**Appendix I**

# AYER HOLDINGS BERHAD (37-K)
# (Formerly known as TAHPS Group Berhad)
(Incorporated in Malaysia)

**Summary of key matters discussed at the 107th Annual General Meeting held on Wednesday, 18 April 2018 at 2.00 p.m.**

**Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2017 ("AFS")**

A proxy holder enquired on the following:-

1. Inventories of the Group and the strategy and steps taken by the Company to address the unsold units available amounting to RM86,831,000;

2. The business plans and measures taken by the Company to remain sustainable as a result of the softening of the property market and whether there was any plan to dispose of its plantations since the plantation sector was no longer the core business of the Company, as well as the plans for the Company to acquire more land for property development;

3. Whether the profit attained for the financial year ended 31 December 2017 was the lowest as compared to the profits achieved in the recent five year period; and

4. Breakdown of the unsold stock amounting to RM86 million and the prospect of the Company's housing projects.

Management replied that:-

A. Due to the current economic uncertainty and soft market conditions, the Company was restrategising the marketing of its products and improving business expectations.

B. Any new project launches for the property market would be done at an opportune time.

C. The Company was undergoing master replanning and had taken the opportunity during the current slowdown in the property market to focus on the sale of its unsold stock and optimise its investment in the property and plantation sectors.

D. (i) 2/3 of the EPIC Residence totalling 300 units (service apartment) had been sold;
   (ii) The Company had successfully launched Andira Park in two phases totaling 140 units last year and all units in the Andira Park had been fully sold last year; and
   (iii) The Gross Development Value for the Andira Park project was approximately RM100 million.

**Item 2 of the Agenda – Payment of a first and final dividend of 5 sen per share under single-tier system for the financial year ended 31 December 2017**

A shareholder of the Company, enquired on the following:-

i. Whether the Company has considered having a dividend policy and implementing a Dividend Reinvestment Scheme ("DRS"); and
ii. The basis of declaring a first and final dividend of 5 sen per share.

The Chairman replied that:-

- Dividend Policy
  Not many public listed companies in the property segment had announced a dividend policy probably due to the volatile property market conditions and its cyclical nature. He then made reference to the Government reports of unsold properties in the market and the consolidation period the property market underwent in the recent years. He added that the Board had earlier discussed in length on the advantages of having a dividend policy and the key consideration including the impact of having such a dividend policy in place for future payment. He explained that companies having dividend policy would be at a disadvantage especially opportunity cost such as increasing its land bank during the economic downturn, where cost and limited funding would be the main factors in decision making. Hence, the Company had decided not to establish a dividend policy for the time being and the dividend to be declared to shareholders would be subject to the financial position of the Group and its future funding requirement.

- Dividend Reinvestment Scheme ("DRS")
  The Board had discussed on the proposal to introduce DRS to the shareholders and considered the cost and benefits of such an exercise and had decided that it was not a suitable time to embark on DRS.

- Payment of a first and final dividend of 5 sen per share
  The declaration of 5 sen per share was in line with the performance of the Company and after taking into consideration the Group's financial results for the last two to three years and the amount of dividend declared and benchmarked against other companies in the same industries, the declaration of 5 sen was the most prudent figure to declare for the shareholders. In the event the Company was able to perform well in the near future and achieve a higher revenue and profit, thus creating shareholders value, the Company would be in a position to declare a better dividend rate.

**Item 4 of the Agenda – Payment of Directors' Remuneration (excluding Directors' Fees) not exceeding RM350,000 payable to the Board of the Company and its subsidiaries for the period from 19 April 2018 until the 108th AGM**

A shareholder asked on the breakdown of the directors' remuneration.

The Chairman replied that:-

- The breakdown of the directors' remuneration was stated on pages 44 and 90 of the Annual Report 2017.

- The Directors' other emoluments totalling RM296,000 was reflected in the AFS and the provision of Directors' remuneration of not exceeding RM350,000 was to take into account of any eventualities or incidental expenses, whereby the Directors would be remunerated in the event the 108th AGM was held at a later date, i.e. either in May or June 2019.

**Item 8 of the Agenda - Special Business**
**Continuing in office as an Independent Non-Executive Director – Tan Sri Datuk Yong Poh Kon**

A proxy holder asked the following issues on the retirement of Tan Sri Datuk Yong and the measures taken by the Company to comply with Practice 4.1 of the Malaysian Code on Corporate Governance ("MCCG") 2017 requirement:-

- The possibility of Tan Sri Datuk Yong being a non-Independent director or cease to be a director of the Company whereby the Company would be required to appoint additional independent director(s) to meet the Listing Requirements of Bursa Malaysia Securities Berhad; and

- To comply with the requirement of at least 50% independent directors in accordance with Practice 4.1 of the MCCG 2017.

Mr Chin Yoong Kheong replied that:-

- The Company had considered the succession planning for Tan Sri Datuk Yong Poh Kon;

- The Board had also addressed the issue on the requirement of 50% independent directors for a company and looked into the options to best manage the matter;

- In the evaluation of an additional independent director's suitability for the Company, the Board had considered the cost factor of having an additional director, discussed on the cost benefit analysis and taken into consideration maximising shareholders value; and

- The Board opined that the Company would not incur unnecessary cost during the unfavourable economic condition / downturn of the property market and defer the decision of compliance of Practice 4.1 of the MCCG 2017 to a later date. Nonetheless, the Board recognised the requirement under the MCCG 2017 that the Audit Committee comprise wholly independent directors and would take into consideration of the same when making the decision on the Board's composition.