,204)
Net assets	22,382,282	175,863,067	13,881,912

16. Investments in subsidiaries (Cont'd)

Summarised statement of profit or loss for the financial year ended 30 November 2023:

	ARIU RM	ASG RM	ARIT RM
Revenue	42,955,759	61,380,320	26,677,149
Profit/(Loss) for the financial year	922,172	(2,269,906)	879,799

Summarised statement of profit or loss for the financial year ended 30 November 2022:

	ARIU RM	ASG RM	ARIT RM
Revenue	49,415,847	65,648,452	23,341,702
Profit for the financial year	398,562	9,583,639	1,318,195

Summarised cash flow information for the financial year ended 30 November 2023:

	ARIU RM	ASG RM	ARIT RM
Operating activities	(866,585)	(41,854,885)	(743,173)
Investing activities	(18,423)	40,500,913	271,061
Financing activities	433,352	(2,218,625)	(350,269)
Net decrease in cash and cash equivalents	(451,656)	(3,572,597)	(822,381)

Summarised cash flow information for the financial year ended 30 November 2022:

	ARIU RM	ASG RM	ARIT RM
Operating activities	6,723,148	11,316,960	5,145,584
Investing activities	(312,746)	(8,976,875)	(195,930)
Financing activities	(4,224,203)	1,098,478	(3,205,766)
Net increase in cash and cash equivalents	2,186,199	3,438,563	1,743,888

17. Investment in associates

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Fair value/Cost	1,669,119	2,371,431	400,000	400,000
Share of post-acquisition reserves	248,019	1,239,734	-	-
Disposal of associate	-	(1,942,046)	-	-
	1,917,138	1,669,119	400,000	400,000

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17. Investment in associates (Cont'd)

Details of the associates are as follows:

Name of associates	Country of incorporation and operation	Principal activities	Equity interest held (%) 2023	Equity interest held (%) 2022
Asteel Ajiya Sdn. Bhd. *	Malaysia	Manufacturing, supply and/or install an industrial building system.	40	40

* Audited by a firm of auditors other than ChengCo PLT.

	Group	
	2023 RM	2022 RM
Current assets	4,584,683	5,921,120
Non-current assets	4,074,838	4,597,561
Current liabilities	(1,705,500)	(3,850,939)
Non-current liabilities	(2,161,176)	(2,493,944)
Equity attributable to shareholders	4,792,845	4,173,798
Proportion of the Group's ownership interest in the associate	40%	40%
Group's carrying amount of the investment	1,917,138	1,669,119

	2023 RM	2022 RM
Revenue	8,776,203	11,869,361
Cost of sales	(6,663,693)	(9,126,055)
Other income	35,418	72,973
Administrative expenses	(1,578,647)	(1,531,749)
Profit before tax	569,281	1,284,530
Income tax expense	(109,344)	(295,775)
Profit for the financial year	459,937	988,755
Proportion of the Group's ownership interest in the associate	40%	40%
Group's share of profit for the financial year	183,975	395,502

The associate had no contingent liabilities or capital commitments as at 30 November 2023 and 30 November 2022.

18. Other investments

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current				
Fair value through profit or loss				
- Unit trust	-	14,464,403	-	-
- Bonds	4,045,447	19,320,678	4,045,447	10,897,838
- Money market funds	21,791,523	37,648,107	2,021	4,041,929
- Quoted equity instruments	156,173,094	40,921,175	156,173,094	40,781,700
At amortised cost				
- P2P financing	-	12,037,969	-	-
	182,010,064	124,392,332	160,220,562	55,721,467
At cost				
Non-current				
- Unquoted shares in Malaysia	2,000,000	2,000,000	-	-
Total other investments	184,010,064	126,392,332	160,220,562	55,721,467

19. Amount due to subsidiaries

		Company	
	Notes	2023 RM	2022 RM
Current			
Amount due to subsidiaries	(i)	(55,556,892)	(6,000,000)

(i) These amounts represent unsecured advances which are repayable on demand, of which the gross principal sum of RM49,250,000 (2022: RM NIL) as the reporting date bears interest ranging from 3.2672% to 4.559% (2022: NIL).

20. Inventories

	Group	
	2023 RM	2022 RM
Raw materials	63,419,445	59,537,574
Work-in-progress	300,549	212,639
Finished goods	7,382,863	6,113,959
Inventories in transit - raw materials	3,880,185	2,117,547
	74,983,042	67,981,719
Inventories written back/(written down)	3,016,741	(666,495)

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM218,394,768 (2022: RM192,910,332).

21. Trade and other receivables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current				
Trade receivables				
Third parties	92,030,343	79,244,562	-	-
Due from directors' related companies	1,551,954	1,032,312	-	-
Less: Allowance for impairment	(14,355,798)	(15,218,042)	-	-
Trade receivables, net	79,226,499	65,058,832	-	-
Receivables from contracts with customers (Note 4.2)	195,171	303,759	-	-
	79,421,670	65,362,591	-	-
Other receivables				
Sundry deposits	1,715,745	618,834	1,000	1,000
Other receivables	4,758,432	4,680,322	283	-
Due from associate	-	327,250	-	-
Due from directors' related company	26,948	-	26,948	-
Less: Allowance for impairment	(554,211)	(207,959)	-	-
Other receivables, net	5,946,914	5,418,447	28,231	1,000
	85,368,584	70,781,038	28,231	1,000
Total trade and other receivables	85,368,584	70,781,038	28,231	1,000
Add: Cash and bank balances (Note 23)	39,497,465	49,447,259	258,383	317,659
Debt instruments measured at amortised cost	124,866,049	120,228,297	286,614	318,659

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2022: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

<u>Ageing analysis of trade receivables</u>

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2023 RM	2022 RM
Neither past due nor impaired	46,737,088	34,923,346
1 to 30 days past due not impaired	18,175,002	18,025,486
31 to 60 days past due not impaired	8,602,550	5,966,458
61 to 90 days past due not impaired	4,840,663	4,425,988
91 to 120 days past due not impaired	561,100	1,681,026
More than 121 days past due not impaired	310,096	36,528
	32,489,411	30,135,486
Impaired	14,355,798	15,218,042
	93,582,297	80,276,874

21. Trade and other receivables (Cont'd)

(a) Trade receivables (Cont'd)

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of these balances have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM32,489,411 (2022: RM30,135,486) that are past due at the reporting date but not impaired. These receivables are unsecured in nature.

Based on past experience and the absence to date of any adverse information, the directors of the Group are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

Receivables that are impaired

The Group's trade receivables are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment is as follows:

	Group	
	2023 RM	2022 RM
At 1 December	15,218,042	14,262,458
Charge for the financial year (Note 8)	1,497,799	4,202,326
Written off	(296,300)	(229,377)
Reversal of impairment loss (Note 6)	(2,330,827)	(3,017,365)
Reclassification	267,084	-
At 30 November	14,355,798	15,218,042

(b) Other receivables

Other receivables are non-interest bearing and are generally on 30 to 90 days (2022: 30 to 90 days) terms.

