

A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial period ended 30 September 2011

	<u>Individual Period</u> 3 months ended		<u>Cumulative Period</u> 9 months ended	
	30.09.2011 (Unaudited) RM'000	30.09.2010 (Unaudited) RM'000	30.09.2011 (Unaudited) RM'000	30.09.2010 (Unaudited) RM'000
Revenue	39,446	29,278	97,123	100,535
Operating profit	6,639	4,598	15,921	11,163
Other Operating Income	-	-	4,490	-
Interest expense	-	(1)	(1)	(4)
Interest income	453	307	1,049	732
Profit before taxation	7,092	4,904	21,459	11,891
Income tax expenses	(1,740)	(1,189)	(3,207)	(2,990)
Net profit for the period	5,352	3,715	18,252	8,901
Attributable to :				
Equity holders of parent	4,949	3,417	16,813	8,116
Non-controlling interest	403	298	1,439	785
Total comprehensive income for the period	5,352	3,715	18,252	8,901

Earnings per share attributable to equity holders of the parent :

Basic (sen)	1.36	0.94	4.61	2.22
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The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010 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 30 September 2011**

	As at 30.09.2011 (Unaudited) RM'000	As at 31.12.2010 (Audited) RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	113,833	113,371
Investment properties	21,236	21,222
Investment in associated companies	1,482	1,482
Land held for property development	60,661	60,584
Other investments	587	587
Goodwill on consolidation	19,407	19,407
Fixed deposits	1,638	1,667
Deferred tax assets	725	725
Biological assets	3,637	3,357
	<u>223,206</u>	<u>222,402</u>
Current assets		
Inventories	68,157	69,429
Property development costs	203,628	212,136
Trade and other receivables	24,690	31,909
Amount due from customers for contract works	26,968	15,736
Income tax assets	1,721	1,464
Fixed deposits	66,853	28,883
Cash and bank balances	14,690	23,173
	<u>406,707</u>	<u>382,730</u>
TOTAL ASSETS	<u>629,913</u>	<u>605,132</u>

A & M REALTY BERHAD

(Company No. 177214-H)

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)**As at 30 September 2011**

	As at 30.09.2011 (Unaudited) RM'000	As at 31.12.2010 (Audited) RM'000
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to equity holders of the company :		
Share capital	182,532	182,532
Share premium	35,073	35,073
Retained earnings	263,794	246,981
	<u>481,399</u>	<u>464,586</u>
Non-controlling interest	13,944	12,573
Total equity	<u>495,343</u>	<u>477,159</u>
Non-current liabilities		
Finance lease liabilities	30	30
Deferred tax liabilities	47,697	50,984
	<u>47,727</u>	<u>51,014</u>
Current liabilities		
Trade and other payables	22,509	33,823
Progress Billing in respect of property development	45,734	32,891
Amount due to customers for contract works	9,171	2,363
Finance lease liabilities	103	33
Amount due to related parties	5,605	5,605
Borrowings	1,181	940
Income tax liabilities	2,540	1,304
	<u>86,843</u>	<u>76,959</u>
Total liabilities	134,570	127,973
TOTAL EQUITY AND LIABILITIES	<u>629,913</u>	<u>605,132</u>
Net Assets per share attributable to equity Holders of the parent (RM)	1.32	1.27

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**For the financial period ended 30 September 2011**

	Attributable to equity holders of the parent				Total Equity
	Non-distributable		Distributable		
	Share capital	Share premium	Retained profits	Minority Interest	
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2011	182,532	35,073	246,981	12,573	477,159
Net profit for the period	-	-	16,813	1,439	18,252
Dividend paid to Non-controlling Interest by a subsidiary	-	-	-	(68)	(68)
As at 30 September 2011	<u>182,532</u>	<u>35,073</u>	<u>263,794</u>	<u>13,944</u>	<u>495,343</u>
As at 1 January 2010	181,367	35,073	236,583	12,234	465,257
Net profit for the period	-	-	8,116	785	8,901
Conversion of warrant	1,165	-	-	-	1,165
Dividend paid to Non-controlling Interest by a subsidiary	-	-	-	(158)	(158)
As at 30 September 2010	<u>182,532</u>	<u>35,073</u>	<u>244,699</u>	<u>12,861</u>	<u>475,165</u>

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 2010 and the accompanying explanatory notes attached to the interim financial statement.

