

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	Unaudited As at 30 June 2020 RM'000	Restated As at 31 Dec 2019 RM'000	Restated As at 01 Jan 2019 RM'000
Property, plant and equipment	171,779	172,184	171,562
Intangible assets	118	-	-
Right-of-use assets	474	576	-
Investments	4,994	5,561	5,311
Investment properties	3,109	3,119	3,140
Inventories-Land held for property development	162,269	161,741	160,496
Goodwill on consolidation	27,100	27,100	27,100
	<u>369,843</u>	<u>370,281</u>	<u>367,609</u>
Current assets			
Inventories	60,931	66,206	78,179
Biological assets	883	996	1,365
Receivables	9,192	6,484	12,683
Contract assets	27,097	27,097	25,604
Current tax assets	1,703	177	229
Short-term investments	79,443	79,177	70,032
Deposits, cash and bank balances	35,696	33,888	23,007
	<u>214,945</u>	<u>214,025</u>	<u>211,099</u>
Current liabilities			
Payables	20,326	21,366	23,730
Lease liabilities	204	199	-
Current tax liabilities	448	164	1,504
	<u>20,978</u>	<u>21,729</u>	<u>25,234</u>
Net current assets	193,967	192,296	185,865
Non-current liabilities			
Lease liabilities	288	391	-
Deferred tax liabilities	41,324	41,229	41,571
	<u>41,612</u>	<u>41,620</u>	<u>41,571</u>
	<u>522,198</u>	<u>520,957</u>	<u>511,903</u>
Share capital	74,945	74,945	74,945
Reserves	447,253	446,012	436,958
Equity attributable to owners of the Company	<u>522,198</u>	<u>520,957</u>	<u>511,903</u>
Net Assets per share (RM)	<u>6.98</u>	<u>6.96</u>	<u>6.84</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 2019 and the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2020**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30 Jun 2020 RM'000	Restated Preceding Corresponding Quarter 30 Jun 2019 RM'000	Current Year To Date 30 Jun 2020 RM'000	Restated Preceding Corresponding Year To Date 30 Jun 2019 RM'000
Revenue	8,326	15,179	17,076	28,354
Cost of Sales	(3,884)	(9,455)	(8,743)	(15,172)
Gross profit	4,442	5,724	8,333	13,182
Interest income	646	833	1,398	1,582
Other income	679	766	1,490	1,609
Depreciation and amortisation	(864)	(838)	(1,719)	(1,682)
Administration and other expenses	(3,477)	(4,517)	(6,068)	(8,874)
Finance costs	(7)	(9)	(14)	(18)
Profit before taxation	1,419	1,959	3,420	5,799
Income tax expense	(1,098)	(728)	(1,612)	(1,921)
Profit net of tax	321	1,231	1,808	3,878
Other comprehensive income:				
Changes in fair value of investments	425	(78)	(567)	50
Total comprehensive income	746	1,153	1,241	3,928
Profit attributable to owners of the parent	321	1,231	1,808	3,878
Total comprehensive income attributable to owners of the parent	746	1,153	1,241	3,928
Earnings per share attributable to owners of the Company	sen	sen	sen	sen
Basic / Diluted	0.43	1.64	2.42	5.18

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2020**

	Attributable to owners of the parent					Total RM'000
	Share capital	Non-distributable		Distributable		
		Fair value reserve	Revaluation reserve	General reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>6 months period ended 30 June 2020</u>						
Balance as at 1 January 2020 (as previously reported)	74,945	5,267	25,760	250	416,719	522,941
Prior year adjustment (Note 13)	-	-	-	-	(1,984)	(1,984)
Balance as at 1 January 2020 (as restated)	74,945	5,267	25,760	250	414,735	520,957
Profit for the period	-	-	-	-	1,808	1,808
Other comprehensive loss for the period	-	(567)	-	-	-	(567)
Total comprehensive income for the period	-	(567)	-	-	1,808	1,241
Transfer within reserves	-	-	(30)	-	30	-
Balance as at 30 June 2020	74,945	4,700	25,730	250	416,573	522,198