(c) Amount due from associate

The amount due from associate which mainly arose from sale of plant and machinery, are unsecured and repayable over 3 to 5 years.

(d) Amount due from directors' related company

This amount is unsecured, non-interest bearing and is repayable on demand.

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22. Other current assets

	Group 2023 RM	Group 2022 RM
Prepaid operating expenses	322,774	291,903

23. Cash and bank balances

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Cash at banks and cash on hand	32,202,696	42,454,736	258,383	317,659
Short-term deposits with licensed bank	7,294,769	6,992,523	-	-
Cash and cash equivalents	39,497,465	49,447,259	258,383	317,659

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

	Group 2023 %	Group 2022 %	Company 2023 %	Company 2022 %
Deposits with licensed banks	2.95	2.70	-	-

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

	Group 2023 Days	Group 2022 Days	Company 2023 Days	Company 2022 Days
Deposits with licensed banks	1 to 365	1 to 365	-	-

24. Loans and borrowings

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Current				
Secured:				
Term loans:				
- USD financing facility at 1.3%	-	1,637,845	-	-
- EURO financing facility at 2%	-	5,156,440	-	5,156,440
- GBP financing facility at 3.85%	-	496,155	-	496,155
- Bankers' acceptance	4,392,000	4,843,000	-	-
Total loans and borrowings	4,392,000	12,133,440	-	5,652,595

24. Loans and borrowings (Cont'd)

The remaining maturities of the loans and borrowings as at 30 November 2023 and 30 November 2022 are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
On demand or witin one year	4,392,000	12,133,440	-	5,652,595

USD financing facility at 1.3%

This is repayable on demand and is secured by a negative pledge over a bond investment of the Group.

EURO financing facility at 2.0%

This is repayable on demand and is secured by a negative pledge over a bond investment of the Company.

GBP financing facility at 3.85%

This is repayable on demand and is secured by a negative pledge over a bond investment of the Company.

Bankers' acceptance

This bankers' acceptance bears interest at rates ranging from 4.29 to 4.33% (2022: 3.48 to 3.91%).

The movement of borrowings during the financial year is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At beginning of financial year	12,133,440	834,000	5,652,595	-
Drawdown	-	12,292,613	-	5,811,768
Interest expense - current financial year	22,690	95,776	11,991	66,250
Interest expense - over provision in prior financial year	(5,744)	-	(5,744)	-
Repayment	(473,690)	(834,000)	(11,991)	-
Foreign exchange movement	5,744	(254,949)	5,744	(225,423)
Withdrawal	(7,290,440)	-	(5,652,595)	-
At end of financial year	4,392,000	12,133,440	-	5,652,595

25. Trade and other payables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables				
Third parties	32,545,753	17,905,818	-	-
Other payables				
Amounts due to directors	14,723	14,124	-	-
Accruals	14,228,982	10,027,912	523,490	236,990
Sundry payables	10,737,095	12,481,604	-	6,076
	24,980,800	22,523,640	523,490	243,066
	57,526,553	40,429,458	523,490	243,066
Total trade and other payables	57,526,553	40,429,458	523,490	243,066
Add: Loans and borrowings (Note 24)	4,392,000	12,133,440	-	5,652,595
Add: Amount due to subsidiaries (Note 19)	-	-	55,556,892	6,000,000
Total financial liabilities carried at amortised cost	61,918,553	52,562,898	56,080,382	11,895,661

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from 30 to 60 days (2022: 30 to 60 days).

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 3 months (2022: average term of 3 months).

Included in accrual is an amount of RM2,798,107 (2022: RM2,798,107) arising from a claim by a customer against Ajiya Berhad's subsidiary, ASG Marketing Sdn. Bhd. ("ASGM") in respect of allegedly defective products.

(c) Amounts due to directors

The amounts due to directors are unsecured, non-interest bearing and is repayable upon demand.

26. Deferred tax liabilities

	Group	
	2023 RM	2022 RM
At beginning of financial year	6,485,032	6,712,623
Recognised in the profit or loss (Note 11)	514,678	(227,591)
At end of financial year	6,999,710	6,485,032
Presented after appropriate offsetting as follows :		
Deferred tax assets	(3,130,200)	(4,207,440)
Deferred tax liabilities	10,129,910	10,692,472
	6,999,710	6,485,032

26. Deferred tax liabilities (Cont'd)

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

Group	Accelerated capital allowances RM	Provisions, unabsorbed capital and reinvestment allowances RM	Government grant RM	Total RM
2023				
Deferred tax liabilities/(assets)				
At beginning of financial year	10,692,472	(3,929,770)	(277,670)	6,485,032
Recognised in profit or loss (Note 11)	(562,562)	1,447,570	(370,330)	514,678
At end of financial year	10,129,910	(2,482,200)	(648,000)	6,999,710
2022				
Deferred tax liabilities/(assets)				
At beginning of financial year	11,261,620	(4,262,997)	(286,000)	6,712,623
Recognised in profit or loss (Note 11)	(569,148)	333,227	8,330	(227,591)
At end of financial year	10,692,472	(3,929,770)	(277,670)	6,485,032

27. Government grants

	Group	
	2022 RM	2021 RM
Cost		
At 1 December	1,512,398	1,512,398
Received during the financial year	-	-
At 30 November	1,512,398	1,512,398
Accumulated amortisation		
At 1 December	420,111	319,284
Amortised to profit or loss (Note 6)	100,826	100,827
At 30 November	520,937	420,111
Net carrying amount	991,461	1,092,287
Current	100,827	100,827
Non-current	890,634	991,460
	991,461	1,092,287

The government grants were received from the Department Of Environment Malaysia to cover the costs of acquiring certain qualifying machinery. The grants will be amortised over the estimated useful life of the machinery.

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28. Right-of-use assets and lease liabilities

(a) Right-of-use assets

	Group RM
Cost	
At 1 December 2021	4,793,545
Additional	1,108,573
Disposal	(1,406,009)
Written off on expiring of tenancy	(946,456)
At 30 November 2022 and 1 December 2022	3,549,653
Addition	657,995
Written off on expiring of tenancy	(44,382)
At 30 November 2023	4,163,266
Accumulated amortisation	
At 1 December 2021	786,833
Depreciation charge for the financial year (Note 8)	95,187
Disposal	(189,629)
Written off on expiring of tenancy	(10,384)
At 30 November 2022 and 1 December 2022	682,007
Depreciation charge for the financial year (Note 8)	266,685
Written off on expiring of tenancy	(44,382)
At 30 November 2023	904,310
Net carrying amount	
At 30 November 2022	2,867,646
At 30 November 2023	3,258,956

(b) Lease liabilities

	Group	
	2023 RM	2022 RM
Current liabilities		
Lease liabilities	604,834	144,262
Total lease liabilities	604,834	144,262

The remaining maturities of lease liabilities are as follows:

	Group	
	2023 RM	2022 RM
Within one year	604,834	144,262
	604,834	144,262

28. Right-of-use assets and lease liabilities (Cont'd)

(b) Lease liabilities (Cont'd)

The movement of lease liabilities during the financial year is as follows:

