

A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2016

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	3 months ended		12 months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Revenue	32,615	32,469	115,329	122,182
Operating profit	5,716	9,066	25,770	28,953
Interest expense	(7)	(6)	(32)	(35)
Interest income	708	398	2,286	1,873
Profit before taxation	6,417	9,458	28,024	30,791
Income tax expenses	(1,203)	1,125	(6,623)	(5,165)
Net profit for the period	5,214	10,583	21,401	25,626
Attributable to :				
Equity holders of parent	4,486	9,450	20,069	23,536
Non-controlling interest	728	1,133	1,332	2,090
Total comprehensive income for the period	5,214	10,583	21,401	25,626
Earnings per share of RM0.50 each				
attributable to equity holders of the parent :				
Basic (sen)	1.23	2.59	5.50	6.45

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 December 2016

	As at 31.12.2016 (Unaudited) RM'000	As at 31.12.2015 (Audited) RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	153,933	150,664
Investment properties	58,508	59,798
Investment in associated companies	1,485	1,483
Land held for property development	116,425	116,239
Other investments	101	101
Goodwill on consolidation	19,085	19,085
Fixed deposits	2,385	1,887
Deferred tax assets	664	664
Biological assets	3,414	3,414
	<u>356,000</u>	<u>353,335</u>
Current assets		
Inventories	66,388	70,825
Property development costs	339,356	297,738
Trade and other receivables	32,698	33,966
Amount due from customers for contract works	4,607	5,785
Income tax assets	2,078	1,872
Fixed deposits	36,189	34,282
Cash and bank balances	27,923	25,012
	<u>509,239</u>	<u>469,480</u>
TOTAL ASSETS	<u>865,239</u>	<u>822,815</u>

A & M REALTY BERHAD

(Company No. 177214-H)
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION As at 31 December 2016 (Continued)

	As at 31.12.2016 (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	399,460	379,391
	<u>617,065</u>	<u>596,996</u>
Non-controlling interest	23,824	22,492
Total equity	<u>640,889</u>	<u>619,488</u>
Non-current liabilities		
Finance lease liabilities	689	541
Deferred tax liabilities	65,879	66,170
	<u>66,568</u>	<u>66,711</u>
Current liabilities		
Trade and other payables	68,037	13,724
Progress billing in respect of property development	33,235	37,861
Amount due to customers for contract works	1,208	2,599
Finance lease liabilities	211	160
Amount due to related parties	54,002	81,488
Income tax liabilities	1,089	784
	<u>157,782</u>	<u>136,616</u>
Total liabilities	224,350	203,327
TOTAL EQUITY AND LIABILITIES	<u>865,239</u>	<u>822,815</u>
Net Assets per share of RM0.50 each attributable to equity Holders of the parent (RM)	1.69	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 year ended 31 December 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	-	-	20,069	1,332	21,401
As at 31 December 2016	<u>182,532</u>	<u>35,073</u>	<u>399,460</u>	<u>23,824</u>	<u>640,889</u>
As at 1 January 2015	182,532	35,073	361,331	20,402	599,338
Net profit for the year	-	-	23,536	2,090	25,626
Final Dividends for the year ended - 2014 - 1.5%	-	-	(5,476)	-	(5,476)
As at 31 December 2015	<u>182,532</u>	<u>35,073</u>	<u>379,391</u>	<u>22,492</u>	<u>619,488</u>

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 year ended 31 December 2016

	<u>Cumulative Period</u> 12 months ended	
	31.12.2016	31.12.2015
	(Unaudited)	(Audited)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	28,024	30,791
Adjustments for :		
Non-cash items	4,397	5,745
Non-operating items	(2,361)	(1,736)
Operating profit before working capital changes	30,060	34,800
Working capital changes :		
Net change in current assets	(34,869)	14,500
Net change in current liabilities	20,895	(34,146)
Income tax refund	755	118
Income tax paid	(7,570)	(11,392)
Interest paid	(32)	(35)
Dividend received	1	1
Interest received	2,286	1,934
Net cash flow from operating activities	11,526	5,780
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,760)	(2,508)
Purchase of investment properties	(122)	(56)
Proceeds from disposal of property, plant & equipment	22	-
Development expenditure incurred	(186)	(17,135)
Acquisition of new associated company	-	(300)
Net cash flow used in investing activities	(6,046)	(19,999)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment from borrowings	(164)	(516)
Dividend paid	-	(5,476)
Withdraw of fixed deposit under lien	(498)	(29)
Net cash flow used in financing activities	(662)	(6,021)
NET CHANGES IN CASH AND CASH EQUIVALENTS	4,818	(20,240)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	59,294	79,534
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	64,112	59,294

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 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 year ended 31 December 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 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 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	57,431	38,106	14,846	4,946		115,329
Inter-segment	177	-	-	-	(177)	-
Total revenue	<u>57,608</u>	<u>38,106</u>	<u>14,846</u>	<u>4,946</u>	<u>(177)</u>	<u>115,329</u>
<u>RESULTS</u>						
Segment results	23,036	1,097	857	780		25,770
Unallocated income						<u>2,286</u>
Profit from operations						28,056
Finance costs						<u>(32)</u>
Profit before taxation						28,024
Taxation						<u>(6,623)</u>
Net profit for the year						<u><u>21,401</u></u>

31 December 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	58,256	41,214	18,574	4,138		122,182
Inter-segment	222	-	-	-	(222)	-
Total revenue	<u>58,478</u>	<u>41,214</u>	<u>18,574</u>	<u>4,138</u>	<u>(222)</u>	<u>122,182</u>
<u>RESULTS</u>						
Segment results	24,204	1,169	3,296	284		28,953
Unallocated income						<u>1,873</u>
Profit from operations						30,826
Finance costs						<u>(35)</u>
Profit before taxation						30,791
Taxation						<u>(5,165)</u>
Net profit for the year						<u><u>25,626</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 year 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 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.

