

A & M REALTY BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial period ended 31 March 2017

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	3 months ended		3 months ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Revenue	23,820	25,160	23,820	25,160
Operating profit	2,012	5,318	2,012	5,318
Interest expense	(14)	(9)	(14)	(9)
Interest income	512	376	512	376
Profit before taxation	2,510	5,685	2,510	5,685
Income tax expenses	(673)	(1,488)	(673)	(1,488)
Net profit for the period	1,837	4,197	1,837	4,197
Attributable to :				
Equity holders of parent	1,458	3,916	1,458	3,916
Non-controlling interest	379	281	379	281
Total comprehensive income for the period	1,837	4,197	1,837	4,197
Earnings per share				
attributable to equity holders of the parent :				
Basic (sen)	0.40	1.07	0.40	1.07

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 2016 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 2017

	As at 31.03.2017 (Unaudited) RM'000	As at 31.12.2016 (Audited) RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	153,867	153,378
Investment properties	58,222	58,508
Investment in associated companies	1,545	1,545
Land held for property development	116,519	116,425
Other investments	101	101
Goodwill on consolidation	19,085	19,085
Fixed deposits	2,354	2,385
Deferred tax assets	716	716
Biological assets	3,414	3,414
	<u>355,823</u>	<u>355,557</u>
Current assets		
Inventories	65,617	66,433
Property development costs	353,229	338,089
Trade and other receivables	30,724	32,984
Amount due from customers for contract works	4,561	4,607
Income tax assets	2,240	2,091
Fixed deposits	41,726	43,289
Cash and bank balances	15,201	20,823
	<u>513,298</u>	<u>508,316</u>
TOTAL ASSETS	<u>869,121</u>	<u>863,873</u>

A & M REALTY BERHAD

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION As at 31 March 2017 (Continued)

	As at 31.03.2017 (Unaudited) RM'000	As at 31.12.2016 (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	400,531	399,073
	<u>618,136</u>	<u>616,678</u>
Non-controlling interest	23,883	23,685
Total equity	<u>642,019</u>	<u>640,363</u>
Non-current liabilities		
Finance lease liabilities	619	689
Deferred tax liabilities	65,928	66,064
	<u>66,547</u>	<u>66,753</u>
Current liabilities		
Trade and other payables	74,924	68,647
Progress billing in respect of property development	29,053	31,097
Amount due to customers for contract works	1,710	1,710
Finance lease liabilities	215	211
Amount due to related parties	54,002	54,002
Income tax liabilities	651	1,090
	<u>160,555</u>	<u>156,757</u>
Total liabilities	227,102	223,510
TOTAL EQUITY AND LIABILITIES	<u>869,121</u>	<u>863,873</u>
Net Assets per share		
attributable to equity Holders of the parent (RM)	1.69	1.69

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 2016 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 2017

	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 2017	182,532	35,073	399,073	23,685	640,363
Net profit for the year	-	-	1,458	379	1,837
Dividend paid to Non-controlling Interest by a subsidiary	-	-	-	(181)	(181)
As at 31 March 2017	182,532	35,073	400,531	23,883	642,019
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

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 2016 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 2017

	<u>Cumulative Period</u>	
	3 months ended	
	31.03.2017	31.03.2016
	(Unaudited)	(Unaudited)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,510	5,685
Adjustments for :		
Non-cash items	1,260	1,105
Non-operating items	(524)	(427)
Operating profit before working capital changes	3,246	6,363
Working capital changes :		
Net change in current assets	(12,069)	(5,548)
Net change in current liabilities	4,259	(881)
Income tax refund	173	747
Income tax paid	(1,570)	(2,036)
Interest paid	(14)	(9)
Interest received	512	376
Net cash flow used in operating activities	(5,463)	(988)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,345)	(564)
Purchase of investment properties	(67)	(18)
Proceeds from disposal of property, plant & equipment	-	9
Development expenditure incurred	(94)	(65)
Net cash flow used in investing activities	(1,506)	(638)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment from borrowings	(66)	(40)
Dividend paid to non-controlling interest	(181)	-
Withdraw/(placement) of fixed deposit under lien	31	(14)
Net cash flow used in financing activities	(216)	(54)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(7,185)	(1,680)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	64,112	59,294
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	56,927	57,614

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 2016 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 2016.

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 2016.

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 2016.

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 2016 was not subject to any audit qualification.

