

**AYER Holdings Berhad (37-K)**  
(Formerly known as TAHPS Group Berhad)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	<b>Unaudited As at 30 Jun 2018 RM'000</b>	<b>Restated As at 31 Dec 2017 RM'000</b>
Property, plant and equipment	170,189	169,803
Investments	5,795	6,331
Investment property	3,151	3,161
Inventories-Land held for property development	149,559	148,836
Goodwill on consolidation	27,100	27,100
	<u>355,794</u>	<u>355,231</u>
<b>Current assets</b>		
Inventories-Property development costs	2,335	3,302
Inventories	80,599	86,831
Biological assets	1,953	2,458
Contract assets	4,887	1,562
Receivables	24,715	17,771
Current tax assets	2,170	2,376
Short-term investments	79,517	78,615
Deposits, cash and bank balances	18,882	15,231
	<u>215,058</u>	<u>208,146</u>
<b>Current liabilities</b>		
Payables	26,293	23,534
Current tax liabilities	-	50
	<u>26,293</u>	<u>23,584</u>
<b>Net current assets</b>	188,765	184,562
<b>Long-term liabilities</b>		
Deferred tax liabilities	41,606	41,653
	<u>502,953</u>	<u>498,140</u>
Share capital	74,853	74,853
Reserves	428,100	423,287
Equity attributable to owners of the Company	<u>502,953</u>	<u>498,140</u>
Net Assets per share (RM)	<u>6.72</u>	<u>6.65</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 30 JUNE 2018**

	Individual Quarter		Cumulative Quarter	
	Unaudited Current Quarter Ended 30 Jun 2018 RM'000	Restated Preceding Corresponding Quarter 30 Jun 2017 RM'000	Unaudited Current Year To Date 30 Jun 2018 RM'000	Restated Preceding Corresponding Year To Date 30 Jun 2017 RM'000
Revenue	22,715	6,671	38,873	25,569
Cost of Sales	(10,606)	(2,826)	(18,445)	(9,833)
Gross profit	12,109	3,845	20,428	15,736
Interest income	830	745	1,383	1,445
Other income	343	955	950	5,641
Depreciation & Amortisation	(748)	(696)	(1,502)	(1,409)
Administration and other expenses	(3,639)	(4,806)	(9,067)	(10,088)
Profit before taxation	8,895	43	12,192	11,325
Income tax expense	(1,991)	(217)	(3,100)	(2,269)
Profit net of tax	6,904	(174)	9,092	9,056
Other comprehensive income:				
Changes in fair value of investments	(329)	192	(536)	834
Total comprehensive income	6,575	18	8,556	9,890
Profit attributable to owners of the parent	6,904	(174)	9,092	9,056
Total comprehensive income attributable to owners of the parent	6,575	18	8,556	9,890
<b>Earnings per share attributable to owners of the Company</b>	sen	sen	sen	sen
Basic / Diluted	9.22	(0.23)	12.15	12.10

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 30 JUNE 2018**

	Attributable to owners of the parent						Total RM'000
	Share capital RM'000	Non-distributable			Distributable		
		Share premium RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	General reserve RM'000	Retained profits RM'000	
<b>6 months period ended 30 June 2018</b>							
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	-	-	-	-	-	9,092	9,092
Other comprehensive income for the period	-	-	(536)	-	-	-	(536)
Total comprehensive income for the period	-	-	(536)	-	-	9,092	8,556
Transfer within reserves	-	-	-	(49)	-	49	-
Dividends	-	-	-	-	-	(3,743)	(3,743)
Balance as at 30 June 2018	74,853	92	5,501	25,873	250	396,384	502,953
<b>6 months period ended 30 June 2017</b>							
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	-	-	-	-	-	9,056	9,056
Other comprehensive income for the period	-	-	834	-	-	-	834
Total comprehensive income for the period	-	-	834	-	-	9,056	9,890
Transfer within reserves	-	-	-	(104)	-	104	-
Dividends	-	-	-	-	-	(3,744)	(3,744)
Balance as at 30 June 2017	74,853	92	5,776	26,168	250	387,680	494,819

