

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2019

	Individual Period 3 months ended				Cumulative Period 12 months ended			
	31.12.2019	31.12.2018	Changes		31.12.2019	31.12.2018	Changes	
	(Unaudited) RM'000	(Unaudited) RM'000	RM'000	%	(Unaudited) RM'000	(Audited) RM'000	RM'000	%
Revenue	21,783	21,305	478	2.24	82,530	122,312	(39,782)	(32.53)
Operating profit	2,897	61,873	(58,976)	(95.32)	6,883	91,290	(84,407)	(92.46)
Interest income	725	659	66	10.02	2,553	2,453	100	4.08
Profit before interest and taxation	3,622	62,532	(58,910)	(94.21)	9,436	93,743	(84,307)	(89.93)
Interest expense	(3)	(6)	3	(50.00)	(21)	(28)	7	(25.00)
Profit before taxation	3,619	62,526	(58,907)	(94.21)	9,415	93,715	(84,300)	(89.95)
Taxation	(1,163)	(9,979)	8,816	(88.35)	(3,652)	(17,519)	13,867	(79.15)
Net profit for the period	2,456	52,547	(50,091)	(95.33)	5,763	76,196	(70,433)	(92.44)
Other comprehensive loss, net of tax: Items that will not be reclassified to profit or loss - Net fair value income/(loss) on equity instruments at fair value through other comprehensive income	1	-			1	(1)	2	-
Total comprehensive income for the period	2,457	52,547	(50,090)	(95.32)	5,764	76,195	(70,431)	(92.44)
Profit attributable to :-								
Equity holders of parent	2,175	52,301	(50,126)	(95.84)	5,077	75,549	(70,472)	(93.28)
Non-controlling interest	281	246	35	14.23	686	647	39	6.03
	2,456	52,547	(50,091)	(95.33)	5,763	76,196	(70,433)	(92.44)
Total comprehensive income attributable to :-								
Equity holders of parent	2,176	52,301	(50,125)	(95.84)	5,078	75,548	(70,470)	(93.28)
Non-controlling interest	281	246	35	14.23	686	647	39	6.03
	2,457	52,547	(50,090)	(95.32)	5,764	76,195	(70,431)	(92.44)
Earnings per share attributable to equity holders of the parent :								
Basic (sen)	0.60	14.33			1.39	20.69		

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 31 December 2019

	As at 31.12.2019 (Unaudited) RM'000	As at 31.12.2018 (Audited) RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	169,552	156,706
Right-of-use assets	179	-
Investment properties	61,652	59,089
Investment in associated companies	2,143	2,118
Inventories - land held for property development	154,727	139,649
Other investments	69	68
Goodwill on consolidation	19,085	19,085
Fixed deposits	3,501	6,056
Deferred tax assets	852	717
	411,760	383,488
Current assets		
Inventories - at cost	90,868	94,029
Inventories - property development costs	291,168	295,200
Biological assets	102	151
Trade and other receivables	36,946	38,968
Contract assets	4,670	21,890
Income tax assets	1,000	2,892
Fixed deposits	53,918	50,357
Cash and bank balances	20,927	21,825
	499,599	525,312
TOTAL ASSETS	911,359	908,800

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 December 2019 (Continued)

	As at 31.12.2019 (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	(32)	(33)
Retained earnings	502,022	496,956
	719,595	714,528
Non-controlling interest	24,646	24,532
Total equity	744,241	739,060
Non-current liabilities		
Finance lease liabilities	332	365
Deferred tax liabilities	64,191	64,396
	64,523	64,761
Current liabilities		
Trade and other payables	17,694	19,452
Contract liabilities	34,602	26,960
Finance lease liabilities	131	107
Lease liabilities	193	-
Amount due to related parties	49,022	54,001
Income tax liabilities	953	4,459
	102,595	104,979
Total liabilities	167,118	169,740
TOTAL EQUITY AND LIABILITIES	911,359	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 year ended 31 December 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	-	1	5,077	686	5,764
Dividend paid to Non-controlling interest by a subsidiary	-	-	-	(567)	(567)
As at 31 December 2019	<u><u>217,605</u></u>	<u><u>(32)</u></u>	<u><u>502,022</u></u>	<u><u>24,646</u></u>	<u><u>744,241</u></u>
As at 1 January 2018	217,605	(32)	421,407	24,066	663,046
Net (loss)/profit for the year	-	(1)	75,549	647	76,195
Dividend paid to Non-controlling interest by a subsidiary	-	-	-	(181)	(181)
As at 31 December 2018	<u><u>217,605</u></u>	<u><u>(33)</u></u>	<u><u>496,956</u></u>	<u><u>24,532</u></u>	<u><u>739,060</u></u>

