

**AMVERTON BERHAD**  
**(Formerly Known As A & M Realty Berhad)**  
(Company No. 177214-H)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

For the financial year ended 31 December 2017

	<u>Individual Period</u> 3 months ended				<u>Cumulative Period</u> 12 months ended			
	31.12.2017	31.12.2016	Changes		31.12.2017	31.12.2016	Changes	
	(Unaudited) RM'000	(Unaudited) RM'000	RM'000	%	(Unaudited) RM'000	(Audited) RM'000	RM'000	%
<b>Revenue</b>	<b>53,927</b>	<b>32,615</b>	21,312	65.34	<b>160,709</b>	<b>115,331</b>	45,378	39.35
Operating profit	13,052	5,716	7,336	128.34	31,261	25,365	5,896	23.24
Interest income	434	708	(274)	(38.70)	1,824	2,285	(461)	(20.18)
Profit before interest and taxation	13,486	6,424	7,062	109.93	33,085	27,650	5,435	19.66
Interest expense	(14)	(7)	(7)	100.00	(47)	(32)	(15)	46.88
Profit before taxation	<b>13,472</b>	<b>6,417</b>	7,055	109.94	<b>33,038</b>	<b>27,618</b>	5,420	19.62
Taxation	(2,380)	(1,203)	(1,177)	97.84	(7,234)	(6,743)	(491)	7.28
Net profit for the period	<b>11,092</b>	<b>5,214</b>	5,878	112.73	<b>25,804</b>	<b>20,875</b>	4,929	23.61
Attributable to :								
Equity holders of parent	<b>10,441</b>	<b>4,486</b>	5,955	132.75	<b>24,323</b>	<b>19,682</b>	4,641	23.58
Non-controlling interest	651	728	(77)	(10.58)	1,481	1,193	288	24.14
Total comprehensive income for the period	11,092	5,214	5,878	112.73	25,804	20,875	4,929	23.61
<b>Earnings per share attributable to equity holders of the parent :</b>								
Basic (sen)	2.86	1.23			6.66	5.39		

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.

**AMVERTON BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**As at 31 December 2017**

	<b>As at 31.12.2017 (Unaudited) RM'000</b>	<b>As at 31.12.2016 (Audited) RM'000</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	153,236	153,378
Investment properties	58,188	58,508
Investment in associated companies	1,553	1,545
Land held for property development	115,670	116,425
Other investments	69	101
Goodwill on consolidation	19,085	19,085
Fixed deposits	2,399	2,385
Deferred tax assets	700	716
Biological assets	3,425	3,414
	<b>354,325</b>	<b>355,557</b>
<b>Current assets</b>		
Inventories	65,151	66,433
Property development costs	337,519	338,089
Trade and other receivables	51,452	32,984
Amount due from customers for contract works	4,505	4,607
Income tax assets	2,326	2,091
Fixed deposits	51,018	43,289
Cash and bank balances	20,071	20,823
	<b>532,042</b>	<b>508,316</b>
<b>TOTAL ASSETS</b>	<b>886,367</b>	<b>863,873</b>

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

	As at 31.12.2017 (Unaudited) RM'000	As at 31.12.2016 (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	423,396	399,073
	641,001	616,678
Non-controlling interest	24,974	23,685
<b>Total equity</b>	<b>665,975</b>	<b>640,363</b>
<b>Non-current liabilities</b>		
Finance lease liabilities	473	689
Deferred tax liabilities	64,452	66,064
	64,925	66,753
<b>Current liabilities</b>		
Trade and other payables	71,796	68,647
Progress billing in respect of property development	25,250	31,097
Amount due to customers for contract works	1,710	1,710
Finance lease liabilities	206	211
Amount due to related parties	54,002	54,002
Income tax liabilities	2,503	1,090
	155,467	156,757
<b>Total liabilities</b>	<b>220,392</b>	<b>223,510</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>886,367</b>	<b>863,873</b>
<b>Net Assets per share</b> <b>attributable to equity Holders of the parent (RM)</b>	<b>1.76</b>	<b>1.69</b>

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.

