

A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2012

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	3 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Revenue	39,065	42,617	140,197	139,682
Operating profit	12,833	11,692	35,809	26,915
Other Operating Income	-	-	-	4,490
Interest expense	(5)	(27)	(28)	(33)
Interest income	582	628	2,078	1,691
Profit before taxation	13,410	12,293	37,859	33,063
Income tax expenses	(3,110)	(3,055)	(9,259)	(6,075)
Net profit for the period	10,300	9,238	28,600	26,988
Attributable to :				
Equity holders of parent	10,088	8,928	27,133	25,208
Non-controlling interest	212	310	1,467	1,780
Total comprehensive income for the period	10,300	9,238	28,600	26,988
Earnings per share of RM0.50 each attributable to equity holders of the parent :				
Basic (sen)	2.76	2.45	7.43	6.91

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 31 December 2012

	As at 31.12.2012 (Unaudited) RM'000	As at 31.12.2011 (Audited) RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	117,180	114,160
Investment properties	26,865	24,534
Investment in associated companies	1,484	1,484
Land held for property development	62,019	61,981
Other investments	527	527
Goodwill on consolidation	19,421	19,407
Fixed deposits	1,691	1,652
Deferred tax assets	725	725
Biological assets	3,827	3,750
	<u>233,739</u>	<u>228,220</u>
Current assets		
Inventories	71,405	69,117
Property development costs	211,019	209,872
Trade and other receivables	24,540	24,046
Amount due from customers for contract works	26,665	16,037
Income tax assets	913	1,512
Fixed deposits	52,920	53,980
Cash and bank balances	29,364	23,050
	<u>416,826</u>	<u>397,614</u>
TOTAL ASSETS	<u>650,565</u>	<u>625,834</u>

A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)

As at 31 December 2012

	As at 31.12.2012 (Unaudited) RM'000	As at 31.12.2011 (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	299,322	272,189
	<u>516,927</u>	<u>489,794</u>
Non-controlling interest	15,629	14,285
Total equity	<u>532,556</u>	<u>504,079</u>
Non-current liabilities		
Finance lease liabilities	64	87
Deferred tax liabilities	44,134	46,929
	<u>44,198</u>	<u>47,016</u>
Current liabilities		
Trade and other payables	23,539	24,056
Progress Billing in respect of property development	38,419	38,361
Amount due to customers for contract works	4,003	3,554
Finance lease liabilities	21	23
Amount due to related parties	5,605	5,605
Borrowings	229	313
Bank overdraft	0	172
Income tax liabilities	1,995	2,655
	<u>73,811</u>	<u>74,739</u>
Total liabilities	118,009	121,755
TOTAL EQUITY AND LIABILITIES	<u>650,565</u>	<u>625,834</u>
Net Assets per share of RM0.50 each attributable to equity Holders of the parent (RM)	1.42	1.34

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 year ended 31 December 2012

	Attributable to equity holders of the parent		Retained profits	Non-Controlling Interest	Total Equity
	Non-distributable Distributable				
	Share capital	Share premium			
	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	-	-	27,133	1,467	28,600
Dividend paid to Non-controlling Interest by a subsidiary	-	-	-	(113)	(113)
Acquisition of an subsidiary	-	-	-	(10)	(10)
As at 31 December 2012	182,532	35,073	299,322	15,629	532,556
As at 1 January 2011	182,532	35,073	246,981	12,573	477,159
Net profit for the period	-	-	25,208	1,780	26,988
Dividend paid to Non-controlling Interest by a subsidiary	-	-	-	(68)	(68)
As at 31 December 2011	182,532	35,073	272,189	14,285	504,079

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 year ended 31 December 2012

	<u>Cumulative Period</u>	
	12 months ended	
	31.12.2012	31.12.2011
	(Unaudited)	(Audited)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	37,859	33,063
Adjustments for :		
Non-cash items	2,749	2,460
Non-operating items	(2,300)	(6,212)
Operating profit before working capital changes	38,308	29,311
Working capital changes :		
Net change in current assets	(14,557)	7,284
Net change in current liabilities	(297)	(3,083)
Income tax refund	628	15
Income tax paid	(12,479)	(8,841)
Dividend Income	-	1
Interest paid	(28)	(33)
Interest received	2,078	1,711
Net cash flow from/(used in) operating activities	13,653	26,365
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,582)	(3,089)
Purchase of biological assets	(77)	(393)
Purchase of investment properties	(2,542)	(3,525)
Proceed from disposal of land	-	7,409
Proceed from disposal of property, plant and equipment	250	144
Development expenditure incurred	(38)	(1,396)
Net cash flow (used in)/from investing activities	(7,989)	(850)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from borrowings	(86)	(403)
Dividend Paid to Non-Controlling Interest	(113)	(68)
(Placement)/Withdrawal of Fixed Deposit under lien	(39)	14
Net cash flow used in financing activities	(238)	(457)
NET CHANGES IN CASH AND CASH EQUIVALENTS	5,426	25,058
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	76,858	51,800
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	82,284	76,858

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.

