

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 September 2018

	<u>Individual Period</u> 3 months ended				<u>Cumulative Period</u> 9 months ended			
	30.09.2018	30.09.2017	Changes		30.09.2018	30.09.2017	Changes	
	(Unaudited) RM'000	(Unaudited) (Restated) RM'000	RM'000	%	(Unaudited) RM'000	(Unaudited) (Restated) RM'000	RM'000	%
Revenue	35,928	45,941	(10,013)	(21.80)	97,854	106,418	(8,564)	(8.05)
Operating profit	20,620	9,310	11,310	121.48	30,647	18,127	12,520	69.07
Interest income	600	390	210	53.85	1,794	1,390	404	29.06
Profit before interest and taxation	21,220	9,700	11,520	118.76	32,441	19,517	12,924	66.22
Interest expense	(6)	(9)	3	(33.33)	(22)	(33)	11	(33.33)
Profit before taxation	21,214	9,691	11,523	118.90	32,419	19,484	12,935	66.39
Taxation	(6,096)	(2,303)	(3,793)	164.70	(8,889)	(4,854)	(4,035)	83.13
Net profit for the period	15,118	7,388	7,730	104.63	23,530	14,630	8,900	60.83
Attributable to :								
Equity holders of parent	15,404	7,172	8,232	114.78	23,162	13,829	9,333	67.49
Non-controlling interest	(286)	216	(502)	(232.41)	368	801	(433)	(54.06)
Total comprehensive income for the period	15,118	7,388	7,730	104.63	23,530	14,630	8,900	60.83
Earnings per share attributable to equity holders of the parent :								
Basic (sen)	4.22	1.96			6.34	3.79		

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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 30 September 2018

	As at 30.09.2018 (Unaudited) RM'000	As at 31.12.2017 (Audited) (Restated) RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	155,019	154,500
Investment properties	57,134	58,188
Investment in associated companies	1,452	1,452
Land held for property development	127,930	115,670
Other investments	69	69
Goodwill on consolidation	19,085	19,085
Fixed deposits	2,639	2,399
Deferred tax assets	700	700
	364,028	352,063
Current assets		
Inventories	96,645	65,151
Property development costs	308,742	337,519
Biological assets	186	258
Trade and other receivables	37,458	27,004
Contract assets	22,666	28,373
Income tax assets	2,347	2,350
Fixed deposits	52,627	45,768
Cash and bank balances	22,718	25,320
	543,389	531,743
TOTAL ASSETS	907,417	883,806

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

	As at 30.09.2018 (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	444,820	421,658
	662,425	639,263
Non-controlling interest	24,235	24,048
Total equity	686,660	663,311
Non-current liabilities		
Finance lease liabilities	393	473
Deferred tax liabilities	64,062	64,476
	64,455	64,949
Current liabilities		
Trade and other payables	71,275	71,499
Contract liabilities	27,215	27,260
Finance lease liabilities	124	206
Amount due to related parties	53,995	54,002
Income tax liabilities	3,693	2,579
	156,302	155,546
Total liabilities	220,757	220,495
TOTAL EQUITY AND LIABILITIES	907,417	883,806
Net Assets per share attributable to equity Holders of the parent (RM)	1.81	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 September 2018

Attributable to equity holders of the parent

Non-distributable Distributable

	Share capital	Share premium	Retained profits	Non-Controlling Interest	Total Equity
	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	-	-	23,162	368	23,530
Dividend paid to Non-controlling Interest by a subsidiary	-	-	-	(181)	(181)
As at 30 September 2018	217,605	-	444,820	24,235	686,660
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	-	-	13,829	801	14,630
Dividend paid to Non-controlling Interest by a subsidiary	-	-	-	(181)	(181)
Transition to no par value regime	35,073	(35,073)	-	-	-
As at 30 September 2017	217,605	-	411,822	23,602	653,029

