

# AYER

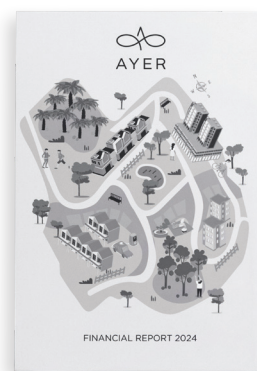


ANNUAL REPORT 2024

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## INSIDE THIS REPORT



For more information on our website, visit  
<https://www.ayer.com.my>

### PROPERTY AWARDS RECOGNITION IN 2024



- **Platinum GreenRe (provisional)**
- **Bronze GreenRe (provisional)**

## OUR VISION

To enhance value for stakeholders as a leading player in sustainable land-based businesses and activities.

## OUR MISSION

To go beyond benchmarks - to ensure sustainable shareholders value and exceed customers' expectations through innovative products, services and sustainable practices; and from hand-to-heart, committing to our core values, we are a responsible corporate citizen; a preferred employer; and choice partner for business.

## OUR VALUES

### LISTEN

#### Integrity in all we do

Honesty and the highest standards with ourselves and with each other is where it all begins.

### SERVE

#### Passion to realise

The joy we can provide to our customers and partners keeps us ticking!

### INSPIRE

#### Commitment to deliver

We're fiercely committed to building lives and livelihoods, not just brick and mortar.

### LIVE

#### Balance in life

We believe life should be celebrated inside and outside the office.

## GROUP CORPORATE STRUCTURE



**AYER HOLDINGS BERHAD**  
190701000003 (37-K)

100%

**BUKIT HITAM  
DEVELOPMENT  
SDN. BHD.**  
199001011824  
(203394-W)

Property Development

100%

**YEE SENG  
PLANTATIONS  
SDN. BHD.**  
196601000116  
(6587-P)

Plantation

100%

**AYER  
DEVELOPMENT  
SDN. BHD.**  
202301049910  
(1543824-D)

Project Management

100%

**THE AYER HITAM  
DEVELOPMENT  
SDN. BHD.**  
198201004133  
(83880-A)

Property Development

\* The complete list of subsidiaries, their respective principal activities, country of incorporation and the Group's effective interest are shown in note 13 of the Audited Financial Statements in pages 53 and 54 of this Annual Report 2024.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Non-Executive Chairman

(Non-Independent)

**Mr. Lim Kee Choon**

### Non-Executive Directors

(Independent)

**Mr. Chin Yoong Kheong**

**Tan Sri Arpah Binti Abdul Razak**

**Dato' Ng Tiong Lip**

**Mr. Raymond Yeoh Cheng Seong**

### Non-Executive Directors

(Non-Independent)

**Mr. Lim Ke Hun**

**Ms. Lim Wan Yee**

**Mdm. Chang Wee Yon**

(Alternate Director to Ms. Lim Wan Yee)

**Mr. Edwin Jose Gomes**

(Alternate Director to Mr. Lim Kee Choon)

## BOARD COMMITTEE

### Audit Committee

**Mr. Raymond Yeoh Cheng Seong**

(Chairman)

**Mr. Chin Yoong Kheong**

**Tan Sri Arpah Binti Abdul Razak**

### Board Risk Committee

**Dato' Ng Tiong Lip**

(Chairman)

**Mr. Chin Yoong Kheong**

**Mr. Lim Ke Hun**

**Ms. Lim Wan Yee**

### Nomination and Remuneration Committee

**Mr. Chin Yoong Kheong**

(Chairman)

**Tan Sri Arpah Binti Abdul Razak**

**Dato' Ng Tiong Lip**

**Mr. Raymond Yeoh Cheng Seong**

### Board Sustainability Committee

**Ms. Lim Wan Yee**

(Chairman)

**Mr. Lim Ke Hun**

**Dato' Ng Tiong Lip**

**Mr. Raymond Yeoh Cheng Seong**

## PRINCIPAL OFFICERS

### Group Chief Executive Officer

**Mr. Chua Seng Yong**

### Deputy Group Chief Executive Officer

**Ms. Lee Sor Phaik**

(appointed 15 October 2024)

### Group Chief Operating Officer

**Ms. Jeannie Khoo Poh Gaik**

### Group Chief Financial Officer

**Mr. Tan Kian Whoo**

(appointed on 18 September 2024)

### Chief Operating Officer, Property

**Mr. Ong Chin Teck**

## REGISTERED OFFICE

12<sup>th</sup> Floor Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 603-7890 4800  
Fax : 603-7890 4650  
Email : boardroom-kl@boardroomlimited.com

## PRINCIPAL PLACE OF BUSINESS

5<sup>th</sup> Floor,  
Bangunan Yee Seng  
No. 15, Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel : 603-2034 2366  
Fax : 603-2034 2866

