

A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial period ended 30 September 2016

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Revenue	31,091	34,582	82,714	88,949
Operating profit	9,913	9,896	20,054	19,717
Interest expense	(7)	(5)	(25)	(23)
Interest income	872	207	1,578	1,475
Profit before taxation	10,778	10,098	21,607	21,169
Income tax expenses	(2,478)	(2,496)	(5,420)	(5,731)
Net profit for the period	8,300	7,602	16,187	15,438
Attributable to :				
Equity holders of parent	8,234	7,414	15,583	14,401
Non-controlling interest	66	188	604	1,037
Total comprehensive income for the period	8,300	7,602	16,187	15,438
Earnings per share of RM0.50 each				
attributable to equity holders of the parent :				
Basic (sen)	2.26	2.03	4.27	3.94

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 30 September 2016

	As at 30.09.2016 (Unaudited) RM'000	As at 31.12.2015 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	152,915	150,664
Investment properties	58,800	59,798
Investment in associated companies	1,483	1,483
Land held for property development	116,426	116,239
Other investments	101	101
Goodwill on consolidation	19,085	19,085
Fixed deposits	2,074	1,887
Deferred tax assets	664	664
Biological assets	3,414	3,414
	<u>354,962</u>	<u>353,335</u>
Current assets		
Inventories	66,057	70,825
Property development costs	317,364	297,738
Trade and other receivables	35,978	33,966
Amount due from customers for contract works	4,897	5,785
Income tax assets	1,727	1,872
Fixed deposits	52,621	34,282
Cash and bank balances	22,770	25,012
	<u>501,414</u>	<u>469,480</u>
TOTAL ASSETS	<u>856,376</u>	<u>822,815</u>

A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 September 2016 (Continued)

	As at 30.09.2016 (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	394,974	379,391
	<u>612,579</u>	<u>596,996</u>
Non-controlling interest	23,096	22,492
Total equity	<u>635,675</u>	<u>619,488</u>
Non-current liabilities		
Finance lease liabilities	411	541
Deferred tax liabilities	66,180	66,170
	<u>66,591</u>	<u>66,711</u>
Current liabilities		
Trade and other payables	64,904	13,724
Progress billing in respect of property development	32,892	37,861
Amount due to customers for contract works	1,208	2,599
Finance lease liabilities	160	160
Amount due to related parties	53,948	81,488
Income tax liabilities	998	784
	<u>154,110</u>	<u>136,616</u>
Total liabilities	220,701	203,327
TOTAL EQUITY AND LIABILITIES	<u>856,376</u>	<u>822,815</u>
Net Assets per share of RM0.50 each attributable to equity Holders of the parent (RM)	1.68	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 30 September 2016

	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 2016	182,532	35,073	379,391	22,492	619,488
Net profit for the year	-	-	15,583	604	16,187
As at 30 September 2016	182,532	35,073	394,974	23,096	635,675
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

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.

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(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the financial period ended 30 September 2016

	<u>Cumulative Period</u>	
	9 months ended	
	30.09.2016	30.09.2015
	(Unaudited)	(Unaudited)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	21,607	21,169
Adjustments for :		
Non-cash items	3,186	3,840
Non-operating items	(1,621)	(1,452)
Operating profit before working capital changes	23,172	23,557
Working capital changes :		
Net change in current assets	(16,042)	(586)
Net change in current liabilities	17,336	(35,968)
Income tax refund	753	26
Income tax paid	(5,804)	(9,082)
Interest paid	(25)	(23)
Interest received	1,578	1,475
Net cash flow from/(used in) operating activities	20,968	(20,601)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,322)	(4,092)
Purchase of investment properties	(60)	-
Proceeds from disposal of property, plant & equipment	15	-
Development expenditure incurred	(187)	(7,132)
Net cash flow used in investing activities	(4,554)	(11,224)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment from borrowings	(130)	(435)
Dividend paid	-	(5,476)
Placement/(withdraw) of fixed deposit under lien	(187)	39
Net cash flow used in financing activities	(317)	(5,872)
NET CHANGES IN CASH AND CASH EQUIVALENTS	16,097	(37,697)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	59,294	79,534
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	75,391	41,837

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.

