AYER Holdings Berhad (37-K)

(Formerly known as TAHPS Group Berhad)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Unaudited As at 31 Dec 2018 RM'000	Restated As at 31 Dec 2017 RM'000
Property, plant and equipment	171,562	169,803
Investments	5,311	6,331
Investment property	3,140	3,161
Inventories-Land held for property development	160,496	148,836
Goodwill on consolidation	27,100	27,100
	367,609	355,231
Current assets		
Inventories-Property development costs	603	3,302
Inventories	77,576	86,831
Biological assets	1,365	2,458
Contract assets	25,604	1,562
Receivables	12,683	17,771
Current tax assets	229	2,376
Short-term investments	70,032	78,615
Deposits, cash and bank balances	23,007	15,231
	211,099	208,146
Current liabilities		
Payables	22,514	23,534
Current tax liabilities	1,504	50
	24,018	23,584
Net current assets	187,081	184,562
Long-term liabilities		
Deferred tax liabilities	41,571	42,062
	513,119	497,731
Share capital	74,945	74,853
Reserves	438,174	422,878
Equity attributable to owners of the Company	513,119	497,731
Net Assets per share (RM)	6.85	6.65

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)

(Formerly known as TAHPS Group Berhad)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2018

	Individual Quarter		Cumulative Quarter	
	Unaudited Current Quarter Ended 31 Dec 2018 RM'000	**Restated Preceding Corresponding Quarter 31 Dec 2017 RM'000**	**Unaudited Current Year To Date 31 Dec 2018 RM'000**	**Restated Preceding Corresponding Year To Date 31 Dec 2017 RM'000**
Revenue	23,861	15,429	80,852	51,588
Cost of Sales	(9,217)	(8,474)	(37,233)	(23,714)
Gross profit	14,644	6,955	43,619	27,874
Interest income	905	799	3,084	2,499
Other income	2,862	1,009	4,165	6,525
Depreciation & Amortisation	(780)	(702)	(3,097)	(2,805)
Administration and other expenses	(6,457)	(5,130)	(19,863)	(18,383)
Profit before taxation	11,174	2,931	27,908	15,710
Income tax expense	(2,844)	(1,277)	(7,757)	(3,542)
Profit net of tax	8,330	1,654	20,151	12,168
Other comprehensive income:	-	-	-	1,095
Changes in fair value of investments	(532)	(547)	(1,020)	-
Total comprehensive income	7,798	1,107	19,131	13,263
Profit attributable to owners of the parent	8,330	1,654	20,151	12,168
Total comprehensive income attributable to owners of the parent	7,798	1,107	19,131	13,263
Earnings per share attributable to owners of the Company	sen	sen	sen	sen
Basic / Diluted	11.13	2.21	26.92	16.26

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)

(Formerly known as TAHPS Group Berhad)

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

	Attributable to owners of the parent						
		Non-distributable			Distributable		
	Share capital	Share premium	Fair value reserve	Revaluation reserve	General reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months period ended 31 December 2018							
Balance as at 1 January 2018	74,853	92	6,037	25,922	250	388,528	495,682
Effect on adoption of MFRS	-	-	-	-	-	2,049	2,049
As restated	74,853	92	6,037	25,922	250	390,577	497,731
Transfer in accordance with Section 618(2) of the Companies Act 2016	92	(92)	-	-	-	-	-
Profit for the period	-	-	-	-	-	20,151	20,151
Other comprehensive income for the period	-	-	(1,020)	-	-	-	(1,020)
Total comprehensive income for the period	-	-	(1,020)	-	-	20,151	19,131
Transfer within reserves	-	-	-	(98)	-	98	-
Dividends	-	-	-	-	-	(3,743)	(3,743)
Balance as at 31 December 2018	74,945	-	5,017	25,824	250	407,083	513,119
12 months period ended 31 December 2017 (Restated)							
Balance as at 1 January 2017	74,853	92	4,942	26,272	250	379,556	485,965
Effect on adoption of MFRS	-	-	-	-	-	2,246	2,246
As restated	74,853	92	4,942	26,272	250	381,802	488,211
Profit for the period	-	-	-	-	-	12,168	12,168
Other comprehensive income for the period	-	-	1,095	-	-	-	1,095
Total comprehensive income for the period	-	-	1,095	-	-	12,168	13,263
Transfer within reserves	-	-	-	(350)	-	350	-
Dividends	-	-	-	-	-	(3,743)	(3,743)
Balance as at 30 September 2017	74,853	92	6,037	25,922	250	390,577	497,731

