

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Unaudited As at 31.12.2017 RM'000	Audited As at 31.12.2016 RM'000
Property, plant and equipment	169,803	168,350
Investments	6,331	5,236
Investment property	3,161	3,179
Land held for property development	148,836	147,692
Goodwill on consolidation	27,100	27,100
	<u>355,231</u>	<u>351,557</u>
Current assets		
Property development costs	3,302	50,154
Inventories	86,831	45,443
Receivables	19,333	30,077
Current tax assets	2,376	262
Short-term investments	78,615	54,756
Deposits, cash and bank balances	15,231	16,561
	<u>205,688</u>	<u>197,253</u>
Current liabilities		
Payables	23,534	21,581
Current tax liabilities	50	45
	<u>23,584</u>	<u>21,626</u>
Net current assets	182,104	175,627
Long-term liabilities		
Deferred tax liabilities	41,653	41,219
	<u>495,682</u>	<u>485,965</u>
Share capital	74,853	74,853
Reserves	420,829	411,112
Equity attributable to owners of the Company	<u>495,682</u>	<u>485,965</u>
Net Assets per share (RM)	<u>6.62</u>	<u>6.49</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2016 and the accompanying notes.

AYER Holdings Berhad (37-K)

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 Dec 2017 RM'000	Preceding Corresponding Quarter 31 Dec 2016 RM'000	Current Year To Date 31 Dec 2017 RM'000	Preceding Corresponding Year To Date 31 Dec 2016 RM'000
Revenue	16,109	N/A	52,268	N/A
Cost of Sales	(8,474)	N/A	(23,714)	N/A
Gross profit	7,635		28,554	
Interest income	799	N/A	2,499	N/A
Other income	329	N/A	5,845	N/A
Depreciation & Amortisation	(702)	N/A	(2,805)	N/A
	-	N/A	-	N/A
Administration and other expenses	(4,880)	N/A	(18,133)	N/A
Profit before taxation	3,181	N/A	15,960	N/A
Income tax expense	(1,330)	N/A	(3,595)	N/A
Profit net of tax	1,851	N/A	12,365	N/A
Other comprehensive income:				
Changes in fair value of investments	548	N/A	1,095	N/A
Total comprehensive income	2,399	N/A	13,460	N/A
Profit attributable to owners of the parent	1,851	N/A	12,365	N/A
Total comprehensive income attributable to owners of the parent	2,399	N/A	13,460	N/A
Earnings per share attributable to owners of the Company	sen	sen	sen	sen
Basic / Diluted	2.47	N/A	16.52	N/A

Due to the change of financial year end from 31 March 2017 to 31 December 2016, there are no comparatives to be presented in this condensed consolidated statement of comprehensive income.

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial period ended 31 December 2016 and the accompanying notes.

AYER Holdings Berhad (37-K)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Attributable to owners of the parent						Total RM'000
	Non-distributable			Distributable			
	Share capital	Share premium	Fair value reserve	Revaluation reserve	General reserve		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2017	74,853	92	4,942	26,272	250	379,556	485,965
Profit for the year	-	-	-	-	-	12,365	12,365
Other comprehensive income for the year	-	-	1,095	-	-	-	1,095
Total comprehensive income for the period	-	-	1,095	-	-	12,365	13,460
Transfer within reserves	-	-	-	(350)	-	350	-
Dividends	-	-	-	-	-	(3,743)	(3,743)
Balance as at 31 December 2017	74,853	92	6,037	25,922	250	388,528	495,682

Due to the change of financial year end from 31 March 2017 to 31 December 2016, there are no comparatives to be presented in this condensed consolidated statement of changes in equity.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 31 December 2016 and the accompanying notes.

