

A & M REALTY BERHAD
(Company No. 177214-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	3 months ended		12 months ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Revenue	24,748	34,629	125,283	143,160
Operating profit/(loss)	3,541	4,262	14,704	17,754
Interest expense	(1)	(1)	(5)	(66)
Interest income	332	197	1,064	725
Profit before taxation	3,872	4,458	15,763	18,413
Income tax expenses	(1,093)	(1,287)	(4,083)	(3,513)
Net profit for the period	2,779	3,171	11,680	14,900
Attributable to :				
Equity holders of parent	2,408	2,879	10,524	14,047
Minority interest	371	292	1,156	853
Total comprehensive income for the period	2,779	3,171	11,680	14,900
Earnings per share attributable to equity holders of the parent :				
Basic (sen)	0.66	0.79	2.88	3.87

The Condensed Consolidated Statements of Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

A & M REALTY BERHAD
(Company No. 177214-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2010

	As at 31.12.2010 (Unaudited) RM'000	As at 31.12.2009 (Audited) RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	113,205	106,320
Investment property	21,225	17,711
Investment in associated companies	1,482	1,482
Long term investments	587	587
Land held for property development	60,584	57,929
Goodwill on consolidation	19,719	20,389
Fixed Deposit	1,560	1,503
Biological assets	3,367	3,310
	221,729	209,231
Current assets		
Inventories	69,851	69,155
Property development projects	212,245	237,082
Trade and other receivables	34,164	60,299
Amount due from customers for contract works	17,689	6,831
Amount due from related parties	-	79
Tax refundable	1,391	1,148
Deposits with licensed banks	28,989	31,795
Cash and bank balances	23,524	8,261
	387,853	414,650
<u>TOTAL ASSETS</u>	609,582	623,881

A & M REALTY BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 31 December 2010

	As at 31.12.2010 (Unaudited) RM'000	As at 31.12.2009 (Audited) RM'000
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to equity holders of the parent :		
Share capital	182,532	181,367
Share premium	35,073	35,073
Retained profits	247,107	236,583
	464,712	453,023
Minority interest	12,794	12,234
Total equity	477,506	465,257
Non-current liabilities		
Hire purchase creditors	43	62
Deferred taxation	50,227	52,850
	50,270	52,912
Current liabilities		
Amount due to customers for contract works	2,765	2,281
Progress Billing in respect of property development	32,678	42,848
Trade and other payables	38,390	52,141
Hire Purchase Creditors	26	63
Amount due to related parties	5,812	5,828
Borrowings	828	1,104
Bank overdraft	-	-
Provision for taxation	1,307	1,447
	81,806	105,712
Total liabilities	132,076	158,624
TOTAL EQUITY AND LIABILITIES	609,582	623,881
Net Assets per share attributable to equity Holders of the parent (RM)	1.27	1.25

The Condensed Consolidated Statement of Finance Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

A & M REALTY BERHAD
(Company No. 177214-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2010

	Attributable to equity holders of the parent				Total Equity
	<u>Non-distributable</u>		<u>Distributable</u>		
	Share capital	Share premium	Retained profits	Minority Interest	
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2010	181,367	35,073	236,583	12,234	465,257
Net profit for the period	-	-	10,524	1,156	11,680
Conversion of warrant	1,165	-	-	-	1,165
Dividend paid to Minority Interest by a subsidiary	-	-	-	(487)	(487)
Additional acquisition of an existing subsidiary	-	-	-	(109)	(109)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2010	182,532	35,073	247,107	12,794	477,506
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
As at 1 January 2009	181,367	35,073	222,536	11,581	450,557
Net profit for the period	-	-	14,047	853	14,900
Dividend paid to Minority Interest by a subsidiary	-	-	-	(119)	(119)
Arising from changes in composition of Group	-	-	-	(33)	(33)
Disposal of subsidiary	-	-	-	(105)	(105)
Additional acquisition of an existing subsidiary	-	-	-	57	57
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2009	181,367	35,073	236,583	12,234	465,257
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The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statement.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2010

