

**A & M REALTY BERHAD**

(Company No. 177214-H)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

For the financial period ended 30 June 2012

	<u>Individual Period</u> <b>3 months ended</b>		<u>Cumulative Period</u> <b>6 months ended</b>	
	<b>30.6.2012</b> (Unaudited) <b>RM'000</b>	<b>30.6.2011</b> (Unaudited) <b>RM'000</b>	<b>30.6.2012</b> (Unaudited) <b>RM'000</b>	<b>30.6.2011</b> (Unaudited) <b>RM'000</b>
<b>Revenue</b>	<b>32,090</b>	<b>28,226</b>	<b>64,597</b>	<b>57,677</b>
Operating profit	6,813	4,495	12,832	9,282
Other Operating Income	-	4,490	-	4,490
Interest expense	(7)	-	(13)	(1)
Interest income	522	329	1,030	596
Profit before taxation	7,328	9,314	13,849	14,367
Income tax expenses	(2,053)	(256)	(3,550)	(1,467)
Net profit for the period	5,275	9,058	10,299	12,900
Attributable to :				
Equity holders of parent	4,833	8,578	9,370	11,864
Non-controlling interest	442	480	929	1,036
Total comprehensive income for the period	5,275	9,058	10,299	12,900
<b>Earnings per share of RM0.50 each</b> <b>attributable to equity holders of the parent :</b>				
Basic (sen)	1.32	2.35	2.57	3.25

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 2011 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 FINANCIAL POSITION**

As at 30 June 2012

	As at 30.6.2012 (Unaudited) RM'000	As at 31.12.2011 (Audited) RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	114,779	114,160
Investment properties	26,939	24,534
Investment in associated companies	1,484	1,484
Land held for property development	62,003	61,981
Other investments	527	527
Goodwill on consolidation	19,407	19,407
Fixed deposits	1,702	1,652
Deferred tax assets	725	725
Biological assets	3,827	3,750
	<u>231,393</u>	<u>228,220</u>
<b>Current assets</b>		
Inventories	68,144	69,117
Property development costs	211,395	209,872
Trade and other receivables	25,400	24,046
Amount due from customers for contract works	24,655	16,037
Income tax assets	1,585	1,512
Fixed deposits	65,461	53,980
Cash and bank balances	9,723	23,050
	<u>406,363</u>	<u>397,614</u>
<b>TOTAL ASSETS</b>	<u><b>637,756</b></u>	<u><b>625,834</b></u>

**A & M REALTY BERHAD**

(Company No. 177214-H)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)****As at 30 June 2012**

	<b>As at 30.6.2012 (Unaudited) RM'000</b>	<b>As at 31.12.2011 (Audited) RM'000</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity attributable to equity holders of the company :</b>		
Share capital	182,532	182,532
Share premium	35,073	35,073
Retained earnings	281,559	272,189
	<u>499,164</u>	<u>489,794</u>
Non-controlling interest	15,214	14,285
<b>Total equity</b>	<u><b>514,378</b></u>	<u><b>504,079</b></u>
<b>Non-current liabilities</b>		
Finance lease liabilities	87	87
Deferred tax liabilities	45,647	46,929
	<u>45,734</u>	<u>47,016</u>
<b>Current liabilities</b>		
Trade and other payables	21,373	24,056
Progress Billing in respect of property development	39,684	38,361
Amount due to customers for contract works	6,150	3,554
Finance lease liabilities	10	23
Amount due to related parties	5,605	5,605
Borrowings	1,229	313
Bank overdraft	90	172
Income tax liabilities	3,503	2,655
	<u>77,644</u>	<u>74,739</u>
<b>Total liabilities</b>	<b>123,378</b>	<b>121,755</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>637,756</b></u>	<u><b>625,834</b></u>
<b>Net Assets per share of RM0.50 each attributable to equity Holders of the parent (RM)</b>	<b>1.37</b>	<b>1.34</b>

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 2011 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 June 2012**

	Attributable to equity holders of the parent				Total Equity
	Non-distributable		Distributable		
	Share capital	Share premium	Retained profits	Non-Controlling Interest	
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2012	182,532	35,073	272,189	14,285	504,079
Net profit for the period	-	-	9,370	929	10,299
As at 30 June 2012	182,532	35,073	281,559	15,214	514,378
As at 1 January 2011	182,532	35,073	246,981	12,573	477,159
Net profit for the period	-	-	11,864	1,036	12,900
As at 30 June 2011	182,532	35,073	258,845	13,609	490,059

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 2011 and the accompanying explanatory notes attached to the interim financial statement.