AMVERTON BERHAD

(Company No. 177214-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2019

	<u>Cumulative Period</u>	
	31.12.2019	31.12.2018
	(Unaudited)	(Audited)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,415	93,715
Adjustments for :		
Non-cash items	5,827	5,984
Non-operating items	(2,587)	(18,237)
	<hr/>	<hr/>
Operating profit before working capital changes	12,655	81,462
Working capital changes :		
Net change in current assets	26,509	(3,105)
Net change in current liabilities	905	(37,206)
Income tax refund	2,170	607
Income tax paid	(7,776)	(16,885)
Dividend received	-	67
Interest paid	(21)	(28)
Interest received	2,553	2,453
	<hr/>	<hr/>
Net cash flow generated from operating activities	36,995	27,365
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(16,861)	(5,687)
Purchase of investment properties	(4,292)	(2,317)
Proceeds from disposal of property, plant & equipment	30	199
Development expenditure incurred	(15,078)	(14,421)
	<hr/>	<hr/>
Net cash flow used in investing activities	(36,201)	(22,226)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment from borrowings	(119)	(207)
Dividend paid to non-controlling interest	(567)	(181)
Withdrawal/(Placement) of fixed deposit under lien	2,555	(3,657)
	<hr/>	<hr/>
Net cash flow generated from/(used in) financing activities	1,869	(4,045)
NET CHANGES IN CASH AND CASH EQUIVALENTS	2,663	1,094
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	72,182	71,088
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CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	74,845	72,182
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS COMPRISE :		
Fixed deposits	57,419	56,413
Cash and bank balances	20,927	21,825
	<hr/>	<hr/>
	78,346	78,238
Less : Fixed deposits under lien	(3,501)	(6,056)
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	74,845	72,182
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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 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 ended 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 year ended 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 year are as follows:-

<u>31 December 2019</u>	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	30,094	31,296	17,657	3,483		82,530
Inter-segment	1,184	-	12	-	(1,196)	-
Total revenue	<u>31,278</u>	<u>31,296</u>	<u>17,669</u>	<u>3,483</u>	<u>(1,196)</u>	<u>82,530</u>
<u>RESULTS</u>						
Segment results	4,417	1,139	2,125	(798)		6,883
Unallocated income						<u>2,553</u>
Profit before interest and taxation						<u>9,436</u>
Interest expense						<u>(21)</u>
Profit before taxation						<u>9,415</u>
Taxation						<u>(3,652)</u>
Net profit for the year						<u><u>5,763</u></u>

<u>31 December 2018</u>	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	65,290	33,246	18,781	4,995		122,312
Inter-segment	477	-	2	-	(479)	-
Total revenue	<u>65,767</u>	<u>33,246</u>	<u>18,783</u>	<u>4,995</u>	<u>(479)</u>	<u>122,312</u>
<u>RESULTS</u>						
Segment results	87,467	1,570	2,640	(387)		91,290
Unallocated income						<u>2,453</u>
Profit before interest and taxation						<u>93,743</u>
Interest expense						<u>(28)</u>
Profit before taxation						<u>93,715</u>
Taxation						<u>(17,519)</u>
Net profit for the year						<u><u>76,196</u></u>

(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 ended 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 year ended ended 31 December 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**Cumulative 4th Quarter FY 2019 vs. Cumulative 4th Quarter FY 2018**

The Group's revenue was RM82.53 million for the financial year ended 31 December 2019, a decrease of 32.53% as compared to RM122.31 million recorded in the previous financial year. The Group's profit before taxation and non-controlling interest for the current financial year was RM9.42 million, a decrease of 89.95% as compared to RM93.72 million recorded in the previous financial year.

Performance of the respective operating business segments for the financial year ended 31 December 2019 as compared to the previous financial year are analysed as the following:

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

This Division registered a 52.44% decrease in revenue to RM31.28 million for the current financial year as compared to RM65.77 million recorded in the previous financial year. Profit decreased by 94.95% to RM4.42 million for the current financial year as compared to RM87.47 million recorded in the previous financial year. 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 previous financial year included a gain of RM67.89 million received from compulsory acquisition of land by the government.

b) Manufacturing and trading

This Division recorded a 5.87% decrease in revenue to RM31.30 million for the current financial year as compared to RM33.25 million in the previous financial year. Profit decreased by 27.45% to RM1.14 million as compared to RM1.57 million recorded in the previous financial year. Record of lower revenue and profit as compared to the previous financial year was mainly due to lower sales achieved.

c) Hotel & leisure related services

This Division recorded a 5.93% decrease in revenue to RM17.67 million for the current financial year as compared to RM18.78 million in the previous financial year. The Division recorded RM2.13 million profit for the current financial year as compared to RM2.64 million profit in the previous financial year. The lower sales and profit for current financial year was mainly due to closure of Puteri Garden and an F&B outlet in Klang.

d) Plantation

The plantation revenue decreased by 30.27% to RM3.48 million for the current financial year as compared to RM5.00 million in the previous financial year. The Division reported a loss of RM0.80 million as compared to a loss of RM0.39 million in the previous financial year. The decrease in FFB production for current financial year has led to the decrease in revenue and profit respectively for the current financial year.

