

AYER Holdings Berhad (37-K)

(Formerly known as TAHPS Group Berhad)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	Unaudited As at 31.03.2018 RM'000	Restated As at 31.12.2017 RM'000	Audited As at 31.12.2017 RM'000
Property, plant and equipment	170,027	169,803	169,803
Investments	6,124	6,331	6,331
Investment property	3,156	3,161	3,161
Inventories - Land held for property development	149,371	148,836	148,836
Goodwill on consolidation	27,100	27,100	27,100
	<u>355,778</u>	<u>355,231</u>	<u>355,231</u>
Current assets			
Inventories - Property development costs	2,850	3,302	3,302
Inventories	83,363	86,831	86,831
Biological assets	2,458	2,458	-
Receivables	21,741	19,333	19,333
Current tax assets	2,703	2,376	2,376
Short-term investments	77,976	78,615	78,615
Deposits, cash and bank balances	18,715	15,231	15,231
	<u>209,806</u>	<u>208,146</u>	<u>205,688</u>
Current liabilities			
Payables	23,660	23,534	23,534
Current tax liabilities	9	50	50
	<u>23,669</u>	<u>23,584</u>	<u>23,584</u>
Net current assets	186,137	184,562	182,104
Long-term liabilities			
Deferred tax liabilities	41,794	41,653	41,653
	<u>500,121</u>	<u>498,140</u>	<u>495,682</u>
Share capital	74,853	74,853	74,853
Reserves	425,268	423,287	420,829
Equity attributable to owners of the Company	<u>500,121</u>	<u>498,140</u>	<u>495,682</u>
Net Assets per share (RM)	<u>6.68</u>	<u>6.65</u>	<u>6.62</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying notes.

AYER Holdings Berhad (37-K)

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2018**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Quarter Ended 31 Mar 2018 RM'000</u>	<u>Preceding Corresponding Quarter 31 Mar 2017 RM'000</u>	<u>Current Year To Date 31 Mar 2018 RM'000</u>	<u>Preceding Corresponding Year To Date 31 Mar 2017 RM'000</u>
Revenue	16,158	18,898	16,158	18,898
Cost of Sales	(7,839)	(7,007)	(7,839)	(7,007)
Gross profit	8,319	11,891	8,319	11,891
Interest income	553	700	553	700
Other income	607	4,686	607	4,686
Depreciation & Amortisation	(754)	(713)	(754)	(713)
Administration and other expenses	(5,428)	(5,282)	(5,428)	(5,282)
Profit before taxation	3,297	11,282	3,297	11,282
Income tax expense	(1,109)	(2,052)	(1,109)	(2,052)
Profit net of tax	2,188	9,230	2,188	9,230
Other comprehensive income:				
Changes in fair value of investments	(207)	642	(207)	642
Total comprehensive income	1,981	9,872	1,981	9,872
Profit attributable to owners of the parent	2,188	9,230	2,188	9,230
Total comprehensive income attributable to owners of the parent	1,981	9,872	1,981	9,872
Earnings per share attributable to owners of the Company	sen	sen	sen	sen
Basic / Diluted	2.92	12.33	2.92	12.33

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying notes.

AYER Holdings Berhad (37-K)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2018**

	Attributable to owners of the parent						Total RM'000
	Share capital	Non-distributable			Distributable		
		Share premium	Fair value reserve	Revaluation reserve	General reserve	Retained profits	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>3 months period ended 31 March 2018</u>							
Balance as at 1 January 2018	74,853	92	6,037	25,922	250	388,528	495,682
Effect on adoption of MFRS	-	-	-	-	-	2,458	2,458
Profit for the period	-	-	-	-	-	2,188	2,188
Other comprehensive income for the period	-	-	(207)	-	-	-	(207)
Total comprehensive income for the period	-	-	(207)	-	-	2,188	1,981
Balance as at 31 March 2018	74,853	92	5,830	25,922	250	393,174	500,121

3 months period ended 31 March 2017

Balance as at 1 January 2017	74,853	92	4,942	26,272	250	379,556	485,965
Effect on adoption of MFRS	-	-	-	-	-	2,708	2,708
Profit for the period	-	-	-	-	-	9,230	9,230
Other comprehensive income for the period	-	-	642	-	-	-	642
Total comprehensive income for the period	-	-	642	-	-	9,230	9,872
Transfer within reserves	-	-	-	(77)	-	77	-
Balance as at 31 March 2017	74,853	92	5,584	26,195	250	391,571	498,545

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying notes.