	12 months ended 31.12.2010 (Unaudited) RM'000	12 months ended 31.12.2009 (Audited) RM'000
Profit/(Loss) before taxation	15,763	18,413
Adjustments for :		
Non-cash items	3,780	2,976
Non-operating items	(1,059)	(4,297)
	<hr/>	<hr/>
Operating profit before working capital changes	18,484	17,092
Working capital changes :		
Net change in current assets	50,273	(38,036)
Net change in current liabilities	(44,124)	37,645
Tax refund	-	57
Taxation paid	(6,351)	(5,017)
Dividend income	-	1
Interest paid	(5)	(66)
Interest income	1,064	963
	<hr/>	<hr/>
Net cash flow from operating activities	19,341	12,639
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash outflow from acquisition of subsidiary	-	(783)
Net cash outflow from disposal of subsidiary	-	(278)
Acquisition of additional shares in existing subsidiary	(109)	-
Purchase of property, plant and equipment	(4,613)	(1,327)
Purchase of biological assets	(57)	(838)
Purchase of investment properties	(68)	-
Proceed from disposal of property, plant and equipment	-	51
Development properties	(2,655)	(1,103)
	<hr/>	<hr/>
Net cash flow from/(used in) investing activities	(7,502)	(4,278)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds/(repayment) from borrowings	(332)	(154)
Dividend paid to Minority Interest	(158)	(119)
Proceed from issuance of shares in subsidiary to Minority shareholders	-	57
Withdrawal/(Placement) of Fixed Deposit under lien	(57)	(118)
Warrant conversion	1,165	-
	<hr/>	<hr/>
Net cash flow from/(used in) financing activities	618	(334)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	12,457	8,027
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	40,056	32,029
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CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	52,513	40,056
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The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

EXPLANATORY NOTES AS REQUIRED BY FINANCIAL REPORTING STANDARDS (“FRS”) 134

A1. Basis of preparation

The interim financial statement is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statement should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2009.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2009.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the changes arising from the adoption of new / revised Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations effective 1 January 2010 as follows:

(a) FRS 101, Presentation of Financial Statements (revised)

The revised FRS 101 requires all owner changes in equity to be presented in the statement of changes in equity, separately from non-owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (i.e. separate income statement and a statement of comprehensive income) and presented as a single line labeled as total comprehensive income in the statement of changes in equity.

The Group has adopted the one statement format for presentation of comprehensive income.

The adoption of this FRS has no impact on the financial position and results of the Group as it affects presentation of the financial statements only.

(b) Amendment to FRS 117: Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The consideration paid were classified and presented as prepaid lease payments and amortised on a straight line basis over the lease term.

Upon adoption of the Amendment to FRS 117 in relation to classification of leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards associated to the land. The Group has concluded that all leasehold land of the Group are in substance finance leases and has reclassified its leasehold land from prepaid lease payments to Property, Plant and Equipment.

The effect of the reclassification to the comparative of the prior year's statement of financial position is as follows:

<u>Balance Sheet @ 31 Dec 2010</u>	Previously stated RM'000	Adjustment RM'000	Restated RM'000
Property, Plant and Equipment	101,471	4,849	106,320
Prepaid lease payments	4,849	(4,849)	-

The initial application of the other new / revised FRSs, Amendment to FRSs and IC Interpretations has no material impact to the financial statements of the Group.

EXPLANATORY NOTES AS REQUIRED BY FINANCIAL REPORTING STANDARDS (“FRS”) 134

A3. Status of audit qualifications

The audit report of the Group's most recent annual audited financial statements for the year ended 31 December 2009 was not qualified.

A4. Seasonal or cyclical factors

The Group's operation were not significantly affected by any significant seasonal or cyclical factors for the current financial year ended 31 December 2010.

