

# A & M REALTY BERHAD

(Company No. 177214-H)  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial period ended 30 September 2013

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2013</b>	<b>30.09.2012</b>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	<b>36,540</b>	<b>36,535</b>	<b>96,394</b>	<b>101,132</b>
Operating profit	14,690	10,144	26,277	22,976
Interest expense	(1)	(10)	(11)	(23)
Interest income	633	466	1,610	1,496
Profit before taxation	15,322	10,600	27,876	24,449
Income tax expenses	(4,545)	(2,599)	(7,505)	(6,149)
Net profit for the period	10,777	8,001	20,371	18,300
Attributable to :				
Equity holders of parent	10,420	7,675	19,332	17,045
Non-controlling interest	357	326	1,039	1,255
Total comprehensive income for the period	10,777	8,001	20,371	18,300
<b>Earnings per share of RM0.50 each</b> <b>attributable to equity holders of the parent :</b>				
Basic (sen)	2.85	2.10	5.30	4.67

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 2012 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 September 2013

	As at 30.09.2013 (Unaudited) RM'000	As at 31.12.2012 (Audited) RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	147,032	136,069
Investment properties	34,299	27,869
Investment in associated companies	1,485	1,485
Land held for property development	62,038	62,019
Other investments	101	145
Goodwill on consolidation	19,431	19,431
Fixed deposits	1,607	1,663
Deferred tax assets	714	714
Biological assets	3,827	3,827
	<u>270,534</u>	<u>253,222</u>
<b>Current assets</b>		
Inventories	81,984	71,985
Property development costs	179,307	218,564
Trade and other receivables	38,220	24,344
Amount due from customers for contract works	10,658	2,661
Income tax assets	870	917
Fixed deposits	59,785	44,362
Cash and bank balances	24,651	38,037
	<u>395,475</u>	<u>400,870</u>
<b>TOTAL ASSETS</b>	<u>666,009</u>	<u>654,092</u>

# A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 September 2013 (Continued)

	As at 30.09.2013 (Unaudited) RM'000	As at 31.12.2012 (Audited) RM'000
<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	318,471	299,139
	<u>536,076</u>	<u>516,744</u>
Non-controlling interest	16,485	15,534
<b>Total equity</b>	<u>552,561</u>	<u>532,278</u>
<b>Non-current liabilities</b>		
Finance lease liabilities	61	61
Deferred tax liabilities	42,057	44,207
	<u>42,118</u>	<u>44,268</u>
<b>Current liabilities</b>		
Trade and other payables	21,718	22,503
Progress Billing in respect of property development	38,603	45,121
Amount due to customers for contract works	1,209	1,268
Finance lease liabilities	6	24
Amount due to related parties	5,605	5,603
Borrowings	66	259
Bank overdraft	0	-
Income tax liabilities	4,123	2,768
	<u>71,330</u>	<u>77,546</u>
<b>Total liabilities</b>	113,448	121,814
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>666,009</u>	<u>654,092</u>
<b>Net Assets per share of RM0.50 each attributable to equity Holders of the parent (RM)</b>	1.47	1.42

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 2012 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 2013

	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 2013	182,532	35,073	299,139	15,534	532,278	
Net profit for the period	-	-	19,332	1,039	20,371	
Dividend paid to Non-controlling Interest by a subsidiary	-	-	-	(88)	(88)	
As at 30 September 2013	182,532	35,073	318,471	16,485	552,561	
As at 1 January 2012	182,532	35,073	272,189	14,285	504,079	
Net profit for the period	-	-	17,045	1,255	18,300	
Dividend paid to Non-controlling Interest by a subsidiary	-	-	-	(113)	(113)	
Acquisition of an subsidiary	-	-	-	(10)	(10)	
As at 30 September 2012	182,532	35,073	289,234	15,417	522,256	

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 2012 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 September 2013

	<u>Cumulative Period</u>	
	<b>9 months ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>
	(Unaudited)	(Unaudited)
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	27,876	24,449
Adjustments for :		
Non-cash items	2,096	2,012
Non-operating items	(1,650)	(1,693)
Operating profit before working capital changes	28,322	24,768
Working capital changes :		
Net change in current assets	7,385	(10,680)
Net change in current liabilities	(7,488)	(627)
Income tax refund	405	480
Income tax paid	(8,530)	(8,510)
Interest paid	(11)	(23)
Interest received	1,610	1,496
Net cash flow from/(used in) operating activities	21,693	6,904
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(12,900)	(3,999)
Purchase of biological assets	-	(77)
Purchase of investment properties	(6,589)	(2,542)
Proceed from disposal of property, plant and equipment	8	220
Proceed from disposal of investment	87	0
Development expenditure incurred	(19)	(38)
Net cash flow used in investing activities	(19,413)	(6,436)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (repayment)/proceeds from borrowings	(211)	539
Dividend Paid to Non-Controlling Interest	(88)	(113)
Withdrawal/(Placement) of Fixed Deposit under lien	56	(29)
Net cash flow used in financing activities	(243)	397
NET CHANGES IN CASH AND CASH EQUIVALENTS	2,037	865
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	82,399	76,858
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	84,436	77,723

**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 2012 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 2012.

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 2012.

