

A & M REALTY BERHAD

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial period ended 30 September 2015

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	3 months ended		9 months ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Revenue	34,582	46,556	88,949	113,955
Operating profit	9,896	16,909	19,717	31,123
Interest expense	(5)	(11)	(23)	(26)
Interest income	207	381	1,475	1,740
Profit before taxation	10,098	17,279	21,169	32,837
Income tax expenses	(2,496)	(4,096)	(5,731)	(7,419)
Net profit for the period	7,602	13,183	15,438	25,418
Attributable to :				
Equity holders of parent	7,414	11,547	14,401	22,933
Non-controlling interest	188	1,636	1,037	2,485
Total comprehensive income for the period	7,602	13,183	15,438	25,418
Earnings per share of RM0.50 each attributable to equity holders of the parent :				
Basic (sen)	2.03	3.16	3.94	6.28

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 September 2015

	As at 30.09.2015 (Unaudited) RM'000	As at 31.12.2014 (Audited) RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	153,039	151,362
Investment properties	60,095	61,520
Investment in associated companies	1,349	1,349
Land held for property development	106,235	99,103
Other investments	101	101
Goodwill on consolidation	19,085	19,085
Fixed deposits	1,819	1,858
Deferred tax assets	691	691
Biological assets	3,827	3,827
	<u>346,241</u>	<u>338,896</u>
Current assets		
Inventories	70,627	81,836
Property development costs	301,760	294,967
Trade and other receivables	46,675	41,889
Amount due from customers for contract works	4,460	4,244
Amount due from related parties	-	1
Income tax assets	3,008	461
Fixed deposits	18,530	56,172
Cash and bank balances	23,307	23,362
	<u>468,367</u>	<u>502,932</u>
TOTAL ASSETS	<u>814,608</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 September 2015 (Continued)

	As at 30.09.2015 (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	370,256	361,331
	<u>587,861</u>	<u>578,936</u>
Non-controlling interest	21,439	20,402
Total equity	<u>609,300</u>	<u>599,338</u>
Non-current liabilities		
Finance lease liabilities	421	465
Deferred tax liabilities	69,235	69,980
	<u>69,656</u>	<u>70,445</u>
Current liabilities		
Trade and other payables	16,287	23,896
Progress Billing in respect of property development	32,941	35,331
Amount due to customers for contract works	1,208	1,208
Finance lease liabilities	132	126
Amount due to related parties	83,415	109,386
Borrowings	-	397
Income tax liabilities	1,669	1,701
	<u>135,652</u>	<u>172,045</u>
Total liabilities	<u>205,308</u>	<u>242,490</u>
TOTAL EQUITY AND LIABILITIES	<u>814,608</u>	<u>841,828</u>
Net Assets per share of RM0.50 each attributable to equity Holders of the parent (RM)	1.61	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 September 2015

	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 2015	182,532	35,073	361,331	20,402	599,338	
Net profit for the year	-	-	14,401	1,037	15,438	
Final Dividends for the year ended - 2014 - 1.5%	-	-	(5,476)	-	(5,476)	
As at 30 September 2015	182,532	35,073	370,256	21,439	609,300	
As at 1 January 2014	182,532	35,073	331,694	16,366	565,665	
Net profit for the year	-	-	22,933	2,485	25,418	
Final Dividends for the year ended - 2013 - 1.5%	-	-	(5,476)	-	(5,476)	
As at 30 September 2014	182,532	35,073	349,151	18,851	585,607	

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 September 2015

	<u>Cumulative Period</u> 9 months ended	
	30.09.2015 (Unaudited) RM'000	30.09.2014 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	21,169	32,837
Adjustments for :		
Non-cash items	3,840	3,072
Non-operating items	(1,452)	(1,713)
Operating profit before working capital changes	23,557	34,196
Working capital changes :		
Net change in current assets	(586)	9,809
Net change in current liabilities	(35,968)	(2,759)
Income tax refund	26	-
Income tax paid	(9,082)	(9,349)
Interest paid	(23)	(26)
Interest received	1,475	1,740
Net cash flow (used in)/from operating activities	(20,601)	33,611
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,092)	(12,802)
Development expenditure incurred	(7,132)	(83)
Net cash outflow from acquisition of subsidiaries	-	(36,696)
Net cash flow used in investing activities	(11,224)	(49,581)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/proceeds from borrowings	(435)	(76)
Dividend paid	(5,476)	(5,476)
Withdraw/(placement) of fixed deposit under lien	39	(56)
Net cash flow from financing activities	(5,872)	(5,608)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(37,697)	(21,578)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	79,534	93,497
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	41,837	71,919

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 September 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 September 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	41,451	31,519	12,778	3,201		88,949
Inter-segment	167	-	-	-	(167)	-
Total revenue	<u>41,618</u>	<u>31,519</u>	<u>12,778</u>	<u>3,201</u>	<u>(167)</u>	<u>88,949</u>
<u>RESULTS</u>						
Segment results	16,497	893	1,791	536		19,717
Unallocated income						<u>1,475</u>
Profit from operations						<u>21,192</u>
Finance costs						<u>(23)</u>
Profit before taxation						<u>21,169</u>
Taxation						<u>(5,731)</u>
Net profit for the year						<u><u>15,438</u></u>

