

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 period ended 30 June 2018

	<u>Individual Period</u> 3 months ended				<u>Cumulative Period</u> 6 months ended			
	30.06.2018	30.06.2017	Changes		30.06.2018	30.06.2017	Changes	
	(Unaudited) RM'000	(Unaudited) (Restated) RM'000	RM'000	%	(Unaudited) RM'000	(Unaudited) (Restated) RM'000	RM'000	%
Revenue	31,990	36,769	(4,779)	(13.00)	61,926	60,477	1,449	2.40
Operating profit	5,102	6,752	(1,650)	(24.44)	10,027	8,817	1,210	13.72
Interest income	646	488	158	32.38	1,194	1,000	194	19.40
Profit before interest and taxation	5,748	7,240	(1,492)	(20.61)	11,221	9,817	1,404	14.30
Interest expense	(8)	(10)	2	(20.00)	(16)	(24)	8	(33.33)
Profit before taxation	5,740	7,230	(1,490)	(20.61)	11,205	9,793	1,412	14.42
Taxation	(1,399)	(1,878)	479	(25.51)	(2,793)	(2,551)	(242)	9.49
Net profit for the period	4,341	5,352	(1,011)	(18.89)	8,412	7,242	1,170	16.16
Attributable to :								
Equity holders of parent	4,151	5,168	(1,017)	(19.68)	7,758	6,657	1,101	16.54
Non-controlling interest	190	184	6	3.26	654	585	69	11.79
Total comprehensive income for the period	4,341	5,352	(1,011)	(18.89)	8,412	7,242	1,170	16.16
Earnings per share attributable to equity holders of the parent :								
Basic (sen)	1.14	1.42			2.13	1.82		

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

AMVERTON BERHAD
(Formerly Known As A & M Realty Berhad)
(Company No. 177214-H)
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 30 June 2018

	As at 30.06.2018 (Unaudited)	As at 31.12.2017 (Audited) (Restated)
	RM'000	RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	154,789	154,500
Investment properties	57,480	58,188
Investment in associated companies	1,452	1,452
Land held for property development	125,428	115,670
Other investments	69	69
Goodwill on consolidation	19,085	19,085
Fixed deposits	2,626	2,399
Deferred tax assets	700	700
	361,629	352,063
Current assets		
Inventories	63,220	65,151
Property development costs	330,833	337,519
Biological assets	194	258
Trade and other receivables	27,636	27,004
Contract assets	25,725	28,373
Income tax assets	2,135	2,350
Fixed deposits	63,216	45,768
Cash and bank balances	23,497	25,320
	536,456	531,743
TOTAL ASSETS	898,085	883,806

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 30 June 2018 (Continued)

	As at 30.06.2018 (Unaudited)	As at 31.12.2017 (Audited) (Restated)
	RM'000	RM'000
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to equity holders of the company :		
Share capital	217,605	217,605
Retained earnings	429,416	421,658
	647,021	639,263
Non-controlling interest	24,521	24,048
Total equity	671,542	663,311
Non-current liabilities		
Finance lease liabilities	425	473
Deferred tax liabilities	64,232	64,476
	64,657	64,949
Current liabilities		
Trade and other payables	78,512	71,499
Contract liabilities	27,140	27,260
Finance lease liabilities	144	206
Amount due to related parties	53,973	54,002
Income tax liabilities	2,117	2,579
	161,886	155,546
Total liabilities	226,543	220,495
TOTAL EQUITY AND LIABILITIES	898,085	883,806
Net Assets per share attributable to equity Holders of the parent (RM)	1.77	1.75

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the financial period ended 30 June 2018

	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 2018 as previously stated	217,605	-	423,263	24,930	665,798
Impacts arising from adoption of :					
- MFRS 141 & 116	-	-	(1,159)	(744)	(1,903)
- MFRS 9	-	-	(446)	(138)	(584)
As at 1 January 2018 as restated	217,605	-	421,658	24,048	663,311
Net profit for the period	-	-	7,758	654	8,412
Dividend paid to Non-controlling Interest by a subsidiary	-	-	-	(181)	(181)
As at 30 June 2018	217,605	-	429,416	24,521	671,542
As at 1 January 2017 as previously stated	182,532	35,073	399,073	23,685	640,363
Impacts arising from adoption of :					
- MFRS 141 & 116	-	-	(1,080)	(703)	(1,783)
- MFRS 9	-	-	-	-	-
As at 1 January 2017 as restated	182,532	35,073	397,993	22,982	638,580
Net profit for the period	-	-	6,657	585	7,242
Dividend paid to Non-controlling Interest by a subsidiary	-	-	-	(181)	(181)
Transition to no par value regime	35,073	(35,073)	-	-	-
As at 30 June 2017	217,605	-	404,650	23,386	645,641

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 2017 and the accompanying explanatory notes attached to the interim financial statement.