#### **A2. Changes in Accounting Policies**

The adoption of the following new/revised Financial Reporting Standards (“FRSs”) which are applicable to the Group with effect from 1 January 2013, as disclosed below:

	<b>Effective for the financial period beginning on or after</b>
Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)	1 July 2012
FRS 3 Business Combinations	1 January 2013
FRS 9 Financial Instruments (IFRS 9 issued by International Accounting Standards Board (“IASB”) in November 2009)	1 January 2013
FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2013
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits (as amended in November 2011)	1 January 2013
FRS 127 Separate Financial Statements (as amended in November 2011)	1 January 2013
FRS 128 Investments in Associates and Joint Ventures (as amended in November 2011)	1 January 2013
Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to FRS 7)	1 January 2013
Consolidated Financial Statements: Transition Guidance (Amendments to FRS 10)	1 January 2013
Joint Arrangements: Transition Guidance (Amendments to FRS 11)	1 January 2013
Disclosure of Interests in Other Entities: Transition Guidance (Amendments to FRS 12)	1 January 2013

The adoption of the above FRSs and amendments to FRSs do not have significant financial impact on the results and financial position 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.

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

### **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 2012 was not subject to any audit qualification.

#### **A4. Seasonal or cyclical factors**

The Group's business operations for the quarter ended 30 June 2013 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 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 September 2013 (nil for the previous financial period ended 30 September 2012).

**A & M Realty Berhad (177214-H)****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 period are as follows:-

**30 September 2013**

	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	47,856	35,825	9,158	3,555		96,394
Inter-segment	410	-	9		(419)	-
Total revenue	<u>48,266</u>	<u>35,825</u>	<u>9,167</u>	<u>3,555</u>	<u>(419)</u>	<u>96,394</u>
<b><u>RESULTS</u></b>						
Segment results	21,394	2,033	1,880	970		26,277
Unallocated income						<u>1,610</u>
Profit/(Loss) from operations						<u>27,887</u>
Finance costs						<u>(11)</u>
Profit/(Loss) before taxation						<u>27,876</u>
Taxation						<u>(7,505)</u>
Net profit/(loss) for the period						<u><u>20,371</u></u>

**30 September 2012**

	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	51,032	37,056	7,634	5,410		101,132
Inter-segment	458	-	9	1	(468)	-
Total revenue	<u>51,490</u>	<u>37,056</u>	<u>7,643</u>	<u>5,411</u>	<u>(468)</u>	<u>101,132</u>
<b><u>RESULTS</u></b>						
Segment results	16,423	2,444	1,984	2,125		22,976
Unallocated income						<u>1,496</u>
Profit/(Loss) from operations						<u>24,472</u>
Finance costs						<u>(23)</u>
Profit/(Loss) before taxation						<u>24,449</u>
Taxation						<u>(6,149)</u>
Net profit/(loss) for the period						<u><u>18,300</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 September 2013.

#### **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 2013.

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

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

#### **B1. Review of performance**

##### **3rd Quarter FY 2013 vs 3rd Quarter FY 2012**

For the 9 months ended 30 September 2013, the Group's revenue was RM96.39 million, which represented a decrease of 4.68% as compared with RM101.13 million recorded in the preceding year corresponding period ended 30 September 2012. The Group's profit before taxation and before non-controlling interest for the current period was RM27.88 million, which represented an increase of 14.02% as compared with RM24.45 million recorded in the preceding year corresponding period.

Performance of the respective operating business segments for the financial period ended 30 September 2013 as compared to the corresponding period last year is analysed as follows:

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

The Division registered an increase in profit of RM4.97 million, which represented 30.27% to RM21.39 million for the current period as compared to RM16.42 million recorded for the same period last year, despite the lower revenue of RM48.27 million, a decrease of RM3.22 million (6.26%) as compared with RM51.49 million in the previous corresponding period. This is mainly due to improved profit margin and closure of some phases which have been completed.