## SHARE REGISTRAR

Tricor Investor & Issuing House  
Services Sdn Bhd  
Unit 32-01, Level 32,  
Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur  
Wilayah Persekutuan Malaysia  
Tel : 603-2783 9299  
Fax : 603-2783 9222  
Email : is.enquiry@my.tricorglobal.com

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
Main Market  
Stock code: AYER 2305

## WEBSITE

<https://www.ayer.com.my>

## AUDITORS

Khoo Wong & Chan  
Chartered Accountants  
8.06-8.08, 8<sup>th</sup> Floor  
Plaza First Nationwide  
No. 161 Jalan Tun H.S. Lee  
50000 Kuala Lumpur, Malaysia

## COMPANY SECRETARIES

Tai Yit Chan  
(MAICSA 7009143 / SSM Practicing  
Certificate No. 202008001023)  
Tai Yuen Ling  
(LS 0008513 / SSM Practicing  
Certificate No. 202008001075)

## INTERNAL AUDITORS

Crowe Governance Sdn Bhd  
Level 16, Tower C, Megan Avenue II  
No. 12, Jalan Yap Kwan Seng,  
50450 Kuala Lumpur  
Tel : 603-2788 9999

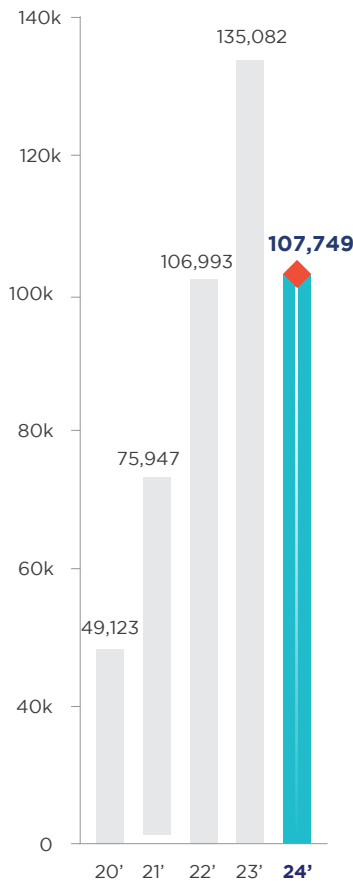
## PRINCIPAL BANKERS

Malayan Banking Berhad  
Hong Leong Bank Berhad

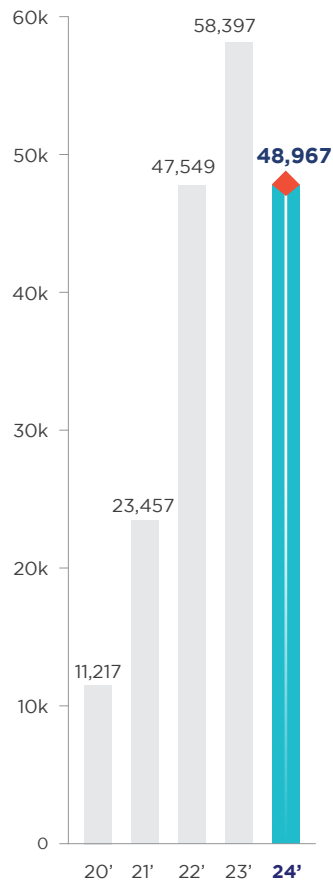


# FIVE YEAR FINANCIAL HIGHLIGHTS

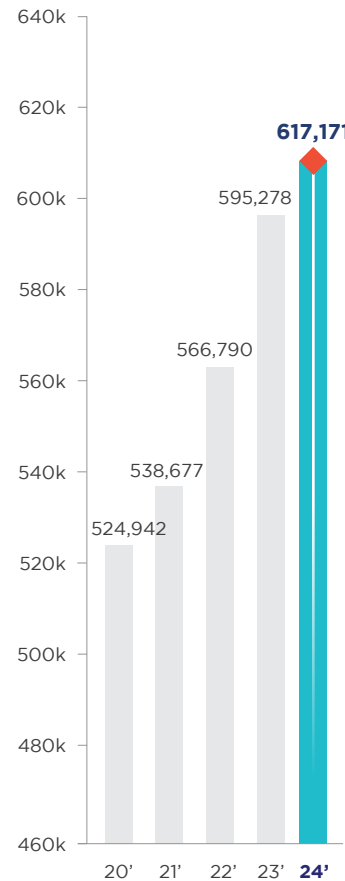
## REVENUE (RM'000)