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(Company No. 177214-H)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the financial year ended 31 December 2017**

	Attributable to equity holders of the parent				Total Equity
	<u>Non-distributable</u>		<u>Distributable</u>		
	Share capital	Share premium	Retained profits	Non-Controlling Interest	
	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	-	-	24,323	1,481	25,804
Dividend paid to Non-controlling Interest by a subsidiary	-	-	-	(181)	(181)
Arising from changes in composition of the Group	-	-	-	(11)	(11)
As at 31 December 2017	<u>182,532</u>	<u>35,073</u>	<u>423,396</u>	<u>24,974</u>	<u>665,975</u>
As at 1 January 2016	182,532	35,073	379,391	22,492	619,488
Net profit for the year	-	-	19,682	1,193	20,875
As at 31 December 2016	<u>182,532</u>	<u>35,073</u>	<u>399,073</u>	<u>23,685</u>	<u>640,363</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 2016 and the accompanying explanatory notes attached to the interim financial statement.

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the financial year ended 31 December 2017

	<u>Cumulative Period</u>	
	<b>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>
	(Unaudited)	(Audited)
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	33,038	27,618
Adjustments for :		
Non-cash items	6,735	5,060
Non-operating items	(2,029)	(2,345)
	<hr/>	<hr/>
Operating profit before working capital changes	37,744	30,333
Working capital changes :		
Net change in current assets	(16,899)	(34,041)
Net change in current liabilities	(2,633)	19,794
Income tax refund	648	774
Income tax paid	(8,300)	(7,588)
Interest paid	(47)	(32)
Dividend received	-	1
Interest received	1,824	2,285
	<hr/>	<hr/>
<b>Net cash flow generated from operating activities</b>	<b>12,337</b>	<b>11,526</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(4,760)	(5,760)
Purchase of investment properties	(1,096)	(122)
Purchase of biological assets	(11)	-
Proceeds from disposal of property, plant & equipment	5	22
Proceeds from disposal of subsidiary	163	-
Development expenditure incurred	755	(186)
	<hr/>	<hr/>
<b>Net cash flow used in investing activities</b>	<b>(4,944)</b>	<b>(6,046)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayment from borrowings	(221)	(164)
Dividend paid to non-controlling interest	(181)	-
Placement of fixed deposit under lien	(14)	(498)
	<hr/>	<hr/>
<b>Net cash flow used in financing activities</b>	<b>(416)</b>	<b>(662)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>6,977</b>	<b>4,818</b>
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	64,112	59,294
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER</b>	<b>71,089</b>	<b>64,112</b>
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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 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 year ended 31 December 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 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.

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 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	104,181	35,002	15,150	6,376		160,709
Inter-segment	502	-	5	-	(507)	-
Total revenue	<u>104,683</u>	<u>35,002</u>	<u>15,155</u>	<u>6,376</u>	<u>(507)</u>	<u>160,709</u>
<u>RESULTS</u>						
Segment results	28,790	1,327	(189)	1,333		31,261
Unallocated income						<u>1,824</u>
Profit before interest and taxation						<u>33,085</u>
Interest expense						<u>(47)</u>
Profit before taxation						<u>33,038</u>
Taxation						<u>(7,234)</u>
Net profit for the year						<u><u>25,804</u></u>

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	57,433	38,106	14,846	4,946		115,331
Inter-segment	177	-	-	-	(177)	-
Total revenue	<u>57,610</u>	<u>38,106</u>	<u>14,846</u>	<u>4,946</u>	<u>(177)</u>	<u>115,331</u>
<u>RESULTS</u>						
Segment results	23,034	1,248	303	780		25,365
Unallocated income						<u>2,285</u>
Profit before interest and taxation						<u>27,650</u>
Interest expense						<u>(32)</u>
Profit before taxation						<u>27,618</u>
Taxation						<u>(6,743)</u>
Net profit for the year						<u><u>20,875</u></u>

(b) Analysis by geographical location is not presented as the Group's activities are carried out predominantly in Malaysia.

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 was disposal of an inactive subsidiary company, Viet Passion Sdn Bhd during the current financial year.

**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

**Cummulative 4th Quarter FY 2017 vs. Cummulative 4th Quarter FY 2016**

The Group's revenue was RM160.71 million for the financial year ended 31 December 2017, an increase of 39.35% as compared with RM115.33 million recorded in the previous financial year. The Group's profit before taxation and before non-controlling interest for the current financial year was RM33.04 million, an increase of 19.62% as compared with RM27.62 million recorded in the preceding year.