	Group	
	2023 RM	2022 RM
At 1 December	144,262	6,965
Additions	657,995	139,065
Interest expense on lease liabilities (Note 7)	44,479	5,197
Repayment of lease liabilities	(241,902)	(6,965)
At 30 November	604,834	144,262

29. Share capital and treasury shares

	Number of ordinary shares		<---------- Amount ---------->	
	Share capital	Treasury shares	Share capital RM	Treasury shares RM
Issued and paid up				
2022				
At 1 December 2021	304,584,484	12,855,600	98,878,598	(7,473,873)
Purchase of treasury shares	-	5,974,400	-	(6,963,470)
At 30 November 2022	304,584,484	18,830,000	98,878,598	(14,437,343)
2023				
At 1 December 2022	304,584,484	18,830,000	98,878,598	(14,437,343)
Resale of treasury shares	-	(9,215,600)	-	6,727,921
At 30 November 2023	304,584,484	9,614,400	98,878,598	(7,709,422)

The ordinary shares and treasury shares of the Company have no par value.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

(a) Share capital

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 November 2023

30. Reserves and retained earnings

		Group	
		2023 RM	2022 RM
(a)	**Foreign currency translation reserve:**		
	At beginning of financial year	761,610	465,401
	Foreign currency translation	1,107,742	296,209
	At end of financial year	1,869,352	761,610
(b)	**Other reserves:**		
	At beginning of financial year	14,755,065	6,524,250
	Acquisition of non-controlling interests	-	8,241,914
	Impact from subsidiary’s striking off	-	(11,099)
	Gain on resale of treasury shares	7,043,977	-
	At end of financial year	21,799,042	14,755,065
(c)	**Retained earnings:**		
	At beginning of financial year	298,060,627	268,681,510
	Total comprehensive income	55,425,352	29,368,018
	Impact from subsidiary’s striking off	-	11,099
	At end of financial year	353,485,979	298,060,627

The nature and purpose of each category of reserves are as follows:

(a) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group’s presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group’s net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(b) Other reserves

The other reserves are used to record the difference between the consideration paid for equity interest acquired from the Group's non-controlling interests and carrying value of the interest acquired and gain on resale of treasury shares.

(c) Retained earnings

The entire retained earnings of the Company as at 30 November 2023 and 30 November 2022 may be distributed as dividends under the single tier system.

31. Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend for the current financial year.

32. Commitments

(a) Capital commitments

	Group	
	2023 RM	2022 RM
Capital expenditure:		
Approved and contracted for:		
- Property, plant and equipment	5,440,167	17,556,560

(b) Operating lease commitments - as lessee

The Group has entered into non cancellable operating lease arrangements for the use of land and buildings. These leases have an average life of between 1 to 2 years with renewal options included in the contracts. Certain contracts include clauses to enable upward revision of the rental charge upon renewal of the contracts based on the prevailing market conditions. There are no restrictions placed upon the Group by entering into these leases.

(c) Operating lease commitments - as lessor

The Group has entered into non cancellable operating lease arrangements on its investment properties. These leases have an average life of between 1 to 2 years. Certain contracts include clauses to enable upward revision of the rental charge upon renewal of the contracts based on the prevailing market conditions.

The future minimum lease payments receivable under operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	Group	
	2023 RM	2022 RM
Future minimum rental receivables:		
Not later than 1 year	791,280	280,000
Later than 1 year and not later than 5 years	1,953,150	-
	2,744,430	280,000

(d) Legal claim contingency

The Group has taken legal action to its customer due to the failure repayment from the customer. The customer has countered claim that the glass sold by the Group is defective. This claim has been back charged in full to the Group.

The case has been heard in the federal court at the leave stage and is dismissed by the federal court. As a result, the Group has been found guilty and provision for any liability has been made in these financial statements.

33. Related party disclosure

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between parties during the financial year:

(a) Related party transaction

	2023 RM	2022 RM
Group		
Sale and purchase of goods and services		
(Income)/Expense		
Related party:*		
Sale of finished goods to companies related to a director	(2,403,435)	(2,936,205)
Rental paid to a company related to a director	36,000	36,000

* A director of the Company, Yeo Ann Seck, has direct interest in this company and is a director of this company.

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

(b) Compensation of key management personnel

The remuneration of key management personnel comprising executive and non-executive directors are as disclosed in Note 10.

34. Fair values

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

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value:

	Note
Amount due to subsidiaries	19
Trade and other receivables (current and non-current)	21
Trade and other payables (current)	25
Loans and borrowings (current and non-current)	24

The carrying amounts of these financial assets and liabilities are reasonable approximations of fair values, either due to their short-term nature or that they bear interest at rate approximating market interest rates on or near the reporting date.

The carrying amounts of the loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

34. Fair values (Cont'd)

Quoted equity instruments, trust funds, bonds and money market instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in Level 1, that are observable for asset or liability, either directly or indirectly; and
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Total RM	Level 1 RM	Level 2 RM	Level 3 RM
Group				
As at 30 November 2023				
Assets measured at fair value:				
Other investments (Note 18)	182,010,064	182,010,064	-	-
Assets for which fair values are disclosed:				
Investment properties (Note 14)	84,625,000	-	-	84,625,000
As at 30 November 2022				
Assets measured at fair value:				
Other investments (Note 18)	112,354,363	112,354,363	-	-
Assets for which fair values are disclosed:				
Investment properties (Note 14)	88,629,630	-	-	88,629,630
Company				
As at 30 November 2023				
Assets measured at fair value:				
Other investments (Note 18)	160,220,562	160,220,562	-	-
As at 30 November 2022				
Assets measured at fair value:				
Other investments (Note 18)	55,721,467	55,721,467	-	-

35. Financial risk management objectives and policies

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks and ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by senior management who have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Group does not apply hedge accounting. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and foreign exchange currency risk. Financial instruments affected by market risk include deposits, loans and borrowings and other investments.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Exposure to credit risk relates to operating activities (primarily trade receivables) and from financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed according to established policies, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed and approved by the directors who sets out the individual credit limits. Outstanding customer receivables are regularly monitored and the financial standing of major customers are continuously reviewed.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial asset recognised on the statement of financial position.

Credit risk concentration profile

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 21.

Financial assets that are either past due or impaired

Information regarding trade and other receivables that are either past due or impaired is disclosed in Note 21.

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

(b) **Credit risk (Cont'd)**

(i) **Trade receivables (Cont'd)**

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Within a year RM	1-2 years RM	2-3 years RM	3 years and above RM	Total RM
Group					
30 November 2023					
Expected credit loss rate	1%	22%	98%	100%	
Estimated total gross carrying amount at default	75,332,627	4,137,394	558,890	12,001,432	92,030,343
Expected credit loss	941,808	914,368	547,583	11,952,039	14,355,798
30 November 2022					
Expected credit loss rate	2%	24%	32%	100%	
Estimated total gross carrying amount at default	58,443,554	5,951,589	3,178,179	11,671,240	79,244,562
Expected credit loss	1,079,731	1,419,208	1,006,090	11,713,013	15,218,042

(ii) **Cash and short-term deposits**

Cash are normally maintained at minimum levels and surplus cash are placed as short-term deposits with licensed banks and financial institutions. Such funds are reviewed by the directors on a monthly basis and amounts placed as short-term deposits may be revised throughout the financial year. This is to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions with no history of default.