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 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 30 September 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:-

30 September 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	39,926	28,344	10,647	3,797		82,714
Inter-segment	133	-	-	-	(133)	-
Total revenue	<u>40,059</u>	<u>28,344</u>	<u>10,647</u>	<u>3,797</u>	<u>(133)</u>	<u>82,714</u>
<u>RESULTS</u>						
Segment results	18,314	727	154	859		20,054
Unallocated income						<u>1,578</u>
Profit from operations						<u>21,632</u>
Finance costs						<u>(25)</u>
Profit before taxation						<u>21,607</u>
Taxation						<u>(5,420)</u>
Net profit for the year						<u><u>16,187</u></u>

30 September 2015

	Property development & investment, construction & other related 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	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>

(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 30 September 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

Cumulative 3rd Quarter FY 2016 vs. Cumulative 3rd Quarter FY 2015

The Group's revenue was RM82.71 million for the financial period ended 30 September 2016, a decrease of 7.01% as compared with RM88.95 million recorded in the preceding year corresponding period. The Group's profit before taxation and before non-controlling interest for the current period was RM21.61 million, an increase of 2.07% as compared with RM21.17 million recorded in the preceding year corresponding period.

Performance of the respective operating business segments for the financial period ended 30 September 2016 as compared to the previous financial period is analysed as follows:

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

The Division registered a 3.75% decrease in revenue to RM40.06 million for the current period as compared to RM41.62 million recorded for the preceding year corresponding period. Profit increased by 11.01% to RM18.31 million for the current period as compared to RM16.50 million recorded for the preceding year corresponding period. The higher profit for the current period was mainly due to the completion of the final phase of Amverton Park, the group's boutique development of high end bungalows in Bukit Kemuning.

b) Manufacturing and trading

The Division recorded a 10.07% decrease in revenue to RM28.34 million for the current period as compared to RM31.52 million in the preceding year corresponding period. Profit decreased by 18.59% to RM0.73 million as compared with RM0.89 million recorded in the preceding year corresponding period. The soft market conditions has led to more cautious buying from dealers causing lower sales as compared to previous year corresponding period.

c) Hotel & leisure related services

The Division recorded a 16.68% decrease in revenue to RM10.65 million for the current period as compared to RM12.78 million in the preceding year corresponding period. Profit decreased by 91.40% to RM0.15 million for the current period as compared to RM1.79 million in the preceding year corresponding period. The lower revenue and profit was mainly due to lower room occupancy at Puteri Resort Melaka as it is undergoing major refurbishment.

d) Plantation

The plantation revenue increased by 18.62% to RM3.80 million for the current financial period as compared with RM3.20 million in the preceding year corresponding period. The Division reported a profit of RM0.86 million as compared with profit of RM0.54 million in the preceding year corresponding period. The higher CPO prices in current period has led to the increase in revenue and profit for the current financial period.

B2. Variation of results against preceding quarter

	Current Quarter 30.09.2016 RM'000	Preceding Quarter 30.06.2016 RM'000
Revenue	31,091	26,463
Profit before taxation	10,778	5,144
Profit attributable to equity holders of the parent	8,234	3,433

For the 3rd quarter ended 30 September 2016, the Group registered an increase in revenue to RM31.09 million as compared to RM26.46 million achieved in the preceding quarter. The Group posted a higher profit before taxation and before non-controlling interest of RM10.78 million, an increase of 109.53% as compared to RM5.14 million for the preceding quarter.

The higher profit before taxation for the current quarter as compared to the preceding quarter was mainly due to higher contribution from the completion of project at Amverton Park.

A & M Realty Berthed (177214-H)

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B3. Prospects for the current financial year

Despite soft market conditions, as well as stringent lending policies imposed by banks, the Board anticipates a positive response to its property development projects and as such, expects another satisfactory 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	932	3,123
Interest received	(872)	(1,578)
Interest expenses	7	25
	<u>7</u>	<u>25</u>

B6. Taxation

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	2,046	5,410
Deferred taxation - provision	432	10
	<u>2,478</u>	<u>5,420</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 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	411
	0	571
(a) Total	0	571

There were no foreign denominated loans as at 30 September 2016.

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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> 3 months ended		<u>Cumulative Period</u> 9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Profit for the period (RM'000)	8,300	7,602	16,187	15,438
Less : Amount attributable to non-controlling interest (RM'000)	<u>(66)</u>	<u>(188)</u>	<u>(604)</u>	<u>(1,037)</u>
Profit attributable to equity holders (RM'000)	<u>8,234</u>	<u>7,414</u>	<u>15,583</u>	<u>14,401</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	<u>2.26</u>	<u>2.03</u>	<u>4.27</u>	<u>3.94</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
TEOH YAR LEY
Secretaries
Klang
23 November 2016