A5. Unusual items

There were no unusual items that have a material effect on the assets, liabilities, equity, net income, or cashflow during the financial period under review.

A6. Changes in estimates

There were no changes in estimates of amounts reported in prior quarters of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

A7. Dividend paid

No dividend was paid during the current financial period ended 31 December 2010 (nil for the previous financial year ended 31 December 2009).

EXPLANATORY NOTES AS REQUIRED BY FINANCIAL REPORTING STANDARDS (“FRS”) 134

A8. Segment reporting

(a) Analysis of the Group's results by the various activities for the current financial year are as follows:-

<u>31 December 2010</u>	Property development, construction & management services RM'000	Manufacturing and trading RM'000	Hotel & leisure related services RM'000	Plantation RM'000	Elimination RM'000	Total RM'000
<u>REVENUE</u>						
External	70,523	42,301	10,216	2,243		125,283
Inter-segment	76,508	-	42	-	(76,550)	-
Total revenue	<u>147,031</u>	<u>42,301</u>	<u>10,258</u>	<u>2,243</u>	<u>(76,550)</u>	<u>125,283</u>
<u>RESULTS</u>						
Segment results	7,701	2,781	3,242	980		14,704
Unallocated income						<u>1,064</u>
Profit/(Loss) from operations						15,768
Finance costs						<u>(5)</u>
Profit/(Loss) before taxation						15,763
Taxation						<u>(4,083)</u>
Net profit/(loss) for the period						<u><u>11,680</u></u>

<u>31 December 2009</u>	Property development, construction & management services RM'000	Manufacturing and trading RM'000	Hotel & leisure related services RM'000	Plantation RM'000	Elimination RM'000	Total RM'000
<u>REVENUE</u>						
External	89,990	40,008	10,593	2,569	-	143,160
Inter-segment	120	-	13	4	(137)	-
Total revenue	<u>90,110</u>	<u>40,008</u>	<u>10,606</u>	<u>2,573</u>	<u>(137)</u>	<u>143,160</u>
<u>RESULTS</u>						
Segment results	11,186	2,373	3,425	770		17,754
Unallocated income						<u>725</u>
Profit/(Loss) from operations						18,479
Finance costs						<u>(66)</u>
Profit/(Loss) before taxation						18,413
Taxation						<u>(3,513)</u>
Net profit/(loss) for the period						<u><u>14,900</u></u>

(b) Analysis by geographical location is not presented as the Group's activities are carried out predominantly in Malaysia.

A9. Property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous financial statements.

A10. Material subsequent events

There are no material events subsequent to the end of the period under review that have not been reflected in the quarterly financial statements.

A11. Changes in composition of the Group

There were no changes in composition of the Group during the current financial period ended 31 December 2010.

A12. Changes in contingent liabilities or contingent assets

There are no changes in the contingent liabilities or assets of the Group since the last annual balance sheet date to the date of this announcement.

A13. Capital Commitments

There were no capital commitments of the Group in the quarterly report ended 31 December 2010.

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance

The Group achieved a decrease in revenue by 12% to RM125.283 million for the current financial year ended 31 December 2010 as compared to revenue of RM143.160 million in the previous financial year. The lower revenue was a result of certain development projects having been completed in the previous financial year.

Accordingly, the Group registered a lower profit before taxation and minority interest of RM15.744 million for the current financial year as compared to RM18.413 million recorded in the previous financial year.

B2. Variation of results against preceding quarter

The Group reported a decrease in revenue by 15% to RM24.748 million as compared to RM29.278 million registered in the preceding quarter. The lower revenue in the current quarter as compared with preceding quarter was a result of certain development projects having been completed and fully recognised in the preceding quarter.

Accordingly the Group reported a lower profit before taxation and minority interest of RM3.853 million for the current quarter as compared to RM4.904 million in the preceding quarter.

B3. Prospects for the coming Financial Year

The directors expect the coming financial year ending 31 December 2011 to be another satisfactory year.