	Attributable to owners of the parent					Total RM'000
	Share capital	Non-distributable		Distributable		
		Fair value reserve	Revaluation reserve	General reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>6 months period ended 30 June 2019 (Restated)</u>						
Balance as at 1 January 2019 (as previously reported)	74,945	5,017	25,824	250	407,083	513,119
Prior year adjustment (Note 13)	-	-	-	-	(1,216)	(1,216)
Balance as at 1 January 2019 (as restated)	74,945	5,017	25,824	250	405,867	511,903
Profit for the period	-	-	-	-	3,878	3,878
Other comprehensive income for the period	-	50	-	-	-	50
Total comprehensive income for the period	-	50	-	-	3,878	3,928
Transfer within reserves	-	-	(15)	-	15	-
Dividends	-	-	-	-	(3,743)	(3,743)
Balance as at 30 June 2019	74,945	5,067	25,809	250	406,017	512,088

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 2019 and the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2020**

	6 Months Ended	
	Unaudited Current Year to date 30 Jun 2020 RM'000	Restated Preceding Year to date 30 Jun 2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,420	5,799
Adjustments for :		
Depreciation and amortisation	1,719	1,682
Impairment loss on other receivables	-	1
Fair value loss on biological assets	113	94
Dividend Income	(37)	(118)
Interest expenses	14	18
Interest Income	(1,398)	(1,582)
Operating profit before working capital changes	<u>3,831</u>	<u>5,894</u>
Decrease in inventories and inventories-property development costs	5,275	5,365
(Increase)/Decrease in receivables	(2,655)	5,896
(Decrease) in payables	<u>(1,040)</u>	<u>(6,405)</u>
Cash generated from operations	5,411	10,750
Interest received	1,345	1,507
Tax paid	<u>(2,759)</u>	<u>(3,080)</u>
Net cash from operating activities	<u>3,997</u>	<u>9,177</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(1,320)	(2,553)
Payment for inventories-land held for property development	(528)	(1,072)
Dividend received from quoted equity securities in Malaysia	<u>37</u>	<u>118</u>
Net cash used in investing activities	<u>(1,811)</u>	<u>(3,507)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(3,743)
Repayment of lease liabilities	(98)	(112)
Interest paid	<u>(14)</u>	<u>-</u>
Net cash used in financing activities	<u>(112)</u>	<u>(3,855)</u>
Net increase in cash and cash equivalents	2,074	1,815
Cash and cash equivalents at 1 January	112,913	92,909
Cash and cash equivalents at 30 June	<u>114,987</u>	<u>94,724</u>
Cash and cash equivalents comprise :		
Short term investments - money market fund	79,443	60,666
Short term deposits	167	142
Cash and bank balances	<u>35,529</u>	<u>34,046</u>
	115,139	94,854
Pledged short-term deposits	<u>(152)</u>	<u>(130)</u>
Cash and cash equivalents	<u>114,987</u>	<u>94,724</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 2019 and the accompanying notes.

Part A – Explanatory Notes Pursuant to MFRS 134

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 2019. 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 2019.

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 2019, except for the adoption of the following new MFRS, Amendments to MFRSs, Improvements to MFRS and IC Interpretation ("Standards") which is effective for financial period beginning on or after 1 January 2020:

Effective for financial periods beginning on or after 1 January 2020

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 7 Financial Instruments: Disclosures
- Amendments to MFRS 9 Financial Instruments
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The initial application of these Standards does not have a material impact on the Group's 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.

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 current quarter ended 30 June 2020.

Part A – Explanatory Notes Pursuant to MFRS 134 (Con't)

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 2019.

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 2020 amounted to RM2.68 million.

12 Significant Related Party Transactions

None.

13 Prior Year Adjustment

The prior year adjustment was in respect of the unrecognized maintenance charges on a property belonging to the Group that was developed under a mixed-use strata scheme. The adjustment has been accounted for retrospectively in the financial statements.