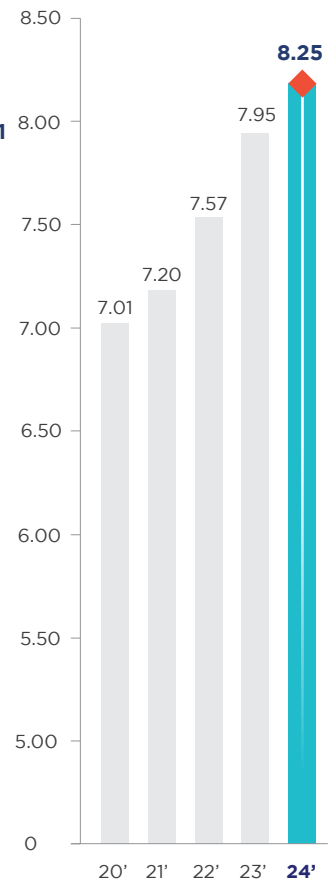
## PROFIT BEFORE TAXATION (RM'000)



## SHAREHOLDERS' FUNDS (RM'000)



## NET ASSETS PER SHARE (RM'000)



		Year ended 31 December				
		2020	2021	2022	2023	2024
Revenue	(RM'000)	49,123	75,947	106,993	135,082	107,749
Profit Before Taxation	(RM'000)	11,217	23,457	47,549	58,397	48,967
Profit After Taxation	(RM'000)	7,817	17,571	35,341	43,567	36,924
Paid-up Capital	(RM'000)	74,945	74,945	74,945	74,945	74,945
Shareholders' Funds	(RM'000)	524,942	538,677	566,790	595,278	617,171
Earnings Per Share - Basic	(sen)	10.44	23.47	47.21	58.20	49.33
Net Assets Per Share	(RM)	7.01	7.20	7.57	7.95	8.25
Net Dividends Per Share	(sen)	4.1	10.0	20.0	20.0	40.0
Share Price at 31 December	(RM)	5.60	5.59	6.60	6.75	7.20
Dividend Yield - Net	(%)	0.73	1.79	3.03	2.96	5.56

# CHAIRMAN'S STATEMENT

Dear Shareholders,

**The year 2024 has been marked with significant milestones and challenges with our journey focused on our commitment to addressing sustainability challenges.**

This year marks our 118<sup>th</sup> anniversary and under the leadership of our GCEO who is supported by a strong functional board, the company has now fully evolved into a professionally managed organization. The transformation journey of our board is a testament to our commitment to achieving the company's long-term sustainability.

As we remain firmly grounded on our core values: Listen, Serve, Inspire and Live, we shall continue our commitment to delivering results and collective drive for success.



## Overview

The Malaysian economy for the Year 2024 witnessed resilience and growth despite global uncertainties and domestic challenges. While the property market faced a mix of opportunities and challenges, the agriculture sector maintained stability throughout the year.

The economic trajectory for 2025 is expected to build on the gains of 2024, supported by policies aimed at strengthening sustainability, boosting local industries and enhancing trade relationships.

## Business Review

In the property sector, we launched Erica Residence and BP Boulevard in September and October 2024 respectively. Additionally, we successfully handed over Bromelia on schedule and achieved significant progress with our first Bronze GreenRE-rated Dahlia project.

Our digitalization effort in the plantation division has now enabled us to leverage on technology and with the workers shortage resolved, we are well-positioned to improve efficiency, productivity, sustainability, and profitability.



# CHAIRMAN'S STATEMENT

**AS WE REMAIN FIRMLY GROUNDED ON OUR CORE VALUES: LISTEN, SERVE, INSPIRE AND LIVE, WE SHALL CONTINUE OUR COMMITMENT TO DELIVERING RESULTS AND COLLECTIVE DRIVE FOR SUCCESS.**



A structured re-planting program for oil palm will be adopted from 2025 onwards and we have started planting seedlings in our nursery set to be re-planted in 2026. The annual climate impact such as heavy rain and flooding remains a major challenge to our oil palm estates affecting crop yields and operational efficiency. However, proactive measures such as improved drainage systems and investments in technology-driven plantation management systems will help us mitigate some of these impacts.

Under the stewardship of our new Board Sustainability Committee, we continue to champion environmental, social, and governance ("ESG") principles, integrating them into every aspect of our operations.

We made history with Erica Residence becoming the first landed property in Malaysia to be awarded Platinum GreenRE ("Provisional") marking a major milestone, and signifying our commitment to creating sustainable cities and communities. We continued to be MSPO certified for both oil palm estates for the 7<sup>th</sup> year and MyGap certification for Gali Estate durian plantation for our first 40 hectares.

## Financial Performance

The group recorded a revenue of RM107.7 million with profit before tax of RM48.9 million. The property division contributed a revenue of RM76.9 million and profit before tax of RM30.8 million, mainly from the developments in Bukit Puchong.

The Plantation division contributed a revenue of RM30.9 million and profit before tax of RM14.2 million. The higher revenue is attributed to higher FFB production and higher CPO price.

## Dividends

For the financial year ended 31 December 2024, the Board recommends the payment of a final dividend of 20.0 sen per share and a special dividend of 20.0 sen per share (Total dividend of 40.0 sen per share). The dividend payable of RM29.942 million represents 81.1% of the net profit attributable to the owners of the Company for this year.