AMVERTON BERHAD
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the financial period ended 30 June 2018

	<u>Cumulative Period</u>	
	6 months ended	
	30.06.2018	30.06.2017
	(Unaudited)	(Unaudited)
		(Restated)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,205	9,793
Adjustments for :		
Non-cash items	2,859	2,620
Non-operating items	(1,224)	(1,017)
	<hr/>	<hr/>
Operating profit before working capital changes	12,840	11,396
Working capital changes :		
Net change in current assets	10,527	(19,188)
Net change in current liabilities	6,877	821
Income tax refund	514	643
Income tax paid	(3,798)	(3,204)
Interest paid	(16)	(24)
Interest received	1,194	1,000
	<hr/>	<hr/>
Net cash flow generated from/(absorbed by) operating activities	28,138	(8,556)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,329)	(2,016)
Purchase of investment properties	-	(687)
Proceeds from disposal of property, plant & equipment	92	-
Development expenditure incurred	(9,758)	(324)
	<hr/>	<hr/>
Net cash flow used in investing activities	(11,995)	(3,027)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment from borrowings	(110)	(119)
Dividend paid to non-controlling interest	(181)	(181)
(Placement)/withdrawal of fixed deposit under lien	(227)	15
	<hr/>	<hr/>
Net cash flow used in financing activities	(518)	(285)
NET CHANGES IN CASH AND CASH EQUIVALENTS	15,625	(11,868)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	71,088	64,112
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CASH AND CASH EQUIVALENTS AS AT 30 JUNE	86,713	52,244
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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 2017 and the accompanying explanatory notes attached to the interim financial statements.

EXPLANATORY NOTES AS REQUIRED BY MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A1. **Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2017.

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 2017.

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 2017, except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs during the current financial period as described below :-

MFRS 9 : Financial Instruments

MFRS 15 : Revenue from Contracts with Customers

Amendments to MFRS 116 : Property, plant and equipment and MFRS 141 : Agriculture regarding bearer plants

The financial statements of the Group for the financial period ended 30 June 2018 are the first set of financial statements prepared in accordance with the MFRS Framework. The date of transition to the MFRS Framework was on 1 January 2017.

Comparative information in these interim financial statements have been restated to give effect to these changes and the financial impacts on transition from FRS in Malaysia to MFRS to opening balances are as follows :-

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 1 January 2017 Under FRS RM'000	MFRS 116 & 141 RM'000	Adjustments MFRS 9 RM'000	MFRS 15 RM'000	As at 1 January 2017 Under MFRS RM'000
Non-current assets					
Property, plant and equipment	153,378	1,412	-	-	154,790
Biological assets	3,414	(3,414)	-	-	-
Current assets					
Biological assets	-	218	-	-	218
Trade and other receivables	32,984	-	-	(4,645)	28,339
Amount due from customers for contract works	4,607	-	-	(4,607)	-
Contract assets	-	-	-	9,252	9,252
Current liabilities					
Trade and other payables	68,647	-	-	(300)	68,347
Progress billing in respect of property development	31,097	-	-	(31,097)	-
Amount due to customers for contract works	1,710	-	-	(1,710)	-
Contract liabilities	-	-	-	33,107	33,107
<u>EQUITY AND LIABILITIES</u>					
Equity attributable to equity holders of the company :					
Retained earnings	399,073	(1,080)	-	-	397,993
Non-controlling interest	23,685	(703)	-	-	22,982

EXPLANATORY NOTES AS REQUIRED BY MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December 2017 Under FRS RM'000	MFRS 116 & 141 RM'000	Adjustments MFRS 9 RM'000	MFRS 15 RM'000	As at 31 December 2017 Under MFRS RM'000
Non-current assets					
Property, plant and equipment	153,236	1,264	-	-	154,500
Biological assets	3,425	(3,425)	-	-	-
Current assets					
Biological assets	-	258	-	-	258
Trade and other receivables	51,456	-	(539)	(23,913)	27,004
Amount due from customers for contract works	4,505	-	(45)	(4,460)	-
Contract assets	-	-	-	28,373	28,373
Current liabilities					
Trade and other payables	71,799	-	-	(300)	71,499
Progress billing in respect of property development	25,250	-	-	(25,250)	-
Amount due to customers for contract works	1,710	-	-	(1,710)	-
Contract liabilities	-	-	-	27,260	27,260
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the company :					
Retained earnings	423,263	(1,159)	(446)	-	421,658
Non-controlling interest	24,930	(744)	(138)	-	24,048