(c) **Liquidity risk**

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position.

<u>Analysis of financial liabilities by remaining contractual maturities</u>

The table below summarises the maturity profile of the Group's and the Company's financial assets and financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

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

(c) Liquidity risk (Cont'd)

	Within one year RM	One to five years RM	Total RM
2023			
Group			
Financial assets:			
Other investments	182,010,064	2,000,000	184,010,064
Trade and other receivables	85,368,584	-	85,368,584
Cash and bank balances	39,497,465	-	39,497,465
Total undiscounted financial assets	306,876,113	2,000,000	308,876,113
Financial liabilities:			
Trade and other payables	57,526,553	-	57,526,553
Loans and borrowings	4,392,000	-	4,392,000
Lease liabilities	604,834	-	604,834
Total undiscounted financial liabilities	62,523,387	-	62,523,387
Total net undiscounted financial assets	244,352,726	2,000,000	246,352,726
2023			
Company			
Financial assets:			
Other investments	160,220,562	-	160,220,562
Trade and other receivables	28,231	-	28,231
Cash and bank balances	258,383	-	258,383
Total undiscounted financial assets	160,507,176	-	160,507,176
Financial liabilities:			
Trade and other payables	523,490	-	523,490
Amount due to subsidiaries	55,556,892	-	55,556,892
Total undiscounted financial liabilities	56,080,382	-	56,080,382
Total net undiscounted financial assets	104,426,794	-	104,426,794

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

(c) Liquidity risk (Cont'd)

	Within one year RM	One to five years RM	Total RM
2022			
Group			
Financial assets:			
Other investments	124,392,332	2,000,000	126,392,332
Trade and other receivables	70,781,038	-	70,781,038
Cash and bank balances	49,447,259	-	49,447,259
Total undiscounted financial assets	244,620,629	2,000,000	246,620,629
Financial liabilities:			
Trade and other payables	40,429,458	-	40,429,458
Loans and borrowings	12,133,440	-	12,133,440
Lease liabilities	144,262	-	144,262
Total undiscounted financial liabilities	52,707,160	-	52,707,160
Total net undiscounted financial assets	191,913,469	2,000,000	193,913,469

	Within one year RM	One to five years RM	Total RM
2022			
Company			
Financial assets:			
Other investments	55,721,467	-	55,721,467
Trade and other receivables	1,000	-	1,000
Cash and bank balances	317,659	-	317,659
Total undiscounted financial assets	56,040,126	-	56,040,126
Financial liabilities:			
Trade and other payables	243,066	-	243,066
Amount due to subsidiaries	6,000,000	-	6,000,000
Loans and borrowings	5,652,595	-	5,652,595
Total undiscounted financial liabilities	11,895,661	-	11,895,661
Total net undiscounted financial assets	44,144,465	-	44,144,465

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

(d) Interest rate risk

Interest rate risk is the risk that at the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's primary interest rate risk relates to interest-bearing debt. The Group monitors the interest rate on borrowings to ensure that the borrowings are maintained at favourable rates. The investment in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits or repurchase agreements which yield better returns than cash at bank. The Group does not use derivative financial instruments to hedge interest rate risk.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group and the Company's profit net of tax would have been approximately RM3,000 and RM Nil (2022: RM9,000 and RM4,000) lower/higher. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(e) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to transactional currency risk primarily through sales and purchases and amount due from subsidiaries that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars ("USD"), Thai Baht ("THB"), Swiss Franc (''CHF''), British Pound Sterling (''GBP''), Euro Pound ("EUR"), Indonesia Rupiah ("IDR") and Singapore Dollars ("SGD"). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The following tables demonstrates the sensitivity of the Group and the Company's profit net of tax to a reasonably possible change in the United States Dollars ("USD"), Thai Baht ("THB"), Swiss Franc (''CHF''), British Pound Sterling (''GBP''), Euro Pound ("EUR"), Indonesia Rupiah ("IDR") and Singapore Dollars ("SGD") exchange rates against the functional currency of the Group and of the Company, with all other variables held constant.

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

(e) **Foreign exchange risk (Cont'd)**

		2023 RM	2022 RM
Group			
USD/RM	- strengthened 3%	(230,446)	(56,818)
	- weakened 3%	230,446	56,818
SGD/RM	- strengthened 3%	(39,612)	12
	- weakened 3%	39,612	(12)
CHF/RM	- strengthened 3%	(1,684)	-
	- weakened 3%	1,684	-
IDR/RM	- strengthened 3%	-	-
	- weakened 3%	-	-
THB/RM	- strengthened 3%	(1,097)	-
	- weakened 3%	1,097	-
EURO/RM	- strengthened 3%	-	(121,947)
	- weakened 3%	-	121,947
GBP/RM	- strengthened 3%	-	48,303
	- weakened 3%	-	(48,303)
Company			
EURO/RM	- strengthened 3%	-	(117,409)
	- weakened 3%	-	117,409
GBP/RM	- strengthened 3%	-	75,286
	- weakened 3%	-	(75,286)
SGD/RM	- strengthened 3%	-	12
	- weakened 3%	-	(12)

36. **Segment information**

For management purposes, the Group is organised into business units based on geographical areas and has two reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on negotiated and mutually agreed terms.

36. Segment information (Cont'd)

	Malaysia RM	Thailand RM	Eliminations RM	Consolidated RM
30 November 2023				
Revenue				
External sales	301,686,822	3,125,182		304,812,004
Total revenue	301,686,822	3,125,182	-	304,812,004
Results				
Interest income	2,918,023	25,503	-	2,943,526
Finance costs	167,990	-	-	(167,990)
Depreciation and amortisation	6,999,711	1,018,704	-	(8,018,415)
Segment profit/(loss)	60,560,053	(1,696,504)	-	58,863,549
Assets				
Additions to non-current assets (Note A)	19,317,016	-	-	19,317,016
Segment assets	546,089,942	23,340,406	-	569,430,348
Other segment information				
Capital commitments	5,440,167	-	-	5,440,167
30 November 2022				
Revenue				
External sales	286,915,484	7,133,293		294,048,777
Total revenue	286,915,484	7,133,293	-	294,048,777
Results				
Interest income	3,746,969	21,950	-	3,768,919
Finance costs	203,864	-	-	(203,864)
Depreciation and amortisation	7,144,234	1,238,187	-	(8,382,421)
Segment profit/(loss)	40,660,478	(4,044,472)	-	36,616,006
Assets				
Additions to non-current assets (Note A)	19,041,760	8,330	-	19,050,090
Segment assets	464,288,811	26,020,320	-	490,309,131
Other segment information				
Capital commitments	17,556,560	-	-	17,556,560

36. Segment information (Cont'd)

A Additions to non-current assets consist of:

	2023 RM	2022 RM
Property, plant and equipment	18,659,021	17,941,517
Land and building	-	-
Roght-of-use assets	657,995	1,108,573
	19,317,016	19,050,090

37. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 November 2023 and 30 November 2022.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings, trade and other payables, lease liabilities less cash and bank balances and other investments.

