

**Condensed Consolidated Statements of Comprehensive Income for the third quarter ended 31 August, 2016**

	<b>2016 CURRENT QUARTER ENDED 31 AUGUST RM'000</b>	<b>2015 CURRENT QUARTER ENDED 31 AUGUST RM'000</b>	<b>2016 9 MONTH CUMULATIVE TO DATE RM'000</b>	<b>2015 9 MONTH CUMULATIVE TO DATE RM'000</b>
Revenue	99,970	101,960	294,763	318,501
Operating expenses	(89,948)	(90,153)	(272,992)	(285,013)
Interest income	424	87	956	232
Other income	793	496	2,315	1,644
Operating profit	11,239	12,390	25,042	35,364
Depreciation and amortization	(2,681)	(2,642)	(7,974)	(7,619)
Finance costs	(136)	(535)	(728)	(1,534)
Profit before tax	8,422	9,213	16,340	26,211
Income tax expense	(2,260)	(1,550)	(4,114)	(4,944)
Profit net of tax	6,162	7,663	12,226	21,267
Other comprehensive income:				
Foreign currency translation	574	2,263	(1,096)	4,150
Total comprehensive income	<u>6,736</u>	<u>9,926</u>	<u>11,130</u>	<u>25,417</u>
Profit attributable to:				
Owners of the parent	5,389	5,999	9,457	16,757
Non-controlling interest	773	1,664	2,769	4,510
	<u>6,162</u>	<u>7,663</u>	<u>12,226</u>	<u>21,267</u>
Total comprehensive income attributable to:				
Owners of the parent	6,585	10,203	9,081	20,962
Non-controlling interest	151	(277)	2,049	4,455
	<u>6,736</u>	<u>9,926</u>	<u>11,130</u>	<u>25,417</u>
Earnings per share:				
(a) Basic (based on 76,146,121(2015: 69,223,821) ordinary shares) (sen)	<u>7.08</u>	<u>8.67</u>	<u>12.42</u>	<u>24.21</u>
(b) Fully diluted (based on 76,146,121 (2015: 69,223,821) ordinary shares) (sen)	<u>7.08</u>	<u>8.67</u>	<u>12.42</u>	<u>24.21</u>

(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 August 2016**

	<b>AS AT</b> <b>31 August 2016</b> <b>RM'000</b>	<b>Audited result</b> <b>AS AT</b> <b>30 November 2015</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	184,019	188,287
Investment properties	21,235	21,634
Land use rights	3,432	3,503
Other investments	205	205
	<u>208,891</u>	<u>213,629</u>
<b>Current assets</b>		
Inventories	68,658	80,830
Trade and other receivables	114,679	121,723
Cash and bank balances	63,472	58,935
	<u>246,809</u>	<u>261,488</u>
<b>TOTAL ASSETS</b>	<u>455,700</u>	<u>475,117</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the company</b>		
Share capital	76,146	76,146
Reserves	235,070	229,420
Foreign currency translation reserve	4,999	5,375
	<u>316,215</u>	<u>310,941</u>
Non-controlling interest	68,783	66,734
<b>Total equity</b>	<u>384,998</u>	<u>377,675</u>
<b>Non-current liabilities</b>		
Loans and borrowings	8,469	17,578
Deferred tax liabilities	10,448	10,448
	<u>18,917</u>	<u>28,026</u>
<b>Current liabilities</b>		
Trade and other payables	49,253	55,872
Short term loans and borrowings	2,000	12,382
Tax payable	532	1,162
	<u>51,785</u>	<u>69,416</u>
<b>Total liabilities</b>	<u>70,702</u>	<u>97,442</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>455,700</u>	<u>475,117</u>
Net assets per share (RM)	4.15	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 third quarter ended 31 August 2016**

	<b>2016 CURRENT QUARTER ENDED 31 August 2016 RM'000</b>	<b>2015 COMPARATIVE QUARTER ENDED 31 August 2015 RM'000</b>
Profit before tax	16,340	26,211
Adjustment for non-cash flow:-		
Non-cash items	8,534	7,619
Non-operating items (which are investing/financing)	(228)	1,302
Operating profit before changes in working capital	<u>24,646</u>	<u>35,132</u>
Changes in working capital		
Net change in current assets	18,657	1,689
Net change in current liabilities	(6,619)	(5,002)
Tax paid	(4,744)	(4,641)
Net cash flows from operating activities	<u>31,940</u>	<u>27,178</u>
Investing Activities		
- Equity investments	-	-
- Other investments	-	4,476
- Property, plant & equipment	(3,685)	(24,027)
- Interest received	956	232
Net cash flows used in investing activities	<u>(2,729)</u>	<u>(19,319)</u>
Financing Activities		
- Bank borrowings	(19,491)	1,161
- Dividend paid	(4,455)	(2,076)
- Interest paid	(728)	(1,534)
- Proceeds from issuance of shares	-	-
Net cash flows from/(used in) financing activities	<u>(24,674)</u>	<u>(2,449)</u>
Net change in Cash and cash equivalents	4,537	5,410
Cash and cash equivalents at beginning of year	58,935	28,228
Cash and cash equivalents as at 3rd quarter	<u>63,472</u>	<u>33,638</u>