A4. Seasonal or cyclical factors

The Group's business operations for the financial period ended 31 March 2017 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 2017

	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	9,470	9,412	3,260	1,678		23,820
Inter-segment	420	-	5	-	(425)	-
Total revenue	<u>9,890</u>	<u>9,412</u>	<u>3,265</u>	<u>1,678</u>	<u>(425)</u>	<u>23,820</u>
<u>RESULTS</u>						
Segment results	1,460	295	(334)	591		2,012
Unallocated income						512
Profit from operations						<u>2,524</u>
Finance costs						(14)
Profit before taxation						<u>2,510</u>
Taxation						(673)
Net profit for the year						<u><u>1,837</u></u>

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						376
Profit from operations						<u>5,694</u>
Finance costs						(9)
Profit before taxation						<u>5,685</u>
Taxation						(1,488)
Net profit for the year						<u><u>4,197</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 2017.

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

1st Quarter FY 2017 vs. 1st Quarter FY 2016

The Group's revenue was RM23.82 million for the financial period ended 31 March 2017, a decrease of 5.33% as compared with RM25.16 million recorded in the preceding year corresponding period. The Group's profit before taxation and before non-controlling interest for the current period was RM2.51 million, a decrease of 55.85% as compared with RM5.69 million recorded in the preceding year corresponding period.

Performance of the respective operating business segments for the financial period ended 31 March 2017 as compared to the previous financial period is analysed as follows:

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

The Division registered a 10.07% decrease in revenue to RM9.89 million for the current period as compared to RM11.0 million recorded for the preceding year corresponding period. Profit decreased by 69.01% to RM1.46 million for the current financial period as compared to RM4.71 million recorded for the preceding year corresponding period. The higher revenue and profit from the preceding year corresponding period was mainly due to the recognition of properties sold that has been fully completed in 2016. The group anticipates the division's performance to pick up once its new projects are officially launched in the second and third quarter of this year.

b) **Manufacturing and trading**

The Division recorded a 0.85% slight increase in revenue to RM9.41 million for the current financial period as compared to RM9.33 million in the preceding year corresponding period. Profit increased by 26.61% to RM0.30 million as compared with RM0.23 million recorded in the preceding year corresponding period. The division recorded similar sales performance but higher profit as compared to the previous year corresponding quarter was mainly due to lower operating expenses in current quarter.

c) **Hotel & leisure related services**

The Division recorded a 16.47% decrease in revenue to RM3.27 million for the current period as compared to RM3.91 million in the preceding year corresponding period. Profit decreased by 303.66% to RM0.33 million losses for the current period as compared to RM0.16 million profit in the preceding year corresponding period. The lower revenue and losses for current period was mainly due to lower sales performance and renovation at Amverton Heritage in Melaka. The Board expects the sales to gradually pick up as the renovation at Amverton Heritage has been completed in April 2017.

d) **Plantation**

The plantation revenue increased by 73.89% to RM1.68 million for the current period as compared with RM0.97 million in the preceding year corresponding period. The Division reported a profit of RM0.59 million as compared with profit of RM0.21 million in 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 31.03.2017 RM'000	Preceding Quarter 31.12.2016 RM'000
Revenue	23,820	32,615
Profit before taxation	2,510	6,417
Profit attributable to equity holders of the parent	1,458	4,486

For the 1st quarter ended 31 March 2017, the Group registered a decrease in revenue to RM23.82 million as compared to RM32.62 million achieved in the preceding quarter. The Group posted a lower profit before taxation and before non-controlling interest of RM2.51 million, a decrease of 60.89% as compared to RM6.42 million for the preceding quarter.

The lower revenue and profit before taxation for the current quarter as compared to the preceding quarter was mainly due to lower contribution from the property division.

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B3. Prospects for the current financial year

The board is confident that 2017 will be another satisfactory year as the group has already received a good response from its pre-sales of its upcoming projects that will be launched in the second and third quarters of this 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	1,209	1,209
Interest received	(512)	(512)
Interest expenses	14	14
	<u>14</u>	<u>14</u>

B6. Taxation

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	809	809
Deferred taxation - provision	(136)	(136)
	<u>673</u>	<u>673</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 2017.

B8. Group Borrowings and Debt Securities

	Unsecured RM'000	Secured RM'000
Short Term Borrowings	0	0
Hire Purchase		
- within 12 months	0	215
- after 12 months	0	619
	0	834
(a) Total	<u>0</u>	<u>834</u>

There were no foreign denominated loans as at 31 March 2017.

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 year 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	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Profit for the period (RM'000)	1,837	4,197	1,837	4,197
Less : Amount attributable to non-controlling interest (RM'000)	<u>(379)</u>	<u>(281)</u>	<u>(379)</u>	<u>(281)</u>
Profit attributable to equity holders (RM'000)	<u>1,458</u>	<u>3,916</u>	<u>1,458</u>	<u>3,916</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	<u>0.40</u>	<u>1.07</u>	<u>0.40</u>	<u>1.07</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
25 May 2017