

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial period ended 30 September 2019

	<u>Individual Period</u> 3 months ended				<u>Cumulative Period</u> 9 months ended			
	30.09.2019	30.09.2018	Changes		30.09.2019	30.09.2018	Changes	
	(Unaudited) RM'000	(Unaudited) RM'000	RM'000	%	(Unaudited) RM'000	(Unaudited) RM'000	RM'000	%
Revenue	17,307	35,928	(18,621)	(51.83)	60,747	97,854	(37,107)	(37.92)
Operating profit	580	20,620	(20,040)	(97.19)	3,986	30,647	(26,661)	(86.99)
Interest income	579	600	(21)	(3.50)	1,828	1,794	34	1.90
Profit before interest and taxation	1,159	21,220	(20,061)	(94.54)	5,814	32,441	(26,627)	(82.08)
Interest expense	(7)	(6)	(1)	16.67	(18)	(22)	4	(18.18)
Profit before taxation	1,152	21,214	(20,062)	(94.57)	5,796	32,419	(26,623)	(82.12)
Taxation	(715)	(6,096)	5,381	(88.27)	(2,489)	(8,889)	6,400	(72.00)
Net profit for the period	437	15,118	(14,681)	(97.11)	3,307	23,530	(20,223)	(85.95)
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	437	15,118	(14,681)	(97.11)	3,307	23,530	(20,223)	(85.95)
Profit attributable to :-								
Equity holders of parent	253	15,404	(15,151)	(98.36)	2,902	23,162	(20,260)	(87.47)
Non-controlling interest	184	(286)	470	(164.34)	405	368	37	10.05
	437	15,118	(14,681)	(97.11)	3,307	23,530	(20,223)	(85.95)
Total comprehensive income attributable to :-								
Equity holders of parent	253	15,404	(15,151)	(98.36)	2,902	23,162	(20,260)	(87.47)
Non-controlling interest	184	(286)	470	(164.34)	405	368	37	10.05
	437	15,118	(14,681)	(97.11)	3,307	23,530	(20,223)	(85.95)
Earnings per share attributable to equity holders of the parent :								
Basic (sen)	0.07	4.22			0.79	6.34		

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 September 2019

	As at 30.09.2019 (Unaudited) RM'000	As at 31.12.2018 (Audited) RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	165,079	156,706
Right-of-use assets	233	-
Investment properties	62,105	59,089
Investment in associated companies	2,120	2,118
Inventories - land held for property development	152,055	139,649
Other investments	68	68
Goodwill on consolidation	19,085	19,085
Fixed deposits	6,149	6,056
Deferred tax assets	717	717
	407,611	383,488
Current assets		
Inventories - at cost	94,212	94,029
Inventories - property development costs	290,280	295,200
Biological assets	113	151
Trade and other receivables	38,268	38,968
Contract assets	4,670	21,890
Income tax assets	2,627	2,892
Fixed deposits	42,320	50,357
Cash and bank balances	33,369	21,825
	505,859	525,312
TOTAL ASSETS	913,470	908,800

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

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

	As at 30.09.2019 (Unaudited) RM'000	As at 31.12.2018 (Audited) RM'000
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to equity holders of the company :		
Share capital	217,605	217,605
Fair value adjustment reserve	(33)	(33)
Retained earnings	499,847	496,956
	717,419	714,528
Non-controlling interest	24,365	24,532
Total equity	741,784	739,060
Non-current liabilities		
Finance lease liabilities	365	365
Deferred tax liabilities	64,207	64,396
	64,572	64,761
Current liabilities		
Trade and other payables	17,730	19,452
Contract liabilities	34,602	26,960
Finance lease liabilities	132	107
Lease liabilities	247	-
Amount due to related parties	53,992	54,001
Income tax liabilities	411	4,459
	107,114	104,979
Total liabilities	171,686	169,740
TOTAL EQUITY AND LIABILITIES	913,470	908,800
Net Assets per share attributable to equity Holders of the parent (RM)	1.97	1.96

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 September 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	<u>217,605</u>	<u>(33)</u>	<u>496,945</u>	<u>24,527</u>	<u>739,044</u>
Net profit for the year	-	-	2,902	405	3,307
Dividend paid to Non-controlling interest by a subsidiary	-	-	-	(567)	(567)
As at 30 September 2019	<u><u>217,605</u></u>	<u><u>(33)</u></u>	<u><u>499,847</u></u>	<u><u>24,365</u></u>	<u><u>741,784</u></u>
As at 1 January 2018	217,605	(32)	421,407	24,066	663,046
Net profit for the year	-	-	23,162	368	23,530
Dividend paid to Non-controlling interest by a subsidiary	-	-	-	(181)	(181)
As at 30 September 2018	<u><u>217,605</u></u>	<u><u>(32)</u></u>	<u><u>444,569</u></u>	<u><u>24,253</u></u>	<u><u>686,395</u></u>

AMVERTON BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the financial period ended 30 September 2019

