

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

Condensed Consolidated Statements of Comprehensive Income for the fourth quarter ended 30 November, 2017

	2017 CURRENT QUARTER ENDED 30 NOVEMBER RM'000	2016 CURRENT QUARTER ENDED 30 NOVEMBER RM'000	2017 12 MONTH CUMULATIVE TO DATE RM'000	Audited result 2016 12 MONTH CUMULATIVE TO DATE RM'000
Revenue	94,379	100,754	370,881	395,517
Operating expenses	(92,620)	(91,649)	(352,793)	(364,641)
Interest income	726	622	1,918	1,578
Other income	1,446	871	9,473	3,186
Operating profit	3,931	10,598	29,479	35,640
Depreciation and amortization	(2,902)	(2,720)	(11,014)	(10,694)
Finance costs	(80)	(116)	(373)	(844)
	949	7,762	18,092	24,102
Income tax expense	356	(1,098)	(3,169)	(5,212)
Profit net of tax	1,305	6,664	14,923	18,890
Other comprehensive income:				
Foreign currency translation	(1,127)	1,118	(445)	670
Total comprehensive income	178	7,782	14,478	19,560
Profit attributable to:				
Owners of the parent	1,128	5,560	12,977	14,494
Non-controlling interest	177	1,104	1,946	4,396
	1,305	6,664	14,923	18,890
Total comprehensive income attributable to:				
Owners of the parent	55	6,661	12,525	15,094
Non-controlling interest	123	1,121	1,953	4,466
	178	7,782	14,478	19,560
Earnings per share:				
(a) Basic (based on 304,584,484 ordinary shares) (2016 - 150,419,796 shares)(sen)	0.37	3.70	4.26	9.64
(b) Fully diluted (based on 304,584,484 ordinary shares)(2016 - 150,419,796 shares) (sen)	0.37	3.70	4.26	9.64

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 November 2016)

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

Condensed Consolidated Statement of Financial Position as at 30 November 2017

	AS AT 30 November 2017 RM'000	Audited result AS AT 30 November 2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	175,014	182,339
Investment properties	20,504	20,650
Land use rights	1,659	1,722
Other investments	5,343	5,070
	<u>202,520</u>	<u>209,781</u>
Current assets		
Inventories	75,377	70,926
Trade and other receivables	112,971	128,026
Tax recoverable	1,542	991
Cash and bank balances	75,372	56,405
	<u>265,262</u>	<u>256,348</u>
TOTAL ASSETS	<u>467,782</u>	<u>466,129</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	98,878	76,146
Reserves	224,260	240,107
Foreign currency translation reserve	5,523	5,975
	<u>328,661</u>	<u>322,228</u>
Non-controlling interest	68,265	68,802
Total equity	<u>396,926</u>	<u>391,030</u>
Non-current liabilities		
Loans and borrowings	3,420	6,603
Deferred tax liabilities	10,284	11,088
	<u>13,704</u>	<u>17,691</u>
Current liabilities		
Trade and other payables	53,629	54,215
Short term loans and borrowings	3,095	3,065
Tax payable	428	128
	<u>57,152</u>	<u>57,408</u>
Total liabilities	<u>70,856</u>	<u>75,099</u>
TOTAL EQUITY AND LIABILITIES	<u>467,782</u>	<u>466,129</u>
Net assets per share (RM)	1.08	2.14
* (2017: 304,584,484 shares)	*	**
** (2016: 150,419,796 shares)		

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 November 2016)

AJIYA BERHAD (company no. 377627-W)
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Condensed Consolidated Statement of Cash Flows for the fourth quarter ended 30 November 2017

