

A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial period ended 31 March 2016

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	3 months ended		3 months ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Revenue	25,160	27,758	25,160	27,758
Operating profit	5,318	5,927	5,318	5,927
Interest expense	(9)	(10)	(9)	(10)
Interest income	376	569	376	569
Profit before taxation	5,685	6,486	5,685	6,486
Income tax expenses	(1,488)	(1,842)	(1,488)	(1,842)
Net profit for the period	4,197	4,644	4,197	4,644
Attributable to :				
Equity holders of parent	3,916	4,245	3,916	4,245
Non-controlling interest	281	399	281	399
Total comprehensive income for the period	4,197	4,644	4,197	4,644
Earnings per share of RM0.50 each				
attributable to equity holders of the parent :				
Basic (sen)	1.07	1.16	1.07	1.16

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 2015 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 March 2016

	As at 31.03.2016 (Unaudited) RM'000	As at 31.12.2015 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	150,481	150,664
Investment properties	59,463	59,798
Investment in associated companies	1,483	1,483
Land held for property development	116,304	116,239
Other investments	101	101
Goodwill on consolidation	19,085	19,085
Fixed deposits	1,901	1,887
Deferred tax assets	664	664
Biological assets	3,414	3,414
	<u>352,896</u>	<u>353,335</u>
Current assets		
Inventories	67,789	70,825
Property development costs	299,256	297,738
Trade and other receivables	42,271	33,966
Amount due from customers for contract works	4,539	5,785
Income tax assets	2,031	1,872
Fixed deposits	35,346	34,282
Cash and bank balances	22,268	25,012
	<u>473,500</u>	<u>469,480</u>
TOTAL ASSETS	<u>826,396</u>	<u>822,815</u>

A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 March 2016 (Continued)

	As at 31.03.2016 (Unaudited) RM'000	As at 31.12.2015 (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	383,307	379,391
	<u>600,912</u>	<u>596,996</u>
Non-controlling interest	22,773	22,492
Total equity	<u>623,685</u>	<u>619,488</u>
Non-current liabilities		
Finance lease liabilities	501	541
Deferred tax liabilities	65,879	66,170
	<u>66,380</u>	<u>66,711</u>
Current liabilities		
Trade and other payables	12,028	13,724
Progress Billing in respect of property development	40,015	37,861
Amount due to customers for contract works	1,208	2,599
Finance lease liabilities	160	160
Amount due to related parties	81,488	81,488
Income tax liabilities	1,432	784
	<u>136,331</u>	<u>136,616</u>
Total liabilities	202,711	203,327
TOTAL EQUITY AND LIABILITIES	<u>826,396</u>	<u>822,815</u>
Net Assets per share of RM0.50 each attributable to equity Holders of the parent (RM)	1.65	1.64

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 2015 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 31 March 2016

	Attributable to equity holders of the parent			Non-Controlling Interest	Total Equity
	<u>Non-distributable</u>		<u>Distributable</u>		
	Share capital	Share premium	Retained profits		
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2016	182,532	35,073	379,391	22,492	619,488
Net profit for the year	-	-	3,916	281	4,197
As at 31 March 2016	182,532	35,073	383,307	22,773	623,685
As at 1 January 2015	182,532	35,073	361,331	20,402	599,338
Net profit for the year	-	-	4,245	399	4,644
As at 31 March 2015	182,532	35,073	365,576	20,801	603,982

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 2015 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 31 March 2016

	Cumulative Period	
	3 months ended	
	31.03.2016	31.03.2015
	(Unaudited)	(Unaudited)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,685	6,486
Adjustments for :		
Non-cash items	1,105	931
Non-operating items	(427)	(559)
Operating profit before working capital changes	6,363	6,858
Working capital changes :		
Net change in current assets	(5,548)	(3,668)
Net change in current liabilities	(881)	(4,176)
Income tax refund	747	4
Income tax paid	(2,036)	(4,195)
Interest paid	(9)	(10)
Interest received	376	569
Net cash flow from operating activities	(988)	(4,618)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(564)	(2,685)
Purchase of investment properties	(18)	-
Proceeds from disposal of property, plant & equipment	9	-
Development expenditure incurred	(65)	(174)
Net cash flow used in investing activities	(638)	(2,859)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/proceeds from borrowings	(40)	(420)
Withdraw/(placement) of fixed deposit under lien	(14)	(13)
Net cash flow used in financing activities	(54)	(433)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(1,680)	(7,910)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	59,294	79,534
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	57,614	71,624

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 2015 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 2015.

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 2015.

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 2015.

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 2018. 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 2018.

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 2015 was not subject to any audit qualification.

A4. Seasonal or cyclical factors

The Group's business operations for the financial period ended 31 March 2016 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.