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Total loans and borrowings (Note 24)	4,392,000	12,133,440	-	5,652,595
Trade and other payables (Note 25)	57,526,553	40,429,458	523,490	243,066
Lease liabilities (Note 28(b))	604,834	144,262	-	-
Less:				
Cash and bank balances (Note 23)	(39,497,465)	(49,447,259)	(258,383)	(317,659)
Other investments (Note 18)	(182,010,064)	(124,392,332)	(160,220,562)	(55,721,467)
Net debt	(158,984,142)	(121,132,431)	(159,955,455)	(50,143,465)
Total equity	495,785,021	425,634,692	180,222,172	119,774,047
Capital and net debt	336,800,879	304,502,261	20,266,717	69,630,582
Debt-to-equity ratio	N/A	N/A	N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 November 2023

38. Contigent liabilities

	Company	
	2023 RM	2022 RM
Corporate guarantee in respect of banking facilities granted to a subsidiary	5,000,000	5,000,000

39. Authorisation of financial statements for issue

The financial statements for the year ended 30 November 2023 were authorised for issue in accordance with a resolution of the directors on 11 March 2024.

40. Significant events after the end of the reporting period

As at 29 February 2024, Chin Hin Group Berhad has acquired 164,748,147 (55.85%) of ordinary shares in the Company. The Company has became the subsidiary of Chin Hin Group Berhad on 18 December 2023.

On 26 February 2024, the Group has acquired 100,000 ordinary shares from Foresight Aim Sdn Bhd representing 10% of the total issued share capital of Ajiya Safety Glass Sdn. Bhd. for a purchase consideration of RM9,000,000 to be satisfied by cash. Upon completion of the acquisition, Ajiya Safety Glass Sdn. Bhd. will become a wholly-owned subsidiary of the Group.

ANALYSIS OF SHAREHOLDINGS

AS AT 29 FEBRUARY 2024

Total Number of Issued Shares	:	**294,970, 084 (excluding treasury shares)**
Class of Shares	:	**Ordinary Shares**
Voting Rights	:	**One Vote per Share**

ANALYSIS OF SHAREHOLDINGS

Holdings	No. of Holders	No. of Shares Held	% of Holdings
Less than 100	20	470	0.00
100 to 1,000	183	104,596	0.04
1,001 to 10,000	919	5,664,536	1.92
10,001 to 100,000	565	19,159,500	6.50
100,001 to less than 5% of issued shares	141	70,292,835	23.83
5% and above of issued shares	7	199,748,147	67.72
TOTAL	1,835	294,970,084 *	100.00

* Excluding a total of 9,614,400 ordinary shares bought back and retained as treasury shares.

THIRTY LARGEST SHAREHOLDERS

	Name of Shareholders	No. of Shares	% of Shares
1.	SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Al Rajhi Bank for Chin Hin Group Berhad Acc 2	67,363,200	22.84
2.	Yeo Ann Seck	35,000,000	11.87
3.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank Islamic Berhad for Chin Hin Group Berhad	33,000,000	11.19
4.	Chin Hin Group Berhad	17,184,850	5.83
5.	Chin Hin Group Berhad	17,000,000	5.76
6.	RHB Nominees (Tempatan) Sdn Bhd Bank Of China (Malaysia) Berhad Pledged Securities Account for Chin Hin Group Berhad	15,200,000	5.15
7.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Chin Hin Group Berhad (MY4563)	15,000,097	5.09
8.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Ann Seck (MY0696)	2,382,000	0.81
9.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Hang Ping	2,271,500	0.77
10.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chua Boon Hong	2,151,000	0.73

ANALYSIS OF SHAREHOLDINGS

THIRTY LARGEST SHAREHOLDERS (Cont'd)

	Name of Shareholders	No. of Shares	% of Shares
11.	Lim Khuan Eng	2,100,000	0.71
12.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Hwa Sing (7012335)	2,061,200	0.70
13.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Beng Hoo (7004794)	1,900,800	0.64
14.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Sheng Yih	1,782,000	0.60
15.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sim Leong Thun (E-SS2)	1,750,900	0.59
16.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Hai Peng (M04)	1,651,000	0.56
17.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Pak Yii (7009885)	1,580,000	0.54
18.	RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Ong Kah Hoe	1,550,000	0.53
19.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Pak Yii	1,512,100	0.51
20.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Ong Kah Hoe (MY1325)	1,500,000	0.51
21.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Por Teong Eng (7008531)	1,268,895	0.43
22.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Kean Leng (7010488)	1,210,000	0.41
23.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for YBG Yap Consolidated Sdn Bhd	1,180,000	0.40
24.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Kian Hin (7008657)	1,135,000	0.39
25.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teoh Hai Hin (7001329)	1,070,500	0.36
26.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Desiran Realiti Sdn Bhd (7000431)	1,000,000	0.34
27.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Khoo Chee Siang	980,000	0.33
28.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Lee Chin	964,200	0.33
29.	Link Cheong Wah	896,000	0.30
30.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Kian Hin	890,000	0.30

SUBSTANTIAL SHAREHOLDERS

		No. of Shares Held			
	Name	Direct	%	Indirect/Deemed	%
1.	PP Chin Hin Realty Sdn Bhd	-	-	164,748,147*	55.85
2.	Chin Hin Group Berhad	164,748,147	55.85	-	-
3.	Divine Inventions Sdn Bhd	-	-	164,748,147*	55.85
4.	Datuk Seri Chiau Beng Teik, JP	-	-	164,748,147**	55.85
5.	Chiau Haw Choon	-	-	164,748,147**	55.85
6.	Yeo Ann Seck	37,382,000	12.67	-	-
7.	Datin Seri Wong Mee Leng	-	-	164,748,147**	55.85

Note:

* 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.

DIRECTORS' INTEREST

a) Interest of Shares in the Company

		No. of Shares Held			
	Name	Direct	%	Indirect/Deemed	%
1.	Datuk Seri Chiau Beng Teik, JP	-	-	164,748,147**	55.85
2.	Chiau Haw Choon	-	-	164,748,147**	55.85
3.	Yeo Ann Seck	37,382,000	12.67	-	-
4.	Er Kian Hong	-	-	-	-
5.	Teh Boon Beng	-	-	-	-
6.	Datuk Hj Mohd Yusri Bin MD Yusof	-	-	-	-
7.	Dato' Boey Chin Gan	-	-	-	-

Note:

** 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.

b) Interest of Shares in the Subsidiaries

By virtue of Section 8 of the Companies Act 2016, Dato' Seri Chiau Beng Teik, JP, Mr. Chiau Haw Choon and Mr Yeo Ann Seck are also deemed interested in shares af all the subsidiaries to the extent the Company has an interest.