Part A – Explanatory Notes Pursuant to MFRS 134 (Con’t)

14 Segmental information

Segmental information for the financial period ended 30 June 2020 is as follows:

	Property development RM'000	Plantation RM'000	Others RM'000	Consolidated RM'000
30 June 2020				
Revenue				
External customers	10,546	6,493	-	17,039
Dividend income	-	-	37	37
Total Revenue	<u>10,546</u>	<u>6,493</u>	<u>37</u>	<u>17,076</u>
Results				
Segment results	<u>1,799</u>	<u>2,045</u>	<u>(424)</u>	<u>3,420</u>
Income tax expense				<u>(1,612)</u>
Profit net of tax for the period				<u>1,808</u>
Assets				
Segment assets	<u>347,949</u>	<u>98,995</u>	<u>137,844</u>	<u>584,788</u>
Liabilities				
Segment liabilities	<u>16,993</u>	<u>1,870</u>	<u>43,727</u>	<u>62,590</u>
30 June 2019 (Restated)				
Revenue				
External customers	23,626	4,610	-	28,236
Dividend income	-	-	118	118
Total Revenue	<u>23,626</u>	<u>4,610</u>	<u>118</u>	<u>28,354</u>
Results				
Segment results	<u>7,239</u>	<u>347</u>	<u>(1,787)</u>	<u>5,799</u>
Income tax expense				<u>(1,921)</u>
Profit net of tax for the period				<u>3,878</u>
Assets				
Segment assets	<u>354,475</u>	<u>98,271</u>	<u>119,122</u>	<u>571,868</u>
Liabilities				
Segment liabilities	<u>14,033</u>	<u>2,023</u>	<u>43,724</u>	<u>59,780</u>

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

15 Auditors' Report on preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2019 was not qualified.

16 Review of performance

For the current quarter under review, the Group recorded revenue of RM8.3 million and profit before tax of RM1.4 million respectively. These represent a decrease of 45.1% and 27.6% in revenue and profit before tax respectively as compared to the previous corresponding quarter.

For the current 6 months period, the Group recorded revenue of RM17.1 million and profit before tax of RM3.4 million respectively. These represent a decrease of 39.8% and 41.0% in revenue and profit before tax respectively as compared to the previous corresponding period.

	Current Quarter Ended 30 June 2020 RM'000	Corresponding Quarter Ended 30 June 2019 RM'000	Changes + / (-) %	Current Year to date Ended 30 June 2020 RM'000	Corresponding Year to date Ended 30 June 2019 RM'000	Changes + / (-) %
<u>Revenue</u>						
Property	4,526	12,737	-64.5%	10,546	23,626	-55.4%
Plantation	3,764	2,402	56.7%	6,493	4,610	40.8%
Others	36	40	-10.0%	37	118	-68.6%
	<u>8,326</u>	<u>15,179</u>	<u>-45.1%</u>	<u>17,076</u>	<u>28,354</u>	<u>-39.8%</u>
<u>Profit Before Tax</u>						
Property	229	2,791	-91.8%	1,799	7,239	-75.1%
Plantation	1,426	331	330.8%	2,045	347	489.3%
Others	(236)	(1,163)	79.7%	(424)	(1,787)	76.3%
	<u>1,419</u>	<u>1,959</u>	<u>-27.6%</u>	<u>3,420</u>	<u>5,799</u>	<u>-41.0%</u>

(a) Property

2Q'20 vs 2Q'19

Revenue decreased by 64.5% to RM4.5 million while profit before tax decreased by 91.8% to RM0.2 million as compared to the previous corresponding quarter.

The decrease in revenue was due to absence of new property launching coupled with full completion of on-going development project in last year. In addition, lower sales of completed units in current quarter had also contributed to the decrease.

The decrease in profit before tax was in line with the decrease in revenue.

6M'20 vs 6M'19

Revenue decreased by 55.4% to RM10.5 million while profit before tax decreased by 75.1% to RM1.8 million as compared to the previous corresponding period.

The decrease in revenue was due to absence of new property launching coupled with full completion of on-going development project in last year. However, this was partially offset by higher sales of completed units in current period.