(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 third quarter ended 31 August 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	-	-	(376)	-	9,457	9,081	2,049	11,130
Transactions with owners								
Dividend paid					(3,807)	(3,807)		(3,807)
Balance as at 31 August 2016	76,146	22,732	4,999	729	211,609	316,215	68,783	384,998
Balance as at 01 December 2014	69,224	3,583	(945)	729	186,088	258,679	61,820	320,499
Total comprehensive income	-	-	4,205	-	16,757	20,962	4,455	25,417
Transactions with owners								
Dividend paid					(2,076)	(2,076)	-	(2,076)
Balance as at 31 August 2015	69,224	3,583	3,260	729	200,769	277,565	66,275	343,840

(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)

**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**

A single tier dividend of 5% in respect of financial year ended 30 November 2015 was paid during the 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 31.08.2016	Year to date 31.08.2016
<u>Revenue</u>	<u>RM'000</u>	<u>RM'000</u>
- Local plant	92,144	273,791
- Overseas plant	7,826	20,972
	<u>99,970</u>	<u>294,763</u>

**10. Material Events Subsequent to the End of Period**

There were no material events subsequent to the period ended 31.08.2016.

**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 31.08.2016:

Approved and contracted for plant and equipment RM1,392,000.

**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 RM99.970 million, which is 2% lower compared to preceding year corresponding quarter of RM101.960 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 RM8.422 million for the current quarter compared to immediate preceding quarter of RM3.122 million. The increase was mainly due to the increase in 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 31.08.2016 RM'000	Year to date 31.08.2016 RM'000
Interest income	(424)	(956)
Other income including investment income	(793)	(2,315)
Interest expense	136	728
Depreciation and amortization	2,681	7,974
Foreign exchange gain	(414)	(1,303)

**19. Taxation**

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

	Current Quarter Ended 31-08-2016 <u>(RM'000)</u>	Current Year To date 31-08-2016 <u>(RM'000)</u>
Over provision in prior year	120	108
Current Tax	<u>2,140</u>	<u>4,006</u>
Total	<u>2,260</u>	<u>4,114</u>
Effective tax rate	27%	25%
Statutory tax rate	24%	24%
Variance	3%	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	737	within twelve(12) months	1,763	(ii)
Acquisition of Plant & machineries and factory facilities	4,500	3,405	within twelve(12) months	1,095	
Working Capital	21,443	19,325	within twelve(12) months	2,118	(i)
Estimated expenses in Relation to the Private Placement	630	630	within one (1) month	-	(i)
<b>Total proceeds</b>	<b>29,073</b>	<b>24,097</b>		<b>4,976</b>	

**Notes:**

- i. 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.
- ii. The construction of the factory will commence in June 2016.



- 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")

Announcement were made on 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.

The Proposals were duly passed by the shareholders at the Extraordinary General Meeting held on 22 July 2016.

The Share Split has been completed following the listing of and quotation for 304,584,484 subdivided shares on the Main Market of Bursa Securities on 9 August 2016.

The Bonus Issue of Warrants has been completed following the listing of and quotation for 152,292,242 Warrants on the Main Market of Bursa Securities on 1 September 2016.

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

The MOU signed on 31 May 2016 to express the intention to work together to explore potential business opportunities in Indonesia is on going. There is no material development.

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

The MOU signed on 17 June 2016 to express the intention to collaborate towards the marketing and organizing of a design competition has been successfully completed. The design competition was closed on 24 June 2016.

- e) **Memorandum of Understanding between ARI Utara Sdn Bhd and IMAG Development & Construction Sdn Bhd**

A Memorandum of Understanding was signed on the 9 August 2016 to work together, securing and implementing project to be awarded by Prima Corporation Malaysia (PRIMA).

**21. Borrowing and Debt Securities as at quarter ended 31-08-2016:-**

	<u>Unsecured (RM)</u>	<u>Secured(RM)</u>	<u>Total (RM)</u>
Long term borrowing:	-	8,469,000	8,469,000
Short term borrowing:	-	2,000,000	2,000,000

**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 31-08-2016 <u>RM</u>	As at 30-11-2015 <u>RM</u>
Total retained profits		
-Realised	317,364,026	310,187,951
-Unrealised	<u>(10,448,302)</u>	<u>(10,448,302)</u>
	306,915,724	299,739,649
Less: Consolidation adjustments	<u>(95,307,049)</u>	<u>(93,781,084)</u>
Retained profits as per financial statements	<u>211,608,675</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 31.08.2016.

**25. Earning per share**

The basic earnings per share of 7.08 sen for the current quarter is calculated by dividing the Group's profit attributable to ordinary equity holders of the parent of RM5,389,000 by the number of 76,146,121 ordinary shares in issue.

By order of the Board  
Chong Wui Koon (secretary)  
Date : 20-10-2016