

# A & M REALTY BERHAD

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

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	<u>3 months ended</u>		<u>12 months ended</u>	
	<u>31.12.2015</u>	<u>31.12.2014</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Revenue</b>	<b>32,469</b>	<b>39,757</b>	<b>121,418</b>	<b>153,255</b>
Operating profit	9,066	19,025	28,783	49,663
Interest expense	(6)	(6)	(29)	(38)
Interest income	398	504	1,873	2,401
Profit before taxation	9,458	19,523	30,627	52,026
Income tax expenses	1,125	(5,618)	(4,606)	(12,728)
Net profit for the period	10,583	13,905	26,021	39,298
Attributable to :				
Equity holders of parent	9,450	12,015	23,851	35,148
Non-controlling interest	1,133	1,890	2,170	4,150
Total comprehensive income for the period	10,583	13,905	26,021	39,298
<b>Earnings per share of RM0.50 each</b> <b>attributable to equity holders of the parent :</b>				
Basic (sen)	2.59	3.29	6.53	9.63

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 31 December 2015

	As at 31.12.2015 (Unaudited) RM'000	As at 31.12.2014 (Audited) RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	153,270	151,362
Investment properties	59,798	61,520
Investment in associated companies	1,349	1,349
Land held for property development	116,239	99,103
Other investments	101	101
Goodwill on consolidation	19,085	19,085
Fixed deposits	1,831	1,858
Deferred tax assets	691	691
Biological assets	3,414	3,827
	<u>355,778</u>	<u>338,896</u>
<b>Current assets</b>		
Inventories	70,843	81,836
Property development costs	299,647	294,967
Trade and other receivables	35,212	41,889
Amount due from customers for contract works	2,350	4,244
Amount due from related parties	-	1
Income tax assets	1,816	461
Fixed deposits	28,890	56,172
Cash and bank balances	30,461	23,362
	<u>469,219</u>	<u>502,932</u>
<b>TOTAL ASSETS</b>	<u><b>824,997</b></u>	<u><b>841,828</b></u>

# A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2015 (Continued)

	As at 31.12.2015 (Unaudited) RM'000	As at 31.12.2014 (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	379,706	361,331
	<u>597,311</u>	<u>578,936</u>
Non-controlling interest	22,572	20,402
<b>Total equity</b>	<u>619,883</u>	<u>599,338</u>
<b>Non-current liabilities</b>		
Finance lease liabilities	528	465
Deferred tax liabilities	65,674	69,980
	<u>66,202</u>	<u>70,445</u>
<b>Current liabilities</b>		
Trade and other payables	15,791	23,896
Progress Billing in respect of property development	37,861	35,331
Amount due to customers for contract works	2,907	1,208
Finance lease liabilities	173	126
Amount due to related parties	81,488	109,386
Borrowings	-	397
Income tax liabilities	692	1,701
	<u>138,912</u>	<u>172,045</u>
<b>Total liabilities</b>	205,114	242,490
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>824,997</u>	<u>841,828</u>
<b>Net Assets per share of RM0.50 each attributable to equity Holders of the parent (RM)</b>	1.64	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 year ended 31 December 2015

	Attributable to equity holders of the parent				Total Equity	
	Share capital	Non-distributable		Retained profits		Non-Controlling Interest
		Share premium	Distributable			
	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	-	-	23,851	2,170	26,021	
Final Dividends for the year ended - 2014 - 1.5%	-	-	(5,476)	-	(5,476)	
As at 31 December 2015	182,532	35,073	379,706	22,572	619,883	
As at 1 January 2014	182,532	35,073	331,694	16,366	565,665	
Net profit for the year	-	-	35,148	4,150	39,298	
Final Dividends for the year ended - 2013 - 1.5%	-	-	(5,476)	-	(5,476)	
Dividend paid to Non-controlling interest by a subsidiary	-	-	-	(114)	(114)	
Changes in composition of group	-	-	(35)	-	(35)	
As at 31 December 2014	182,532	35,073	361,331	20,402	599,338	

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 year ended 31 December 2015

	<u>Cumulative Period</u>	
	<b>12 months ended</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>
	(Unaudited)	(Audited)
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	30,627	52,026
Adjustments for :		
Non-cash items	5,541	4,240
Non-operating items	(1,843)	(2,515)
Operating profit before working capital changes	34,325	53,751
Working capital changes :		
Net change in current assets	14,884	6,677
Net change in current liabilities	(4,234)	(2,534)
Income tax refund	118	74
Income tax paid	(11,393)	(16,918)
Interest paid	(29)	(38)
Dividend received	(1)	(1)
Interest received	1,873	2,448
Net cash flow from operating activities	35,543	43,459
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(5,259)	(7,416)
Purchase of investment properties	(55)	(7,925)
Proceeds from disposal of property, plant & equipment	-	130
Development expenditure incurred	(17,136)	(136)
Net cash outflow from acquisition of subsidiaries	(27,540)	(36,689)
Net cash flow used in investing activities	(49,990)	(52,036)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (repayment)/proceeds from borrowings	(287)	251
Dividend paid	(5,476)	(5,476)
Dividend Paid to Non-Controlling Interest	-	(113)
Withdraw/(placement) of fixed deposit under lien	27	(48)
Net cash flow used in financing activities	(5,736)	(5,386)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(20,183)	(13,963)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	79,534	93,497
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	59,351	79,534

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.