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)

(Formerly known as TAHPS Group Berhad)

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

	12 Months Ended	
	Unaudited Current Year to date 31 Dec 2018 RM'000	Restated Preceding Year to date 31 Dec 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	27,908	15,710
Adjustments for :		
Depreciation and amortisation	3,097	2,805
Gain on disposal of property, plant and equipment	(28)	(4,358)
Fair Value loss on biological assets	1,093	250
Dividend Income	(231)	(51)
Interest Income	(3,084)	(2,499)
Operating profit before working capital changes	28,755	11,857
Decrease in inventories and inventories-property development costs	11,954	6,070
(Increase)/Decrease in receivables	(18,952)	10,827
(Decrease)/Increase in payables	(1,020)	1,953
Cash generated from operations	20,737	30,707
Interest received	3,082	2,416
Tax refunded	-	72
Tax paid	(4,647)	(5,342)
Net cash from operating activities	19,172	27,853
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,835)	(4,713)
Proceeds from disposal of property, plant and equipment	28	4,831
Payment for inventories-land held for property development	(11,660)	(1,750)
Withdrawal of short-term deposits	32	388
Dividend received from quoted equity securities in Malaysia	231	51
Net cash used in investing activities	(16,204)	(1,193)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(3,743)	(3,743)
Net cash used in financing activities	(3,743)	(3,743)
Net (decrease)/increase in cash and cash equivalents	(775)	22,917
Cash and cash equivalents at 1 January	93,684	70,767
Cash and cash equivalents at 31 December	92,909	93,684
Cash and cash equivalents comprise :		
Short term investments - money market fund	70,032	78,615
Short term deposits	1,314	1,307
Cash and bank balances	21,693	13,924
	93,039	93,846
Pledged short-term deposits	(130)	(162)
Cash and cash equivalents	92,909	93,684

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 MFRS 134 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 which those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2017, except for the adoption of the followings:

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

The adoption of this standard has no material financial impact on the Group's financial statements other than the following:

- Changes in accounting policies for revenue recognition and contract costs
- Reclassification of land held for property development and property development costs to inventories
- Reclassification of accrued billings to contract assets

MFRS 9 Financial Instruments

The Group adopted MFRS 9 which resulted in changes in accounting policies, but noted no transitional adjustments to the carrying amounts of the financial assets and liabilities as of 1 January 2018. The details and quantitative impact of the changes in accounting policies are disclosed below.

The accounting policies were changed to comply with MFRS 9 which replaces the provisions of FRS 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. MFRS 9 also significantly amends other standards dealing with financial instruments such as MFRS 7 - Financial Instruments: Disclosures.

Part A – Explanatory Notes Pursuant to MFRS134 (Con't)

1 Basis of preparation and Accounting Policies (Con't)

Classification and Measurement of Financial Instruments:
On 1 January 2018, the Group assessed the classification and measurement of the financial instruments held at the date of initial application of MFRS 9 and has classified its financial instruments into the appropriate MFRS 9 categories. Following the adoption of the classification and measurement of financial instruments of MFRS 9, there was no transitional impact to the Group's opening balance of equity as at 1 January 2018.

As at 1 January 2018, the Group:

(i) Elected to present in other comprehensive income the changes in fair value of its quoted shares in Malaysia previously classified as Available-for-Sale ('AFS'), as these investments are not held for trading.

(ii) Liquid investments in money market funds were previously classified as AFS. Under MFRS 9, these investments has not passed the solely payment of principal and interest ('SPPI') test. As such, the Group has designated these investments to be measured at Fair Value through Profit and Loss ("FVTPL").

Classification of the Group's financial liabilities remained unchanged. Financial liabilities consisting of trade payables and other payables, continue to be measured at amortised cost.

Impairment of Financial Assets and Contract Assets

The Group assesses, on a forward-looking basis, the expected credit losses associated with its financial instruments carried at amortised cost and Fair Value through Other Comprehensive Income ("FVOCI"). The impairment methodology applied depends on whether the asset originated from a contract that is in the scope of MFRS 15 or if there has been a significant increase in credit risk.