A & M Realty Berhad (177214-H)

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:

	Effective for the financial period beginning on or after
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 31 December 2012 have not been materially affected by seasonal or cyclical factors.

A & M Realty Berhad (177214-H)

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 31 December 2012 (nil for the previous financial period ended 31 December 2011).

A8. Segment reporting

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

31 December 2012

	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
<u>REVENUE</u>						
External	74,472	47,884	11,196	6,645		140,197
Inter-segment	514	-	12	1	(527)	-
Total revenue	<u>74,986</u>	<u>47,884</u>	<u>11,208</u>	<u>6,646</u>	<u>(527)</u>	<u>140,197</u>
<u>RESULTS</u>						
Segment results	26,859	3,072	3,532	2,346		35,809
Unallocated income						<u>2,078</u>
Profit/(Loss) from operations						<u>37,887</u>
Finance costs						<u>(28)</u>
Profit/(Loss) before taxation						<u>37,859</u>
Taxation						<u>(9,259)</u>
Net profit/(loss) for the period						<u><u>28,600</u></u>

31 December 2011

	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
<u>REVENUE</u>						
External	74,808	47,906	10,968	6,000		139,682
Inter-segment	374	-	12	-	(386)	0
Total revenue	<u>75,182</u>	<u>47,906</u>	<u>10,980</u>	<u>6,000</u>	<u>(386)</u>	<u>139,682</u>
<u>RESULTS</u>						
Segment results	17,360	3,737	3,051	2,767		26,915
Unallocated income						<u>6,181</u>
Profit/(Loss) from operations						<u>33,096</u>
Finance costs						<u>(33)</u>
Profit/(Loss) before taxation						<u>33,063</u>
Taxation						<u>(6,075)</u>
Net profit/(loss) for the period						<u><u>26,988</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

(a) On 3 August 2012, the Company announced that its wholly-owned subsidiary, Ladang YS (Selangor) Sdn Bhd acquired the entire issued and paid-up share capital of Happy View Development Sdn Bhd ("Happy View") and Amverton Carey Golf & Island Resort Sdn Bhd ("Amverton Carey"), each comprising two (2) ordinary shares of RM1.00 each for a total cash consideration of RM2.00 per company. Happy View was incorporated on 13 April 2012 with authorised share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each of which 2 shares of RM1.00 each have been issued and fully paid-up. Amverton Carey was incorporated on 8 November 1985 with authorised share capital of RM250,000.00 of which 2 shares of RM1.00 each have been issued and fully paid-up. Both the new companies are presently non-operational and their intended principal activities shall be tourism related activities and agriculture.

(b) On 28 September 2012, the Company announced that its wholly-owned subsidiary, Ladang YS (Selangor) Sdn Bhd acquired the entire issued and paid-up share capital of Precious Orchard Sdn Bhd ("Precious Orchard") and Exemplary Resources Sdn Bhd ("Exemplary Resources"), each comprising two (2) ordinary shares of RM1.00 each for a total cash consideration of RM2.00 per company. Precious Orchard was incorporated on 26 June 2012 and Exemplary Resources was incorporated on 9 August 2012, both with authorised share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each of which 2 shares of RM1.00 each have been issued and fully paid-up. Both the new companies are presently non-operational and their intended principal activities shall be tourism related activities and agriculture.

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 2012.

A & M Realty Berhad (177214-H)

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance

4th Quarter FY 2012 vs 4th Quarter FY 2011

The Group's revenue was RM39.06 million for the current quarter ended 31 December 2012, a decline of 8.33% as compared with RM42.62 million recorded in the preceding year corresponding quarter ended 31 December 2011. The Group's profit before taxation and before non-controlling interest for the current quarter was RM13.41 million an increase of 9.09% as compared with RM12.29 million recorded in the preceding year corresponding quarter.