##### **b) Manufacturing and trading**

The Division recorded a decline of 3% in revenue to RM35.83 million for the period under review as compared to RM37.06 million in the previous corresponding period. Accordingly the profit has also decreased to RM2.03 million as compared with RM2.44 million recorded in the the preceding year corresponding period. This is mainly due to the decrease of sales as well as sales of products with lower margins in the current period as compared with the preceding year corresponding period.

##### **c) Hotel & leisure related services**

The Division recorded an increase in revenue by 20% to RM9.17 million for the current period as compared to RM7.64 million in the preceding year corresponding period. The higher revenue was contributed by the newly launched Amverton Cove Golf & Island Resort. However, profit registered a decline of 5% to RM1.88 million as compared with RM1.98 million in the preceding year corresponding period. This was mainly due to lower revenue from hotel operations attributable to lower room occupancy during the previous two quarters.

##### **d) Plantation**

The plantation revenue decreased by 34% to RM3.56 million for the current period as compared with RM5.41 million in the preceding year corresponding period. Accordingly, the Division registered a lower profit of RM0.97 million as compared with RM2.12 million in the preceding year corresponding period, mainly due to the lower CPO and PK prices. Average CPO prices realised for Q3 FY 2013 was RM2,362 per tonne as compared to RM2,729 per tonne last year corresponding period.

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

	<b>Current Quarter 30.09.2013 RM'000</b>	<b>Preceding Quarter 30.06.2013 RM'000</b>
Revenue	36,540	33,138
Profit before taxation	15,322	7,510
Profit attributable to equity holders of the parent	10,420	5,595

For the 3rd quarter ended 30 September 2013, the Group registered an increase in revenue to RM36.54 million as compared to RM33.14 million achieved in the preceding quarter. Accordingly, the Group posted a higher profit before taxation and before non-controlling interest of RM15.32 million, an increase of 104.02% as compared to RM7.51 million for the preceding quarter.

The profit for the current quarter increased substantially as compared with the preceding quarter was mainly due to improved profit margin contributed by some phases of property development projects which have been completed by the property division.

## **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**

The property division will continue to contribute to the Group's profit from its on-going development project as well as the expected new launches.

##### **Manufacturing and trading**

The Division is optimistic that the performance for the coming year 2014 will be satisfactory. The Division will continue to look into all possible ways to improve sales performance by offering incentive schemes on product specialisation and introducing more product range besides monitoring stricter control over operating overheads, stock replenishing policy and credit control policy.

##### **Hotel & leisure related services**

With the recent opening of our new hotel, Amverton Cove Golf & Island Resort in September 2013, will contribute positively to the Group's earnings.

##### **Plantation**

The palm oil fundamentals are positive with CPO firming up steadily at the current level. Overall, the Division is expected to perform satisfactorily in the coming year 2014.

Barring any unforeseen circumstances and based on the aforementioned factors, the Board remains positive that 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
<b>Profit before taxation is stated after charging/(crediting) :</b>		
Depreciation of property, plant & equipment	722	2096
Gain on disposal of property, plant & equipment	0	(8)
Interest received	(633)	(1610)
Interest expenses	1	11
	<u>1</u>	<u>11</u>

#### **B6. Taxation**

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	4,478	9,655
Deferred taxation - provision	67	(2,150)
	<u>4,545</u>	<u>7,505</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.

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

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

#### **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.

#### **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	101
Quoted shares - at book value	101
Quoted shares - at market value	42

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 September 2013.

#### **B10. Group Borrowings and Debt Securities**

	Unsecured RM'000	Secured RM'000
Short Term Borrowings	0	66
Hire Purchase		
- within 12 months	0	6
- after 12 months	0	61
	0	67
Total	0	133

There were no foreign denominated loans as at 30 September 2013.

#### **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 appeal on 24 September 2013.

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

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

#### **B13. Dividend**

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

#### **B14. Earnings Per Share**

##### **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.

(a)	<u>Individual Period</u>		<u>Cumulative Period</u>	
	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Profit for the period (RM'000)	10,777	8,001	20,371	18,300
Less : Amount attributable to non-controlling interest (RM'000)	<u>(357)</u>	<u>(326)</u>	<u>(1,039)</u>	<u>(1,255)</u>
Profit attributable to equity holders (RM'000)	<u>10,420</u>	<u>7,675</u>	<u>19,332</u>	<u>17,045</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	<u>2.85</u>	<u>2.10</u>	<u>5.30</u>	<u>4.67</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  
27 November 2013