	2017 CURRENT QUARTER ENDED 30 November 2017 RM'000	2016 COMPARATIVE QUARTER ENDED 30 November 2016 RM'000
Profit before tax	18,092	24,102
Adjustment for non-cash flow:-		
Non-cash items	13,658	14,246
Non-operating items (which are investing/financing)	(1,973)	(734)
Operating profit before changes in working capital	29,777	37,614
Changes in working capital		
Net change in current assets	7,251	6,003
Net change in current liabilities	(586)	(1,742)
Tax paid	(4,225)	(6,557)
Net cash flows from operating activities	32,217	35,318
Investing Activities		
- Equity investments	-	500
- Other investments	(273)	(5,000)
- Property, plant & equipment	(2,787)	(7,085)
- Interest received	1,918	1,578
Net cash flows used in investing activities	(1,142)	(10,007)
Financing Activities		
- Bank borrowings	(3,153)	(20,292)
- Dividend paid	(8,582)	(6,705)
- Interest paid	(373)	(844)
- Proceeds from issuance of shares	-	-
Net cash flows from/(used in) financing activities	(12,108)	(27,841)
Net change in Cash and cash equivalents	18,967	(2,530)
Cash and cash equivalents at beginning of year	56,405	58,935
Cash and cash equivalents as at 4th quarter	75,372	56,405

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 November 2016)

Condensed Consolidated Statement of Changes in Equity for the fourth quarter ended 30 November 2017

	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 2016	76,146	22,732	5,975	729	216,646	322,228	68,802	391,030
Total comprehensive income	-	-	(452)	-	12,977	12,525	1,953	14,478
Reclassification	22,732	(22,732)			(6,092)	0	(2,490)	0
Transactions with owners								
Dividend paid								
Balance as at 30 November 2017	98,878	0	5,523	729	223,531	328,661	68,265	396,926
Balance as at 01 December 2015	76,146	22,732	5,375	729	205,959	310,941	66,734	377,675
Total comprehensive income	-	-	600	-	14,494	15,094	4,466	19,560
Transactions with owners								
Issuance of shares to non-controlling interest							500	500
Dividend paid					(3,807)	(3,807)	(2,898)	(6,705)
Balance as at 30 November 2016	76,146	22,732	5,975	729	216,646	322,228	68,802	391,030

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 November 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 2016.

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 2016.

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.

Description	Effective for annual periods beginning on or after
• 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
• Amendments to MFRS 107: Disclosure Initiative	1 January 2017
• Amendments to MFRS 112: Recognition of Deferred Tax For Unrealised Losses	1 January 2017
• Amendments to MFRS 12: Disclosure of Interests in Other Entities	1 January 2017
• Annual Improvements to MFRSs 2014-2016 Cycle	1 January 2018
• Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4: Insurance Contracts	1 January 2018
• Amendments to MFRS 140: Transfer of Investment Property	1 January 2018
• Amendments to MFRS 2: Classification and Measurement Of Share-based Payment Transactions	1 January 2018
• MFRS 15: Revenue from Contracts with Customers	1 January 2018
• MFRS 9: Financial Instruments (IFRS9 issued by IASB In July 2014)	1 January 2018
• IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018

- MFRS 16: Leases 1 January 2019
- 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 2016 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 manufacturing and supply of building materials for the construction industry. Hence, no operating segment information is provided.

b) Geographical segment

	Current Quarter 30.11.2017	Year to date 30.11.2017
<u>Revenue</u>	<u>RM'000</u>	<u>RM'000</u>
- Local plant	87,286	343,079
- Overseas plant	7,093	27,802
	<u>94,379</u>	<u>370,881</u>

10. Material Events Subsequent to the End of Period

There were no material events subsequent to the period ended 30.11.2017.

11. Changes in Composition of the Group

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

12. Capital Commitments

Authorized capital commitments not provided for in the interim financial statements as at 30.11.2017.

Approved and contracted for plant and equipment RM204,540.

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 RM94.379 million, which is 6% lower compared to preceding year's corresponding quarter of RM100.754 million.

The decrease was mainly due to the weak market conditions and stiff competitions in 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 RM0.949 million for the current quarter compared to immediate preceding quarter of RM2.226 million. The decrease in the current quarter was mainly due to decrease in margin of certain products, the provision for doubtful debts and write off of obsolete stocks.

16. Commentary on Prospects

Despite the challenging business atmosphere, the Group continues to take advantage of the new business opportunities such as via the Government's Economic Transformation Programme (ETP), Economic Corridors and Construction Industry Transformation Programme (CITP), to enhance and expand the Group's revenue base and source,

In addition, the Group also takes cognizance of the Government's efforts to provide for affordable houses for the middle and lower income group. The recent collaborative agreement with Syarikat Perumahan Negara Berhad ("SPNB") to adopt Ajiya's Green Integrated Building Solutions (AGIBS) is the trend going forward for the Group.