AYER Holdings Berhad (37-K)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2018**

	3 Months Ended	
	Current Year to date 31 Mar 2018 RM'000	Preceding Year to date 31 Mar 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,297	11,282
Adjustments for :		
Depreciation and amortisation	754	713
Gain on disposal of property, plant and equipment	(26)	(4,359)
Dividend Income	(110)	(2)
Interest Income	(553)	(700)
Operating profit before working capital changes	<u>3,362</u>	<u>6,934</u>
Decrease in inventories and property development costs	3,920	5,042
Increase in receivables	(2,312)	(8,361)
Increase/(Decrease) in payables	129	(10,561)
Cash generated/(absorbed) from operations	<u>5,099</u>	<u>(6,946)</u>
Interest received	456	680
Tax refunded	(34)	34
Tax paid	(1,304)	(2,621)
Net cash from/(used in) operating activities	<u>4,217</u>	<u>(8,853)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(973)	(776)
Proceeds from disposal of property, plant and equipment	26	4,859
Payment for land held for property development	(535)	(697)
Dividend received from quoted equity securities in Malaysia	110	2
Net cash (used in)/from investing activities	<u>(1,372)</u>	<u>3,388</u>
Net increase/(decrease) in cash and cash equivalents	2,845	(5,465)
Cash and cash equivalents at 1 January	<u>93,684</u>	<u>70,765</u>
Cash and cash equivalents at 31 March	<u>96,529</u>	<u>65,300</u>
Cash and cash equivalents comprise :		
Short term investments - money market fund	77,976	56,636
Short term deposits	1,283	1,661
Cash and bank balances	17,432	7,553
	<u>96,691</u>	<u>65,850</u>
Pledged short-term deposits	(162)	(550)
Cash and cash equivalents	<u>96,529</u>	<u>65,300</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying notes.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2018

Part A – Explanatory Notes Pursuant to MFRS134

1 Basis of preparation and Accounting Policies

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements 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 financial year ended 31 December 2017.

The financial statements of the Group for the period ended 31 March 2018 are the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) Framework. The date of transition to the MFRS Framework was on 1 January 2017.

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group’s consolidated audited financial statements for the financial year ended 31 December 2017, except for the adoption of the following:

• MFRS 141 Agriculture
• MFRS 141 Agriculture: Bearer Plants
• MFRS 15 Revenue from Contracts with Customers
• Amendments to MFRS 15 Revenue from Contracts with Customers
• MFRS 9 Financial Instruments
• MFRS 140 Investment Property
• Annual Improvements to MFRS Standards 2014-2016 Cycle
• IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The initial application of these accounting pronouncements is expected to have an immaterial impact on the Group and the Company’s financial statements, except the following:

- MFRS 141 Agriculture
- Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants

Prior to the adoption of MFRS 141 Agriculture, biological assets which form part of the bearer plants were not recognised. With the adoption of the MFRS 141, the biological assets within the scope of MFRS 141 are measured at fair value less costs to sell. The changes in fair value less costs to sell of the biological assets was recognised in profit or loss.

2 Seasonal or cyclical factors

The Group’s results for the quarter under review were not materially impacted by any seasonal or cyclical factors apart from the plantation segment which is influenced by seasonal climatic conditions.

3 Unusual items due to their nature, size or incidence

None.

4 Changes in estimates

Not applicable.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2018

5 Debt and equity securities

There were no issue, repurchase and repayment of debt and equity securities during the financial period.

6 Dividends paid

There was no dividend paid in the quarter ended 31 March 2018.

7 Carrying amount of revalued assets

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the financial report for the year ended 31 December 2017.

8 Events after the interim period

There was no significant event after the end of the quarter under review.

9 Changes in composition of the Group

There was no change in the composition of the Group during the period under review.

10 Changes in contingent liabilities and contingent assets

There was no change in contingent liability or contingent asset since the end of the last financial year.

11 Capital commitments

Amounts contracted but not provided for capital expenditure as at 31 March 2018 amounted to RM2.8 million.

12 Significant Related Party Transactions

None.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2018

13 Segmental information

Segmental information for the financial period ended 31 March 2018 is as follows:

	Property development RM'000	Plantation RM'000	Others RM'000	Consolidated RM'000
31 March 2018				
Revenue				
External customers	13,203	2,845	-	16,048
Dividend income	-	-	110	110
Total Revenue	<u>13,203</u>	<u>2,845</u>	<u>110</u>	<u>16,158</u>
Results				
Segment results	<u>3,343</u>	<u>988</u>	<u>(1,034)</u>	<u>3,297</u>
Income tax expense				<u>(1,109)</u>
Profit net of tax for the period				<u>2,188</u>
Assets				
Segment assets	<u>326,833</u>	<u>95,720</u>	<u>143,031</u>	<u>565,584</u>
Liabilities				
Segment liabilities	<u>18,827</u>	<u>1,457</u>	<u>45,179</u>	<u>65,463</u>
31 March 2017				
Revenue				
External customers	16,143	2,753	-	18,896
Dividend income	-	-	2	2
Total Revenue	<u>16,143</u>	<u>2,753</u>	<u>2</u>	<u>18,898</u>
Results				
Segment results	<u>10,613</u>	<u>1,191</u>	<u>(522)</u>	<u>11,282</u>
Income tax expense				<u>(2,052)</u>
Profit net of tax for the period				<u>9,230</u>
Assets				
Segment assets	<u>350,061</u>	<u>92,232</u>	<u>119,557</u>	<u>561,850</u>
Liabilities				
Segment liabilities	<u>18,456</u>	<u>1,254</u>	<u>43,595</u>	<u>63,305</u>

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia

14 Auditors’ Report on preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2017 was not qualified.

15 Review of performance

The Group recorded revenue of RM16.2 million and profit before tax of RM3.3 million in the current quarter.

