

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

For the financial period ended 30 June 2019

	<u>Individual Period</u> 3 months ended				<u>Cumulative Period</u> 6 months ended			
	30.06.2019	30.06.2018	Changes		30.06.2019	30.06.2018	Changes	
	(Unaudited) RM'000	(Unaudited) RM'000	RM'000	%	(Unaudited) RM'000	(Unaudited) RM'000	RM'000	%
<b>Revenue</b>	<b>20,638</b>	<b>31,990</b>	(11,352)	(35.49)	<b>43,440</b>	<b>61,926</b>	(18,486)	(29.85)
Operating profit	1,951	5,102	(3,151)	(61.76)	3,406	10,027	(6,621)	(66.03)
Interest income	688	646	42	6.50	1,249	1,194	55	4.61
Profit before interest and taxation	2,639	5,748	(3,109)	(54.09)	4,655	11,221	(6,566)	(58.52)
Interest expense	(5)	(8)	3	(37.50)	(11)	(16)	5	(31.25)
Profit before taxation	<b>2,634</b>	<b>5,740</b>	(3,106)	(54.11)	<b>4,644</b>	<b>11,205</b>	(6,561)	(58.55)
Taxation	(911)	(1,399)	488	(34.88)	(1,774)	(2,793)	1,019	(36.48)
Net profit for the period	<b>1,723</b>	<b>4,341</b>	(2,618)	(60.31)	<b>2,870</b>	<b>8,412</b>	(5,542)	(65.88)
Other comprehensive loss, net of tax: Items that will not be reclassified to profit or loss								
- Net fair value loss on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	<b>1,723</b>	<b>4,341</b>	(2,618)	(60.31)	<b>2,870</b>	<b>8,412</b>	(5,542)	(65.88)
Profit attributable to :-								
Equity holders of parent	<b>1,737</b>	<b>4,151</b>	(2,414)	(58.15)	<b>2,649</b>	<b>7,758</b>	(5,109)	(65.85)
Non-controlling interest	(14)	190	(204)	(107.37)	221	654	(433)	(66.21)
	1,723	4,341	(2,618)	(60.31)	2,870	8,412	(5,542)	(65.88)
Total comprehensive income attributable to :-								
Equity holders of parent	<b>1,737</b>	<b>4,151</b>	(2,414)	(58.15)	<b>2,649</b>	<b>7,758</b>	(5,109)	(65.85)
Non-controlling interest	(14)	190	(204)	(107.37)	221	654	(433)	(66.21)
	1,723	4,341	(2,618)	(60.31)	2,870	8,412	(5,542)	(65.88)
<b>Earnings per share attributable to equity holders of the parent :</b>								
Basic (sen)	0.48	1.14			0.73	2.13		

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**As at 30 June 2019**

	<b>As at 30.06.2019 (Unaudited) RM'000</b>	<b>As at 31.12.2018 (Audited) RM'000</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	157,879	156,706
Right-of-use assets	287	-
Investment properties	62,011	59,089
Investment in associated companies	2,120	2,118
Inventories - land held for property development	147,322	139,649
Other investments	68	68
Goodwill on consolidation	19,085	19,085
Fixed deposits	6,143	6,056
Deferred tax assets	717	717
	<b>395,632</b>	<b>383,488</b>
<b>Current assets</b>		
Inventories - at cost	95,021	94,029
Inventories - property development costs	289,741	295,200
Biological assets	150	151
Trade and other receivables	39,967	38,968
Contract assets	4,670	21,890
Income tax assets	2,982	2,892
Fixed deposits	49,056	50,357
Cash and bank balances	37,486	21,825
	<b>519,073</b>	<b>525,312</b>
<b>TOTAL ASSETS</b>	<b>914,705</b>	<b>908,800</b>

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**As at 30 June 2019 (Continued)**