B2. Variation of results against preceding quarter

	Current	Preceding	Changes	
	Quarter 31.12.2019	Quarter 30.09.2019	RM'000	%
Revenue	21,783	17,307	4,476	25.86
Operating profit	2,897	580	2,317	399.48
Profit before interest and taxation	3,622	1,159	2,463	212.51
Profit before taxation	3,619	1,152	2,467	214.15
Profit after taxation	2,456	437	2,019	462.01
Profit attributable to equity holders of the parent	2,175	253	1,922	759.68

For the 4th quarter ended 31 December 2019, the Group registered an increase in revenue to RM21.78 million as compared to RM17.31 million achieved in the preceding quarter. The Group posted a higher profit before taxation and before non-controlling interest of RM3.62 million, an increase of 214.15% as compared to RM1.15 million for the preceding quarter.

The higher revenue and profit before taxation for the current quarter was mainly attributed to sales generated from the property division and better performance at the hotel division for fourth quarter.

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B3. Prospects for the next financial year

The Group anticipates that the property segment will continue to remain soft and challenging for year 2020 and the launching of new property projects will be deferred until the economy improved.

The hotel and leisure related service is expected to be influenced by the uncertainty in the global economic environment, which amongst others, is affected by the Covid-19 outbreak.

The manufacturing and trading division is expected to remain stable.

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	1,719	5,850
Interest expenses	3	21
Inventories written-down	(30)	60
Impairment loss on financial assets		
- trade and other receivable (net)	(139)	(134)
Fair value changes in biological assets (net)	11	49
Gain on disposal of property, plant & equipment	-	(30)
Interest income	(725)	(2,553)
	<u>(725)</u>	<u>(2,553)</u>

B6. Taxation

	Current Quarter RM'000	Cumulative year to date RM'000
Current taxation		
- for the period	1,314	3,992
Deferred taxation - provision	(151)	(340)
	<u>1,163</u>	<u>3,652</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.

EXPLANATORY NOTES AS REQUIRED BY LISTING REQUIREMENTS OF BURSA SECURITIES

B7. Status of Corporate Proposals

On 13 January 2020, Hong Leong Investment Bank Berhad (“HLIB”) had, on behalf of the Dalta Industries Sdn Bhd (“Offeror”), served the notice of unconditional voluntary take-over offer (“Notice”) on the Board, informing the Offeror’s intention to acquire all the remaining ordinary shares (excluding treasury shares) in Amverton not already held by the Offeror and Tan Sri Dato’ Ir. Ng Boon Thong @ Ng Thian Hock (“Ultimate Offeror”) at a cash consideration of RM1.20 per each Offer Share. On the same day, the Board of Amverton announced the receipt of the Notice.

On 13 February 2020, the Board of Amverton received the press notice from HLIB, on behalf of the Offeror, informing the Company that as a result of the Offer thus far, the Offeror has received valid acceptances and acquisition in respect of the Offer Shares resulting in the Offeror, Ultimate Offeror and persons acting in concert with them (“PACs”) collectively hold 328,838,292 Amverton Shares, representing 90.08% of the total issued shares of Amverton or not less than nine-tenths in value of all Amverton Shares as at 5.00 p.m. (Malaysian time) on Thursday, 13 February 2020, and the Offeror does not intend to maintain the listing status of Amverton on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

On 20 February 2020, the Board of Amverton received the press notice from HLIB, on behalf of the Offeror, informing the Company that the closing time and date for the acceptance of the Offer has been extended from 5.00 p.m. (Malaysian time) on Monday, 24 February 2020 to 5.00 p.m. (Malaysian time) on Monday, 9 March 2020 (“Extended Closing Date”).

In view that the Offeror, Ultimate Offeror and PACs collectively hold more than 90% of the listed shares (excluding treasury shares) in Amverton and is noted that the Offeror does not intend to maintain the listing status of Amverton, pursuant to Paragraph 16.02(3) of the Main Market Listing Requirements of Bursa Securities (“Listing Requirements”), Bursa Securities will suspend the trading of Amverton Shares immediately upon the expiry of 5 market days from the Extended Closing Date or such other extended closing date as the Offeror may decide and HLIB may announce on behalf of the Offeror at least 2 days before the Extended Closing Date. Thereafter, the Offeror and Ultimate Offeror will procure Amverton to take the requisite steps to withdraw its listing status from the Official List of Bursa Securities, in accordance with Paragraph 16.07 of the Listing Requirements.

B8. Group Borrowings and Debt Securities

	As at 31.12.2019		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	131	0	107
- after 12 months	0	332	0	365
	0	463	0	472
Total	0	463	0	472

(a) There were no foreign denominated loans as at 31 December 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 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 period 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	3 months ended	12 months ended	12 months ended
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Profit for the period (RM'000)	2,456	52,547	5,763	76,196
Less : Amount attributable to non-controlling interest (RM'000)	(281)	(246)	(686)	(647)
Profit attributable to equity holders (RM'000)	2,175	52,301	5,077	75,549
Weighted average number of ordinary shares outstanding ('000)	365,064	365,064	365,064	365,064
Basic earnings per share (sen)	0.60	14.33	1.39	20.69

(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 2020