The decrease in profit before tax was in line with the decrease in revenue.

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

16 Review of performance (Con’t)

(b) Plantation

2Q’20 vs 2Q’19

Revenue increased by 56.7% to RM3.7 million while profit before tax increased to RM1.4 million as compared to previous corresponding quarter.

This was due to higher average selling price of fresh fruit bunches (“FFB”) and higher FFB harvested in current quarter.

6M’20 vs 6M’19

Revenue increased by 40.8% to RM6.5 million while profit before tax increased to RM2.0 million as compared to previous corresponding period.

This was due to higher average selling price of fresh fruit bunches (“FFB”) and higher FFB harvested in current period.

17 Material changes in profit before taxation in current quarter vs preceding quarter

	Current Quarter Ended 30 June 2020 RM’000	Preceding Quarter Ended 31 Mar 2020 RM’000	Changes + / (-) %
Revenue	8,326	8,750	-4.8%
Profit Before Taxation	1,419	2,001	-29.1%

The profit before tax reduced in current quarter which was in line with the decrease in revenue recorded in current quarter and also attributed to the increase in operating expenses.

18 Commentary on prospects

For the remaining period to the end of the financial year ending 31 December 2020, the property sector will continue to be negatively impacted as a result of the current Covid-19 global pandemic and the Movement Control Order (“MCO”) announced by the Government on 16 March 2020 despite Malaysia being in Recovery MCO (“RMCO”). Due to the far-reaching effects, we are uncertain when the property market will recover. However, we believe the re-introduction of Home Ownership Campaign (“HOC”) by the Government with effect from 1 June 2020 to 31 May 2021 will help cushion the negative impact.

To minimise the impact, the Group is embarking on various initiatives including cost management measures, thematic sales and marketing programs in line with AYER’s 113th year anniversary. Customer Relationship Management (CRM) outreach programs are an initiative to interface with a larger pool of prospects to promote the sale of our inventories.

The plantation sector is expected to perform moderately in view of the uncertainties in CPO prices despite a recovery seen lately. With minimal MCO impact on the plantation operations, the Group will continue with its efforts to improve its yield and focus on workforce productivity. Diversification opportunities continue as part of the Group’s strategy to enhance our revenue.

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

19 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.

20 Variance of actual profit from forecast profit or profit guarantee

Not applicable.

21 Taxation

	Current Quarter Ended 30 June 2020 RM'000	Current Year to date Ended 30 June 2020 RM'000
Malaysian income tax:		
Current tax	427	752
Underprovision of tax in prior year	765	765
Deferred tax	(94)	95
	1,098	1,612

The effective tax rate for the current quarter/period is higher than the statutory tax rate due to deferred tax assets arising from deductible temporary differences not recognised in the Statement of Comprehensive Income and underprovision of tax in prior year.

22 Corporate proposals

(a) Status of corporate proposals
Not applicable.

(b) Status of utilisation of proceeds
Not applicable.

23 Group borrowings and debt security

There were no borrowings and debt security as at 30 June 2020. The lease liability is a liability recognised arising from the adoption of MFRS 16 Leases which was effective from 1 January 2019.

24 Changes in material litigation

There was no material litigation since the date of the last financial position as at 31 December 2019.

25 Dividends

No interim ordinary dividend has been declared for the current quarter ended 30 June 2020.

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

26 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 2020	Current Year To Date Ended 30 June 2020
Profit net of tax (RM'000)	321	1,808
Weighted average number of ordinary shares in issue ('000)	74,853	74,853
Basic earnings per share (sen)	0.43	2.42

(b) Diluted earnings per share

Not applicable.

27 Disclosure requirements to the Statement of Comprehensive Income

	Current Quarter Ended 30 June 2020 RM'000	Current Year To Date Ended 30 June 2020 RM'000
(a) Dividend income	36	37
(b) Interest expense	7	14
(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		
(f) Impairment of assets		
(g) Foreign exchange gain or loss		
(h) Gain or loss on derivatives	Nil	Nil
(i) Exceptional items		

28 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 26 August 2020.