LIST OF TOP 10 PROPERTIES OWNED BY THE GROUP

Based on Net Book Value as at 30 November 2023

No.	Location	Description And Existing Use	Tenure (Expiry Date)	Age of Building	Land Area (acre)	Built-up Area (acre)	Net Book Value ('000)	Date of Acquisition
1.	700/609, Moo 7, Phase 6C, Amata Nakorn Industrial Estate, Tambon Donhuaroh Amphur Mueang, Chonburi 20000, Thailand	Industrial land with factory building	Freehold	10 years	3.347	3.15	16,636	19-10-2010
2.	Lot 575, 1 KM Lebuhraya Segamat-Kuantan, 85000 Segamat, Johor	Industrial land with factory building	Freehold	27 years	8.33	5.47	11,697	07-03-1995
3.	Lot 7025, Jalan Kempas Lama, Seelong Jaya, 81400 Senai, Johor	Industrial land with factory building	Freehold	15 years	2.50	1.34	10,095	15-03-2007
4.	Lot 7068, Jalan Seelong, Kampung Maju Jaya, 81300 Johor Bahru, Johor	Industrial land with factory building	Freehold	8 years	3.21	1.39	9,838	18-09-2012
5.	6, Jalan PPU 3, Taman Perindustrian Puchong Utama, 47100 Puchong, Selangor	Industrial land with factory building	Freehold	21 years	3.34	2.43	7,062	01-03-2000
6.	Lot 2-27, 2-28 & 2-29, Jalan Perindustrian Mahkota 7, Taman Perindustrian Mahkota, 43700 Beranang, Semenyih, Selangor	Industrial land with factory building	Freehold	9 years	1.68	0.95	6,219	30-09-2014
7.	No. 4, Jalan Sungai Pelubung 32/149, Seksyen 32, 40460 Shah Alam, Selangor	Industrial land with factory building	Freehold	15 years	1.57 n/a	0.91	5,961	27-02-2002
8.	Geran No. 79108, Lot No. 3222, Mukim of Beranang, District of Ulu Langat, Selangor	Industrial land	Freehold	n/a	3.82	0.95	5,816	30-09-2014
9.	Lot 28, Taman Perindustrian Bukit Makmur, 08000 Sungai Petani, Kedah	Industrial land with factory building	Freehold	18 years	3.08	1.83	5,459	24-04-1997
10.	Lot 1306, Kawasan Perindustrian, Pengkalan Chepa 16100 Kota Bharu, Kelantan	Industrial land with factory building	66-year Leasehold (expiry : 12-07-2072)	27 years	1.76	1.08	2,493	20-09-2005

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth Annual General Meeting ("28th AGM") of Ajiya Berhad ("Ajiya" or "Company") will be conducted fully virtual through live streaming using Remote Participation and Electronic Voting facilities via online meeting platform at https://web.vote2u.my (Domain Registration No. with MYNIC: D6A471702) on Monday, 29 April 2024 at 11.30 a.m for the purpose of considering and if thought fit, passing with or without any modification, the resolutions set out in this Notice.

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 November 2023 together with the Reports of the Directors and Auditors thereon. — **Explanatory Note 1**

2. To approve the payment of Directors' fees amounting to RM294,000 for the financial year ended 30 November 2023. — **Ordinary Resolution 1**

3. To approve the payment of Directors' meeting allowance up to an amount of RM68,500 from the conclusion of the 28th AGM until the next Annual General Meeting ("AGM") to be held in 2025. — **Ordinary Resolution 2**

4. To re-elect the following Directors who are retiring pursuant to Article 89 of the Company's Constitution and being eligible, offered themselves for re-election:-

   a) Mr. Yeo Ann Seck — **Ordinary Resolution 3**
   b) Mr. Chiau Haw Choon — **Ordinary Resolution 4**

5. To re-appoint ChengCo PLT as Auditors of the Company for the financial year ending 30 November 2024 and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 5**

SPECIAL BUSINESSES

6. To consider and, if thought fit, pass the following Ordinary Resolutions:

6.1 AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 — **Ordinary Resolution 6**

"**THAT**, pursuant to Section 75 and 76 of the Companies Act 2016 ("the Act") and subject to the approval of relevant regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad.

THAT in connection with the above, pursuant to Section 85 and Article 53 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares and that the Directors are exempted, in respect of the Renewal Mandate, from any obligation to offer such new shares first to the existing shareholders of the Company in proportion to their respective shareholdings in the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

NOTICE OF ANNUAL GENERAL MEETING

6.2 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY **Ordinary Resolution 7**

"**THAT**, subject to the Act, the provisions of the Constitution of the Company, the Listing Requirements and the approvals of all relevant governmental and/or relevant authorities, where required, the Company be and is hereby authorised to purchase and/or hold such number of Ajiya Shares under the Proposed Renewal of Share Buy-Back Authority ("Purchased Share(s)") upon such terms and conditions as the Board may deem fit in the interest of the Company provided that:-

a) the aggregate number of Purchased Shares does not exceed 10% of the total number of issued shares of the Company at the time of purchase(s);
b) the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the aggregate amount of the retained earnings of the Company;

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

a) cancel all the shares so purchased;
b) distribute the shares as share dividends to the shareholders;
c) resell the shares through Bursa Securities in accordance with the Rules of Bursa Securities;
d) retain all the shares so purchased as treasury shares;
e) retain part of the shares so purchased as treasury shares and cancel the remainder of the shares; or
f) deal with the treasury shares in the manners as allowed by the Act from time to time.

AND THAT the authority conferred by this resolution shall commence upon passing this resolution until:-

a) the conclusion of the next AGM of the Company, at which time the said authority will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
b) the expiration of the period within which the next AGM after that date is required by law to be held; or
c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first.

THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things (including the maintaining of a central depositories account(s) under the Securities Industry (Central Depositories) Act, 1991 as may be required to give effect to and to complete the aforesaid Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority."

6.3 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("Proposed Renewal of Shareholders' Mandate") AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("Proposed New Shareholders' Mandate") **Ordinary Resolution 8**

"THAT approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties mentioned under section 2.3 of the Circular to Shareholders dated 29 March 2024 which are necessary in the course of business of the Company and/or its subsidiaries for day-to-day operations and on normal commercial terms which are not more favorable to the related parties than those available to the public and not detrimental to the minority shareholders of the Company and such approval shall continue to be in force until:-

a) the conclusion of the next AGM of the Company at which such Proposed Renewal of Shareholders' 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
b) 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 shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever occurs first."

7. To transact any other business appropriate to an AGM, due notice of which shall have been previously given in accordance with the Act and the Company's Constitution.

By Order of the Board

CHONG WUI KOON (f)
SSM PC No. 202008000920 (MAICSA No. 7012363)
TAI YIT CHAN (f)
SSM PC No. 202008001023 (MAICSA No. 7009143)
SANTHI A/P SAMINATHAN (f)
SSM PC No. 201908002933 (MAICSA No. 7069709)
Company Secretaries

Johor Bahru
Dated: 29 March 2024

NOTES

1. The 28th AGM of the Company will be conducted fully virtual through live streaming using Remote Participation and Electronic Voting facilities via the online meeting platform at https://web.vote2u.my (Domain Registration No. with MYNIC: D6A471702).
Please follow the procedures as set out in the Administrative Guide for the 28th AGM in order to register, participate and vote remotely.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.

3. Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus accounts it holds.

4. Where the member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.

5. The duly executed Form of Proxy may be deposited in a hard copy form or by electronic means in the following manner not less than twenty-four (24) hours before the time appointed for holding the meeting and any adjournment thereof. The last date to submit the proxy form is 28 April 2024 at 11.30 a.m.

   a) Submit the Form of Proxy to the Registered Office of the Company, at :
   Suite 9D, Level 9, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Johor, Malaysia, OR

   b) Submit the Form of Proxy by email to vote2u@agmostudio.com

NOTICE OF ANNUAL GENERAL MEETING

6. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.

7. Only members whose names appear on the Record of Depositors on 22 April 2024 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to participate, speak and/or vote on his/her behalf via remote voting.

EXPLANATORY NOTES ON ORDINARY BUSINESSES:-

1. **Audited Financial Statements for the Financial Year Ended 30 November 2023**
This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 ("the Act") does not require a formal approval from the shareholders and hence is not put forward for voting.

2. **Directors' Remuneration**
Ordinary Resolution 1 and 2
Section 230(1) of the Act provides amongst others, that the fees of the directors and other benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

Pursuant thereto, shareholders' approval will be sought at the 28th Annual General Meeting ("AGM") for the payment of Directors' fees and benefits under Resolution 1 and 2 as below:

i) **Resolution No. 1 :**
Payment of Directors' fees amounting to RM294,000 for the financial year ended 30 November 2023

The Directors' fees for each Director of the Company for the financial year ended 2023 shall remain unchanged. The fees structure is as below:

Directors	Annual Fees per Director
The Company	RM 42,000

ii) **Resolution No. 2 :**
Payment of Directors' meeting allowances up to an amount of RM68,500 from the conclusion of the 28th AGM until the next AGM 2025.
The meeting allowance is payable to each Director of the Company for attending the Board and Board Committees meeting. The total amount of meeting allowance up to RM68,500 is derived from the number of scheduled and unscheduled meetings (when necessary) and the number of Directors involved in these meetings.

The meeting allowances shall remain unchanged as per the benefit approved at the last AGM held in 2023 and is fixed as below:

Directors	Annual Fees
Board Meeting	RM1,000
Board Committee Meeting	RM500

The Board is of the view that it is just and equitable for the Directors to be paid the Directors' meeting allowances as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company from the conclusion of the 28th AGM until the next AGM of the Company to be held in 2025

Director who is a shareholder of the Company will abstain from voting on Resolution 1 and 2 at the 28th AGM.

The remuneration of each Director for the financial year ended 30 November 2023 is set out in Practice 8.1 of the Corporate Governance Statement.

3. **Re-election of Directors who retire in accordance with Article 89 of the Company's Constitution**
Ordinary Resolution 3 and 4
Article 89 of the Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. In addition, all Directors shall retire from office once at least in every three (3) years and shall be eligible for re-election.

The Nomination Committee has conducted an evaluation of the retiring Directors, Mr. Chiau Haw Choon and Mr. Yeo Ann Seck. This assessment was carried out based on key criteria, focusing on their contribution, calibre and their individual performance in fulfilling their roles and responsibilities to the Group. The annual assessment, together with the fit and proper declaration made in accordance with the Company's Fit and Proper Policy, form the basis and justification for recommending their re-election at the AGM.

The outcome of the assessment was reported to the Board of Directors. The Board was satisfied with the assessment results of their performance, contribution, fit and propriety, and that their proficiency, capabilities, extension exposure, and vast experience in similar industries, will continue to benefit the Company. The Board recommends these Directors to be re-elected according to the resolutions put forth in the forthcoming AGM.

The Directors standing for re-election have abstained from deliberation and participation of their own agenda in the relevant Nomination Committee meeting and Board meeting.

The profiles of Directors seeking for re-election are set out in the Profile of Directors' section of the Annual Report 2023.

4. **Appointment of Auditors**
Ordinary Resolution 5
Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, ChengCo PLT, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office.

ChengCo PLT, have indicated their willingness to continue their service until the conclusion of the next AGM. The re-appointment of ChengCo PLT as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR. This proposed resolution, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

EXPLANATORY NOTES ON SPECIAL BUSINESSES:-

5. **Authority to Allot and Issue Shares Pursuant to the Companies Act 2016**
Ordinary Resolution 6
The proposed Ordinary Resolution 6, if passed, will provide flexibility to the Directors of the Company to issue and allot shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares) at the time of such allotment and issuance of ordinary shares and for such purposes as they consider would be in the best interest of the Company without having to convene a separate general meeting. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

The rationale for this resolution is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new ordinary shares including but not limited to placement of shares for future business opportunities for the purpose of funding investment project(s), working capital, acquisitions and such other purposes as the Directors consider would be in the best interest of the Company and thereby reducing administrative time and cost associated with the convening of such general meetings.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Article 53 of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors of the Company at the 27th AGM held on 27 April 2023 and which will lapse at the conclusion of the 28th AGM of the Company. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

NOTICE OF ANNUAL GENERAL MEETING

6. **Ordinary Resolution 7**
   Proposed Renewal of Share Buy-Back Authority
   Resolution 7, if passed, will empower the Directors to purchase the Company's shares of up to 10% of the total number of issued shares of the Company at any point of time, by utilising the funds allocated which shall not exceed the total retained earnings of the Company. The audited retained earnings of the Company stood at RM82,009,019 as at 30 November 2023. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

   Please refer to Statement of Share Buy-Back dated 29 March 2024.

7. **Ordinary Resolution 8**
   Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate
   The Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate is to facilitate transactions in the normal course of business of the Company and its subsidiaries ("the Group") which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

   By obtaining the shareholders' mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

   Further information on Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate are set out in the Circular to Shareholders of the Company which is dispatched together with the Annual Report of the Company for the financial year ended 30 November 2023.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) and Appendix 8A of the Bursa Securities Listing Requirements)

1. Details of individuals who are standing for election as Directors.

   There is no individual seeking for election as Director of the Company at the forthcoming 28th AGM.

   The Directors who are standing for re-election at the 28th AGM are as set out in the Notice of AGM and the explanatory notes therein. Their profiles are provided in the Directors' Profile on pages 15 to 16 of the Annual Report 2023 while details of the Directors' interests in the securities of the Company are discussed in the Analysis of Shareholdings on pages 157 to 159 of the Annual Report 2023.

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

   The details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note (5) of the Notice of 28th AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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AJIYA BERHAD
Registration No.199601005281(377627-W)

FORM OF PROXY

CDS Account No.			
No. of Shares Held			
Email		Contact No.	

I/We, ____________________
NRIC/Passport/Company No. ____________________
of ____________________
being a member/members of AJIYA BERHAD, hereby appoint:

Full Name		Proportion of Shareholding	
NRIC/Passport No.		No. of Shares	%
Address			
Email			
Contact No.			