A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

For the financial period ended 30 September 2011

	9 months ended 30.09.2011 (Unaudited) RM'000	12 months ended 31.12.2010 (Audited) RM'000
Profit before taxation	21,459	15,590
Adjustments for :		
Non-cash items	1,634	4,272
Non-operating items	(5,534)	(1,255)
Operating profit before working capital changes	17,559	18,607
Working capital changes :		
Net change in current assets	(22,830)	40,199
Net change in current liabilities	33,060	(29,433)
Tax refund	-	29
Taxation paid	(4,562)	(7,157)
Dividend income	(2)	2
Interest paid	(1)	(45)
Interest income	1,049	1,080
Net cash flow from operating activities	24,273	23,282
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional shares in existing subsidiary	-	(109)
Purchase of property, plant and equipment	(1,941)	(8,799)
Purchase of biological assets	(280)	(47)
Purchase of investment properties	(173)	-
Proceed from disposal of property, plant and equipment	4	1
Proceeds from sales of land	7,409	-
Development properties	(77)	(2,655)
Net cash flow from/(used in) investing activities	4,942	(11,609)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds/(repayment) from borrowings	311	(226)
Dividend paid to Non-controlling Interest	(68)	(448)
Withdrawal/(Placement) of Fixed Deposit under lien	29	(164)
Warrant conversion	-	1,165
Net cash flow from/(used in) financing activities	272	327
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	29,487	12,000
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	52,056	40,056
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	81,543	52,056

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 2010 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 Main Market 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 2010.

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 2010.

A2. Changes in Accounting Policies

The significant accounting policies adopted by the Group in the quarterly financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2010, except for those standards, amendments and interpretations which are effective from the annual period beginning 1 March 2010, 1 July 2010 and 1 January 2011. The adoption of these standards, amendments and interpretations have no material impact to the interim financial statements.

A3. Status of audit qualifications

The audit report of the Group's most recent annual audited financial statements for the year ended 31 December 2010 was not subject to any audit qualification.

A4. Seasonal or cyclical factors

The Group's business operations for the quarter ended 30 September 2011 have not been materially affected by seasonal or cyclical factors.

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 30 September 2011 (nil for the previous financial period ended 30 September 2010).

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>30 September 2011</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	49,138	35,843	7,615	4,527		97,123
Inter-segment	33,039	-	9	-	(33,048)	-
Total revenue	<u>82,177</u>	<u>35,843</u>	<u>7,624</u>	<u>4,527</u>	<u>(33,048)</u>	<u>97,123</u>
<u>RESULTS</u>						
Segment results	13,548	2,630	1,731	2,502		20,411
Unallocated income						<u>1,049</u>
Profit/(Loss) from operations						21,460
Finance costs						<u>(1)</u>
Profit/(Loss) before taxation						21,459
Taxation						<u>(3,207)</u>
Net profit/(loss) for the period						<u><u>18,252</u></u>

<u>30 September 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	60,807	31,728	6,541	1,459		100,535
Inter-segment	6,344	-	39	-	(6,344)	-
Total revenue	<u>67,151</u>	<u>31,728</u>	<u>6,580</u>	<u>1,459</u>	<u>(6,344)</u>	<u>100,535</u>
<u>RESULTS</u>						
Segment results	7,235	1,960	1,333	635		11,163
Unallocated income						<u>732</u>
Profit/(Loss) from operations						11,895
Finance costs						<u>(4)</u>
Profit/(Loss) before taxation						11,891
Taxation						<u>(2,990)</u>
Net profit/(loss) for the period						<u><u>8,901</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 30 September 2011.

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 30 September 2011.

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance

The Group reported a higher profit before taxation and before non-controlling interest of RM21.46 million for the nine months period ended 30 September 2011, as compared to RM11.89 million for the previous corresponding period, despite of lower revenue recognised in the current period under review of RM97.12 million, as compared to RM100.54 million registered in the corresponding period last year. The higher profit was mainly due to improved profit margin achieved by the Property and Construction Division.

B2. Variation of results against preceding quarter

The Group reported a higher revenue of RM39.45 million, an increase of 39.74% as compared to RM28.23 million registered in the preceding quarter. The increase in revenue for the current quarter as compared with the preceding quarter was mainly attributable to higher revenue recognised by the Property Division in the current quarter.

However, the Group reported a lower profit before taxation and before non-controlling interest of RM7.092 million for the current quarter as compared to RM9.31 million in the preceding quarter. This was mainly due to the gain on sale of land 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	2,688	6,494
Deferred taxation - provision	(948)	(3,287)
	<u>1,740</u>	<u>3,207</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.

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>92</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 30 September 2011.

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	-	940
Hire Purchase		
- within 12 months	-	103
- after 12 months	-	30
	-	133
Total	-	1,073

There were no foreign denominated loans as at 30 September 2011.

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 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.

On 30 September 2011, the Judge had dismissed the plaintiff's claim with cost of RM100,000.00 to be paid by the plaintiff.

B12. Dividend

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

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> 9 months ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
Profit for the period (RM'000)	5,352	3,715	18,252	8,901
Less : Amount attributable to minority interest (RM'000)	<u>(403)</u>	<u>(298)</u>	<u>(1,439)</u>	<u>(785)</u>
Profit attributable to equity holders (RM'000)	<u>4,949</u>	<u>3,417</u>	<u>16,813</u>	<u>8,116</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	<u>1.36</u>	<u>0.94</u>	<u>4.61</u>	<u>2.22</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
23 November 2011