

A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

	<u>Individual Period</u> 3 months ended		<u>Cumulative Period</u> 12 months ended	
	31.12.2014 (Unaudited) RM'000	31.12.2013 (Unaudited) RM'000	31.12.2014 (Unaudited) RM'000	31.12.2013 (Audited) RM'000
Revenue	39,757	45,397	153,712	144,915
Operating profit	18,208	17,107	49,331	43,655
Other Operating Income	817	-	817	-
Interest expense	(6)	(3)	(32)	(17)
Interest income	504	495	2,244	2,252
Profit before taxation	19,523	17,599	52,360	45,890
Income tax expenses	(5,618)	(4,870)	(13,037)	(12,392)
Net profit for the period	13,905	12,729	39,323	33,498
Attributable to :				
Equity holders of parent	12,015	12,747	34,948	32,556
Non-controlling interest	1,890	(18)	4,375	942
Total comprehensive income for the period	13,905	12,729	39,323	33,498
Earnings per share of RM0.50 each attributable to equity holders of the parent :				
Basic (sen)	3.29	3.49	9.57	8.92

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 2013 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 2014

	As at 31.12.2014 (Unaudited) RM'000	As at 31.12.2013 (Audited) RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	151,404	147,508
Investment properties	42,185	35,295
Investment in associated companies	1,348	1,348
Land held for property development	103,467	62,675
Other investments	101	101
Goodwill on consolidation	19,351	18,638
Fixed deposits	1,857	1,809
Deferred tax assets	691	691
Biological assets	3,827	3,827
	<u>324,231</u>	<u>271,892</u>
Current assets		
Inventories	81,837	85,812
Property development costs	309,086	185,868
Trade and other receivables	42,334	37,729
Amount due from customers for contract works	4,464	5,103
Income tax assets	413	637
Fixed deposits	64,839	61,358
Cash and bank balances	14,657	32,139
	<u>517,630</u>	<u>408,646</u>
TOTAL ASSETS	<u>841,861</u>	<u>680,538</u>

A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014 (Continued)

	As at 31.12.2014 (Unaudited) RM'000	As at 31.12.2013 (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	361,166	331,694
	<u>578,771</u>	<u>549,299</u>
Non-controlling interest	20,627	16,366
Total equity	<u>599,398</u>	<u>565,665</u>
Non-current liabilities		
Finance lease liabilities	466	525
Deferred tax liabilities	70,255	42,115
	<u>70,721</u>	<u>42,640</u>
Current liabilities		
Trade and other payables	128,070	27,688
Progress Billing in respect of property development	34,630	33,207
Amount due to customers for contract works	1,336	1,367
Finance lease liabilities	124	117
Amount due to related parties	5,605	5,603
Borrowings	367	94
Income tax liabilities	1,610	4,157
	<u>171,742</u>	<u>72,233</u>
Total liabilities	<u>242,463</u>	114,873
TOTAL EQUITY AND LIABILITIES	<u>841,861</u>	<u>680,538</u>
Net Assets per share of RM0.50 each attributable to equity Holders of the parent (RM)	1.59	1.50

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 2013 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 2014

	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 2014	182,532	35,073	331,694	16,366	565,665
Net profit for the year	-	-	34,948	4,375	39,323
Final Dividends for the year ended - 2013 - 1.5%	-	-	(5,476)	-	(5,476)
Dividend paid to Non-controlling Interest by a subsidiary	-	-	-	(114)	(114)
As at 31 December 2014	<u>182,532</u>	<u>35,073</u>	<u>361,166</u>	<u>20,627</u>	<u>599,398</u>
As at 1 January 2013	182,532	35,073	299,138	15,535	532,278
Net profit for the year	-	-	32,556	942	33,498
Dividend paid to Non-controlling Interest by a subsidiary	-	-	-	(111)	(111)
As at 31 December 2013	<u>182,532</u>	<u>35,073</u>	<u>331,694</u>	<u>16,366</u>	<u>565,665</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 2013 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 2014

