

Condensed Consolidated Statements of Comprehensive Income for the second quarter ended 31 May, 2016

	2016 CURRENT QUARTER ENDED 31 MAY RM'000	2015 CURRENT QUARTER ENDED 31 MAY RM'000	2016 6 MONTH CUMULATIVE TO DATE RM'000	2015 6 MONTH CUMULATIVE TO DATE RM'000
Revenue	101,152	111,672	194,793	216,541
Operating expenses	(95,983)	(99,746)	(183,044)	(194,860)
Interest income	302	88	532	145
Other income	637	612	1,522	1,148
Operating profit	6,108	12,626	13,803	22,974
Depreciation and amortization	(2,635)	(2,510)	(5,293)	(4,977)
Finance costs	(351)	(399)	(592)	(999)
Profit before tax	3,122	9,717	7,918	16,998
Income tax expense	(1,148)	(1,877)	(1,854)	(3,394)
Profit net of tax	1,974	7,840	6,064	13,604
Other comprehensive income:				
Foreign currency translation	(162)	(1,191)	(1,670)	1,887
Total comprehensive income	1,812	6,649	4,394	15,491
Profit attributable to:				
Owners of the parent	973	6,129	4,068	10,758
Non-controlling interest	1,001	1,711	1,996	2,846
	1,974	7,840	6,064	13,604
Total comprehensive income attributable to:				
Owners of the parent	1,539	3,177	3,420	10,759
Non-controlling interest	273	3,472	974	4,732
	1,812	6,649	4,394	15,491
Earnings per share:				
(a) Basic (based on 76,146,121(2015: 69,223,821) ordinary shares) (sen)	1.28	8.85	5.34	15.54
(b) Fully diluted (based on 76,146,121 (2015: 69,223,821) ordinary shares) (sen)	1.28	8.85	5.34	15.54

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 November 2015)

AJIYA BERHAD (company no. 377627-W)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position as at 31 May 2016

	AS AT 31 May 2016 RM'000	Audited result AS AT 30 November 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	182,386	188,287
Investment properties	21,574	21,634
Land use rights	3,456	3,503
Other investments	205	205
	207,621	213,629
Current assets		
Inventories	71,731	80,830
Trade and other receivables	110,234	121,723
Cash and bank balances	63,038	58,935
	245,003	261,488
	452,624	475,117
TOTAL ASSETS	452,624	475,117
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	76,146	76,146
Reserves	232,840	229,420
Foreign currency translation reserve	4,451	5,375
	313,437	310,941
Non-controlling interest	68,632	66,734
Total equity	382,069	377,675
Non-current liabilities		
Loans and borrowings	8,214	17,578
Deferred tax liabilities	10,448	10,448
	18,662	28,026
Current liabilities		
Trade and other payables	45,798	55,872
Short term loans and borrowings	5,914	12,382
Tax payable	181	1,162
	51,893	69,416
Total liabilities	70,555	97,442
TOTAL EQUITY AND LIABILITIES	452,624	475,117
Net assets per share (RM)	4.12	4.08

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 November 2015)

AJIYA BERHAD (company no. 377627-W)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flows for the second quarter ended 31 May 2016

	2016 CURRENT QUARTER ENDED 29 February 2016 RM'000	2015 COMPARATIVE QUARTER ENDED 31 May 2015 RM'000
Profit before tax	7,918	16,998
Adjustment for non-cash flow:-		
Non-cash items	5,293	4,977
Non-operating items (which are investing/financing)	60	854
Operating profit before changes in working capital	13,271	22,829
Changes in working capital		
Net change in current assets	20,588	(22,339)
Net change in current liabilities	(10,074)	4,887
Tax paid	(2,835)	(2,949)
Net cash flows from operating activities	20,950	2,428
Investing Activities		
- Equity investments	-	-
- Other investments	-	4,476
- Property, plant & equipment	(307)	(5,200)
- Interest received	532	145
Net cash flows used in investing activities	225	(579)
Financing Activities		
- Bank borrowings	(15,832)	1,659
- Dividend paid	(648)	-
- Interest paid	(592)	(999)
- Proceeds from issuance of shares	-	-
Net cash flows from/(used in) financing activities	(17,072)	660
Net change in Cash and cash equivalents	4,103	2,509
Cash and cash equivalents at beginning of year	58,935	28,228
Cash and cash equivalents as at 2nd quarter	63,038	30,737