	<b>As at 30.06.2019 (Unaudited) RM'000</b>	<b>As at 31.12.2018 (Audited) RM'000</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity attributable to equity holders of the company :</b>		
Share capital	217,605	217,605
Fair value adjustment reserve	(33)	(33)
Retained earnings	499,594	496,956
	717,166	714,528
Non-controlling interest	24,181	24,532
<b>Total equity</b>	<b>741,347</b>	<b>739,060</b>
<b>Non-current liabilities</b>		
Finance lease liabilities	398	365
Deferred tax liabilities	64,224	64,396
	64,622	64,761
<b>Current liabilities</b>		
Trade and other payables	17,753	19,452
Contract liabilities	34,602	26,960
Finance lease liabilities	130	107
Lease liabilities	302	-
Amount due to related parties	53,993	54,001
Income tax liabilities	1,956	4,459
	108,736	104,979
<b>Total liabilities</b>	<b>173,358</b>	<b>169,740</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>914,705</b>	<b>908,800</b>
<b>Net Assets per share attributable to equity Holders of the parent (RM)</b>	<b>1.96</b>	<b>1.96</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 2018 and the accompanying explanatory notes attached to the interim financial statements.

**AMVERTON BERHAD**(Company No. 177214-H)  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the financial period ended 30 June 2019**

	Attributable to equity holders of the parent				Total equity
	<u>Non-distributable</u>		<u>Distributable</u>		
	Share capital	Fair value adjustment reserve	Retained profits	Non-Controlling interest	
RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 January 2019	217,605	(33)	496,956	24,532	739,060
Impacts arising from adoption of : - MFRS 16	-	-	(11)	(5)	(16)
As at 1 January 2019 as restated	217,605	(33)	496,945	24,527	739,044
Net profit for the year	-	-	2,649	221	2,870
Dividend paid to Non-controlling interest by a subsidiary	-	-	-	(567)	(567)
As at 30 June 2019	217,605	(33)	499,594	24,181	741,347
As at 1 January 2018	217,605	(32)	421,407	24,066	663,046
Net profit for the year	-	-	7,758	654	8,412
Dividend paid to Non-controlling interest by a subsidiary	-	-	-	(181)	(181)
As at 30 June 2018	217,605	(32)	429,165	24,539	671,277

**AMVERTON BERHAD**

(Company No. 177214-H)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the financial period ended 30 June 2019

	<u>Cumulative Period</u>	
	<b>6 months ended</b>	
	<b>30.06.2019</b>	<b>30.06.2018</b>
	(Unaudited)	(Unaudited)
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,644	11,205
Adjustments for :		
Non-cash items	2,803	2,859
Non-operating items	(1,270)	(1,224)
	<hr/>	<hr/>
Operating profit before working capital changes	6,177	12,840
Working capital changes :		
Net change in current assets	20,644	10,527
Net change in current liabilities	5,935	6,877
Income tax refund	500	514
Income tax paid	(5,039)	(3,798)
Interest paid	(11)	(16)
Interest received	1,249	1,194
	<hr/>	<hr/>
<b>Net cash flow generated from operating activities</b>	<b>29,455</b>	<b>28,138</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,114)	(2,329)
Purchase of investment properties	(3,630)	-
Proceeds from disposal of property, plant & equipment	30	92
Development expenditure incurred	(7,673)	(9,758)
	<hr/>	<hr/>
<b>Net cash flow used in investing activities</b>	<b>(14,387)</b>	<b>(11,995)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayment from borrowings	(54)	(110)
Dividend paid to non-controlling interest	(567)	(181)
Placement of fixed deposit under lien	(87)	(227)
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<b>Net cash flow used in financing activities</b>	<b>(708)</b>	<b>(518)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>14,360</b>	<b>15,625</b>
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	72,182	71,088
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AS AT 30 JUNE</b>	<b>86,542</b>	<b>86,713</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>CASH AND CASH EQUIVALENTS COMPRISE :</b>		
Fixed deposits	55,199	65,842
Cash and bank balances	37,486	23,497
	<hr/>	<hr/>
	92,685	89,339
Less : Fixed deposits under lien	(6,143)	(2,626)
	<hr/>	<hr/>
	<b>86,542</b>	<b>86,713</b>
	<hr/> <hr/>	<hr/> <hr/>

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 2018 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 2018.