	<u>Cumulative Period</u> 12 months ended	
	31.12.2014 (Unaudited) RM'000	31.12.2013 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	52,360	45,890
Adjustments for :		
Non-cash items	3,961	4,905
Non-operating items	(2,212)	(1,532)
Operating profit before working capital changes	54,109	49,263
Working capital changes :		
Net change in current assets	6,486	3,363
Net change in current liabilities	(2,976)	(6,628)
Income tax refund	73	525
Income tax paid	(16,918)	(13,317)
Dividend Received	1	138
Interest paid	(32)	(17)
Interest received	2,244	2,252
Net cash flow from/(used in) operating activities	42,987	35,579
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,369)	(16,225)
Purchase of investment properties	(7,371)	(7,908)
Proceed from disposal of property, plant and equipment	-	83
Proceed from disposal of investment	-	87
Development expenditure incurred	(135)	(42)
Net cash outflow from acquisition of subsidiaries	(36,696)	-
Net cash flow used in investing activities	(51,571)	(24,005)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/proceeds from borrowings	221	(190)
Dividend Paid	(5,476)	-
Dividend Paid to Non-Controlling Interest	(114)	(110)
Placement of Fixed Deposit under lien	(48)	(176)
Net cash flow used in financing activities	(5,417)	(476)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(14,001)	11,098
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	93,497	82,399
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	79,496	93,497

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 2013 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 2013.

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 2013.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2013.

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 2017. 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 2017. When the Group presents its first MFRS financial statements in 1 January 2017, 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 2017.

A3. Status of audit qualifications

The audit report of the Group's most recent annual audited financial statements for the year ended 31 December 2013 was not subject to any audit qualification.

A4. Seasonal or cyclical factors

The Group's business operations for the year ended 31 December 2014 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 year 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.

A & M Realty Berhad (177214-H)**EXPLANATORY NOTES AS REQUIRED BY FINANCIAL REPORTING STANDARDS (“FRS”) 134****A7. Dividend paid**

There was no payment of dividend in the current quarter

A8. Segment reporting

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

31 December 2014

	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	83,917	46,979	17,876	4,940		153,712
Inter-segment	457	-	12		(469)	-
Total revenue	<u>84,374</u>	<u>46,979</u>	<u>17,888</u>	<u>4,940</u>	<u>(469)</u>	<u>153,712</u>
<u>RESULTS</u>						
Segment results	40,407	2,522	4,949	1,453		49,331
Unallocated income						<u>3,061</u>
Profit/(Loss) from operations						<u>52,392</u>
Finance costs						<u>(32)</u>
Profit/(Loss) before taxation						<u>52,360</u>
Taxation						<u>(13,037)</u>
Net profit/(loss) for the year						<u><u>39,323</u></u>

31 December 2013

	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	78,458	47,581	14,110	4,766		144,915
Inter-segment	466	-	12	-	(478)	-
Total revenue	<u>78,924</u>	<u>47,581</u>	<u>14,122</u>	<u>4,766</u>	<u>(478)</u>	<u>144,915</u>
<u>RESULTS</u>						
Segment results	37,195	2,963	2,228	1,269		43,655
Unallocated income						<u>2,252</u>
Profit/(Loss) from operations						<u>45,907</u>
Finance costs						<u>(17)</u>
Profit/(Loss) before taxation						<u>45,890</u>
Taxation						<u>(12,392)</u>
Net profit/(loss) for the year						<u><u>33,498</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 for the current quarter ended 31 December 2014.

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.

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance

4th Quarter FY 2014 vs 4th Quarter FY 2013

The Group's revenue was RM39.76 million for the current quarter ended 31 December 2014, a decrease of 12.4% as compared with RM45.40 million recorded in the preceding year corresponding quarter ended 31 December 2013. The Group's profit before taxation and before non-controlling interest for the current quarter was RM19.52 million, an increase of 10.93% as compared with RM17.60 million recorded in the preceding year corresponding quarter.

Twelve months ended FY 2014 vs twelve months ended FY 2013

The Group's revenue was RM153.71 million for the financial year ended 31 December 2014, an increase of 6.07% as compared with RM144.92 million recorded in the previous financial year ended 31 December 2013. The Group's profit before taxation and before non-controlling interest for the current financial year was RM52.36 million, an increase of 14.10% as compared with RM45.89 million recorded in the previous financial year.