In this context, the Group is strongly poised to take advantage based on our long-term strategy to be a total solutions provider through our AGIBS. Our traditional business of providing building materials such as our metal and glass products will put us in good stead as part of being a total solutions provider. In the same vein, our traditional business will merge well with our new business venture.

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 30.11.2017 <u>RM'000</u>	Year to date 30.11.2017 <u>RM'000</u>
Interest income	(726)	(1,918)
Other income including investment income	(1,446)	(9,473)
Interest expense	80	373
Depreciation and amortization	2,902	11,014
Foreign exchange gain	(119)	(402)

19. Taxation

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

	Current Quarter Ended 30-11-2017 <u>(RM'000)</u>	Current Year To date 30-11-2017 <u>(RM'000)</u>
Current tax	451	3,377
Prior year tax	17	211
Deferred Tax	(817)	(817)
Real property gain tax	<u>(7)</u>	<u>398</u>
Total	<u>(356)</u>	<u>3,169</u>
Effective tax rate	38%	18%
Statutory tax rate	24%	24%
Variance	-14%	6%

20. Status of Corporate Proposals Announced

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

a) (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.

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

The extended Notes of Understanding was signed on the 4 January 2018. This industry-academic collaboration is still on-going.

c) Memorandum of Understanding between Ajiya Berhad (Ajiya) and YKGI Holdings Berhad (YKGI)

The extended Memorandum of Understanding was signed on the 19 October 2017 with the intention of establishing a long term strategic business partnership between the parties in East Malaysia is still on-going.

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

The extended Memorandum of Understanding signed on 31 May 2017 to express the intention to work together to explore potential business opportunities in Indonesia is on-going.

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

The extended Memorandum of Understanding signed on 9 August 2017 to work together, securing and implementing project to be awarded by Prima Corporation Malaysia (PRIMA) is on-going.

f) Memorandum of Understanding between Ajiya Berhad (“Ajiya”) and Syarikat Perumahan Negara Berhad (“SPNB”)

The Memorandum of Understanding with SPNB was signed on the 14 July 2017 with the intention of establishing a strategic alliance and enter into a collaborative agreement to implement AJIYA’s Green Integrated Building Solutions (AGIBS) in the development of housing projects under SPNB Group. The Memorandum of Understanding is on-going.

g) Strategic Collaboration between Ajiya Berhad (“Ajiya”) and Politeknik Melaka

A Strategic Collaboration between Ajiya and Politeknik Melaka was signed on the 6 November 2017. This industry-academic collaboration is still on-going.

h) Memorandum of Understanding between ARI Utara Sdn Bhd and Ascension Technology Sdn Bhd (“Ascension”)

A Memorandum of Understanding between ARI Utara Sdn Bhd and Ascension was signed on 8 January 2018, with the intention to promote affordable housing in Malaysia by using innovative construction technique.

21. Borrowing and Debt Securities as at quarter ended 30-11-2017:-

	<u>Unsecured (RM)</u>	<u>Secured(RM)</u>	<u>Total (RM)</u>
Long term borrowing:	-	3,420,000	3,420,000
Short term borrowing:	-	3,095,000	3,095,000

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 30-11-2017 <u>RM</u>	As at 30-11-2016 <u>RM</u>
Total retained profits		
-Realised	319,144,504	312,380,117
-Unrealised	<u>(10,284,145)</u>	<u>(11,148,178)</u>
	308,860,359	301,231,939
Less: Consolidation adjustments	<u>(85,329,491)</u>	<u>(84,586,584)</u>
Retained profits as per financial statements	<u>223,530,868</u>	<u>216,645,355</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 30.11.2017.

25. Earning per share

The basic earnings per share of 0.21 sen for the quarter is calculated by dividing the Group's profit attributable to ordinary equity holders of the parent of RM654,000 by the number of 304,584,484 ordinary shares in issue.

By order of the Board
Chong Wui Koon (secretary)
Date : 24-01-2018