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	As at 30 June 2017 Under FRS RM'000	MFRS 116 & 141 RM'000	Adjustments MFRS 9 RM'000	MFRS 15 RM'000	As at 30 June 2017 Under MFRS RM'000
Quarter ended 30 June 2017					
Revenue	36,899	-	-	(130)	36,769
Operating profit	6,877	(125)	-	-	6,752
Interest income	488	-	-	-	488
Profit before interest and taxation	7,365	(125)	-	-	7,240
Interest expense	(10)	-	-	-	(10)
Profit before taxation	7,355	(125)	-	-	7,230
Taxation	(1,878)	-	-	-	(1,878)
Net profit for the period	5,477	(125)	-	-	5,352
Attributable to :					
Equity holders of parent	5,245	(77)	-	-	5,168
Non-controlling interest	232	(48)	-	-	184
Total comprehensive income for the period	5,477	(125)	-	-	5,352
Six months ended 30 June 2017					
Revenue	60,719	-	-	(242)	60,477
Operating profit	8,889	(72)	-	-	8,817
Interest income	1,000	-	-	-	1,000
Profit before interest and taxation	9,889	(72)	-	-	9,817
Interest expense	(24)	-	-	-	(24)
Profit before taxation	9,865	(72)	-	-	9,793
Taxation	(2,551)	-	-	-	(2,551)
Net profit for the period	7,314	(72)	-	-	7,242
Attributable to :					
Equity holders of parent	6,703	(46)	-	-	6,657
Non-controlling interest	611	(26)	-	-	585
Total comprehensive income for the period	7,314	(72)	-	-	7,242

EXPLANATORY NOTES AS REQUIRED BY MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134

A3. Status of audit qualifications

The audit report of the Group's most recent annual audited financial statements for the year ended 31 December 2017 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 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.

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 June 2018

	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	35,283	15,700	8,064	2,879		61,926
Inter-segment	426	-	-	-	(426)	-
Total revenue	<u>35,709</u>	<u>15,700</u>	<u>8,064</u>	<u>2,879</u>	<u>(426)</u>	<u>61,926</u>
<u>RESULTS</u>						
Segment results	8,664	582	259	522		10,027
Unallocated income						<u>1,194</u>
Profit before interest and taxation						11,221
Interest expense						<u>(16)</u>
Profit before taxation						11,205
Taxation						<u>(2,793)</u>
Net profit for the period						<u><u>8,412</u></u>

30 June 2017

	Property development & investment, construction & other related services rendered RM'000	Manufacturing & trading (Restated) RM'000	Hotel & leisure related services RM'000	Plantation (Restated) RM'000	Elimination RM'000	Total (Restated) RM'000
<u>REVENUE</u>						
External	32,606	18,159	6,314	3,398		60,477
Inter-segment	451	-	5	-	(456)	-
Total revenue	<u>33,057</u>	<u>18,159</u>	<u>6,319</u>	<u>3,398</u>	<u>(456)</u>	<u>60,477</u>
<u>RESULTS</u>						
Segment results	8,157	597	(870)	933		8,817
Unallocated income						<u>1,000</u>
Profit before interest and taxation						9,817
Interest expense						<u>(24)</u>
Profit before taxation						9,793
Taxation						<u>(2,551)</u>
Net profit for the period						<u><u>7,242</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 MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 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 June 2018.

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 2nd Quarter FY 2018 vs. Cumulative 2nd Quarter FY 2017

The Group's revenue was RM61.93 million for the financial period ended 30 June 2018, an increase of 2.40% as compared with RM60.48 million recorded in the previous year corresponding period. The Group's profit before taxation and before non-controlling interest for the current period was RM11.21 million, an increase of 14.42% as compared with RM9.79 million recorded in the previous year corresponding period.