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 30 JUNE 2018**

	6 Months Ended	
	Unaudited Current Year to date 30 Jun 2018 RM'000	Restated Preceding Year to date 30 Jun 2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	12,192	11,325
Adjustments for :		
Depreciation and amortisation	1,502	1,409
Gain on disposal of property, plant and equipment	(27)	(4,359)
Fair Value loss/(gain) on biological assets	505	(640)
Dividend Income	(151)	(34)
Interest Income	(1,383)	(1,445)
Operating profit before working capital changes	12,638	6,256
Decrease in inventories and inventories-property development costs	7,199	6,254
(Increase)/Decrease in receivables	(10,310)	2,846
Increase in payables	2,761	19
Cash generated from operations	12,288	15,375
Interest received	1,425	1,425
Tax refunded	(34)	73
Tax paid	(2,958)	(4,539)
Net cash from operating activities	10,721	12,334
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,878)	(744)
Proceeds from disposal of property, plant and equipment	26	4,859
Payment for inventories-land held for property development	(724)	(1,342)
Dividend received from quoted equity securities in Malaysia	151	34
Net cash (used in)/from investing activities	(2,425)	2,807
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(3,743)	(3,744)
Net cash (used in) financing activities	(3,743)	(3,744)
Net increase in cash and cash equivalents	4,553	11,397
Cash and cash equivalents at 1 January	93,684	70,765
Cash and cash equivalents at 30 June	98,237	82,162
<b>Cash and cash equivalents comprise :</b>		
Short term investments - money market fund	79,517	63,396
Short term deposits	1,287	1,657
Cash and bank balances	17,595	17,659
	98,399	82,712
Pledged short-term deposits	(162)	(550)
Cash and cash equivalents	98,237	82,162

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.

**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**

Prior to the adoption of MFRS 141 Agriculture, produce growing on bearer plants i.e. biological assets were unrecognised. Following the adoption of the MFRS 141 and its amendments, these biological assets are measured at fair value less costs to sell. The changes in fair value less costs to sell are recognised in profit or loss.

**MFRS 15 Revenue from Contracts with Customers**

The core principle of MFRS 15 requires an entity recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Following the adoption the Group recognises revenue in accordance with the core principle by applying the following steps:

- Identify the contracts with a customer
- Identify the performance obligation in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation

**MFRS 9: Financial Instruments**

The main effect on the adoption of MFRS9 on the Group would principally be in respect of the assessment of impairment losses of outstanding debts based on an “expected credit loss” model instead of the “incurred loss” model. This may have the effect of accelerating the recognition of impairment losses in respect of these debts if any.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

As a result, the following comparatives in the interim financial report have been restated.

**Condensed Consolidated Statement of Financial Position As At 31 December 2017**

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
<b>Current Assets</b>			
Biological assets	-	2,458	2,458
Contract assets	-	1,562	1,562
Receivables	19,333	(1,562)	17,771
Reserves	420,829	2,458	423,287

**Condensed Consolidated Statement of Comprehensive Income for The Period Ended 30 June 2017**

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Other operating income	5,001	640	5,641
Profit before tax	10,685	640	11,325
Profit net of tax	9,250	640	9,890

**New MFRSs, Amendments to MFRSs, Annual Improvements to MFRS Standards and IC Interpretation ('Standards') that are yet to be effective for current period**

No early adoption is made by the Group on the following Standards that are expected to have application to the Group's operations. These Standards have been issued by the MASB, but yet to be effective:-

**Effective for financial periods beginning on or after 1 January 2019**

- MFRS 16 Leases
- Amendments to MFRS 9 Financial Instruments
- Amendments to MFRS 119 Employee Benefits
- Annual Improvements to MFRS Standards 2015-2017
- IC Interpretation 23 Uncertainty over Income Tax Treatments

**Effective for financial periods beginning on or after 1 January 2020**

- Amendments to References to the Conceptual Framework in MFRS Standards

**Effective date to be announced**

- Amendments to MFRS 10 Consolidated Financial Statements

**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 30 JUNE 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**

The first and final dividend of 5 sen per share single tier tax for the financial year ended 31 December 2017 exempt (for financial period ended 31 Dec 2016: 5 sen per share single tier tax exempt) amounting to RM3.74 million was paid on 22 May 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 30 June 2018 amounted to RM3.1 million.