30 September 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	62,050	35,528	12,265	4,112		113,955
Inter-segment	167	-	9	-	(176)	-
Total revenue	<u>62,217</u>	<u>35,528</u>	<u>12,274</u>	<u>4,112</u>	<u>(176)</u>	<u>113,955</u>
<u>RESULTS</u>						
Segment results	24,963	1,759	2,886	1,515		31,123
Unallocated income						<u>1,740</u>
Profit from operations						<u>32,863</u>
Finance costs						<u>(26)</u>
Profit before taxation						<u>32,837</u>
Taxation						<u>(7,419)</u>
Net profit for the year						<u><u>25,418</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 September 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 3rd Quarter FY 2015 vs. Cumulative 3rd Quarter FY 2014**

The Group's revenue was RM88.95 million for the current period ended 30 September 2015, a decrease of 21.94% as compared with RM113.96 million recorded in the preceding year corresponding period. The Group's profit before taxation and before non-controlling interest for the current period was RM21.17 million, a decrease of 35.53% as compared with RM32.84 million recorded in the preceding year corresponding period.

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

a) Property development, construction & management services

The Division registered a 33.11% decrease in revenue to RM41.62 million for the current period as compared to RM62.22 million recorded for the preceding year corresponding period. Profit decreased by 33.91% to RM16.50 million for the current period as compared to RM24.96 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 11.28% decrease in revenue to RM31.52 million for the current period as compared to RM35.53 million in the preceding year corresponding period. Profit decreased by 49.23% to RM0.89 million as compared with RM1.76 million recorded in the preceding year corresponding period. This was mainly due to lower sales and lower profit margin in the current period as compared with the preceding year corresponding period.

c) Hotel & leisure related services

The Division recorded a 4.11% increase in revenue to RM12.78 million for the current period as compared to RM12.27 million in the preceding year corresponding period. However, the Division recorded lower profit of RM1.79 million for the current period as compared with RM2.88 million in the preceding year corresponding period. The higher turnover and profit from Amverton Cove Golf & Island Resort was mitigated by lower sales from Puteri Resort Melaka.

d) Plantation

The plantation revenue decreased by 22.15% to RM3.20 million for the current period as compared with RM4.11 million in the preceding year corresponding period. The Division reported a lower profit of RM0.54 million as compared with RM1.52 million in the preceding year corresponding period. The erratic weather with periods of heavy rain and dry spells have affected the output of FFB for this year. The lower FFB production coupled with lower CPO prices (Average price of RM2,170 per tonne for this current period as compared with RM2,484 recorded in the preceding year corresponding period) has led to the decrease in revenue and profit for the current period.

B2. Variation of results against preceding quarter

	Current Quarter 30.09.2015 RM'000	Preceding Quarter 30.06.15 RM'000
Revenue	34,582	26,609
Profit before taxation	10,098	4,585
Profit attributable to equity holders of the parent	7,414	2,742

For the 3rd quarter ended 30 September 2015, the Group registered an increase in revenue to RM34.58 million as compared to RM26.61 million achieved in the preceding quarter. Accordingly, the Group posted a higher profit before taxation and before non-controlling interest of RM10.1 million, an increase of 120.24% as compared to RM4.59 million for the preceding quarter.

The higher profit for the current quarter as compared to the preceding quarter was mainly due to better contribution from the property development projects.

A & M Realty Berthed (177214-H)

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B3. Prospects for the current financial year

The Board anticipates the operating environment to remain challenging for the coming quarter as the property and manufacturing sectors are currently experiencing slower growth.

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	1,238	3,840
Interest received	(207)	(1,475)
Interest expenses	5	23
	<u>5</u>	<u>23</u>

B6. Taxation

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	2,924	6,476
Deferred taxation - provision	(428)	(745)
	<u>2,496</u>	<u>5,731</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. Status of Corporate Proposals

There are no corporate exercises in progress in this quarter ended 30 September 2015.

B8. Group Borrowings and Debt Securities

	Unsecured RM'000	Secured RM'000
Short Term Borrowings	0	0
Hire Purchase		
- within 12 months	0	132
- after 12 months	0	421
	0	553
(a) Total	0	553

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

A & M Realty Berthed (177214-H)

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B9. Material Litigation

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

B10. Dividend

No interim dividend has been declared for the current period under review.

B11. 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		9 months ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Profit for the period (RM'000)	7,602	13,183	15,438	25,418
Less : Amount attributable to non-controlling interest (RM'000)	(188)	(1,636)	(1,037)	(2,485)
Profit attributable to equity holders (RM'000)	7,414	11,547	14,401	22,933
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	2.03	3.16	3.94	6.28

(b) Diluted Earnings Per Share

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

B12. 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
25 November 2015