

AJIYA BERHAD (377627-W)
Notes to the Financial Statements for the fourth quarter ended 30 November 2021

Part A – Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standards (MFRS) 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and should be read in conjunction with the financial statements of the Group for the year ended 30 November 2020.

2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 30 November 2020, except for the adoption of the following Amendments and Annual Improvements mandatory for the annual financial periods beginning on or after 1 January 2020.

Description	Effective for annual period beginning on or after
• Amendments to references to the Conceptual Framework In MFRS Standards	1 January 2020
• Amendments to MFRS 3: Business Combinations - Definition of a Business	1 January 2020
• Amendments to MFRS 101: Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material	1 January 2020
• Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform	1 January 2020
• Amendments to MFRS 16: Leases – Covid- 19 Related Rent Concessions	1 June 2020

Adoption of the above Amendments and Annual Improvements would not have any material impact on the financial statements of the Group.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group for the year ended 30 November 2020 were not qualified.

4. Seasonality or Cyclical Factors

The Group's operations were not materially affected by any seasonal or cyclical factors.

5. Unusual items due to their Nature, Size or Incidence

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence.

6. Material Changes in Estimates

There were no material changes in estimates used in the preparation of the financial statements in the current financial period as compared with the previous financial period or previous year.

7. Issuance, Cancellation, Repurchases, Resale and Repayments of Debt and Equity Securities

There have been no other issuance, cancellation, resale and repayments of debt and equity securities except for the shares repurchased and held as treasury shares as follows:-

	Number of Treasury Shares	Total Consideration (RM)
Balance as at 30.11.2021	12,855,600	7,473,873

8. Dividend Paid

There was no dividend paid during the financial quarter.

9. Segmental Information

a) Operating Segment

The Group is principally involved in the manufacturing and supply of building materials for the construction industry. Hence, no operating segment information is provided.

b) Geographical Segment

	Current quarter 30.11.2021	Year to date 30.11.2021
<u>Revenue</u>	<u>RM'000</u>	<u>RM'000</u>
- Local plant	87,829	258,075
- Overseas plant	<u>2,331</u>	<u>10,434</u>
	<u>90,160</u>	<u>268,509</u>

10. Material Events Subsequent to the End of Period

There were no material events subsequent to the period ended 30 November 2021.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial quarter.

12. Capital Commitments

Authorized capital commitments not provided for in the interim financial statements as at 30 November 2021:-

Approved and contracted for purchase of Industrial land RM34,277,740.

13. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities/assets in respect of the Group since 30 November 2020.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

14. Review of Performance

Financial review for the current quarter and financial year to date:-

	Individual Period (4 th quarter)		Changes %	Cumulative Period		Changes %
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year Quarter	Preceding Year Corresponding Quarter	
	30.11.2021 RM'000	30.11.2020 RM'000		30.11.2021 RM'000	30.11.2020 RM'000	
Revenue	90,160	80,742	11.7	268,509	254,896	5.3
Operating Profit	7,746	307	2423.1	33,822	8,582	294.1
Profit/(Loss) Before Tax	5,659	(2,162)	361.7	25,225	(745)	3485.9
Profit/(Loss) net of Tax	3,917	(272)	1540.1	18,972	397	4678.8
Profit/(Loss) Attributable to Owners of The Parent	3,520	(158)	2327.8	17,199	1,195	1339.2

For the quarter under review, the Group achieved a revenue of RM90.160 million, which was 11.7% higher compared to preceding year's corresponding quarter of RM80.742 million. The higher revenue for the current quarter was due to lifting of lockdowns, effecting increase in demand for the Group's products.

The profit before tax for the current quarter of RM5.659 million was 361% higher compared to preceding year corresponding quarter loss before tax of RM2.162 million. The higher profit before tax was mainly due to increase in revenue during the current quarter.

15. Comment on Material Changes in Profit before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter

	Current Quarter 30.11.2021 RM'000	Immediate Preceding Quarter 31.08.2021 RM'000	Changes %
Revenue	90,160	24,029	275.2
Operating Profit	7,746	3,085	151.1
Profit Before Tax	5,659	926	511.1
Profit Net of Tax	3,917	1,741	125.0
Profit Attributable to Owners of The Parent	3,520	1,494	135.6

The Group recorded a profit before tax of RM5.659 million for the current quarter compared to immediate preceding quarter profit before tax of RM0.926 million. The higher profit before tax for the current quarter was mainly due to increase in revenue as compared to immediate quarter.

16. Commentary on Prospects

Moving forward, the Group will continue with its efforts in making its operations more efficient and undertake various measures to reduce operating costs and improve its revenue for a sustainable long term growth.

17. Profit Forecast

Not applicable as the Company did not provide any profit forecast in public documents.

18. Profit before Tax

Profit for the period is arrived after charging/(crediting):

	Current quarter 30.11.2021 <u>RM'000</u>	Year to date 30.11.2021 <u>RM'000</u>
Interest income	(1,584)	(3,551)
Other income including investment income	(1,648)	(9,291)
Interest expense	8	73
Depreciation and amortization	2,093	8,723
Foreign exchange gain	27	(5)

19. Taxation

Taxation of the Group for the financial period under review is as follows:-

	Current quarter 30.11.2021 <u>RM'000</u>	Year to date 30.11.2021 <u>RM'000</u>
Current tax	751	5,423
Prior year tax	-	(218)
Real property gain tax	(11)	308
Deferred tax	<u>1,002</u>	<u>740</u>
Total	<u>1,742</u>	<u>6,253</u>

20. Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as at to date.

21. Borrowings

As at 30 November 2021

Secured short term borrowing of RM834,000.

22. Changes in Material Litigation

Litigation between Al-Ambia Sdn Bhd (Company No. 76525-A) ("Plaintiff"), Foremost Prospect Sdn Bhd (Company No. 727683-D) ("Defendant") and ASG Marketing Sdn Bhd (Company No. 418751-A) ("ASGM" or "Third Party"):

There was no material updates since the last announcement released to Bursa Malaysia Securities Berhad on 1 August 2019.

23. Dividend

No dividend payment was recommended for the quarter ended 30 November 2021.

24. Earnings Per Share

The basic earnings per share of 1.20 sen for the quarter is calculated by dividing the Group's profit attributable to ordinary equity holders of the parent of RM3,520,000 by the weighted average number of 292,416,911 ordinary shares in issue.

By order of the Board
Chong Wui Koon (secretary)
Date: 27.01.2022