## Business Outlook

We are optimistic that the outlook for 2025 will remain positive. We expect continued growth in the property sector, driven by urbanization and demand for residential and commercial spaces. Similarly, the demand for palm oil is anticipated to rise in the global market. These trends, combined with supportive government policies, favorable economic conditions and internal strategic initiatives are set to position us to deliver sustainable value to our stakeholders.

## ACKNOWLEDGEMENT

I would like to express my sincere gratitude to my fellow board members, our management team, and all of our staff. I would also like to extend special thanks to our customers, business partners, and the authorities for their unwavering support and trust. Your continued commitment is greatly appreciated, and we look forward to further strengthening our collaboration in the years ahead.

**Mr. Lim Kee Choon**  
Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW OF BUSINESS AND OPERATIONS

**AYER Holdings Berhad (“AYER” or the “Company”) and its subsidiaries (the “Group”) operate primarily in the Property and Plantation segments. In the Property segment, we continue to be the master developer of Bandar Bukit Puchong, with approximately 600 acres of freehold undeveloped land. This segment accounted for 71% of the Group’s revenue in FY2024 (FY2023: 81%), driven by strong demand for residential and commercial properties. Our focus remains on sustainable development, customer-centric designs, and community integration.**

Our Plantation segment, comprising estates in Kretay, Terengganu, and Gali, Pahang, contributed 29% (FY2023: 19%) of revenue, reflecting increased cultivation of oil palm and durian. Higher crude palm oil (“CPO”) prices and improved fresh fruit bunch (“FFB”) production were key growth drivers. Additionally, our durian plantation expansion to 367.6 acres, with a total of 12,474 trees comprising Musang King, Black Thorn, and other durian cultivars, has begun generating modest revenue, further diversifying our revenue streams as the trees matures.

The Group’s financial position remains strong, with net assets rising 3.7% to RM617.2 million and cash reserves increasing to RM248.6 million as of December 31, 2024. With zero borrowings, our financial health provides a solid foundation for future expansion. The Group’s return on equity (“ROE”) stood at 6.0%, while earnings per share (“EPS”) declined to 49.33 sen from 58.20 sen in the previous year, reflecting the transitional effects in the Property segment. Our dividend payout ratio remains under evaluation as we balance capital reinvestment with shareholder returns.

### TWO MAIN SEGMENTS OF AYER HOLDINGS BERHAD

#### PROPERTY SEGMENT



In FY2024, the Group continued to focus on its core property development business in Bandar Bukit Puchong, a township renowned for its proximity to amenities, educational institutions, and the Wawasan Forest Reserve, offering a tranquil escape from city life.

During the year, the Group completed two projects: Andira Place, with a 96% take-up rate, and Bromelia, which achieved a 100% take-up rate. The ongoing project, Dahlia Bukit Puchong, launched in September 2023, achieved a 100% take-up rate and 88% construction progress by FY2024. Dahlia features 43 low-density homes, including Super link Terraces (2,520–2,636 sq ft) and Cluster Semi-Ds (2,830 sq ft), designed for modern, multi-generational living and certified with GreenRE Bronze for sustainable practices.

The Group launched two new projects during the year: Erica Residence and Bukit Puchong Boulevard. Erica Residence is a Platinum GreenRE-certified (provisional) development comprising 68 semi-detached homes, each with a built-up area of 3,399 sq ft. The project emphasizes eco-friendly features such as solar water heating, rainwater harvesting, and energy-efficient designs. The project Erica Residence has achieved a 34% take-up rate. Bukit Puchong Boulevard, a commercial project, features 54 units of 2 & 3-storey shop offices with unit sizes ranging from 3,520 sq ft to 9,504 sq ft. Designed for modern businesses, it offers high ceilings, full glass frontages, and accessible rooftop spaces. Bukit Puchong Boulevard was launched in October 2024, it achieved a 19% take-up rate within two months period.



# MANAGEMENT DISCUSSION AND ANALYSIS

Looking ahead, Dahlia, Erica Residence, and Bukit Puchong Boulevard are expected to be the Group's key revenue drivers in FY2025-FY2026. With positive market conditions, including steady household loan growth and a strong labour market, the Group plans to launch additional commercial properties in Bandar Bukit Puchong to meet sustained demand. The Group's focus on sustainability, modern living, and community-centric designs positions it well for continued growth and success in the property market.

## PLANTATION SEGMENT



The Group's Plantation segment achieved better performance in 2024, with higher crude palm oil ("CPO") prices. CPO prices recorded uptrend ranged from lowest of RM3,800/mt to highest of RM5,125/mt in year 2024. Hence, the Group recorded 13% increase in its fresh fruit bunches ("FFB") average selling price.

In terms of cost of production, the Group has improved its manuring program in April 2024 to be more cost effective and improve FFB productivity. The improvement has successfully decreased its oil palm production cost in FY2024.