	<u>Cumulative Period</u>	
	9 months ended	
	30.09.2019	30.09.2018
	(Unaudited)	(Unaudited)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,796	32,419
Adjustments for :		
Non-cash items	4,265	4,341
Non-operating items	(1,842)	(1,886)
	<hr/>	<hr/>
Operating profit before working capital changes	8,219	34,874
Working capital changes :		
Net change in current assets	22,562	(7,281)
Net change in current liabilities	5,911	(1,578)
Income tax refund	1,182	600
Income tax paid	(7,643)	(7,454)
Interest paid	(18)	(22)
Interest received	1,828	1,794
	<hr/>	<hr/>
Net cash flow generated from operating activities	32,041	20,933
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,335)	(4,007)
Purchase of investment properties	(4,078)	(8)
Proceeds from disposal of property, plant & equipment	30	182
Development expenditure incurred	(12,406)	(12,260)
	<hr/>	<hr/>
Net cash flow used in investing activities	(27,789)	(16,093)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment from borrowings	(85)	(162)
Dividend paid to non-controlling interest	(567)	(181)
Placement of fixed deposit under lien	(93)	(240)
	<hr/>	<hr/>
Net cash flow used in financing activities	(745)	(583)
NET CHANGES IN CASH AND CASH EQUIVALENTS	3,507	4,257
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	72,182	71,088
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	75,689	75,345
	<hr/> <hr/>	<hr/> <hr/>
CASH AND CASH EQUIVALENTS COMPRISE :		
Fixed deposits	48,469	55,266
Cash and bank balances	33,369	22,718
	<hr/>	<hr/>
	81,838	77,984
Less : Fixed deposits under lien	(6,149)	(2,639)
	<hr/>	<hr/>
	75,689	75,345
	<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 :

	Effective for annual periods beginning on or after
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
Non-current assets			
Right-of-use assets	-	394	394
Current liabilities			
Lease liabilities	-	410	410
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to equity holders of the company :			
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:-

30 September 2019

	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	22,367	23,541	11,946	2,893		60,747
Inter-segment	1,185	-	12	-	(1,197)	-
Total revenue	23,552	23,541	11,958	2,893	(1,197)	60,747
<u>RESULTS</u>						
Segment results	3,273	600	588	(475)		3,986
Unallocated income						1,828
Profit before interest and taxation						5,814
Interest expense						(18)
Profit before taxation						5,796
Taxation						(2,489)
Net profit for the period						3,307

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

(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 September 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**3rd Quarter FY 2019 vs. 3rd Quarter FY 2018**

The Group's revenue was RM60.75 million for the financial period ended 30 September 2019, a decrease of 37.92% as compared to RM97.85 million recorded in the previous year corresponding period. The Group's profit before taxation and non-controlling interest for the current financial period was RM5.80 million, a decrease of 82.12% as compared to RM32.42 million recorded in the previous year corresponding period.

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

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

This Division registered a 58.06% decrease in revenue to RM23.55 million for the current financial period as compared to RM56.16 million recorded in the previous year corresponding period. Profit decreased by 88.57% to RM3.27 million for the current financial period as compared to RM28.65 million recorded in the previous year corresponding period. Lower sales and profit were mainly attributed to lesser development activities as the Group did not launch any new projects due to the current soft market environment. Moreover, the higher profit for last financial year included a gain of RM9.527 million received from a compulsory acquisition of land by the government.

b) Manufacturing and trading

This Division recorded a 6.66% decrease in revenue to RM23.54 million for the current financial period as compared to RM25.22 million in the previous year corresponding period. Profit decreased by 34.21% to RM0.60 million as compared to RM0.91 million recorded in the previous year corresponding period. Record of lower revenue and profit as compared to the previous year corresponding period was mainly due to lower sales achieved in third quarter.

c) Hotel & leisure related services

This Division recorded a 7.59% decrease in revenue to RM11.96 million for the current period as compared to RM12.94 million in the previous year corresponding period. The Division recorded RM0.59 million profit for the current financial period as compared to RM0.99 million profit in the previous year corresponding period. The lower sales and profit for current financial period was mainly due to closure of Puteri Garden and an F&B outlet in Klang.

d) Plantation

The plantation revenue decreased by 27.49% to RM2.89 million for the current financial period as compared to RM3.99 million in the previous year corresponding period. The Division reported a loss of RM0.48 million as compared to a profit of RM0.10 million in the previous year corresponding period. The decrease in FFB production for current financial period and 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	Quarter		
	30.09.2019	30.06.2019		
	RM'000	RM'000	RM'000	%
Revenue	17,307	20,638	(3,331)	(16.14)
Operating profit	580	1,951	(1,371)	(70.27)
Profit before interest and taxation	1,159	2,639	(1,480)	(56.08)
Profit before taxation	1,152	2,634	(1,482)	(56.26)
Profit after taxation	437	1,723	(1,286)	(74.64)
Profit attributable to equity holders of the parent	253	1,737	(1,484)	(85.43)

For the 3rd quarter ended 30 September 2019, the Group registered a decrease in revenue to RM17.31 million as compared to RM20.64 million achieved in the preceding quarter. The Group posted a lower profit before taxation and before non-controlling interest of RM1.15 million, a decrease of 56.26% as compared to RM2.63 million for the preceding quarter.

The lower revenue and profit before taxation for the current quarter was mainly attributed to less sales generated from the property and manufacturing divisions but mitigated by better performance at the hotel division for 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. However, we are in the midst of preparing several projects which will be ready for launching as soon as market improves.

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	1,374	4,131
Interest expenses	7	18
Inventories written-down	30	90
Impairment loss on financial assets		
- trade and other receivable (net)	21	5
Fair value changes in biological assets (net)	37	38
Gain on disposal of property, plant & equipment	-	(30)
Interest income	(579)	(1,828)

B6. Taxation

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	732	2,678
Deferred taxation - provision	(17)	(189)
	715	2,489

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 2019.

B8. Group Borrowings and Debt Securities

	As at 30.09.2019		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	132	0	107
- after 12 months	0	365	0	365
	0	497	0	472
Total	0	497	0	472

(a) There were no foreign denominated loans as at 30 September 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		9 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Profit for the period (RM'000)	437	15,118	3,307	23,530
Less : Amount attributable to non-controlling interest (RM'000)	(184)	286	(405)	(368)
Profit attributable to equity holders (RM'000)	<u>253</u>	<u>15,404</u>	<u>2,902</u>	<u>23,162</u>
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	<u>0.07</u>	<u>4.22</u>	<u>0.79</u>	<u>6.34</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
22 November 2019