Performance of the respective operating business segments for the financial year ended 31 December 2014 as compared to the previous financial year is analysed as follows:

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

The Division registered an increase in revenue of RM5.45 million, which represented 6.91% to RM84.37 million for the current financial year as compared to RM78.92 million recorded for the previous financial year. Profit registered an increase of 8.64% to RM40.41 million for the current financial year as compared to RM37.19 million recorded for the previous financial year. This was mainly due to the sales of completed units as well as on going projects.

b) **Manufacturing and trading**

The Division recorded a slight decrease of 1.27% in revenue to RM46.98 million for the current financial year as compared to RM47.58 million in the previous financial year. Profit decreased by 14.88% to RM2.52 million as compared with RM2.96 million recorded in the previous financial year. This is mainly due to sales of products with lower margin in the current financial year as compared with the previous financial year.

c) **Hotel & leisure related services**

The Division recorded an increase in revenue by 26.67% to RM17.89 million for the current financial year as compared to RM14.12 million in the previous financial year. The Division recorded a higher profit by 122.13% to RM4.95 million for the current financial year as compared with RM2.23 million in the previous financial year, mainly attributable to Puteri Resort Melaka & Amverton Cove Golf & Island Resort.

d) **Plantation**

The plantation revenue increased by 3.65% to RM4.94 million for the current financial year as compared with RM4.77 million in the previous financial year. Accordingly, the Division registered a higher profit of RM1.45 million as compared with RM1.27 million in the previous financial year. This was mainly due to higher average CPO and PK prices coupled with higher FFB production for the current financial year.

A & M Realty Berhad (177214-H)

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B2. Variation of results against preceding quarter

	Current Quarter 31.12.14 RM'000	Preceding Quarter 30.09.14 RM'000
Revenue	39,757	46,556
Profit before taxation	19,523	17,279
Profit attributable to equity holders of the parent	12,015	11,547

For the 4th quarter ended 31 December 2014, the Group registered a decrease in revenue to RM39.76 million as compared to RM46.56 million achieved in the preceding quarter. Nevertheless, the Group posted a higher profit before taxation and before non-controlling interest of RM19.52 million, an increase of 12.99% as compared to RM17.28 million for the preceding quarter.

The higher profit for the current quarter as compared with the preceding quarter was mainly due to the difference in product mix of property development projects by the Property Division.

B3. Prospects for the next financial year

Property development, construction & management services

Malaysian property market is currently going through a period of softness. However, going forward the Board remains confident that with the right products and strategic locations, the Division will continue to contribute positively to the Group's income stream for the coming year 2015.

Manufacturing and trading

The Division expects slower sales performance given the current challenges in the industry. Going forward, the Division will continue to source newer product lines and products with better profit margin to add into the existing range beside introducing sales promotional campaigns to enhance the revenue performance.

Hotel & leisure related services

The Hotel & Leisure Division's performance is expected to continue contributing positively to the Group's income stream for the coming year 2015.

Plantation

The Division's performance for the coming financial year 2015 will be influenced by the price movements in the palm oil market which in turn is influenced by global economic uncertainties and foreign currency fluctuations. Nevertheless, the Division will place more effort in improving FFB yield as well as keeping costs low.

Barring any unforeseen circumstances and based on the above-mentioned factors, the Board is confident that it will continue to deliver satisfactory performance in the next financial year.

B4. Variances from Profit Forecasts and Profit Guarantee

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

A & M Realty Berhad (177214-H)

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

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	889	3,961
Dividend received	(1)	(1)
Interest received	(504)	(2,244)
Interest expenses	6	32
	<u>6</u>	<u>32</u>

B6. Taxation

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	5,160	14,521
Deferred taxation - provision	458	(1,484)
	<u>5,618</u>	<u>13,037</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.

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	<u>101</u>
Quoted shares - at book value	<u>101</u>
Quoted shares - at market value	<u>69</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 2014.

A & M Realty Berhad (177214-H)

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B10. Group Borrowings and Debt Securities

	Unsecured RM'000	Secured RM'000
Short Term Borrowings	0	367
Hire Purchase		
- within 12 months	0	124
- after 12 months	0	466
	0	590
(a) Total	0	957

There were no foreign denominated loans as at 31 December 2014.

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. Material Litigation

As at the reporting date, there was no material litigation against the Group.

B13. Dividend

No interim dividend has declared for the current quarter 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 31.12.2014	31.12.2013	12 months ended 31.12.2014	31.12.2013
Profit for the period (RM'000)	13,905	12,729	39,323	33,498
Less : Amount attributable to non-controlling interest (RM'000)	<u>(1,890)</u>	<u>18</u>	<u>(4,375)</u>	<u>(942)</u>
Profit attributable to equity holders (RM'000)	<u>12,015</u>	<u>12,747</u>	<u>34,948</u>	<u>32,556</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	<u>3.29</u>	<u>3.49</u>	<u>9.57</u>	<u>8.92</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 2015