With more oil palm plants move into their prime age, and the Group's Plantation segment intensified its efforts in harvesting its FFB with increasing usage of mechanization, sourcing of new workers and manpower management. FFB production volume has increased by 8% (FY2024: 35,265 mt, FY2023: 32,712 mt), average FFB yield marginally increased by 8% (FY2024: 19.2 mt/ha, FY2023: 17.8 mt/ha), after taking into account monthly average matured planting areas.

As part of the Group's effort to improve workers welfare, 8 units of workers quarters in Gali were refurbished in FY2024 as the Group reinforcing its commitment to provide a safe and better living environment to all its workers.

Topping up the Group's sustainability initiatives in 2024 is the successful renewal of the Malaysian Sustainable Palm Oil ("MSPO") certifications for the seventh consecutive years for both estates, giving assurance to the Group's practices in sustainable oil palm management. Following the completion of implemented

state-of-the-art drone technology in 2023, the Group implemented Plantation Micro Macro Program ("PMMP") system, a comprehensive tool designed to monitor and manage its oil palm and durian plantations effectively. All these CAPEX investments are part of the plan to elevate its plantation's best practices.

During the year under review, the Group expanded its durian plantation activities. A total of 2,500 Musang King new trees were planted in 2024, taking total planted trees as at end of 2024 to 12,474 trees, comprising both mature and immature trees, that span across a total of 367.6 acres of land in the Gali Estate. These mature trees commenced fruiting in the second quarter 2024 and collected approximately 7,000 durians comprise of Musang King, Black Thorn and other type of durian during FY2024. These durians were sold to wholesalers and consumers via online marketing. The Group expects more durians will be collected during fruiting season in the coming years.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL PERFORMANCE REVIEW

The Group recorded RM107.7 million in revenue (FY2023: RM135.1 million) and RM48.9 million in profit before tax (FY2023: RM58.4 million). The year on year decrease in revenue and profit before tax by 20.3% and 16.3% respectively was primarily due to transitional project completions in the Property segment. However, our Plantation segment showed strong performance, driven by a 10% increase in average CPO prices and an 8% rise in FFB production.

### Property Segment

Property segment revenue decreased 30% (FY2024: RM76.9 million, FY2023: RM109.7 million) and PBT decreased 32% (FY2024: RM30.8 million, FY2023: RM45.3 million) for the year under review. This was due to the completion of Bromelia and Andira Place projects. Bromelia and Andira Place was completed in April 2024 and in October 2024 respectively and now in the stage of handover Vacant Possession to our buyers. Nonetheless, the on-going projects such as Dahlia, Erica Residence (Platinum GreenRE certified), and Bukit Puchong Boulevard contributed to revenue but at earlier stages of development, except for Dahlia which is at its advances stage of completion.

Dahlia, that was fully sold and attained cumulative percentage of completion of 88% FY2024 from 9% FY2023. Erica Residence (GreenRE Platinum – provisional) and Bukit Puchong Boulevard was newly launched in the third quarter of 2024, these two projects also attained cumulative percentage of completion of 17.5% and 5.9% respectively with 34% and 19% take up rate respectively.

Despite these transitional effects, the strong take-up rate of new launches demonstrates continued market confidence in our projects.

### Plantation Segment

In FY2024, Plantation segment delivered 23% revenue growth (FY2024: RM30.9 million, FY2023: RM25.2 million) and 69% PBT growth (FY2024: RM14.2 million, FY2023: RM8.4 million) supported by increased mechanization, better labour management, favourable pricing trends, and productivity improvements, including a 16% reduction in oil palm production costs, were achieved through optimized fertilization programs and mechanized harvesting.

With further investments in precision agriculture technology and enhanced irrigation systems, we aim to sustain long-term efficiency gains in this segment.

## RISK AND STRATEGY

In 2024, the Board of Directors of AYER consists of seven (7) Directors, four (4) of the Directors of which are Independent Directors. The composition of the BOD remained with emphasis of independence and objectivity since 2023.

The BOD is consistently identifying, evaluating and addressing potential risks and challenges related to the sustainable growth of the Group's business via our established Board Sustainability Committee ("BSC"), Nomination and Remuneration Committee ("NRC"), Audit Committee ("AC") and Board Risk Committee ("BRC"). These committees play an important role in integration of risk management philosophy into our operations in order to ensure sustainable growth in the foreseeable future.

A detail overview of our material risks and corporate governance practices led by the above committees can be found in the Sustainability Statement, Corporate Governance Overview Statements, Audit Committee Report and Statement on Risk Management and Internal Control.

The Group's IT continues its improvement in upgrading Plantation Micro Macro Program ("PMMP") for both Oil Palm and Durian plantation via implementing of NFC technology to digitalize its operation data processing and enhance management costs efficiency. The system further strengthening its information security, supporting data-driven analysis and facilitating customer management. The Group's IT strategy complements the Group's continuous effort in environmental, social and governance ("ESG") thrusts such as in promoting paperless environment, reducing waste, monitoring and data gathering in plantation areas through drone technology, enabling seamless connection in the implementation of work-from-home initiative, and providing tools for ESG reporting. For e-invoicing implementation, the Group has upgraded its IT front and backend infrastructure to follow its regulatory compliance by IRB and improve customer relationship management ("CRM") and data analysis for CRM in property segment and durian plantation operation respectively.