AYER Holdings Berhad (37-K)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Current Year To Date Ended 31 Dec 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	15,960
Adjustments for :	
Depreciation and amortisation	2,805
Gain on disposal of property, plant and equipment	(4,358)
Dividend Income	(51)
Interest Income	(2,499)
Operating profit before working capital changes	<u>11,857</u>
Decrease in inventories and property development costs	6,070
Decrease in receivables	10,827
Increase in payables	1,953
Cash generated from operations	<u>30,707</u>
Interest received	2,416
Tax refunded	72
Tax paid	(5,342)
Net cash from operating activities	<u>27,853</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(4,713)
Proceeds from disposal of property, plant and equipment	4,831
Payment for land held for property development	(1,750)
Withdrawal of short-term deposits	388
Dividend received from quoted equity securities in Malaysia	51
Net cash (used in) investing activities	<u>(1,193)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Dividend paid	(3,743)
Net cash (used in) financing activities	<u>(3,743)</u>
Net increase in cash and cash equivalents	22,917
Cash and cash equivalents at 1 January	<u>70,767</u>
Cash and cash equivalents at 31 December	<u><u>93,684</u></u>
Cash and cash equivalents comprise :	
Short term investments - money market fund	78,615
Short term deposits	1,307
Cash and bank balances	13,924
	<u>93,846</u>
Pledged short-term deposits	(162)
Cash and cash equivalents	<u><u>93,684</u></u>

Due to the change of financial year end from 31 March 2017 to 31 December 2016, there are no comparatives to be presented in this condensed consolidated statement of cash flow.

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial period ended 31 December 2016 and the accompanying notes.

Part A – Explanatory Notes Pursuant to FRS134

1 Change of financial year end

On 16 November 2016, the Company announced a change in its financial year end from 31 March 2017 to 31 December 2016. Thereafter, the financial year shall end on 31 December for subsequent years. There are no comparatives to be presented for the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed statement of cash flows as the amounts are not comparable.

2 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134 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 period ended 31 December 2016. 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 period ended 31 December 2016.

The significant accounting policies adopted by the Group in the interim financial statements are consistent with those adopted in the financial statements for the period ended 31 December 2016.

The companies within the Group are Transitioning Entities under the Malaysian Financial Reporting Standards ('MFRS') Framework and will continue with the FRS Framework until the MFRS Framework is adopted by the Group in the financial year beginning on 1 January 2018.

3 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.

4 Unusual items due to their nature, size or incidence

None.

5 Changes in estimates

Not applicable.

6 Debt and equity securities

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

7 Dividends paid

The first and final dividend of 5 sen per share single tier tax exempt (FYE31 Mar 2016: 10 sen per share single tier tax exempt) for the nine (9) months financial period ended 31 December 2016 amounting to RM3.74 million was paid on 22 June 2017.

8 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 period ended 31 December 2016.

9 Events after the interim period

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

10 Changes in composition of the Group

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

11 Property, Plant and Equipment

The Group has disposed of two vacant shop offices with a carrying value of RM0.5 million during the financial period ended 31 March 2017 resulting in a gain of RM4.3 million. This gain has been recognized and included in Other Income in the Statement of Comprehensive Income.

12 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.

13 Capital commitments

Amounts contracted but not provided for capital expenditure as at 31 December 2017 amounted to RM1.1 million.

14 Significant Related Party Transactions

None.

15 Segmental information

Segmental information for the financial year ended 31 December 2017 is as follows:

	Property development RM'000	Plantation RM'000	Others RM'000	Consolidated RM'000
31 December 2017				
Revenue				
External customers	39,139	13,078	-	52,217
Dividend income	-	-	51	51
Total Revenue	39,139	13,078	51	52,268
Results				
Segment results	13,280	5,628	(2,948)	15,960
Income tax expense				(3,595)
Profit net of tax for the year				12,365
Assets				
Segment assets	324,527	93,790	142,602	560,919
Liabilities				
Segment liabilities	18,378	1,995	44,864	65,237

Due to the change in financial year end from 31 March 2017 to 31 December 2016, there are no comparatives to be presented in this section.

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

16 Auditors' Report on preceding Annual Financial Statements

The auditors' report on the financial statements for the financial period ended 31 December 2016 was not qualified.

17 Review of performance

Due to the change in financial year end from 31 March 2017 to 31 December 2016, there is no commentary on the comparison with the previous year corresponding quarter/period since no comparatives are available.