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 2018.

**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 2018, except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs during the current financial period as described below :-

MFRS 16 : Leases  
 IC INT 23 Uncertainty over Income Tax Treatments  
 Amendments to MFRS 9 : Prepayment Features with Negative Compensation  
 Amendments to MFRS 128 : Long-term Interests in Associates and Joint Ventures  
 Annual improvements to MFRSs 2015-2017 Cycle

Except for MFRS 16, the adoption of the above new/revised MFRSs and Amendments do not have any significant financial impact on the Group.

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective :

	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 3 : Definition of a Business	01 January 2020
Amendments to MFRS 101 : Definition of Material	01 January 2020
Amendments to MFRS 108 : Definition of Material	01 January 2020
MFRS 17 : Insurance Contracts	01 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The Group has adopted MFRS 16 Leases with effective from 1 January 2019. The effects from the adoption of MFRS 16 on the financial statements are as below :

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 1 January 2019 RM'000	Adjustments MFRS 16 RM'000	As at 1 January 2019 (Restated) RM'000
<b>Non-current assets</b>			
Right-of-use assets	-	394	394
<b>Current liabilities</b>			
Lease liabilities	-	410	410
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity attributable to equity holders of the company :</b>			
Retained earnings	496,956	(11)	496,945
Non-controlling interest	24,532	(5)	24,527

## 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 2018 was not subject to any audit qualification.

**A4. Seasonal or cyclical factors**

The Group's business operations for the financial year ended 31 December 2018 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:-

<b>30 June 2019</b>	Property development & investment, construction & other related services rendered RM'000	Trading RM'000	Hotel & leisure related services RM'000	Plantation RM'000	Elimination RM'000	Total RM'000
<b>REVENUE</b>						
External	17,569	16,169	7,640	2,062		43,440
Inter-segment	1,185	-	-	-	(1,185)	-
Total revenue	18,754	16,169	7,640	2,062	(1,185)	43,440
<b>RESULTS</b>						
Segment results	3,147	481	40	(262)		3,406
Unallocated income						1,249
Profit before interest and taxation						4,655
Interest expense						(11)
Profit before taxation						4,644
Taxation						(1,774)
Net profit for the period						2,870
<b>30 June 2018</b>						
	Property development & investment, construction & other related services rendered RM'000	Trading RM'000	Hotel & leisure related services RM'000	Plantation RM'000	Elimination RM'000	Total RM'000
<b>REVENUE</b>						
External	35,283	15,700	8,064	2,879		61,926
Inter-segment	426	-	-	-	(426)	-
Total revenue	35,709	15,700	8,064	2,879	(426)	61,926
<b>RESULTS</b>						
Segment results	8,664	582	259	522		10,027
Unallocated income						1,194
Profit before interest and taxation						11,221
Interest expense						(16)
Profit before taxation						11,205
Taxation						(2,793)
Net profit for the period						8,412

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

**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 2019.

**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****2nd Quarter FY 2019 vs. 2nd Quarter FY 2018**

The Group's revenue was RM43.44 million for the financial period ended 30 June 2019, a decrease of 29.85% as compared to RM61.93 million recorded in the previous year corresponding period. The Group's profit before taxation and non-controlling interest for the current financial period was RM4.64 million, a decrease of 58.55% as compared to RM11.21 million recorded in the previous year corresponding period.