# MANAGEMENT DISCUSSION AND ANALYSIS

The Group's Property segment remains focus on its Bandar Bukit Puchong master township development and emphasis on quality living and community engagement. With strategic environment such as Puchong Hill Forest Reserve, a green lung that provides a tranquil escape from the bustling city life and well-established connectivity to other townships such as Putrajaya and Cyberjaya, the Group strategize product with sustainability features launching that meets customer preference. The successful receiving of GreenRE Bronze Certification and the prestigious Platinum GreenRE (provisional) for Dahlia and Erica Residence are the recognition of the Group's effort and commitment in branding, product innovation and sustainability certification for on-going projects and new launches. Another area of value creation will be placemaking spaces, one of the attractions we intended to create for the community's health and well-being and provide green living spaces for the community within our Bukit Puchong development.

On the Plantation front, the Group continue places importance on workers' welfare, efficiency of manpower utilization in order to increase FFB yield and scale up its durian plantation.

To improve productivity, the Group will continue giving emphasis on mechanization for its upkeep operations, crop harvesting and evacuation to improve productivity with the use of motorized cutter and deploying smaller tractors for faster and efficient infield collection of FFB.

For longer term FFB yield improvement, the Group will execute its next replanting plan to rejuvenate some of its aging fields which are giving lower yields. The Group will focus on more consistent replanting and prioritize replanting of fields with better yielding seedlings to ensure better production.

For longer term sustainability, The Group will continue the planning of development of masterplan in Bukit Puchong, and ensure property launches are within market needs and expectation. The Group will be open for opportunities to work with other industry players in the form of joint ventures and/or strategic partnerships for location outside of Bukit Puchong.

## BUSINESS OUTLOOK

Malaysia's economic growth is forecasted to moderate to 4.9% in 2025<sup>1</sup>, with steady mortgage rates supporting property market stability. The competitive landscape in the residential and commercial property sectors will intensify, but our strategic land bank in Puchong remains a key advantage. We will continue leveraging sustainability-focused development to enhance market positioning.

The Group will maintain a disciplined approach to capital expenditure, focusing on technology adoption, automation, and digitalization to improve operational efficiency. Investments in smart home solutions, energy-efficient building designs, and digital sales platforms will further enhance our property offerings and customer experience.

In the Plantation segment, we anticipate CPO price volatility due to unpredictable weather conditions. However, our ongoing mechanization efforts, improved labour management, and enhanced agricultural practices will support productivity and cost efficiency. The Group is also expanding its durian plantation business, leveraging e-commerce and direct-to-consumer sales strategies to tap into growing demand in both domestic and export markets.

With a clear focus on sustainable development, operational efficiency, and strategic growth, AYER is well-positioned to navigate future challenges while driving long-term value for our stakeholders. After taking into account of the Group's satisfactory performance in FY2024, the Board is pleased to announce a final dividend of 20.0 sen per share. As part of our continuing efforts to optimize our capital structure, the Board has proposed a special dividend of 20.0 sen per share to return capital to shareholders.

The above total dividend payment of 40.0 sen per share representing 81.1% payout ratio, after taking into consideration of capital requirements for its future expansion and setting aside reasonable reserve, for shareholders' approval at the forthcoming 114<sup>th</sup> Annual General Meeting of the Company.

<sup>1</sup> Source: KSI forecast Malaysia's economic growth for 2025, KSI Strategic Institute for Asia Pacific

# SUSTAINABILITY STATEMENT

## ABOUT THIS REPORT

**At AYER, our steadfast commitment to sustainability and community is our driving inspiration. We strive to create eco-friendly homes and greenscapes that enhance our residents' experience of life in our township in Puchong.**

We aspire to adopt sustainable agricultural practices in our plantations to ensure the well-being of our workers and the natural environment, and to advance environmental resilience through our practices.

We dedicate ourselves to serving to our stakeholders and local communities with care, integrity, inclusivity, and continuity in all that we do.

AYER's Sustainability Statement for 2024 provides an overview of the Group's achievements and challenges in sustainability for the period of 1 January 2024 to 31 December 2024, unless stated otherwise.

The efforts we have made in 2024 reflect our dedication to building long-term sustainable value to ensure that our actions today create a positive impact for the generations that are to come.

### Reporting Scope

This Sustainability Statement covers the sustainability performance of our property, durian and oil palm plantations operations, which are based entirely in West Malaysia.