	Current Quarter Ended 31 March 2018		Current Year To Date Ended 31 March 2018	
	RM’000	%	RM’000	%
Revenue				
Property	13,203	81.7	13,203	81.7
Plantation	2,845	17.6	2,845	17.6
Others	110	0.7	110	0.7
Total	<u>16,158</u>	<u>100.0</u>	<u>16,158</u>	<u>100.0</u>
Profit before Tax				
Property	3,343	101.4	3,343	101.4
Plantation	988	30.0	988	30.0
Others	(1,034)	(31.4)	(1,034)	(31.4)
Total	<u>3,297</u>	<u>100.0</u>	<u>3,297</u>	<u>100.0</u>

16 Material changes in profit/(loss) before taxation vs preceding quarter

The Group recorded a marginal increase in revenue by 0.3% from RM16.1 million to RM16.2 million and an increase by 3.6% in profit before taxation of RM3.2 million to RM3.3 million as compared to the preceding quarter. The increase in revenue resulted from higher sales achieved by the property division.

17 Commentary on prospects (current financial year)

For the financial year ending 2018, the Group anticipates that the fundamental conditions of the property sector will remain largely unchanged from 2017. The general outlook remains challenging given the prevailing over-supply situation in the property sector. During this period of market slowdown, the Group continues to market its products through various channels and promotions and focus on the re-planning of its township development in Bandar Bukit Puchong in order to further enhance the township with innovative and market receptive products. Simultaneously, the Group will continue to enhance its new brand value to increase its visibility within the property sector.

In August 2017, 140 units of gated and guarded landed villas on 8.3-acre freehold land known as “Andira Park” were launched and fully sold. The construction of Andira Park is currently on-going and barring unforeseen circumstances, is expected to contribute progressively to the Group’s revenue and profits during the current and the following financial year.

The plantation segment is expected to be stable due to stable fresh fruit bunch production resulting from favourable weather conditions.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2018

18 Statement of board of directors' opinion as to whether the revenue or profit estimate, forecast, projection or internal targets are likely to be achieved

Not applicable. The Company has not announced or disclosed any estimates, forecasts, projections or internal targets.

19 Variance of actual profit from forecast profit or profit guarantee

Not applicable.

20 Taxation

	Current Quarter Ended 31 March 2018 RM'000	Current Year To Date Ended 31 March 2018 RM'000
Malaysian income tax:		
Current tax	968	968
Deferred tax	141	141
Income tax expense	<u>1,109</u>	<u>1,109</u>

The effective tax rate for the current quarter and financial period ended 31 March 2018 is higher than the statutory tax rate due to certain non-deductible expenses for tax purposes.

21 Corporate proposals

- (a) Status of corporate proposals
Not applicable.
- (b) Status of utilisation of proceeds
Not applicable.

22 Group borrowings and debt security

There was no borrowing and debt security as at 31 March 2018.

23 Changes in material litigation

There was no material litigation since the date of the last financial position as at 31 December 2017.

24 Dividends

No interim ordinary dividend has been declared for the quarter ended 31 March 2018.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2018

25 Earnings per share

(a) **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit net of tax for the year by the weighted average number of shares in issue during the year.

	Current Quarter Ended 31 March 2018	Current Year To Date Ended 31 March 2018
Profit net of tax (RM'000)	2,188	2,188
Weighted average number of ordinary shares in issue ('000)	74,853	74,853
Basic earnings per share (sen)	2.92	2.92

(b) **Diluted earnings per share**

Not applicable.

26 Disclosure requirements to the Statement of Comprehensive Income

	Current Quarter Ended 31 March 2018 RM'000	Current Year to date Ended 31 March 2018 RM'000
(a) dividend income	110	110
(b) interest expense	}	Nil
(c) provision for and write off of receivables		
(d) provision for and write off of inventories	}	Nil
(e) gain or loss on disposal of quoted or unquoted investments or properties		
(f) impairment of assets	26	26
(g) foreign exchange gain or loss	}	Nil
(h) gain or loss on derivatives		
(i) exceptional items		

27 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors.

By Order of the Board

Teo Mee Hui (MAICSA 7050642)
Secretary

Kuala Lumpur
Date: 23 May 2018