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 September 2018

	<u>Cumulative Period</u>	
	9 months ended	
	30.09.2018	30.09.2017
	(Unaudited)	(Unaudited)
		(Restated)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	32,419	19,484
Adjustments for :		
Non-cash items	4,341	3,927
Non-operating items	(1,886)	(1,410)
Operating profit before working capital changes	34,874	22,001
Working capital changes :		
Net change in current assets	(7,281)	(26,223)
Net change in current liabilities	(1,578)	222
Income tax refund	600	648
Income tax paid	(7,454)	(5,062)
Interest paid	(22)	(33)
Interest received	1,794	1,390
Net cash flow generated from/(absorbed by) operating activities	20,933	(7,057)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,007)	(2,972)
Purchase of investment properties	(8)	(1,095)
Proceeds from disposal of property, plant & equipment	182	-
Development expenditure incurred	(12,260)	(999)
Net cash flow used in investing activities	(16,093)	(5,066)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment from borrowings	(162)	(173)
Dividend paid to non-controlling interest	(181)	(181)
(Placement)/withdrawal of fixed deposit under lien	(240)	-
Net cash flow used in financing activities	(583)	(354)
NET CHANGES IN CASH AND CASH EQUIVALENTS	4,257	(12,477)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	71,088	64,112
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	75,345	51,635

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 September 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 Sept 2017 Under FRS RM'000	MFRS 116 & 141 RM'000	Adjustments MFRS 9 RM'000	MFRS 15 RM'000	As at 30 Sept 2017 Under MFRS RM'000
Quarter ended 30 Sept 2017					
Revenue	46,063	-	-	(122)	45,941
Operating profit	9,320	(10)	-	-	9,310
Interest income	390	-	-	-	390
Profit before interest and taxation	9,710	(10)	-	-	9,700
Interest expense	(9)	-	-	-	(9)
Profit before taxation	9,701	(10)	-	-	9,691
Taxation	(2,303)	-	-	-	(2,303)
Net profit for the period	7,398	(10)	-	-	7,388
Attributable to :					
Equity holders of parent	7,179	(7)	-	-	7,172
Non-controlling interest	219	(3)	-	-	216
Total comprehensive income for the period	7,398	(10)	-	-	7,388
Nine months ended 30 Sept 2017					
Revenue	106,782	-	-	(364)	106,418
Operating profit	18,209	(82)	-	-	18,127
Interest income	1,390	-	-	-	1,390
Profit before interest and taxation	19,599	(82)	-	-	19,517
Interest expense	(33)	-	-	-	(33)
Profit before taxation	19,566	(82)	-	-	19,484
Taxation	(4,854)	-	-	-	(4,854)
Net profit for the period	14,712	(82)	-	-	14,630
Attributable to :					
Equity holders of parent	13,882	(53)	-	-	13,829
Non-controlling interest	830	(29)	-	-	801
Total comprehensive income for the period	14,712	(82)	-	-	14,630

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 September 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	55,704	25,220	12,940	3,990		97,854
Inter-segment	452	-	-	-	(452)	-
Total revenue	<u>56,156</u>	<u>25,220</u>	<u>12,940</u>	<u>3,990</u>	<u>(452)</u>	<u>97,854</u>
<u>RESULTS</u>						
Segment results	28,645	912	990	100		30,647
Unallocated income						<u>1,794</u>
Profit before interest and taxation						<u>32,441</u>
Interest expense						<u>(22)</u>
Profit before taxation						<u>32,419</u>
Taxation						<u>(8,889)</u>
Net profit for the period						<u><u>23,530</u></u>

30 September 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	65,365	26,304	10,017	4,732		106,418
Inter-segment	477	-	5	-	(482)	-
Total revenue	<u>65,842</u>	<u>26,304</u>	<u>10,022</u>	<u>4,732</u>	<u>(482)</u>	<u>106,418</u>
<u>RESULTS</u>						
Segment results	17,131	855	(977)	1,118		18,127
Unallocated income						<u>1,390</u>
Profit before interest and taxation						<u>19,517</u>
Interest expense						<u>(33)</u>
Profit before taxation						<u>19,484</u>
Taxation						<u>(4,854)</u>
Net profit for the period						<u><u>14,630</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 September 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 3rd Quarter FY 2018 vs. Cumulative 3rd Quarter FY 2017

The Group's revenue was RM97.85 million for the financial period ended 30 September 2018, a decrease of 8.05% as compared to RM106.42 million recorded in the previous year corresponding period. The Group's profit before taxation and before non-controlling interest for the current period is RM32.42 million, an increase of 66.39% as compared to RM19.49 million recorded in the previous year corresponding period.