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 November 2015)

AJIYA BERHAD (company no. 377627-W)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity for the second quarter ended 31 May 2016

	Share Capital RM	Share premium RM	Foreign currency Translation Reserve RM	Other Reserve RM	Retained earnings RM	Total RM	Non-controlling Interest RM	Total Equity RM
Balance as at 01 December 2015	76,146	22,732	5,375	729	205,959	310,941	66,734	377,675
Total comprehensive income	-	-	(924)	-	3,420	2,496	1,898	4,394
Transactions with owners Dividend paid						0		0
Balance as at 31 May 2016	76,146	22,732	4,451	729	209,379	313,437	68,632	382,069
Balance as at 01 December 2014	69,224	3,583	(945)	729	186,088	258,679	61,820	320,499
Total comprehensive income	-	-	1,812	-	10,759	12,571	2,920	15,491
Transactions with owners Dividend paid						0		0
Balance as at 31 May 2015	69,224	3,583	867	729	196,847	271,250	64,740	335,990

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 November 2015)

AJIYA BERHAD (377627-W)

Notes to the Financial Statements for the period ended 31st May 2016

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 2015.

2. Changes in 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 2015.

As at the date of this interim financial statements, the following MFRS, Amendments to MFRS were issued and the Group intend to adopt these standards, if applicable when they become effective.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
• Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
• Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
• Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
• Amendments to MFRS 11: Accounting for Acquisition of Interests in Joint Operations	1 January 2016
• MFRS 14: Regulatory Deferral Accounts	1 January 2016
• Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
• Amendments to MFRS 101: Disclosures Initiatives	1 January 2016
• Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
• MFRS 15: Revenue from Contracts with Customers	1 January 2018
• MFRS 9: Financial Instruments	1 January 2018
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group for year ended 30 November 2015 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 debts and equity securities

There were no issuance, cancellation, repurchases, resale and repayments of debts and equity securities for the current financial year to date.

8. Dividend paid

There was no dividend paid during the current financial quarter.

9. Segmental Reporting

a) Operating segment

The Group is principally involved in the manufacture and supply of materials used in the construction and building based industries. Hence no operating segment information is provided.

b) Geographical segment

	Current Quarter 31.05.2016	Year to date 31.05.2016
<u>Revenue</u>	<u>RM'000</u>	<u>RM'000</u>
- Local plant	94,874	181,647
- Overseas plant	6,278	13,146
	<u>101,152</u>	<u>194,793</u>

10. Material Events Subsequent to the End of Period

There were no material events subsequent to the period ended 31.05.2016.

11. Changes in Composition of the Group

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

12. Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 31.05.2016:

Approved and contracted for plant and equipment RM3,148,000.

13. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities/assets in respect of the Group since the last annual balance sheet date.

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

14. Review of Performance

For the quarter under review, the Group achieved a turnover of RM101.152 million, which is 9% lower compared to preceding year corresponding quarter of RM111.672 million.

The decrease was mainly due to the weaker market conditions especially the construction sector, which affected the demand for the Group's products.

15. Material changes in profit before taxation for the quarter against the immediate preceding quarter

The Group recorded a profit before tax of RM3.122 million for the current quarter compared to immediate preceding quarter of RM4.796 million and preceding year corresponding quarter of RM9.717 million, the decrease was mainly due to the decrease in revenue and profit margin of certain products.

16. Commentary on Prospects

The government's ETP, Economic Corridors, Green Building Tools, Construction Industry Transformation Programme (CITP) will continue to be the main factors in generating demands for the building materials sector, which will contribute positively to the Group's turnover.

We also expect our Ajiya Green Integrated Building System (AGIBS) to play a vital role in our growth trajectory and will continue to expand its market in Malaysia, Thailand and other Southeast Asian countries.

