

AJIYA BERHAD (377627-W)
Notes to the Financial Statements for the fourth quarter ended 30 November 2022

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 2021.

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 2021, except for the adoption of the following Amendments and Annual Improvements mandatory for the annual financial periods beginning on or after 1 January 2021.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
• Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 – Interest Rate Benchmark Reform – Phase 2	1 January 2021
• Amendments to MFRS 16: Leases – Covid- 19 Related Rent Concessions beyond 30 June 2021	1 April 2021

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 2021 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, repurchases, resale and repayments of debt and equity securities except for shares repurchased/resale and held as treasury shares as follows:

	Number of Treasury Shares	Total Consideration (RM)
Balance as at 30 November 2022	18,830,000	14,437,342

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 30.11.2022	Year to date 30.11.2022
<u>Revenue</u>	<u>RM'000</u>	<u>RM'000</u>
- Local plant	72,667	286,916
- Overseas plant	<u>1,502</u>	<u>7,133</u>
	<u>74,169</u>	<u>294,049</u>

10. Material Events Subsequent to the End of Period

There were no material events subsequent to the period ended 30 November 2022.

11. Changes in Composition of the Group

Upon the disposal of 80,000 ordinary shares representing 40% equity interest in Thai Ajiya Pte Ltd (TAC) on 26 October 2022, TAC has ceased to be an associate company of Asia Roofing Industries Sdn Bhd.

12. Capital Commitments

Authorized capital commitments not provided for in the interim financial statements as at 30 November 2022:-

Approved and contracted for purchase of Industrial land and machineries RM19,252,061.

13. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities/assets in respect of the Group since 30 November 2022.

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	
	30.11.2022 RM'000	30.11.2021 RM'000		30.11.2022 RM'000	30.11.2021 RM'000	
Revenue	74,169	90,160	-17.7	294,049	268,509	9.5
Operating Profit	12,020	7,746	55.2	44,940	33,940	32.4
Profit Before Tax	9,848	5,659	74.0	36,524	25,381	43.9
Profit net of Tax	9,179	3,917	134.3	30,571	19,283	58.5
Profit Attributable to Owners of The Parent	9,479	3,520	169.3	29,063	17,511	66.0

For the quarter under review the Group achieved a revenue of RM74.169 million, which was 17.7% lower compared to preceding year's corresponding quarter of RM90.160 million. The lower revenue during the current quarter was mainly due to lower demand for the Group's products.

The profit before tax for the current quarter of RM9.848 million was 74.0% higher compared to preceding year corresponding quarter profit before tax of RM5.659 million. The higher profit before tax was mainly due to realised and unrealised gain from other investments.

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

	Current Quarter 30.11.2022 RM'000	Immediate Preceding Quarter 31.08.2022 RM'000	Changes %
Revenue	74,169	72,804	1.9
Operating Profit	12,020	7,213	66.6
Profit Before Tax	9,848	5,098	93.2
Profit Net of Tax	9,179	4,324	112.3
Profit Attributable to Owners of The Parent	9,479	4,050	134.0

The Group recorded a profit before tax of RM9.848 million for the current quarter compared to immediate preceding quarter profit before tax of RM5.098 million. The higher profit before tax for the current quarter was mainly due to realised and unrealised gain from other investments.

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 30.11.2022 <u>RM'000</u>	Year to date 30.11.2022 <u>RM'000</u>
Interest income	(848)	(3,769)
Other income including investment income	(15,112)	(28,493)
Interest expense	77	199
Depreciation and amortization	2,311	8,613
Foreign exchange gain	(42)	(97)

19. Taxation

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

	Current quarter 30.11.2022 <u>RM'000</u>	Year to date 30.11.2022 <u>RM'000</u>
Current tax	1,075	5,811
Prior year tax	-	(197)
Real property gain tax	-	534
Deferred tax	<u>(406)</u>	<u>(195)</u>
Total	<u>669</u>	<u>5,953</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 2022

Secured short term borrowing of RM12,133,000.

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"):

The Court of appeal has dismissed the appeal of ASGM with the cost of RM20,000 and affirmed the decision of the High Court.

An announcement has been released to Bursa Malaysia Securities Bhd on 11 November 2022.

23. Dividend

No dividend payment was recommended for the quarter ended 30 November 2022.

24. Earnings Per Share

The basic earnings per share of 3.29 sen for the quarter is calculated by dividing the Group's profit attributable to ordinary equity holders of the parent of RM9,479,000 by the weighted average number of 288,159,709 ordinary shares in issue.

By order of the Board
Chong Wui Koon (secretary)
Date: 30.01.2023