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

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

This Division registered a 14.71% decrease in revenue to RM56.16 million for the current financial period as compared to RM65.84 million recorded for the previous year corresponding period. Profit increased by 67.21% to RM28.65 million for the current financial period as compared to RM17.13 million recorded for the previous year corresponding period.

Due to the current market uncertainties, the Group has not launched any new project(s) in the current financial year. This in turn, has led to the lower sales for the current financial period. The Group reported a higher profit this quarter due to the gain of RM9.527 million received from a compulsory acquisition of land by the government.

b) Manufacturing and trading

This Division recorded a 4.12% decrease in revenue to RM25.22 million for the current financial period as compared to RM26.30 million in the previous year corresponding period. Profit increased by 6.67% to RM0.91 million as compared to RM0.86 million recorded in the previous year corresponding period. Record of lower sales with similar profit as compared to the previous year corresponding period is mainly due to better cost control and slight improvement in profit margin for the current financial period.

c) Hotel & leisure related services

This Division recorded a 29.12% increase in revenue to RM12.94 million for the current period as compared to RM10.02 million in the previous year corresponding period. The Division recorded RM0.99 million profit for the current period as compared to RM0.98 million losses in the previous year corresponding period. The sales performance of the newly refurbished Amverton Heritage Resort in Melaka ("AHR") has recovered gradually. This coupled with the better performance of Amverton Cove Golf & Island Resort led to an increase in revenue and profit in current financial period for this division.

d) Plantation

The plantation revenue decreased by 15.68% to RM3.99 million for the current period as compared to RM4.73 million in the previous year corresponding period. The Division reported a profit of RM0.10 million as compared to a profit of RM1.12 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 has 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		
	30.09.2018	30.06.2018	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	35,928	31,990	3,938	12.31
Operating profit	20,620	5,102	15,518	304.16
Profit before interest and taxation	21,220	5,748	15,472	269.17
Profit before taxation	21,214	5,740	15,474	269.58
Profit after taxation	15,118	4,341	10,777	248.26
Profit attributable to equity holders of the parent	15,404	4,151	11,253	271.09

For the 3rd quarter ended 30 September 2018, the Group registered an increase in revenue to RM35.93 million as compared to RM31.99 million achieved in the preceding quarter. The Group posted a higher profit before taxation and before non-controlling interest of RM21.21 million, an increase of 269.58% as compared to RM5.74 million for the preceding quarter.

The Group's higher performance in the current quarter was mainly due to the recognition of balance profit from a completed project at Amverton Hills and gains from the compulsory acquisition of land by government in this third quarter.

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B3. Prospects for the current financial year

The Group anticipates that the property market will continue to remain soft and challenging for the coming year. Various factors such as affordability, overbuilding and a mismatch in supply and demand are severely affecting the property market in Malaysia. The plantation division is also expected to produce lower results in the coming year, following the drop in CPO prices.

The tourism market and manufacturing divisions are expected to be stable in the remaining financial 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 year

	Current Quarter RM'000	Cumulative year to date RM'000
Profit before taxation is stated after charging/(crediting) :		
Depreciation of property, plant & equipment	1,428	4,090
Interest expenses	6	22
Impairment loss on trade receivable	11	52
Fair value loss on biological assets	8	72
Inventories written-down	34	99
Property, plant & machinery written-down	1	28
Gain on disposal of property, plant & equipment	(51)	(84)
Interest income	(600)	(1,794)

B6. Taxation

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	4,934	7,971
Deferred taxation - provision	(170)	(414)
Real property gains tax	1,332	1,332
	6,096	8,889

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 2018.

B8. Group Borrowings and Debt Securities

	As at 30.09.2018		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	124	0	206
- after 12 months	0	393	0	473
	0	517	0	679
Total	0	517	0	679

(a) There were no foreign denominated loans as at 30 September 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		9 months ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Profit for the period (RM'000)	15,118	7,388	23,530	14,630
Less : Amount attributable to non-controlling interest (RM'000)	286	(216)	(368)	(801)
Profit attributable to equity holders (RM'000)	15,404	7,172	23,162	13,829
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	4.22	1.96	6.34	3.79

(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
22 November 2018