

A & M REALTY BERHAD

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial period ended 30 June 2015

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	3 months ended		6 months ended	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Revenue	26,609	37,063	54,367	67,399
Operating profit	3,894	8,536	9,821	14,214
Interest expense	(8)	(7)	(18)	(15)
Interest income	699	711	1,268	1,359
Profit before taxation	4,585	9,240	11,071	15,558
Income tax expenses	(1,393)	(1,875)	(3,235)	(3,323)
Net profit for the period	3,192	7,365	7,836	12,235
Attributable to :				
Equity holders of parent	2,742	6,959	6,987	11,386
Non-controlling interest	450	406	849	849
Total comprehensive income for the period	3,192	7,365	7,836	12,235
Earnings per share of RM0.50 each attributable to equity holders of the parent :				
Basic (sen)	0.75	1.91	1.91	3.12

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 2014 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 2015

	As at 30.06.2015 (Unaudited) RM'000	As at 31.12.2014 (Audited) RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	153,276	151,362
Investment properties	60,448	61,520
Investment in associated companies	1,349	1,349
Land held for property development	106,201	99,103
Other investments	101	101
Goodwill on consolidation	19,085	19,085
Fixed deposits	1,278	1,858
Deferred tax assets	691	691
Biological assets	3,827	3,827
	<u>346,256</u>	<u>338,896</u>
Current assets		
Inventories	76,440	81,836
Property development costs	303,090	294,967
Trade and other receivables	41,996	41,889
Amount due from customers for contract works	4,568	4,244
Amount due from related parties	-	1
Income tax assets	2,606	461
Fixed deposits	21,504	56,172
Cash and bank balances	48,379	23,362
	<u>498,583</u>	<u>502,932</u>
TOTAL ASSETS	<u>844,839</u>	<u>841,828</u>

A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 June 2015 (Continued)

	As at 30.06.2015 (Unaudited) RM'000	As at 31.12.2014 (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	362,842	361,331
	<u>580,447</u>	<u>578,936</u>
Non-controlling interest	21,251	20,402
Total equity	<u>601,698</u>	<u>599,338</u>
Non-current liabilities		
Finance lease liabilities	413	465
Deferred tax liabilities	69,663	69,980
	<u>70,076</u>	<u>70,445</u>
Current liabilities		
Trade and other payables	20,096	23,896
Dividend payable	5,476	-
Progress Billing in respect of property development	36,090	35,331
Amount due to customers for contract works	1,208	1,208
Finance lease liabilities	123	126
Amount due to related parties	109,389	109,386
Borrowings	-	397
Income tax liabilities	683	1,701
	<u>173,065</u>	<u>172,045</u>
Total liabilities	<u>243,141</u>	<u>242,490</u>
TOTAL EQUITY AND LIABILITIES	<u>844,839</u>	<u>841,828</u>
Net Assets per share of RM0.50 each attributable to equity Holders of the parent (RM)	1.59	1.59

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 2014 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 2015

	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 2015	182,532	35,073	361,331	20,402	599,338
Net profit for the year	-	-	6,987	849	7,836
Final Dividends for the year ended - 2014 - 1.5%	-	-	(5,476)	-	(5,476)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 30 June 2015	182,532	35,073	362,842	21,251	601,698
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
As at 1 January 2014	182,532	35,073	331,694	16,366	565,665
Net profit for the year	-	-	11,386	849	12,235
Final Dividends for the year ended - 2013 - 1.5%	-	-	(5,476)	-	(5,476)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 30 June 2014	182,532	35,073	337,604	17,215	572,424
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 2014 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 2015

	<u>Cumulative Period</u>	
	6 months ended	
	30.06.2015	30.06.2014
	(Unaudited)	(Unaudited)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,071	15,558
Adjustments for :		
Non-cash items	2,602	2,525
Non-operating items	(1,250)	(1,343)
	<hr/>	<hr/>
Operating profit before working capital changes	12,423	16,740
Working capital changes :		
Net change in current assets	(3,158)	(15,424)
Net change in current liabilities	(3,037)	(1,716)
Income tax refund	20	-
Income tax paid	(6,735)	(4,738)
Interest paid	(18)	(15)
Interest received	1,268	1,359
	<hr/>	<hr/>
Net cash flow from/(used in) operating activities	763	(3,794)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,444)	(9,392)
Development expenditure incurred	(7,098)	(53)
	<hr/>	<hr/>
Net cash flow used in investing activities	(10,542)	(9,445)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/proceeds from borrowings	(452)	111
Withdraw/(placement) of fixed deposit under lien	580	(17)
	<hr/>	<hr/>
Net cash flow from financing activities	128	94
NET CHANGES IN CASH AND CASH EQUIVALENTS	(9,651)	(13,145)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	79,534	93,497
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	69,883	80,352
	<hr/>	<hr/>

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 2014 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 2014.

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 2014.

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 2014.

Malaysian Financial Reporting Standard (“MFRS”)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities'). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017. Early adoption of MFRS is permitted.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 December 2017.

The Group is in the process of assessing the financial effects of the differences between the accounting standards under Financial Reporting Standards and under the MFRS Framework.

A3. Status of audit qualifications

The audit report of the Group's most recent annual audited financial statements for the year ended 31 December 2014 was not subject to any audit qualification.

A4. Seasonal or cyclical factors

The Group's business operations for the financial period ended 30 June 2015 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

At the Company's Annual General Meeting held on 25 June 2015, the shareholders of the Company approved a first and final single tier dividend of 3% or 1.5 sen per ordinary share of RM0.50 each, in respect of the financial year ended 31 December 2014. The Company paid this final dividend on 18 August 2015.