**12 Significant Related Party Transactions**

None.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

**13 Segmental information**

Segmental information for the financial period ended 30 June 2018 is as follows:

	Property development RM'000	Plantation RM'000	Others RM'000	Consolidated RM'000
<b>30 June 2018</b>				
<b>Revenue</b>				
External customers	33,621	5,101	-	38,722
Dividend income	-	-	151	151
Total Revenue	<u>33,621</u>	<u>5,101</u>	<u>151</u>	<u>38,873</u>
<b>Results</b>				
Segment results	<u>13,336</u>	<u>704</u>	<u>(1,848)</u>	12,192
Income tax expense				<u>(3,100)</u>
Profit net of tax for the period				<u>9,092</u>
<b>Assets</b>				
Segment assets	<u>333,705</u>	<u>96,017</u>	<u>141,130</u>	<u>570,852</u>
<b>Liabilities</b>				
Segment liabilities	<u>22,190</u>	<u>1,566</u>	<u>44,143</u>	<u>67,899</u>
<b>30 June 2017</b>				
<b>Revenue</b>				
External customers	19,812	5,723	-	25,535
Dividend income	-	-	34	34
Total Revenue	<u>19,812</u>	<u>5,753</u>	<u>34</u>	<u>25,569</u>
<b>Results</b>				
Segment results	<u>9,480</u>	<u>3,082</u>	<u>(1,237)</u>	11,325
Income tax expense				<u>(2,269)</u>
Profit net of tax for the period				<u>9,056</u>
<b>Assets</b>				
Segment assets	<u>337,188</u>	<u>92,811</u>	<u>127,509</u>	<u>557,508</u>
<b>Liabilities</b>				
Segment liabilities	<u>18,364</u>	<u>830</u>	<u>43,495</u>	<u>62,689</u>



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

**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 RM22.7 million and profit before tax of RM8.9 million in the current quarter.

	Current Quarter Ended 30 June 2018		Current Year to Date Ended 30 June 2018	
	RM’000	%	RM’000	%
<b>Revenue</b>				
Property	20,418	89.9	33,621	86.5
Plantation	2,256	9.9	5,101	13.1
Others	41	0.2	151	0.4
Total	<u>22,715</u>	<u>100.0</u>	<u>38,873</u>	<u>100.0</u>
<b>Profit before Tax</b>				
Property	9,993	112.3	13,336	109.4
Plantation	(284)	(3.2)	704	5.8
Others	(814)	(9.1)	(1,848)	(15.2)
Total	<u>8,895</u>	<u>100.0</u>	<u>12,192</u>	<u>100.0</u>

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

The Group recorded an increase in revenue by 40.6% from RM16.2 million in previous quarter to RM22.7 million and an increase by 169.8% in profit before taxation of RM3.3 million in previous quarter to RM8.9 million. The increase in revenue was mainly caused by higher sales for the completed property units and higher percentage of work recognised for the current development project 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 to remain largely unchanged from 2017. During this period of market slowdown, the Group will continue to 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. In addition, the Group will strengthen its marketing effort to widen its potential purchasers base. Simultaneously, the Group will continue to enhance 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 challenging due to the softening in crude palm oil (“CPO”) price and rising CPO inventory level in Malaysia.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 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 30 June 2018 RM'000	Current Year to Date Ended 30 June 2018 RM'000
Malaysian income tax:		
Current tax	2,179	3,148
Deferred tax	(188)	(47)
Income tax expense	<u>1,991</u>	<u>3,100</u>

The effective tax rate for the financial period ended 30 Jun 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 30 June 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 30 June 2018.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 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 30 June 2018	Current Year to Date Ended 30 June 2018
Profit net of tax (RM'000)	6,904	9,092
Weighted average number of ordinary shares in issue ('000)	74,853	74,853
Basic earnings per share (sen)	9.22	12.15

(b) **Diluted earnings per share**

Not applicable.

**26 Disclosure requirements to the Statement of Comprehensive Income**

	Current Quarter Ended 30 June 2018 RM'000	Current Year to date Ended 30 June 2018 RM'000
(a) dividend income	41	151
(b) interest expense	}	Nil
(c) provision for and write off of receivables		
(d) provision for and write off of inventories		
(e) gain or loss on disposal of quoted or unquoted investments or properties	Nil	26
(f) impairment of assets	}	Nil
(g) foreign exchange gain or loss		
(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: 21 August 2018