The Group was required to revise its impairment methodology under MFRS 9 for each of the following classes of assets:

- Account receivables and contract assets:
  For accounts receivable and contract assets, the Group applies the simplified approach to providing for expected credit losses prescribed by MFRS 9, which requires the use of the lifetime expected loss provision for all accounts receivable and contract assets within the scope of MFRS 15. The Group has established a provision based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

- Deposits, cash and bank balances:
  For deposits, cash and bank balances at amortized cost, the Group applies the general approach to providing for expected credit losses. These instruments are considered to be low credit risk, and therefore, the impairment provision is determined using a 12-month expected credit loss basis.

There was no impact to the Group's opening balance of equity as at 1 January 2018, as a result of the change in impairment methodology.

Part A – Explanatory Notes Pursuant to MFRS134 (Con't)

1 Basis of preparation and Accounting Policies (Con't)

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	Adjustments	As restated
	RM'000	RM'000	RM'000
Current Assets			
Biological assets	-	2,458	2,458
Contract assets	-	1,562	1,562
Receivables	19,333	(1,562)	17,771
Non-Current Liabilities			
Deferred tax liabilities	(41,653)	(409)	(42,062)
Reserves	420,829	2,049	422,878

Condensed Consolidated Statement of Comprehensive Income For The Year Ended 31 December 2017

	As previously stated	Adjustments	As restated
	RM'000	RM'000	RM'000
Administration and other expenses	(18,133)	(250)	(18,383)
Profit before tax	15,960	(250)	15,710
Taxation	(3,595)	53	(3,542)
Profit net of tax	12,365	(197)	12,168

Certain comparative figures have been reclassified to conform with current year presentation.

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.

5 Debt and equity securities

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

Part A – Explanatory Notes Pursuant to MFRS134 (Con't)

6 Dividends paid

The first and final dividend of 5 sen per share single tier tax exempt for the financial year ended 31 December 2017 (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 31 December 2018 amounted to RM1.7 million.

12 Significant Related Party Transactions

None.

Part A – Explanatory Notes Pursuant to MFRS134 (Con't)

13 Segmental information

Segmental information for the financial year ended 31 December 2018 is as follows:

	Property development RM'000	Plantation RM'000	Others RM'000	Consolidated RM'000
31 December 2018				
Revenue				
External customers	71,491	9,130	-	80,621
Dividend income	-	-	231	231
Total Revenue	71,491	9,130	231	80,852
Results				
Segment results	31,642	676	(4,410)	27,908
Income tax expense				(7,757)
Profit net of tax for the period				20,151
Assets				
Segment assets	352,655	96,647	129,406	578,708
Liabilities				
Segment liabilities	16,701	2,257	46,631	65,589
31 December 2017 (Restated)				
Revenue				
External customers	38,459	13,078	-	51,537
Dividend income	-	-	51	51
Total Revenue	38,459	13,078	51	51,588
Results				
Segment results	13,280	5,628	(3,198)	15,710
Income tax expense				(3,542)
Profit net of tax for the period				12,168
Assets				
Segment assets	324,527	96,248	142,602	563,377
Liabilities				
Segment liabilities	18,378	1,995	45,273	65,646

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

For the current quarter under review, the Group recorded revenue of RM23.9 million and profit before tax of RM11.2 million respectively. These represent increases of 54.7% in revenue and 281.2% in profit before tax as compared to the previous corresponding quarter.

For the current year, the Group recorded revenue of RM80.9 million and profit before tax of RM27.9 million respectively. These represent increases of 56.7% in revenue and 77.6% in profit before tax as compared to the previous corresponding year.