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 period are as follows:-

31 March 2016

	Property development & investment, construction & other related 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	10,953	9,333	3,909	965		25,160
Inter-segment	44	-	-	-	(44)	-
Total revenue	<u>10,997</u>	<u>9,333</u>	<u>3,909</u>	<u>965</u>	<u>(44)</u>	<u>25,160</u>
<u>RESULTS</u>						
Segment results	4,711	233	164	210		5,318
Unallocated income						<u>376</u>
Profit from operations						5,694
Finance costs						<u>(9)</u>
Profit before taxation						5,685
Taxation						<u>(1,488)</u>
Net profit for the year						<u><u>4,197</u></u>

31 March 2015

	Property development & investment, construction & other related 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	10,765	11,917	4,264	812		27,758
Inter-segment	56	-	3	-	(59)	-
Total revenue	<u>10,821</u>	<u>11,917</u>	<u>4,267</u>	<u>812</u>	<u>(59)</u>	<u>27,758</u>
<u>RESULTS</u>						
Segment results	4,810	441	624	52		5,927
Unallocated income						<u>569</u>
Profit from operations						6,496
Finance costs						<u>(10)</u>
Profit before taxation						6,486
Taxation						<u>(1,842)</u>
Net profit for the year						<u><u>4,644</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 31 March 2016.

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.

A & M Realty Berthed (177214-H)

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance

1st Quarter FY 2016 vs. 1st Quarter FY 2015

The Group's revenue was RM25.16 million for the financial period ended 31 March 2016, a decrease of 9.36% as compared with RM27.76 million recorded in the preceding year corresponding period. The Group's profit before taxation and before non-controlling interest for the current period was RM5.69 million, a decrease of 12.35% as compared with RM6.49 million recorded in the preceding year corresponding period.

Performance of the respective operating business segments for the financial period ended 31 March 2016 as compared to the previous financial period is analysed as follows:

a) Property development & investment, construction & other related services

The Division registered a 1.63% slight increase in revenue to RM11.0 million for the current period as compared to RM10.82 million recorded for the preceding year corresponding period. Profit decreased by 2.06% to RM4.71 million for the current period as compared to RM4.81 million recorded for the preceding year corresponding period. Revenue was generated mainly from the sales of completed units and progress billings.

b) Manufacturing and trading

The Division recorded a 21.68% decrease in revenue to RM9.33 million for the current period as compared to RM11.92 million in the preceding year corresponding period. Profit decreased by 47.17% to RM0.23 million as compared with RM0.44 million recorded in the preceding year corresponding period. This was mainly due to a surge in purchases of stock in the previous corresponding period in anticipation of price increases prior to the implementation of the GST in April 2015.

c) Hotel & leisure related services

The Division recorded a 8.39% decrease in revenue to RM3.91 million for the current period as compared to RM4.27 million in the preceding year corresponding period. Profit decreased by 73.72% to RM0.16 million for the current period as compared to RM0.62 million in the preceding year corresponding period. The lower revenue and profit was mainly due to lower turnover and profit at Puteri Resort Melaka.

d) Plantation

The plantation revenue increased by 18.84% to RM0.97 million for the current financial period as compared with RM0.81 million in the preceding year corresponding period. The Division reported a profit of RM0.21 million as compared with profit of RM52 thousand in the preceding year corresponding period. The higher FFB production coupled with higher CPO prices has led to the increase in revenue and profit for the current financial period.

B2. Variation of results against preceding quarter

	Current Quarter 31.03.2016 RM'000	Preceding Quarter 31.12.2015 RM'000
Revenue	25,160	32,469
Profit before taxation	5,685	9,458
Profit attributable to equity holders of the parent	3,916	9,450

For the 1st quarter ended 31 March 2016, the Group registered a decrease in revenue to RM25.16 million as compared to RM32.47 million achieved in the preceding quarter. The Group posted a lower profit before taxation and before non-controlling interest of RM5.69 million, a decrease of 39.89% as compared to RM9.46 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 by the Property Division and lower profit from Hotel & leisure related services.

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 is confident that it will continue to deliver satisfactory performance in the remaining 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.

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	1,098	1,098
Interest received	(376)	(376)
Interest expenses	9	9
	<u>9</u>	<u>9</u>

B6. Taxation

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	1,779	1,779
Deferred taxation - provision	(291)	(291)
	<u>1,488</u>	<u>1,488</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 31 March 2016.

B8. Group Borrowings and Debt Securities

	Unsecured RM'000	Secured RM'000
Short Term Borrowings	0	0
Hire Purchase		
- within 12 months	0	160
- after 12 months	0	501
	0	661
(a) Total	0	661

There were no foreign denominated loans as at 31 March 2016.

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		3 months ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Profit for the period (RM'000)	4,197	4,644	4,197	4,644
Less : Amount attributable to non-controlling interest (RM'000)	<u>(281)</u>	<u>(399)</u>	<u>(281)</u>	<u>(399)</u>
Profit attributable to equity holders (RM'000)	<u>3,916</u>	<u>4,245</u>	<u>3,916</u>	<u>4,245</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	<u>1.07</u>	<u>1.16</u>	<u>1.07</u>	<u>1.16</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
25 May 2016