### Reporting Frameworks and Standards

This Statement is prepared in accordance with Bursa Malaysia's Main Market Listing Requirements, with reference to:

- Bursa Malaysia's Sustainability Reporting Guide (3<sup>rd</sup> Edition);
- Bursa Malaysia's Illustrative Sustainability Report;
- Global Reporting Initiative ("GRI") standards; and
- United Nation Sustainable Development Goals ("UNSDGs")

### Feedback

We welcome and encourage all our stakeholders to provide feedback on this Statement and how the Group can improve its sustainability journey. Please send your comments and suggestions to:

Chua Seng Yong  
Group Chief Executive Officer  
AYER Holdings Berhad  
5<sup>th</sup> Floor Bangunan Yee Seng  
15 Jalan Raja Chulan  
50200 Kuala Lumpur  
Email : sengyong.chua@ayer.com.my



## Sustainability Governance Structure

### Board of Directors

- Responsible for the oversight of sustainability matters of the Group. The Board develops strategy, sets targets, assesses material sustainability matters and the corresponding risks and opportunities
- Ensures that sustainability is embedded throughout the organisation by all business segments in their operations

### Board Sustainability Committee ("BSC")

- Reviews, supervises and makes recommendations to the Board on the Group's sustainability matters, including strategy, targets, performance and progress
- Approves the materiality assessment process and outcome
- Ensures the integration of sustainability and sustainability related risks and opportunities in the Group's Risk Management
- Monitors the implementation of sustainability strategies, targets and KPIs



# SUSTAINABILITY STATEMENT

## Assurance Forward-Looking Statement

The Internal Audit Department has carried out a review to obtain a limited assurance of the process and internal controls for collating and reporting of the various environmental and social indicators. The scope of the review includes various business divisions and departments of the Group.

In connection to the audit of the financial statements of AYER Holdings Berhad contained in the financial section of AYER Holdings Berhad's Annual Report 2024, Khoo Wong & Chan ("KWC"), the external auditors, have read the other information in accordance with ISA 720 (revised) *The Auditor's Responsibilities Relating to Other Information*.

While we have not obtained third-party assurance for the information in this report, we believe that the Malaysian Sustainable Palm Oil ("MSPO") and Malaysian Good Agricultural Practices ("MyGAP") assurance audits have lent credibility to the performance data we present to our stakeholders. Nevertheless, we endeavour to continue to improve our reporting disclosures to attain greater transparency of our operations, and to consider the further expansion of our scope of assurance through the engagement of external assurance.

## OUR APPROACH TO SUSTAINABILITY

### Sustainability Governance

The Board of Directors is responsible for the oversight of the Group's sustainability matters and its strategic direction on sustainability. With our growing awareness of a rapidly warming planet, increasingly volatile climatic conditions and the corresponding societal, economic, legal and regulatory pressures as all nations race to respond, the Board of Directors decided to form a dedicated Board Committee to deal with the challenges of sustainability. Ayer's Board Sustainability Committee ("BSC") was thus established on 30 November 2023.

The Group's Sustainability Working Committee ("SWC") is made up senior management, and is responsible for the implementation of sustainability strategies and the management of sustainability related matters. The SWC reports to the BSC on a quarterly basis or as needed.

The SWC is supported by the Sustainability Department, who help to coordinate, implement, manage and monitor all sustainability matters and initiatives.

### Sustainability Working Committee ("SWC")

(comprises the Group CEO, Deputy Group CEO, Group COO, Group CFO and COO - Property)

- Implements sustainability strategies approved by the Board and Board Committee
- Oversees stakeholder engagement and ensures that all issues and suggestions raised are taken into consideration in managing sustainability
- Identifies material sustainability matters, recommending strategies, policies, goals & targets
- Coordinates and monitors the implementation of sustainability initiatives
- Oversees the preparation of the Sustainability Statement

### Sustainability Department

- Coordinates with and provides support to the SWC in managing material sustainability matters
- Manages the materiality assessment process
- Prepares the sustainability report and data for BSC and the Board
- Monitors sustainability trends and related risks and opportunities
- Prepares the annual Sustainability Statement
- Reports on quarterly basis to the SWC

# SUSTAINABILITY STATEMENT

## Materiality Assessment and Key Sustainability Matters

The Group identifies material matters from:

- **Bursa Malaysia's Regulations** – Bursa Malaysia's enhanced disclosure requirements issued on 26 September 2022 and amendments issued on 23 December 2024.
- **Risks** – Our risk management review will identify Environmental, Social and Governance ("ESG") related risks.
- **Stakeholder Engagement** – We performed a materiality assessment which involved various internal and external stakeholders such as shareholders (including Directors), employees, lenders and financial institutions, suppliers, contractors and business partners, customers, as well as local community and industry associations to assess the relative importance to us of specific ESG and sustainability topics.

## Stakeholder Engagement

To better understand the sustainability issues affecting the Group, we identified internal and external stakeholder groups, including shareholders (including Directors), employees, lenders and financial institutions, suppliers, contractors and business partners, customers, local community and industry associations, as well as government and regulators. We have engaged with each group in the manner and frequency described below to gather information and feedback on their concerns.