Performance of the respective operating business segments for the financial period ended 30 June 2019 as compared to the previous financial corresponding period are analysed as the following:

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

This Division registered a 47.48% decrease in revenue to RM18.75 million for the current financial period as compared to RM35.71 million recorded in the previous year corresponding period. Profit decreased by 63.68% to RM3.15 million for the current financial period as compared to RM8.66 million recorded in the previous year corresponding period. Lower sales and profit were mainly attributed to lesser development activities and lower sales achieved at current soft property market.

**b) Manufacturing and trading**

This Division recorded a 2.99% increase in revenue to RM16.17 million for the current financial period as compared to RM15.70 million in the previous year corresponding period. Profit decreased slightly by 17.35% to RM0.48 million as compared to RM0.58 million recorded in the previous year corresponding period. Record of higher sales and similar profit as compared to the previous year corresponding period was mainly due to product mix.

**c) Hotel & leisure related services**

This Division recorded a 5.26% decrease in revenue to RM7.64 million for the current period as compared to RM8.06 million in the previous year corresponding period. The Division recorded RM0.04 million profit for the current financial period as compared to RM0.26 million profit in the previous year corresponding period. The lower sales and profit was mainly due to closure of Puteri Garden in Klang.

**d) Plantation**

The plantation revenue decreased by 28.38% to RM2.06 million for the current financial period as compared to RM2.88 million in the previous year corresponding period. The Division reported a loss of RM0.26 million as compared to a profit of RM0.52 million in the previous year corresponding period. The continuous drop in 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 30.06.2019	Quarter 31.03.2019	RM'000	%
Revenue	20,638	22,802	(2,164)	(9.49)
Operating profit	1,951	1,455	496	34.09
Profit before interest and taxation	2,639	2,016	623	30.90
Profit before taxation	2,634	2,010	624	31.04
Profit after taxation	1,723	1,147	576	50.22
Profit attributable to equity holders of the parent	1,737	912	825	90.46

For the 2nd quarter ended 30 June 2019, the Group registered a decrease in revenue to RM20.64 million as compared to RM22.80 million achieved in the preceding quarter. The Group posted a higher profit before taxation and before non-controlling interest of RM2.63 million, an increase of 31.04% as compared to RM2.01 million for the preceding quarter.

The lower revenue for the current quarter was mainly attributed to less sales generated from the property and hotel divisions. Whereas, the higher profit before taxation for current quarter was due to better profit margin from the sales.

## EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

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

The Board anticipates that the current sentiment of the property sector will remain weak and challenging. Hence, the Group will focus on driving sales for on-going projects and inventory units to deliver better results for the remaining period of the current financial year. Launching of new property projects will be deferred until the market sentiment improves.

**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 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	1,326	2,757
Interest expenses	5	11
Inventories written-down	30	60
Impairment loss on financial assets		
- trade and other receivable (net)	(32)	(16)
Fair value changes in biological assets (net)	33	1
Gain on disposal of property, plant & equipment	-	(30)
Interest income	(688)	(1,249)

**B6. Taxation**

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	1,066	1,946
Deferred taxation - provision	(155)	(172)
	911	1,774

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 2019.

**B8. Group Borrowings and Debt Securities**

	As at 30.06.2019		As at 31.12.2018	
	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	130	0	107
- after 12 months	0	398	0	365
	0	528	0	472
Total	0	528	0	472

(a) There were no foreign denominated loans as at 30 June 2019.

(b) The finance lease liabilities of the Group carry weighted average interest at the reporting date of 2.92% (2018: 3.11%) 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 30.06.2019	30.06.2018	6 months ended 30.06.2019	30.06.2018
Profit for the period (RM'000)	1,723	4,341	2,870	8,412
Less : Amount attributable to non-controlling interest (RM'000)	14	(190)	(221)	(654)
Profit attributable to equity holders (RM'000)	<u>1,737</u>	<u>4,151</u>	<u>2,649</u>	<u>7,758</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	<u>0.48</u>	<u>1.14</u>	<u>0.73</u>	<u>2.13</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  
29 August 2019