B4. Variances from Profit Forecasts and Profit Guarantee

The Group has not provided any profit forecasts and profit guarantees in a public document.

B5. Taxation

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	1,206	6,706
Deferred taxation - provision	(113)	(2,623)
	<u>1,093</u>	<u>4,083</u>

The effective tax rate of the Group is lower than the statutory tax rate mainly due to the utilisation of tax benefits by certain of its subsidiaries.

A & M Realty Berhad (177214-H)

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B6. The Sale of Unquoted Investments and/or Properties

There were no profits or losses on sale of unquoted investment and sale of investment properties for the current financial period.

B7. Particulars of Purchase or Disposal of Quoted Securities

- (a) There were no purchases or disposals of quoted securities for the current financial quarter and current financial period-to-date.
- (b) The investments in quoted shares (other than securities in existing subsidiary and associated companies) as at the end of the reporting period:-

	RM'000
Quoted shares - at cost	<u>145</u>
Quoted shares - at book value	<u>145</u>
Quoted shares - at market value	<u>142</u>

No provision for diminution in value is made as the Board of Directors is of the opinion that the diminution is temporary in nature.

B8. Status of Corporate Proposals

There are no corporate exercises in progress in this quarter ended 31 December 2010.

A & M Realty Berhad (177214-H)

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B9. Group Borrowings and Debt Securities

	Unsecured RM'000	Secured RM'000
Short Term Borrowings	-	828
Hire Purchase		
- within 12 months	-	26
- after 12 months	-	43
	-	69
Total	-	897

There were no foreign denominated loans as at 31 December 2010.

B10. Off Balance Sheet Financial Instruments

The Group has no financial instruments with off balance sheet risks as at the date of this announcement.

B11. Changes in Material Litigation

- (a) A third party has instituted a legal suit against two of its subsidiaries in automotive parts distribution division and certain directors and employees of those companies for damages by virtue of the breach of duty of good faith and fidelity as former employees to that third party.

The affected subsidiaries denied such allegation and had appointed legal counsels to defend themselves in the event the matter proceeds to trial.

The trial has commenced on 16 February 2011 to 18 February 2011 and to be continued on 28 February 2011.

- (b) A third party has instituted a legal suit against one of its subsidiary in automotive parts distribution division for damages arising from the act of passing off, breach of registered trademark belonging to the third party.

The affected subsidiary denied committing such an offence and legal counsel had been appointed to dispute this claim.

The affected subsidiary has made a full and final settlement out of court amounting to RM20,000 as ex-gratia payment to the plaintiffs on 12 December 2010 and the plaintiff has released the affected subsidiary accordingly

B12. Dividend

No dividend has been recommended by the Board of Directors for the financial period under review.

A & M Realty Berhad (177214-H)

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B13. Earnings Per Share

(a) Basic Earnings Per Share

The basic earnings per share for the financial period has been calculated based on the Group's net profit for the period and divided by the weighted average number of ordinary shares in issue during the financial period.

	<u>Individual Period</u> 3 months ended		<u>Cumulative Period</u> 12months ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Profit for the period (RM'000)	2,779	3,171	11,680	14,900
Less : Amount attributable to minority interest (RM'000)	<u>(371)</u>	<u>(292)</u>	<u>(1,156)</u>	<u>(853)</u>
Profit attributable to equity holders (RM'000)	<u>2,408</u>	<u>2,879</u>	<u>10,524</u>	<u>14,047</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	362,734	365,064	362,734
Basic earnings per share (sen)	<u>0.66</u>	<u>0.79</u>	<u>2.88</u>	<u>3.87</u>

(b) Diluted Earnings Per Share

Diluted earnings per share is not disclosed as it is not applicable.

B14. Provision of financial assistance

The Group has not provided any financial assistance to any parties for the current financial period.

By Order of the Board

BERNARD LIM BOON SIANG
WONG SIEW PENG
Secretaries
Klang
25 February 2011