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 31.05.2016 RM'000	Year to date 31.05.2016 RM'000
Interest income	(302)	(532)
Other income including investment income	(637)	(1,522)
Interest expense	351	592
Depreciation and amortization	2,635	5,293
Foreign exchange gain	(51)	(889)

19. Taxation

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

	Current Quarter Ended 31-05-2016 (RM'000)	Current Year To date 31-05-2016 (RM'000)
Over provision in prior year	(12)	(12)
Current Tax	1,160	1,866
Total	1,148	1,854
Effective tax rate	37%	23%
Statutory tax rate	24%	24%
Variance	13%	1%

20. Status of Corporate Proposals Announced

Save as disclosed below, there were no corporate proposals announced but not completed as at to date.

a) Utilisation of Proceeds

The Private Placement was completed on 30 November 2015. The gross proceeds received from the Private Placement was RM29.073 million. The proposed utilisation are as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe for utilization	Amount Unutilised RM'000	Explanation
Extension of existing Factory	2,500	-	within twelve(12) months	2,500	(ii)
Acquisition of Plant & machineries and factory facilities	4,500	2,745	within twelve(12) months	1,755	(iii)
Working Capital	21,443	6,629	within twelve(12) months	14,814	(i)
Estimated expenses in Relation to the Private Placement	630	630	within one (1) month	-	(i)
Total proceeds	29,073	10,004		19,069	

Notes:

- In view that the actual expenses in relation to Private Placement of RM3.002m was higher than the estimated, the deficit was funded out of working capital.
- The construction of the factory will commence in June 2016.
- The utilisation was deposits paid for machineries.

b) (i)Proposed Share Split, (ii)Proposed Bonus Issue of Warrants, (iii)Proposed ESOS, and (iv)Proposed Amendment to the Memorandum of Association (Collectively referred to as the "Proposals")

An announcement was made on the 24 May 2016 and 25 May 2016 in relation to the above Proposals and Bursa Securities had vide its letter dated 7 June 2016, approved the Proposals.

c) Memorandum of Understanding (MOU) between Asia Roofing Industries Sdn Bhd and PT.Baja Bahana Utama

A Memorandum of Understanding (MOU) was signed on the 31 May 2016 to express the intention to collaborate and work together to explore potential business opportunities in Indonesia.

d) Memorandum of Understanding (MOU) between Ajiya Bhd and Malaysia Green Building Confederation (MGBC) and Universiti Kebangsaan Malaysia (UKM)

A Memorandum of Understanding (MOU) was signed on the 17 June 2016 to express the intention to collaborate with each other towards the marketing, organizing and success of a design competition that was launch in March 2016.

21. Borrowing and Debt Securities as at quarter ended 31-05-2016:-

	<u>Unsecured (RM)</u>	<u>Secured(RM)</u>	<u>Total (RM)</u>
Long term borrowing:	-	8,214,000	8,214,000
Short term borrowing:	1,836,000	4,078,000	5,914,000

22. Realised and Unrealised Profits

The breakdown of the retained profits of the Group into realized and unrealized profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 31-05-2016 <u>RM</u>	As at 30-11-2015 <u>RM</u>
Total retained profits		
-Realised	315,175,682	310,187,951
-Unrealised	<u>(10,448,302)</u>	<u>(10,448,302)</u>
	304,727,380	299,739,649
Less: Consolidation adjustments	<u>(95,348,742)</u>	<u>(93,781,084)</u>
Retained profits as per financial statements	<u>209,378,638</u>	<u>205,958,565</u>

23. Changes In Material Litigation

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

24. Dividend

No dividend payment is recommended for the quarter ended 31.05.2016.

25. Earning per share

The basic earnings per share of 1.28 sen for the current quarter is calculated by dividing the Group's profit attributable to ordinary equity holders of the parent of RM973,000 by the number of 76,146,121 ordinary shares in issue.

By order of the Board
Chong Wui Koon (secretary)
Date : 22-07-2016