Performance of the respective operating business segments for the financial period ended 30 June 2018 as compared to the previous year corresponding period are analysed as follows:

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

This Division registered a 8.02% increase in revenue to RM35.71 million for the current financial period as compared to RM33.06 million recorded for the previous year corresponding period. Profit increased slightly by 6.22% to RM8.66 million for the current financial period as compared to RM8.16 million recorded for the previous year corresponding period. The better results was mainly due to the increase in sales from the Group's Amverton Links project in Sg. Jati, comprising a total of 155 units double storey terrace houses.

b) Manufacturing and trading

This Division recorded a 13.54% decrease in revenue to RM15.70 million for the current financial period as compared to RM18.16 million in the previous year corresponding period. Profit decreased by 2.51% to RM0.58 million as compared with RM0.60 million recorded in the previous year corresponding period. The division recorded lower sales with similar profit as compared to the previous year corresponding period was mainly due to better cost control and improvement in profit margin for the current financial period.

c) Hotel & leisure related services

This Division recorded a 27.62% increase in revenue to RM8.06 million for the current period as compared to RM6.32 million in the previous year corresponding period. The Division recorded RM0.26 million profit for the current period as compared to RM0.87 million losses in the previous year corresponding period. The sales performance of Amverton Heritage Resort Melaka ("AHR") recovered gradually in the current financial period after its major refurbishment completed in 2017. This coupled with the better performance of Amverton Cove Golf & Island Resort has led to the increase in revenue and profit in current financial period for this division.

d) Plantation

The plantation revenue decreased by 15.27% to RM2.88 million for the current period as compared with RM3.40 million in the previous year corresponding period. The Division reported a profit of RM0.52 million as compared with a profit of RM0.93 million in the previous year corresponding period. Notwithstanding the increase in FFB production for current financial period as compared to the previous year corresponding period, the lower average CPO prices had led to the decrease in revenue and profit respectively for the current financial period.

B2. Variation of results against preceding quarter

	Current	Preceding	Changes	
	Quarter	Quarter		
	30.06.2018	31.03.2018		
	RM'000	RM'000	RM'000	%
Revenue	31,990	29,936	2,054	6.86
Operating profit	5,102	4,925	177	3.59
Profit before interest and taxation	5,748	5,473	275	5.02
Profit before taxation	5,740	5,465	275	5.03
Profit after taxation	4,341	4,071	270	6.63
Profit attributable to equity holders of the parent	4,151	3,607	544	15.08

For the 2nd quarter ended 30 June 2018, the Group registered an increase in revenue to RM31.99 million as compared to RM29.94 million achieved in the preceding quarter. The Group posted a higher profit before taxation and before non-controlling interest of RM5.74 million, an increase of 5.03% as compared to RM5.47 million for the preceding quarter.

The Group's higher performance in the current quarter was mainly due to better contribution from its property division, in spite of overall drop in sales performance for the remaining divisions.

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B3. Prospects for the current financial year

The Board anticipates the operating environment to remain challenging for the coming quarter as the property and manufacturing sectors are currently experiencing slower growth.

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
Profit before taxation is stated after charging/(crediting) :		
Depreciation of property, plant & equipment	1,335	2,662
Interest expenses	8	16
Impairment loss on trade receivable	21	41
Fair value loss on biological assets	46	64
Inventories written-down	32	65
Property, plant & machinery written-down	24	27
Gain on disposal of property, plant & equipment	(33)	(33)
Interest income	(646)	(1,194)

B6. Taxation

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	1,522	3,037
Deferred taxation - provision	(123)	(244)
	<u>1,399</u>	<u>2,793</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 June 2018.

B8. Group Borrowings and Debt Securities

	As at 30.06.2018		As at 31.12.2017	
	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	144	0	206
- after 12 months	0	425	0	473
	0	569	0	679
Total	0	569	0	679

(a) There were no foreign denominated loans as at 30 June 2018.

(b) The finance lease liabilities of the Group carry weighted average interest at the reporting date of 3.06% (2017: 3.06%) 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 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		6 months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Profit for the period (RM'000)	4,341	5,352	8,412	7,242
Less : Amount attributable to non-controlling interest (RM'000)	(190)	(184)	(654)	(585)
Profit attributable to equity holders (RM'000)	<u>4,151</u>	<u>5,168</u>	<u>7,758</u>	<u>6,657</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	<u>1.14</u>	<u>1.42</u>	<u>2.13</u>	<u>1.82</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

CHEAM TAU CHERN
Secretary
Klang
23 August 2018