**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 year ended 31 December 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**

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 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
<b><u>REVENUE</u></b>						
External	57,544	41,214	18,578	4,082		121,418
Inter-segment	222	-	-	-	(222)	-
Total revenue	<u>57,766</u>	<u>41,214</u>	<u>18,578</u>	<u>4,082</u>	<u>(222)</u>	<u>121,418</u>
<b><u>RESULTS</u></b>						
Segment results	23,823	1,328	3,352	280		28,783
Unallocated income						<u>1,873</u>
Profit from operations						<u>30,656</u>
Finance costs						<u>(29)</u>
Profit before taxation						<u>30,627</u>
Taxation						<u>(4,606)</u>
Net profit for the year						<u><u>26,021</u></u>

##### **31 December 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
<b><u>REVENUE</u></b>						
External	83,229	46,979	18,107	4,940		153,255
Inter-segment	457	-	12	-	(469)	-
Total revenue	<u>83,686</u>	<u>46,979</u>	<u>18,119</u>	<u>4,940</u>	<u>(469)</u>	<u>153,255</u>
<b><u>RESULTS</u></b>						
Segment results	39,767	2,524	5,102	2,270		49,663
Unallocated income						<u>2,401</u>
Profit from operations						<u>52,064</u>
Finance costs						<u>(38)</u>
Profit before taxation						<u>52,026</u>
Taxation						<u>(12,728)</u>
Net profit for the year						<u><u>39,298</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 year ended 31 December 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 4th Quarter FY 2015 vs. Cumulative 4th Quarter FY 2014**

The Group's revenue was RM121.42 million for the financial year ended 31 December 2015, a decrease of 20.77% as compared with RM153.26 million recorded in the previous financial year. The Group's profit before taxation and before non-controlling interest for the current financial year was RM30.63 million, a decrease of 41.13% as compared with RM52.03 million last year.

Performance of the respective operating business segments for the financial year ended 31 December 2015 as compared to the previous financial year is analysed as follows:

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

The Division registered a 30.97% decrease in revenue to RM57.77 million for the current financial year as compared to RM83.69 million in the previous financial year. Profit decreased by 40.09% to RM23.82 million for the current financial year as compared to RM39.77 million in 2014. The division recorded a lower profit this year 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 12.27% decrease in revenue to RM41.21 million for the current financial year as compared to RM46.98 million in the previous financial year. Profit decreased by 47.39% to RM1.33 million as compared with RM2.52 million in 2014. This was mainly due to lower sales and lower profit margin in the current financial year as compared with last year.

**c) Hotel & leisure related services**

The Division recorded a 2.53% increase in revenue to RM18.58 million for the current financial year as compared to RM18.12 million in the previous financial year. However, the Division recorded lower profit of RM3.35 million for the current financial year as compared with RM5.10 million last year. 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 17.37% to RM4.08 million for the current financial year as compared with RM4.94 million in the previous financial year. The Division reported a profit of RM0.28 million as compared with profit of RM2.27 million in 2014. The lower FFB production coupled with lower CPO prices has led to the decrease in revenue and profit for the current financial year.

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

	<b>Current Quarter 31.12.2015 RM'000</b>	<b>Preceding Quarter 30.09.2015 RM'000</b>
Revenue	32,469	34,582
Profit before taxation	9,458	10,098
Profit attributable to equity holders of the parent	9,450	7,414

For the 4th quarter ended 31 December 2015, the Group registered a decrease in revenue to RM32.47 million as compared to RM34.58 million achieved in the preceding quarter. Accordingly, the Group posted a lower profit before taxation and before non-controlling interest of RM9.46 million, a decrease of 6.34% as compared to RM10.10 million for the preceding quarter.

The lower profit before taxation for the current quarter as compared to the preceding quarter was mainly due to lower contribution from the property development projects. However, the adjustment in the deferred tax rate for the financial year 2015 has led to higher profit attributable to equity holders of the parent for the current quarter.

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

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

#### **B3. Prospects for the next financial year**

In tandem with the current economic conditions, the Board expects the market outlook and sentiment to remain challenging in the coming 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
<b>Profit before taxation is stated after charging/(crediting) :</b>		
Depreciation of property, plant & equipment	1,248	5,088
Interest received	(398)	(1,873)
Interest expenses	6	29
	<u>6</u>	<u>29</u>

#### **B6. Taxation**

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	2,449	8,925
Deferred taxation - provision	(3,574)	(4,319)
	<u>(1,125)</u>	<u>4,606</u>

Deferred taxation has been adjusted due to the change in tax rate. As such, the effective tax rate of the Group for the current year is lower than the statutory tax rate.

#### **B7. Status of Corporate Proposals**

There are no corporate exercises in progress in this quarter ended 31 December 2015.

#### **B8. Group Borrowings and Debt Securities**

	Unsecured RM'000	Secured RM'000
Short Term Borrowings	0	0
Hire Purchase		
- within 12 months	0	173
- after 12 months	0	528
	0	701
(a) Total	0	701

There were no foreign denominated loans as at 31 December 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		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Profit for the period (RM'000)	10,583	13,905	26,021	39,298
Less : Amount attributable to non-controlling interest (RM'000)	<u>(1,133)</u>	<u>(1,890)</u>	<u>(2,170)</u>	<u>(4,150)</u>
Profit attributable to equity holders (RM'000)	<u>9,450</u>	<u>12,015</u>	<u>23,851</u>	<u>35,148</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	<u>2.59</u>	<u>3.29</u>	<u>6.53</u>	<u>9.63</u>

##### **(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  
26 February 2016