The Group recorded revenue of RM16.1 million and profit before tax of RM3.2 million in the current quarter.

	Current Quarter Ended 31 December 2017		Current Year To Date Ended 31 December 2017	
	RM'000	%	RM'000	%
Revenue				
Property	12,158	75.5	39,139	74.9
Plantation	3,951	24.5	13,078	25.0
Others	-	-	51	0.1
Total	16,109	100.0	52,268	100.0
Profit before Tax				
Property	2,092	65.8	13,280	83.2
Plantation	1,711	53.8	5,628	35.3
Others	(622)	(19.6)	(2,948)	(18.5)
Total	3,181	100.0	15,960	100.0

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

The Group recorded an increase in revenue by 52.1% from RM10.6 million to RM16.1 million and an increase by 51.9% in profit before taxation of RM2.1 million to RM3.2 million as compared to the preceding quarter. The improvement was mainly contributed by increase in construction progress billing of its newly launched project.

19 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 weaknesses in the property sector. During this period of market slowdown, the Group continues 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 efforts to widen its potential purchasers base. 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. Prices are expected to be stable as well arising from favourable global palm oil demand.

20 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.

21 Variance of actual profit from forecast profit or profit guarantee

Not applicable.

22 Taxation

	Current Quarter Ended 31 December 2017 RM'000	Current Year To Date Ended 31 December 2017 RM'000
Malaysian income tax:		
Current tax	514	3,161
Deferred tax	816	434
Income tax expense	<u>1,330</u>	<u>3,595</u>

The effective tax rate for year to date is lower than the statutory tax rate due to certain non-taxable income.

23 Corporate proposals

(a) Status of corporate proposals

On 16 November 2017, the Company proposed to change its name from "TAHPS Group Berhad" to "AYER Holdings Berhad". The proposed change of name was approved by the shareholders on 14 December 2017.

The proposed change of name became effective on 26 December 2017 upon the receipt of the Notice of Registration on Change of Name of Company issued by the Companies Commission of Malaysia.

(b) Status of utilisation of proceeds

Not applicable.

24 Group borrowings and debt security

There was no borrowing and debt security as at 31 December 2017.

25 Changes in material litigation

There was no material litigation since the date of the last financial position as at 31 December 2016.

26 Dividends

No interim ordinary dividend has been declared for the quarter ended 31 December 2017. The Board of Directors recommend the payment of first and final dividends of 5 sen per share single tier tax exempt (2016 9m: 5 sen per share) for the financial year ended 31 Dec 2017 amounting to RM 3.74 million (2016 9m: RM3.74 million). The proposed dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2017

27 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 December 2017	Current Year To Date Ended 31 December 2017
Profit net of tax (RM'000)	1,851	12,365
Weighted average number of ordinary shares in issue ('000)	74,853	74,853
Basic earnings per share (sen)	2.47	16.52

(b) Diluted earnings per share

Not applicable.

28 Disclosure of realised and unrealised profits/(losses)

	As at 31 December 2017 RM'000	As at 31 December 2016 RM'000
Total retained profits of TAHPS Group Berhad and its subsidiaries:		
- Realised profits	475,454	464,157
- Unrealised loss	<u>(2,582)</u>	<u>(1,593)</u>
	472,872	462,564
Less: Consolidation adjustments	<u>(84,344)</u>	<u>(83,008)</u>
Total retained profits as per consolidated accounts	<u>388,528</u>	<u>379,556</u>

29 Disclosure requirements to the Statement of Comprehensive Income

	Current Quarter Ended 30 Dec 2017 RM'000	Current Year to date Ended 30 Dec 2017 RM'000
(a) dividend income	Nil	51
(b) interest expense	Nil	Nil
(c) provision for and write off of receivables	1,717	3,570
(d) provision for and write off of inventories		
(e) gain or loss on disposal of quoted or unquoted investments or properties	Nil	4,358
(f) impairment of assets		
(g) foreign exchange gain or loss	Nil	Nil
(h) gain or loss on derivatives		
(i) exceptional items		

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2017

30 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: 27 February 2018