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance

Cumulative 4th Quarter FY 2016 vs. Cumulative 4th Quarter FY 2015

The Group's revenue was RM115.33 million for the financial year ended 31 December 2016, a decrease of 5.61% as compared with RM122.18 million recorded in the previous financial year. The Group's profit before taxation and before non-controlling interest for the current financial year was RM28.02 million, a decrease of 8.99% as compared with RM30.79 million last year.

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

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

The Division registered a 1.49% decrease in revenue to RM57.61 million for the current financial year as compared to RM58.48 million in previous financial year. Profit decreased by 4.83% to RM23.04 million for the current financial year as compared to RM24.20 million in 2015. The revenue and profit for this year was mainly contributed from the completion of the final phase of the Group's Amverton Park project in Bukit Kemuning.

b) **Manufacturing and trading**

The Division recorded a 7.54% decrease in revenue to RM38.11 million for the current financial year as compared to RM41.21 million in the previous financial year. Profit decreased by 6.16% to RM1.10 million as compared with RM1.17 million recorded in the previous financial year. This was mainly due to a surge in sales in the first quarter of 2015 in anticipation of price increases prior to the implementation of the GST in April 2015 by customers. Whereas for the remaining quarters, the division recorded similar sales performance as compared to the previous year corresponding quarters despite the soft industry conditions.

c) **Hotel & leisure related services**

The Division recorded a 20.07% decrease in revenue to RM14.85 million for the current financial year as compared to RM18.57 million in the previous financial year. Profit decreased by 74% to RM0.86 million for the current financial year as compared to RM3.30 million in the previous financial year. The lower revenue and profit for current year was mainly due to lower room occupancy as Puteri Resort Melaka has been undergoing major refurbishment since February 2016. We are confident that the sales performance will improve in 2017 when its renovation is completed.

d) **Plantation**

The plantation revenue increased by 19.53% to RM4.95 million for the current financial year as compared with RM4.14 million in the previous financial year. The Division reported a profit of RM0.78 million as compared with profit of RM0.28 million in 2015. The higher CPO prices in current year has led to the increase in revenue and profit for the current financial year.

B2. Variation of results against preceding quarter

	Current Quarter 31.12.2016 RM'000	Preceding Quarter 30.09.2016 RM'000
Revenue	32,615	31,091
Profit before taxation	6,417	10,778
Profit attributable to equity holders of the parent	4,486	8,234

For the 4th quarter ended 31 December 2016, the Group registered an increase in revenue to RM32.62 million as compared to RM31.09 million achieved in the preceding quarter. The Group posted a lower profit before taxation and before non-controlling interest of RM6.42 million, a decrease of 40.46% as compared to RM10.78 million for the preceding quarter.

The lower 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 in the third quarter of 2016.

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B3. Prospects for the next financial year

Despite the negative sentiments regarding the property division in Malaysia, the Board is optimistic that the Group will continue to show favourable results in the foreseeable future. The Group has planned for a series of launches, namely Amverton Hills, Amverton Links as well as its exclusive minimum 1-acre "Homesteads" bungalow lots in Pulau Carey. Following the success of its first high end bungalow project, that is Amverton Park, the Group is now ready to launch its latest high-end development in Sungai Buloh, Amverton Hills in 2017. This project will consist of prime freehold bungalows and semi-d's in the Sungai Buloh vicinity. The Group will also launch Amverton Links, another freehold project located in Sungai Jati, Klang, later in 2017.

The Group has also planned for a number of projects to be launched within the next few years in Carey Island. The first of which, is its unique "Homesteads" project which entails only 61 units of bungalow lots over approximately 100 acres of land which will be launched in the third quarter of 2017. With the recent announcement of Malaysia's new port set to be located in Pulau Carey, the Group is confident that its landbank and projects in Pulau Carey will do very well.

B4. Variations 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	1,138	4,261
Interest received	(708)	(2,286)
Interest expenses	7	32
	7	32

B6. Taxation

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	1,504	6,914
Deferred taxation - provision	(301)	(291)
	1,203	6,623

The effective tax rate of the Group for the financial year 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 December 2016.

B8. Group Borrowings and Debt Securities

	Unsecured RM'000	Secured RM'000
Short Term Borrowings	0	0
Hire Purchase		
- within 12 months	0	211
- after 12 months	0	689
	0	900
(a) Total	0	900

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

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 year under review.

B11. Earnings Per Share

(a) Basic Earnings Per Share

The basic earnings per share for the financial year has been calculated based on the Group's net profit for the year and divided by the weighted average number of ordinary shares in issue during the financial year.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	3 months ended		12 months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Profit for the period (RM'000)	5,214	10,583	21,401	25,626
Less : Amount attributable to non-controlling interest (RM'000)	<u>(728)</u>	<u>(1,133)</u>	<u>(1,332)</u>	<u>(2,090)</u>
Profit attributable to equity holders (RM'000)	<u>4,486</u>	<u>9,450</u>	<u>20,069</u>	<u>23,536</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	<u>1.23</u>	<u>2.59</u>	<u>5.50</u>	<u>6.45</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 year.

By Order of the Board

BERNARD LIM BOON SIANG
TEOH YAR LEY
Secretaries
Klang
23 February 2017