

**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.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
• 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 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 30.11.2016 <u>RM'000</u>	Year to date 30.11.2016 <u>RM'000</u>
<u>Revenue</u>		
- Local plant	93,954	367,745
- Overseas plant	<u>6,581</u>	<u>27,553</u>
	<u>100,535</u>	<u>395,298</u>

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

There were no material events subsequent to the period ended 30.11.2016.

**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 30.11.2016:

Approved and contracted for plant and equipment RM1,233,000.

**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 RM100.535 million, which is 7% lower compared to preceding year corresponding quarter of RM108.152 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 RM8.967 million for the current quarter compared to immediate preceding quarter of RM8.422 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 30.11.2016 RM'000	Year to date 30.11.2016 RM'000
Interest income	(622)	(1,578)
Other income including investment income	(3,600)	(5,915)
Interest expense	113	841
Depreciation and amortization	2,725	10,699
Foreign exchange gain	(2,534)	(3,837)

## 19. Taxation

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

	Current Quarter Ended 30-11-2016 (RM'000)	Current Year To date 31-08-2016 (RM'000)
Over provision in prior year	(29)	67
Current Tax	<u>845</u>	<u>4,863</u>
Total	<u>816</u>	<u>4,930</u>
Effective tax rate	9%	19%
Statutory tax rate	24%	24%
Variance	15%	5%

## 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	2,500	within twelve(12) months	-	
Acquisition of Plant & machineries and factory facilities	4,500	4,500	within twelve(12) months	-	
Working Capital	21,443	21,443	within twelve(12) months	-	
Estimated expenses in Relation to the Private Placement	630	630	within one (1) month	-	(i)
Total proceeds	29,073	29,073		-	

#### 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.

**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”)**

Save and except the Proposed ESOS, the Share Split has been completed on 9 August 2016 and the Bonus Issue of Warrants has been completed on 1 September 2016.

**c) Notes of Understanding between Ajiya Berhad (Ajiya) and Politeknik Port Dickson**

A Notes of Understanding was signed on the 21 November 2016 between Ajiya and Politeknik Port Dickson, an institution under Kementerian Pendidikan Tinggi Malaysia. This is in line with the development of a friendly academic collaboration in developing programmes for the purpose of establishing a beneficial association.

**d) Memorandum of Understanding between Ajiya Berhad (Ajiya) and YKGI Holdings Berhad (YKGI)**

A Memorandum of Understanding between Ajiya and YKGI was signed on the 21 October 2016 with the intention of establishing a long term strategic business partnership between the parties in East Malaysia by synergising and optimising both parties manufacturing resources and enhancement of revenue and profitability via joint venture, business combination or any other form of business arrangement to be mutually agreed upon.

**e) 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.

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

The 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) is on going.

**21. Borrowing and Debt Securities as at quarter ended 30-11-2016:-**

	<u>Unsecured (RM)</u>	<u>Secured(RM)</u>	<u>Total (RM)</u>
Long term borrowing:	-	7,302,000	7,302,000
Short term borrowing:	-	2,396,000	2,396,000

**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 30-11-2016 <u>RM</u>	As at 30-11-2015 <u>RM</u>
Total retained profits		
-Realised	323,088,677	310,187,951
-Unrealised	<u>(10,419,369)</u>	<u>(10,448,302)</u>
	312,669,308	299,739,649
Less: Consolidation adjustments	<u>(91,805,893)</u>	<u>(93,781,084)</u>
Retained profits as per financial statements	<u>220,863,415</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 30.11.2016.

**25. Earning per share**

The basic earnings per share of 4.68 sen for the quarter is calculated by dividing the Group's profit attributable to ordinary equity holders of the parent of RM7,047,000 by the weighted average number of 150,455,354 ordinary shares in issue.

By order of the Board  
Chong Wui Koon (secretary)  
Date : 19-01-2017