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

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

This Division registered a 81.71% increase in revenue to RM104.68 million for the current financial year as compared to RM57.61 million recorded for the previous financial year. Profit increased by 24.99% to RM28.79 million for the current financial year as compared to RM23.03 million recorded for the previous financial year. The higher revenue with lower profit margin for the current year is attributable mainly to a difference in product mix as compared to last year. The group generated its revenue mainly from the sales of double storey terrace houses and semi-detached units for 2017.

b) Manufacturing and trading

This Division recorded a 8.15% decrease in revenue to RM35.00 million for the current financial year as compared to RM38.11 million in the previous financial year. Profit increased by 6.33% to RM1.33 million as compared with RM1.25 million recorded in the previous financial year. Despite the drop in turnover, the division recorded higher profit as compared to the previous year due to lower operating expenses in the current financial year.

c) Hotel & leisure related services

This Division recorded a 2.08% increase in revenue to RM15.16 million for the current year as compared to RM14.85 million in the previous financial year. The Division recorded RM0.19 million losses for the current year as compared to RM0.30 million profit in the previous financial year. The sales performance of Amverton Heritage Resort Melaka ("AHR") improved in the current financial year after its major refurbishment was completed in November 2017. However, the costs of the refurbishments coupled with higher operating costs had led to the minor loss of RM0.19 million in the current financial year.

d) Plantation

The plantation revenue increased by 28.91% to RM6.38 million for the current year as compared with RM4.95 million in the previous financial year. The Division reported a profit of RM1.33 million as compared with a profit of RM0.78 million in the previous financial year. The higher FFB production coupled with higher CPO prices had led to the increase in revenue and profit respectively for the current financial year.

B2. Variation of results against preceding quarter

	Current	Preceding	Changes	
	Quarter	Quarter		
	31.12.2017	30.09.2017		
	RM'000	RM'000	RM'000	%
Revenue	53,927	46,063	7,864	17.07
Operating profit	13,052	9,320	3,732	40.04
Profit before interest and taxation	13,486	9,710	3,776	38.89
Profit before taxation	13,472	9,701	3,771	38.87
Profit after taxation	11,092	7,398	3,694	49.93
Profit attributable to equity holders of the parent	10,441	7,179	3,262	45.44

For the 4th quarter ended 31 December 2017, the Group registered an increase in revenue to RM53.93 million as compared to RM46.06 million achieved in the preceding quarter. The Group posted a higher profit before taxation and before non-controlling interest of RM13.47 million, an increase of 38.87% as compared to RM9.70 million for the preceding quarter.

The higher revenue and profit before taxation for the current quarter was mainly due to higher contribution from its property division.

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

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

The property market in Malaysia is expected to remain soft due to the stringent lending policies with higher interest rates. As such, the Group will endeavour to be prudent in keeping operating costs low and offering products which are attractive to homebuyers in the current market situation. Barring any unforeseen circumstances, the Group expects the property division's performance to be satisfactory in the next financial year.

Overall, the plantation segment for next financial year is expected to show lower profit as compared to current year in anticipation of lower CPO price as well as the effects of the ban of crude palm oil in the European Union.

The Group expects the sales from hotel & leisure related services segment to improve in next financial year as AHR's major refurbishment has been completed in year 2017.

For the manufacturing and trading division, the management will try to further enhance the profitability of the Group by focusing on products with higher margin and also further reducing its operating costs.

**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 year**

	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	2,626	6,313
Interest expenses	14	47
Impairment loss on trade receivable	25	87
Inventories written-down	198	290
Interest income	(434)	(1,824)

**B6. Taxation**

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	3,359	8,830
Deferred taxation - provision	(979)	(1,596)
	<u>2,380</u>	<u>7,234</u>

The effective tax rate of the Group for the current financial year is lower than the statutory tax rate mainly due to tax incentives enjoyed by certain subsidiaries in the group.

**B7. Status of Corporate Proposals**

There are no corporate exercises in progress in this year ended 31 December 2017.

**B8. Group Borrowings and Debt Securities**

	As at 31.12.2017		As at 31.12.2016	
	Unsecured RM'000	Secured RM'000	Unsecured RM'000	Secured RM'000
Short Term Borrowings	0	0	0	0
Hire Purchase				
- within 12 months	0	206	0	211
- after 12 months	0	473	0	689
	0	679	0	900
Total	0	679	0	900

(a) There were no foreign denominated loans as at 31 December 2017.

(b) The finance lease liabilities of the Group carry weighted average interest at the reporting date of 3.08% (2016: 3.12%) per annum.

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	31.12.2017	31.12.2016
Profit for the period (RM'000)	11,092	5,214	25,804	20,875
Less : Amount attributable to non-controlling interest (RM'000)	(651)	(728)	(1,481)	(1,193)
Profit attributable to equity holders (RM'000)	10,441	4,486	24,323	19,682
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	2.86	1.23	6.66	5.39

(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

CHEAM TAU CHERN  
Secretary  
Klang  
27 February 2018