Twelve months ended FY 2012 vs Twelve months ended FY 2011

The Group recorded a revenue of RM140.20 million for the current financial year ended 31 December 2012, an increase of 0.37% as compared with RM139.68 million recorded in the previous financial year. The Group's profit before taxation and before non-controlling interest for the current financial year was RM37.86 million, an increase of 14.51% as compared with RM33.06 million recorded in the previous financial year.

Performance of the respective operating business segments for the financial year ended 31 December 2012 as compared to the previous financial year is analysed as follows:

a) Property development, construction & management services

Profit registered an increase of RM9.499 million despite the lower revenue of RM74.986 million as compared with a revenue of RM75.182 million recorded in the previous financial year. This was derived mainly from improved profit margin from the Division's on-going development projects.

b) Manufacturing and trading

The Division recorded a decline of 18% in profit to RM3.072 million for the current financial year as compared to RM3.737 million in the previous financial year, despite slight decrease in revenue of RM47.884 million as compared with RM47.906 million recorded in the previous financial year. This is because of higher sales of certain products with lower profit margin.

c) Hotel & leisure related services

The Division recorded a slight increase in revenue of 2% to RM11.208 million as compared to RM10.980 million in the previous financial year. Accordingly, profit registered an increase of 15.8% to RM3.532 million as compared with RM3.051 million in the previous financial year mainly due to lower operating cost incurred during the current financial year.

d) Plantation

Plantation posted a 10.77% increase in revenue to RM6.646 million for the current financial year as compared with RM6.000 million in the previous financial year mainly due to higher FFB. However, this Division registered a lower profit due to higher costs incurred during the current financial year.

B2. Variation of results against preceding quarter

	Current Quarter 31.12.2012 RM'000	Preceding Quarter 30.09.2012 RM'000
Revenue	39,065	36,535
Profit before taxation	13,410	10,600
Profit attributable to equity holders of the parent	10,088	7,675

For the 4th quarter ended 31 December 2012, the Group registered an increase in revenue to RM39.065 million as compared to RM36.535 million achieved in the preceding quarter. Accordingly, the Group posted a higher profit before taxation and before non-controlling interest of RM13.410 million, an increase of 26.51% as compared to RM10.600 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.

A & M Realty Berhad (177214-H)

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B3. Prospects for the coming Financial Year

Property development, construction & management services

Progress billings from on-going property development project will continue contributing positively to the Division's bottom line for the coming year.

Manufacturing and trading

The Division would continue to impose stringent measures to curb excessive expenditure in order to ensure the maximization of profit and to further improve overall performance of the Division.

Hotel & leisure related services

The Division will focus on improving the occupancy and average room rate of its hotel operations. Thus it should maintain its performance for the coming year.

Plantation

The plantation segment continues to face challenges on manpower constraints and higher labour costs arising from the implementation of minimum wage and prevailing lower CPO prices. However, the Division is expected to still perform well as recovery of palm oil prices is expected beginning of 2013.

The Board is of the opinion that notwithstanding the uncertainties of the global economy, the Group's performance in the coming year is expected to be satisfactory.

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
Profit before taxation is stated after charging/(crediting) :		
Depreciation of property, plant & equipment	737	2,773
Gain on disposal of property, plant & equipment	(30)	(250)
Interest received	(582)	(2,078)
Interest expenses	5	28
	<u>5</u>	<u>28</u>

B6. Taxation

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	3,651	12,054
Deferred taxation - provision	(541)	(2,795)
	<u>3,110</u>	<u>9,259</u>

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

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.

A & M Realty Berhad (177214-H)

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>117</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 31 December 2012.

B10. Group Borrowings and Debt Securities

	Unsecured RM'000	Secured RM'000
Short Term Borrowings	0	229
Hire Purchase		
- within 12 months	0	21
- after 12 months	0	64
	0	85
Total	0	314

There were no foreign denominated loans as at 31 December 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		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Profit for the period (RM'000)	10,300	9,238	28,600	26,988
Less : Amount attributable to non-controlling interest (RM'000)	<u>(212)</u>	<u>(310)</u>	<u>(1,467)</u>	<u>(1,780)</u>
Profit attributable to equity holders (RM'000)	<u>10,088</u>	<u>8,928</u>	<u>27,133</u>	<u>25,208</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	<u>2.76</u>	<u>2.45</u>	<u>7.43</u>	<u>6.91</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
26 February 2013