	Current Quarter Ended 31 Dec 2018 RM'000	Corresponding Quarter Ended 31 Dec 2017 RM'000	Changes +/(-) %	Current Year To Date Ended 31 Dec 2018 RM'000	Corresponding Year To Date Ended 31 Dec 2017 RM'000	Changes +/(-) %
Revenue						
Property	21,587	11,478	88.1	71,491	38,459	85.9
Plantation	2,211	3,951	(44.0)	9,130	13,078	(30.2)
Others	63	-	100.0	231	51	352.9
Total	23,861	15,429	54.7	80,852	51,588	56.7
Profit before tax						
Property	12,605	2,092	502.5	31,642	13,280	138.3
Plantation	528	1,461	(63.9)	676	5,378	(87.4)
Others	(1,959)	(622)	(215.0)	(4,410)	(2,948)	(49.6)
Total	11,174	2,931	281.2	27,908	15,710	77.6

(a) Property

Revenue for the current quarter increased by 88.1% to RM21.6 million while profit before tax increased by RM502.5% to RM12.6 million as compared to the previous corresponding quarter.

Revenue for the current year increased by 85.9% to RM71.5 million while profit before tax increased by 138.3% to RM31.6 million as compared to the previous corresponding year.

This was mainly contributed by higher percentage of work completed for the current development.

(b) Plantation

Revenue decreased by 44.0% to RM2.2 million while profit before tax decreased by 63.9% to RM0.5 million as compared to previous corresponding quarter.

Revenue decreased by 30.2% to RM9.1 million while profit before tax decreased by 87.4% to RM0.7 million as compared to previous corresponding year.

The lower revenue and profit before tax achieved were mainly due to lower selling prices of fresh fruit bunches.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia (Con't)

16 Material changes in profit before taxation vs preceding quarter

	Current Quarter Ended 31 Dec 2018 RM'000	Preceding Quarter Ended 30 Sep 2018 RM'000	Changes +/(-) %
Revenue	23,861	18,118	31.7
Profit before taxation	11,174	4,542	146.0

The Group recorded an increase in revenue by 31.7% to RM23.9 million and an increase by 146.0% in profit before taxation to RM11.2 million as compared to the preceding quarter. The improvements were mainly contributed by higher percentage of work completed for on-going development project for the current quarter.

17 Commentary on prospects

For the financial year ending 2019, the Group anticipates that the fundamental conditions of the property sector will remain unchanged from 2018. The general outlook is that the soft market will continue through the year. During this challenging period, the Group will focus on providing innovative marketing campaigns and special schemes to drive the sale of inventories for its property products. Product improvement and development for new and different types of products will attract demand as there is urbanization growth and population growth in the country. Additionally, strengthening the Group's branding through traditional and digital marketing initiatives will help to enhance its visibility in the marketplace.

The plantation sector is expected to remain challenging. The Group will continue with its efforts to improve its yield as part of its effort in response to this.

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.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia (Con't)

20 Taxation

	Current Quarter Ended 31 Dec 2018 RM'000	Current Year To Date Ended 31 Dec 2018 RM'000
Malaysian income tax:		
Current tax	3,134	7,910
Underprovision of tax in prior year	(32)	338
Deferred tax	(258)	(491)
Income tax expense	2,844	7,757

The effective tax rate for the current quarter / financial year ended 31 December 2018 was higher than the statutory tax rate due to deferred tax assets arising from deductible timing differences not recognised in the Statement of Comprehensive income.

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 December 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 current quarter ended 31 December 2018. The Board of Directors recommends the payment of first and final dividend of 5 sen per share single tier tax exempt (2017 : 5 sen per share) for the financial year ended 31 December 2018 amounting to RM3.74 million (2017 : RM3.74 million). The proposed dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia (Con't)

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 Dec 2018	Current Year To Date Ended 31 Dec 2018
Profit net of tax (RM'000)	8,330	20,151
Weighted average number of ordinary shares in issue ('000)	74,853	74,853
Basic earnings per share (sen)	11.13	26.92

(b) **Diluted earnings per share**

Not applicable.

26 Disclosure requirements to the Statement of Comprehensive Income

		Current Quarter Ended 31 Dec 2018 RM'000	Current Year To Date Ended 31 Dec 2018 RM'000
(a)	dividend income	64	231
(b)	interest expense		
(c)	provision for and write off of receivables	Nil	Nil
(d)	provision for and write off of inventories		
(e)	gain or loss on disposal of quoted or unquoted investments or properties	-	28
(f)	impairment of assets		
(g)	foreign exchange gain or loss		
(h)	gain or loss on derivatives	Nil	Nil
(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: 28 February 2019