**A & M REALTY BERHAD**

(Company No. 177214-H)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the financial period ended 30 June 2012

	<u>Cumulative Period</u> <b>6 months ended</b>	
	<b>30.6.2012</b>	<b>30.6.2011</b>
	(Unaudited)	(Unaudited)
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	13,849	14,367
Adjustments for :		
Non-cash items	1,371	1,096
Non-operating items	(1,167)	(5,085)
Operating profit before working capital changes	14,053	10,378
Working capital changes :		
Net change in current assets	(10,522)	4,774
Net change in current liabilities	1,236	1,806
Income tax refund	346	-
Income tax paid	(4,403)	(2,774)
Interest paid	(13)	(1)
Interest received	1,030	596
Net cash flow from/(used in) operating activities	1,727	14,779
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,884)	(795)
Purchase of biological assets	(77)	(159)
Purchase of investment properties	(2,511)	(91)
Proceed from disposal of land	-	7,232
Proceed from disposal of property, plant and equipment	150	-
Development expenditure incurred	(22)	(72)
Net cash flow (used in)/from investing activities	(4,344)	6,115
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from borrowings	903	545
(Placement)/Withdrawal of Fixed Deposit under lien	(50)	36
Net cash flow used in financing activities	853	581
NET CHANGES IN CASH AND CASH EQUIVALENTS	(1,764)	21,475
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	76,858	52,056
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	75,094	73,531

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 2011 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 2011.

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 2011.

**A2. Changes in Accounting Policies**

The adoption of the following new/revised Financial Reporting Standards (“FRS”) which are applicable to the Group with effect from 1 January 2012, as disclosed below:

	<b>Effective for the financial period beginning on or after</b>
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
FRS 124 Related Party Disclosures (revised)	1 January 2012
Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to FRS 1)	1 January 2012
Disclosures – Transfers of Financial Assets (Amendments to FRS 7)	1 January 2012
Deferred Tax: Recovery of Underlying Assets (Amendments to FRS 112)	1 January 2012

The adoption of the above pronouncements does not have significant impact to the Group.

**Malaysian Financial Reporting Standard (“MFRS”)**

On 30 June 2012, the Malaysian Accounting Standards Board (MASB) announced its decision to allow agriculture and real estate companies (Transitioning Entities) to defer the adoption of the Malaysian Financial Reporting Standards (the MFRS Framework) for another year. MFRS will therefore be mandated for all companies for annual periods beginning on or after 1 January 2014. In respect of the MFRS Framework which is effective for annual periods beginning on or after 1 January 2014, the Group which falls under the scope definition of Transitioning Entities has opted to adopt MFRS for annual periods beginning on 1 January 2014. When the Group presents its first MFRS financial statements in 1 January 2014, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group expects to fully comply with the requirements of the MFRS Framework for the financial year beginning on 1 January 2014.

**A3. Status of audit qualifications**

The audit report of the Group's most recent annual audited financial statements for the year ended 31 December 2011 was not subject to any audit qualification.

**A4. Seasonal or cyclical factors**

The Group's business operations for the quarter ended 30 June 2012 have not been materially affected by seasonal or cyclical factors.

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

**A5. Unusual items**

There were no unusual items that have a material effect on the assets, liabilities, equity, net income, or cash flow 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 June 2012 (nil for the previous financial period ended 30 June 2011).

**A8. Segment reporting**

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

<b><u>30 June 2012</u></b>	Property development, construction & services rendered RM'000	Manufacturing & trading RM'000	Hotel & leisure related services RM'000	Plantation RM'000	Elimination RM'000	Total RM'000
<b><u>REVENUE</u></b>						
External	30,683	24,657	5,493	3,764		64,597
Inter-segment	93	-	6	1	(100)	-
Total revenue	<u>30,776</u>	<u>24,657</u>	<u>5,499</u>	<u>3,765</u>	<u>(100)</u>	<u>64,597</u>
<b><u>RESULTS</u></b>						
Segment results	7,699	1,695	1,799	1,639		12,832
Unallocated income						<u>1,030</u>
Profit/(Loss) from operations						<u>13,862</u>
Finance costs						<u>(13)</u>
Profit/(Loss) before taxation						<u>13,849</u>
Taxation						<u>(3,550)</u>
Net profit/(loss) for the period						<u><u>10,299</u></u>

<b><u>30 June 2011</u></b>	Property development, construction & management services rendered	Manufacturing & trading RM'000	Hotel & leisure related services RM'000	Plantation RM'000	Elimination RM'000	Total RM'000
<b><u>REVENUE</u></b>						
External	25,256	23,990	5,311	3,120		57,677
Inter-segment	78	-	6	-	(84)	-
Total revenue	<u>25,334</u>	<u>23,990</u>	<u>5,317</u>	<u>3,120</u>	<u>(84)</u>	<u>57,677</u>
<b><u>RESULTS</u></b>						
Segment results	4,151	1,806	1,535	1,790		9,282
Unallocated income						<u>5,086</u>
Profit/(Loss) from operations						<u>14,368</u>
Finance costs						<u>(1)</u>
Profit/(Loss) before taxation						<u>14,367</u>
Taxation						<u>(1,467)</u>
Net profit/(loss) for the period						<u><u>12,900</u></u>

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

**A & M Realty Berhad (177214-H)**

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

**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 June 2012.

**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 June 2012.



**EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1. Review of performance**

**2nd Quarter FY 2012 vs 2nd Quarter FY 2011**

For the six-month period ended 30 June 2012, the Group reported a higher revenue of RM64.60 million, representing an increase of 12% as compared to RM57.68 million recorded in the corresponding financial period last year. The Group's profit before taxation and before non-controlling interest for the current financial period was RM13.85 million, a slight decrease of 3.61% as compared to RM14.37 million recorded in the previous corresponding period.