A8. Segment reporting

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

30 June 2015

	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	21,977	21,491	8,916	1,983		54,367
Inter-segment	111	-	-	-	(111)	-
Total revenue	<u>22,088</u>	<u>21,491</u>	<u>8,916</u>	<u>1,983</u>	<u>(111)</u>	<u>54,367</u>
<u>RESULTS</u>						
Segment results	7,051	759	1,618	393		9,821
Unallocated income						<u>1,268</u>
Profit from operations						<u>11,089</u>
Finance costs						<u>(18)</u>
Profit before taxation						<u>11,071</u>
Taxation						<u>(3,235)</u>
Net profit for the year						<u><u>7,836</u></u>

30 June 2014

	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	31,710	24,283	8,549	2,857		67,399
Inter-segment	111	-	6	-	(117)	-
Total revenue	<u>31,821</u>	<u>24,283</u>	<u>8,555</u>	<u>2,857</u>	<u>(117)</u>	<u>67,399</u>
<u>RESULTS</u>						
Segment results	10,127	1,108	1,935	1,044		14,214
Unallocated income						<u>1,359</u>
Profit from operations						<u>15,573</u>
Finance costs						<u>(15)</u>
Profit before taxation						<u>15,558</u>
Taxation						<u>(3,323)</u>
Net profit for the year						<u><u>12,235</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 financial period ended 30 June 2015.

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 as at the date of the report.

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES**B1. Review of performance****Cumulative 2nd Quarter FY 2015 vs Cumulative 2nd Quarter FY 2014**

The Group's revenue was RM54.37 million for the current period ended 30 June 2015, a decrease of 19.34% as compared with RM67.4 million recorded in the preceding year corresponding period. The Group's profit before taxation and before non-controlling interest for the current period was RM11.07 million, a decrease of 28.84% as compared with RM15.56 million recorded in the preceding year corresponding period.

Performance of the respective operating business segments for the financial period ended 30 June 2015 as compared to the corresponding period last year is analysed as follows:

a) Property development, construction & management services

The Division registered a 30.59% decrease in revenue to RM22.09 million for the current period as compared to RM31.82 million recorded for the preceding year corresponding period. Profit decreased by 30.37% to RM7.05 million for the current period as compared to RM10.13 million recorded for the preceding year corresponding period. The division recorded a lower profit this period as one of its projects, namely Amverton Park, is nearing its tail end and reaching its completion stage.

b) Manufacturing and trading

The Division recorded a 11.50% decrease in revenue to RM21.49 million for the current period as compared to RM24.28 million in the preceding year corresponding period. Profit decreased by 31.50% to RM0.76 million as compared with RM1.11 million recorded in the preceding year corresponding period. This is mainly due to lower sales of products in the current period as compared with the preceding year corresponding period.

c) Hotel & leisure related services

The Division recorded a 4.22% increase in revenue to RM8.92 million for the current period as compared to RM8.56 million in the preceding year corresponding period. However, the Division recorded lower profit of 16.38% to RM1.62 million for the current period as compared with RM1.94 million in the preceding year corresponding period. This is mainly due to decrease in profit at Puteri Resort Melaka on the back of lower revenue. This reduction however, is partly mitigated by higher contribution of revenue and profit from Amverton Cove Golf & Island Resort.

d) Plantation

The plantation revenue decreased by 30.59% to RM1.98 million for the current period as compared with RM2.86 million in the preceding year corresponding period. The Division reported a lower profit of RM0.39 million as compared with RM1.04 million in the preceding year corresponding period. This was mainly due to lower FFB production as well as lower CPO price for the current period.

B2. Variation of results against preceding quarter

	Current Quarter 30.06.15 RM'000	Preceding Quarter 31.03.15 RM'000
Revenue	26,609	27,758
Profit before taxation	4,585	6,486
Profit attributable to equity holders of the parent	2,742	4,245

For the 2nd quarter ended 30 June 2015, the Group registered a decrease in revenue to RM26.61 million as compared to RM27.76 million achieved in the preceding quarter. Accordingly, the Group posted a lower profit before taxation and before non-controlling interest of RM4.59 million, a decrease of 29.31% as compared to RM6.49 million for the preceding quarter.

The lower profit for the current quarter as compared to the preceding quarter was mainly due to lower profit recognised from the property development projects.

A & M Realty Berhad (177214-H)

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B3. Prospects for the current financial year

Given the unstable global economic outlook, we expect 2015 to be very challenging 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. 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	1,671	2,602
Interest received	(699)	(1,268)
Interest expenses	8	18
	<u>8</u>	<u>18</u>

B6. Taxation

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	1,521	3,552
Deferred taxation - provision	(128)	(317)
	<u>1,393</u>	<u>3,235</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.

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>101</u>
Quoted shares - at book value	<u>101</u>
Quoted shares - at market value	<u>76</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 2015.

B10. Group Borrowings and Debt Securities

	Unsecured RM'000	Secured RM'000
Short Term Borrowings	0	0
Hire Purchase		
- within 12 months	0	123
- after 12 months	0	413
	0	536
(a) Total	<u>0</u>	<u>536</u>

There were no foreign denominated loans as at 30 June 2015.

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 been declared for the current 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 30.06.2015	30.06.2014	6 months ended 30.06.2015	30.06.2014
Profit for the period (RM'000)	3,192	7,365	7,836	12,235
Less : Amount attributable to non-controlling interest (RM'000)	<u>(450)</u>	<u>(406)</u>	<u>(849)</u>	<u>(849)</u>
Profit attributable to equity holders (RM'000)	<u>2,742</u>	<u>6,959</u>	<u>6,987</u>	<u>11,386</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	<u>0.75</u>	<u>1.91</u>	<u>1.91</u>	<u>3.12</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 August 2015