*and/or

Full Name		Proportion of Shareholding	
NRIC/Passport No.		No. of Shares	%
Address			
Email			
Contact No.			

or failing him/her, the CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to vote for *me/us and *my/our behalf at the Twenty-Eighth Annual General Meeting ("28th AGM") to be conducted via FULLY VIRTUAL MEETING through live streaming using Remote Participation and Electronic Voting facilities via the online meeting platform at https://web.vote2u.my (Domain Registration No. with MYNIC: D6A471702) on **Monday**, **29 April 2024** at **11:30 a.m.** and at any adjournment thereof.

*My/Our proxy(ies) *is/are to vote as indicated by 'X' in the appropriate spaces below. In the absence of specific direction, the proxy(ies) shall vote, or abstain from voting on the resolution(s) at his/her/their discretion:

		FIRST PROXY		SECOND PROXY	
NO.	**RESOLUTION**	**FOR**	**AGAINST**	**FOR**	**AGAINST**
ORDINARY BUSINESS					
1.	To approve the payment of Directors' fees amounting to RM294,000 for the financial year ended 30 November 2023.				
2.	To approve the payment of Directors' allowances up to an amount of RM68,500 from the conclusion of the 28th AGM until the next AGM 2025.				
3.	To re-elect Mr. Yeo Ann Seck as Director.				
4.	To re-elect Mr. Chiau Haw Choon as Director.				
5.	To re-appoint Messrs ChengCo PLT as Auditors of the Company and authorise the Directors to fix their remuneration.				
SPECIAL BUSINESS					
6.	Authority to Allot and Issue Shares Pursuant to the Companies Act 2016				
7.	Approval of the Proposed Renewal of Share Buy-Back Authority				
8.	Approval for the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature				

Sign on this ________________ day of __________________ 2024.

____
Signatures of Shareholder(s)

____
Common Seal of Shareholder, if applicable
(if the appointer is a corporation)

NOTES

1. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.*

2. *Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorized nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*

3. *Where the member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.*

4. *The duly executed Form of Proxy may be deposited in a hard copy form or by electronic means in the following manner not less than twenty-four (24) hours before the time appointed for holding the Meeting and any adjournment thereof. The last date and time to submit the proxy form is 28 April 2024 at 11.30 a.m.*

   a) *Submit the Form of Proxy to the Registered Office of the Company, at :*
   Suite 9D, Level 9, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Johor, Malaysia, OR

   b) *Submit the Form of Proxy by email to vote2u@agmostudio.com*

5. *In respect of the deposited securities, only members whose names appear on the Record of Depositors on 22 April 2024 (General Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf via RPEV facilities.*

Fold Here

AFFIX STAMP

Boardroom Corporate Services Sdn. Bhd.
Suite 9D, Level 9, Menara Ansar,
65, Jalan Trus,
80000 Johor Bahru,
Johor, Malaysia.

Fold Here

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 28th AGM dated 29 March 2024.

CORPORATE DIRECTORY

AJIYA BERHAD

Lot 153, Kawasan Perindustrian, Jalan Genuang, 85000 Segamat, Johor

Malaysia Subsidiary Companies

METAL GROUP

Asia Roofing Industries Sdn Bhd

- Corporate Head Office & Main Factory

  Lot 153, Kawasan Perindustrian,
  Jalan Genuang,
  85000 Segamat, Johor
  Tel : 607-943 4211
  Fax : 607-943 1054
  Website : www.ajiya.com
  E-mail : enquiry@ajiya.com

- Factory II

  Lot 142, Kawasan Perindustrian,
  Jalan Genuang,
  85000 Segamat, Johor
  Tel : 607-943 4212
  Fax : 607-943 5191

- Marketing Head Office & Factory

  No.4, Jalan Sungai Pelubung 32/149,
  Seksyen 32,
  40460 Shah Alam, Selangor
  Tel : 603-5121 0011
  Fax : 603-5121 0111
  E-mail : arimkt@ajiya.com

- Southern Office & Factory

  Lot 7068, Jalan Seelong,
  Kampung Maju Jaya,
  81300 Johor Bahru, Johor
  Tel : 607-557 3733
  Fax : 607-556 5733

- Mentakab Office & Factory

  No. 11, Jalan Industri 3/5,
  Taman Perindustrian Temerloh,
  28400 Mentakab, Pahang
  Tel : 609-270 1313
  Fax : 609-270 1311

ARI Utara Sdn Bhd

Lot 28, Taman Perindustrian
Bukit Makmur,
08000 Sungai Petani, Kedah
Tel : 604-442 2899
Fax : 604-442 2799
E-mail : enquiry@ajiya.com

ARI Timur (KB) Sdn Bhd

Lot 1306, Kawasan Perindustrian
Pengkalan Chepa II,
16100 Kota Bharu, Kelantan
Tel : 609-774 5946
Fax : 609-774 6946
E-mail : enquiry@ajiya.com

ARITEQ ECO Sdn Bhd

Lot 153, Kawasan Perindustrian,
Jalan Genuang,
85000 Segamat, Johor
Tel : 607-943 4211
Fax : 607-943 1054

GLASS GROUP

Ajiya Safety Glass Sdn Bhd

- Corporate Head Office & Main Factory

  Lot 575, 1 KM Lebuh Raya
  Segamat-Kuantan,
  85000 Segamat, Johor
  Tel : 607-931 3133
  Fax : 607-931 3142
  Website : www.ajiya.com
  E-mail : enquiry@ajiya.com

- Marketing Head Office & Factory

  No. 6, Jalan PPU 3,
  Taman Perindustrian Puchong Utama,
  47100 Puchong, Selangor
  Tel : 603-8062 3939
  Fax : 603-8062 1113
  E-mail : asgmkt@ajiya.com

- Southern Office & Factory

  Lot 7025, Jalan Kempas Lama,
  Seelong Jaya,
  81400 Senai, Johor
  Tel : 607-599 1733
  Fax : 607-599 2733

ASG Marketing Sdn Bhd

No. 6, Jalan PPU 3,
Taman Perindustrian Puchong Utama,
47100 Puchong, Selangor
Tel : 603-8062 3939
Fax : 603-8062 1113

Thailand Subsidiary Company

Thai Ajiya Safety Glass Co. Ltd.

700/609, Moo.7, Phase 6C,
Amata Nakorn Industrial Estate, Tambon Donhuaroh,
Amphur Mueng Chonburi, Chonburi, 20000, Thailand
Tel : 663-819 3240
Fax : 663-819 3242

Associate Company

ASTEEL Ajiya Sdn Bhd

Lot 1268, Block 8, Jalan Bako,
Demak Laut Industrial Estate Phase IV,
93050 Kuching, Sarawak
Tel : 6082-432 688
Fax : 6082-433 686

AJIYA BERHAD
Registration No. 199601005281(377627-W)

Lot 153, Kawasan Perindustrian, Jalan Genuang, 85000 Segamat, Johor

www.ajiya.com