Performance of the respective operating business segments for the financial period ended 30 June 2012 as compared to the corresponding period last year is analysed as follows:

a) **Property development, construction & management services**

Profit registered an increase of 85.5% and was derived mainly from higher sales coupled with improved profit margin from the Division's on-going development projects.

b) **Manufacturing and trading**

The Division recorded a decline of 6% in profit to RM1.70 million for the current financial period as compared to RM1.81 million in the previous corresponding period, despite of higher revenue recorded in the period under review. This is because of higher sales of certain products with lower profit margin.

c) **Hotel & leisure related services**

The revenue increased by 3.42% to RM5.50 million as compared to RM5.32 million in the previous corresponding period. Accordingly, profit registered an increase of 17.2% in profit to RM1.799 million as compared with RM1.535 million in the previous corresponding period mainly due to lower operating cost incurred during the current period under review.

d) **Plantation**

Plantation posted a 20.67% increase in revenue to RM3.77 million for the period under review as compared with RM3.12 million in the previous financial period mainly due to higher FFB. However, this division registered a lower profit due to higher operating costs for the current period under review.

**B2. Variation of results against preceding quarter**

	<b>Current Quarter 30.06.2012 RM'000</b>	<b>Preceding Quarter 31.03.2012 RM'000</b>
Revenue	32,090	32,507
Profit before taxation	7,328	6,521
Profit attributable to equity holders of the parent	4,833	4,537

For the 2nd quarter ended 30 June 2012, the Group registered a slight decrease in revenue to RM32.09 million as compared to RM32.51 million achieved in the preceding quarter. However, the Group posted a higher profit before taxation and before non-controlling interest of RM7.33 million, an increase of 12.38% as compared to RM6.52 million for the preceding quarter.

The higher profit for the current quarter as compared with the preceding quarter was mainly attributed to improved profit margin from the property and construction division recorded in the current quarter as compared to the preceding quarter.

**EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES**

**B3. Prospects for the coming Financial Year**

**Property development, construction & management services**

The Division is expected to achieve satisfactory performance for the financial year ending 31 December 2012 mainly from the lock-in sales carried forward and up coming launches from existing development projects which will underpin the Division's sales for the remaining part of 2012.

**Manufacturing and trading**

The Division would foresee higher revenue to continue in the following months as demand for certain products would continue in view of the impending price hike and this would help the trading performance for the second half of the year.

**Hotel & leisure related services**

For hotel operations, the Division expects satisfactory performance after considering the current market condition.

**Plantation**

The CPO has been fluctuating in price and expected to be uncertain for the remaining part of the year. However, the management is positive on the yield and FFB production and will continue its efforts to improve operational efficiencies.

Barring unforeseen circumstances, the Group is optimistic in achieving satisfactory performance for the financial year ending 31 December 2012.

**B4. Variances from Profit Forecasts and Profit Guarantee**

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

**B5. Profit for the period**

	Current Quarter RM'000	Cumulative year to date RM'000
<b>Profit before taxation is stated after charging/(crediting) :</b>		
Depreciation of property, plant & equipment	737	1,371
Gain on disposal of property, plant & equipment	-	(150)
Interest received	(522)	(1,030)
Interest expenses	7	13
	<u>7</u>	<u>13</u>

**B6. Taxation**

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	2,750	4,832
Deferred taxation - provision	(697)	(1,282)
	<u>2,053</u>	<u>3,550</u>

The effective tax rate of the Group for the financial period is higher than the statutory tax rate mainly due to certain expenses are not allowable as deduction for tax deduction.

**B7. 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.

**EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES**

**B8. 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>101</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.

**B9. Status of Corporate Proposals**

There are no corporate exercises in progress in this quarter ended 30 June 2012.

**B10. Group Borrowings and Debt Securities**

	Unsecured RM'000	Secured RM'000
Short Term Borrowings	0	1,319
Hire Purchase		
- within 12 months	0	10
- after 12 months	0	87
	0	97
Total	0	1,416

There were no foreign denominated loans as at 30 June 2012.

**B11. Off Balance Sheet Financial Instruments**

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

**B12. 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 Judge had dismissed the plaintiff's claim with cost of RM100,000.00 to be paid by the plaintiff.

**B13. 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**

**B14. 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>		<u>Cumulative Period</u>	
	3 months ended		6 months ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
Profit for the period (RM'000)	5,275	9,058	10,299	12,900
Less : Amount attributable to non-controlling interest (RM'000)	<u>(442)</u>	<u>(480)</u>	<u>(929)</u>	<u>(1,036)</u>
Profit attributable to equity holders (RM'000)	<u>4,833</u>	<u>8,578</u>	<u>9,370</u>	<u>11,864</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	<u>1.32</u>	<u>2.35</u>	<u>2.57</u>	<u>3.25</u>

**(b) Diluted Earnings Per Share**

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

**B15. 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  
29 August 2012