

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 2022.

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 2022, except for the adoption of the following Amendments and Annual Improvements mandatory for the annual financial periods beginning on or after 1 January 2022.

Description	Effective for annual period beginning on or after
• Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
• Amendments to MFRS 3 Business Combination - Reference to the Conceptual Framework	1 January 2022
• Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
• Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts Cost of Fulfilling a Contract	1 January 2022

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 2022 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 01 December 2022	18,830,000	14,437,343
Resale during the year	(9,215,600)	(6,727,921)
Balance as at 30 November 2023	9,614,400	7,709,422

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 30.11.2023	Year to date 30.11.2023
<u>Revenue</u>	<u>RM'000</u>	<u>RM'000</u>
- Local plant	89,141	301,687
- Overseas plant	496	3,125
	<u>89,637</u>	<u>304,812</u>

10. Material Events Subsequent to the End of Period

There were no material events subsequent to the period ended 30 November 2023.

11. Changes in Composition of the Group

On 3 November 2023, Ajiya Glass Marketing Sdn Bhd, a 100% owned subsidiary of Ajiya Bhd was incorporated.

12. Capital Commitments

Authorized capital commitments not provided for in the interim financial statements as at 30 November 2023:-

Approved and contracted for purchase of Industrial land and machineries RM7,538,656.

13. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities/assets in respect of the Group since 30 November 2023.

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	
	30.11.2023 RM'000	30.11.2022 RM'000		30.11.2023 RM'000	30.11.2022 RM'000	
Revenue	89,637	74,169	20.9	304,812	294,049	3.7
Operating (Loss)/Profit	(9,282)	12,020	-177.2	67,227	44,806	50.0
(Loss)/Profit Before Tax	(11,243)	9,848	-214.2	59,500	36,616	62.5
(Loss)/Profit net of Tax	(13,717)	9,179	-249.4	55,381	30,927	79.1
(Loss)/Profit Attributable to Owners of The Parent	(13,017)	9,479	-237.3	55,234	29,368	88.1

For the quarter under review the Group achieved a revenue of RM89.637 million, which was 20.9% higher compared to preceding year's corresponding quarter of RM74.169 million. The increase in revenue during the current quarter was mainly due to improve in demand for the Group's products.

The loss before tax for the current quarter of RM11.243 million was 214.2% lower compared to preceding year corresponding quarter profit before tax of RM9.848 million. The loss before tax for the quarter was mainly due to impairment of stock amounted to RM2.880 million, machineries amounted to RM1.627 million, provision for bad debts and retrenchment benefit amounted to RM1.603 million and RM3.054 million respectively, and investment loss of RM9.570 million. The losses were partially set off by the operating profit.

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

	Current Quarter 30.11.2023 RM'000	Immediate Preceding Quarter 31.08.2023 RM'000	Changes %
Revenue	89,637	75,503	18.7
Operating (Loss)/Profit	(9,282)	11,556	-180.3
(Loss)/Profit Before Tax	(11,243)	9,613	-217.0
(Loss)/Profit Net of Tax	(13,717)	9,516	-244.1
(Loss)/Profit Attributable to Owners of The Parent	(13,017)	9,230	-241.0

15. Comment on Material Changes in Profit before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter (Cont'd)

The Group recorded a loss before tax of RM11.243 million for the current quarter compared to immediate preceding quarter profit before tax of RM9.613 million. The loss before tax for the current quarter was mainly due to impairment of stock amounted to RM2.880 million, machineries amounted to RM1.627 million, provision for bad debts and retrenchment benefit amounted to RM1.603 million and RM3.054 million respectively, and investment loss of RM9.570 million. The losses were partly set off by operating profit.

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. Its alliance and synergy with Chin Hin Group will further improve the demand for the Group's products.

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 30.11.2023 <u>RM'000</u>	Year to date 30.11.2023 <u>RM'000</u>
Interest income	(427)	(2,943)
Other income including investment income	7,916	(53,061)
Interest expense	57	124
Depreciation and amortization	1,961	7,851
Foreign exchange loss/(gain)	(139)	(189)

19. Taxation

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

	Current quarter 30.11.2023 <u>RM'000</u>	Year to date 30.11.2023 <u>RM'000</u>
Current year tax	1,169	3,794
Previous year over provision	0	(986)
Real property gain tax	0	6
Deferred tax	<u>1,305</u>	<u>1,305</u>
Total	<u>2,474</u>	<u>4,119</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 2023

Secured short term borrowing of RM4,392,000.

22. Changes in Material Litigation

The Group is not involved in any material litigation as at the date of this report.

23. Dividend

No dividend payment was recommended for the quarter ended 30 November 2023.

24. Earnings Per Share

The basic loss per share of 4.47 sen for the quarter is calculated by dividing the Group's loss attributable to ordinary equity holders of the parent of RM13.017 million by the weighted average number of 291,237,652 ordinary shares in issue.

By order of the Board
Chong Wui Koon (secretary)
Date: 22.01.2024