### 1. Shareholders (including Directors)



#### Ad-hoc

- Media releases
- Regular and special announcements on Bursa's website
- Corporate website

#### Quarterly

- Bursa Malaysia announcements and financial reports

#### Annually

- General Meetings
- Annual Reports and Corporate Governance Reports

### 2. Employees



#### Throughout the year

- Internal communication channels
- Induction program
- On-boarding and buddy system
- Off-boarding and exit interview program
- Events, workshops and trainings (internal and external)
- Health and safety briefings and programmes
- Employee engagement survey
- Team building activities

#### Bi-annually

- Performance management review
- Town Hall session

### 3. Lenders & Financial Institutions



#### Ad-hoc

- Periodic meetings & formal correspondence
- Bursa Malaysia announcements

# SUSTAINABILITY STATEMENT

## 4. Suppliers, Contractors & Business Partners



### Ad-hoc, Ongoing

- Pre-qualification, tenders and procurement process
- Formal and informal meetings
- System/product live demos
- Periodic suppliers/contractors assessment

## 5. Customers



### Ad-hoc, Ongoing

- Face-to-face discussions
- Digital and social media channels
- Corporate events & formal correspondence
- Corporate website
- Correspondence through phone, emails and letters

## 6. Local Community & Industry Associations



### Ad-hoc, Ongoing

- Digital platform
- Community programs
- Charitable contribution

## 7. Government and Regulators



### Ad-hoc








- Regular meetings and consultations
- Involvement through representations of working groups
- Trainings
- Submission of data and information
- Submission of reports
- Correspondence through phone, emails and letters

### Throughout the year

- Compliance with rules and regulations









# SUSTAINABILITY STATEMENT

The Group has adopted 10 common material matters and 1 sector specific sustainability matter by Bursa Malaysia and the Group's own list comprising 3 matters that we have been monitoring. The risks to the Group, stakeholders' priorities and concerns, opportunities and responses made are as follows:














Material Matters	Risks, Stakeholder Priorities and Concern	Opportunities / Our Responses
<b>Economic</b>		
<b>Business Continuity &amp; Resiliency and Sharing of Economic Power</b>  <b>GRI 201</b>  	<b>Stakeholders</b>  <b>Risks</b> <ul style="list-style-type: none"> <li>Economic uncertainties</li> <li>Sufficiency of labour</li> <li>Supply chain - cost</li> <li>Business resilience (Property)</li> </ul> <b>Stakeholder Priorities and Concern</b> <ul style="list-style-type: none"> <li>Group's performance, growth and sustainability</li> <li>Group's strategic direction and plans</li> <li>Announcement of dividend and payout</li> <li>Staff welfare and remuneration package</li> </ul>	<ul style="list-style-type: none"> <li>Implement robust business strategies</li> <li>Explore relevant new innovations/ technologies and digitalisation opportunities</li> <li>Mechanisation and IoT to complement and/ or substitute dependency on manpower</li> <li>Attract competent and resourceful team</li> <li>Team resources that are well informed</li> <li>Prudent cost and capital management</li> <li>Compliance with rules &amp; regulations</li> <li>Good corporate governance (Refer to pg 42 to 47)</li> <li>Career development and career progression through its performance evaluation exercise</li> <li>Annual payment of dividend to shareholders (Refer to pg 3)</li> </ul>
<b>Corporate Governance, Compliance and Integrity</b>  	<b>Stakeholder</b>  <b>Risks</b> <ul style="list-style-type: none"> <li>Poor business ethics</li> <li>Lack of strong corporate governance</li> <li>Non-compliance of rules and regulations</li> </ul> <b>Stakeholder Priorities and Concern</b> <ul style="list-style-type: none"> <li>Good management and corporate governance practices</li> <li>Strong risk management and management of sustainability matters</li> <li>Strong internal controls and policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>Strong corporate governance practices with necessary policies and procedures (Refer to pg 42 to 47)</li> <li>Risk management and internal audit function (Refer to pg 50 to 57)</li> <li>Compliance with rules &amp; regulations</li> <li>Adherence to Code of Conduct and Ethics for Employees</li> <li>On 21 February 2024, the Head of Legal, Benny Yap Yuwen, was appointed to be the Compliance Officer for the Group</li> </ul>
<b>Cybersecurity &amp; Data Protection</b>  <b>GRI 418</b> 	<b>Stakeholder</b>  <b>Risks</b> <ul style="list-style-type: none"> <li>Breach of customer data</li> <li>Brand and reputation</li> </ul> <b>Stakeholder Priorities and Concern</b> <ul style="list-style-type: none"> <li>Strong data protection system</li> <li>Strong internal controls and policies and procedures on data protection</li> </ul>	<ul style="list-style-type: none"> <li>Have a robust cybersecurity system</li> <li>Robust risk management and internal audit function (Refer to pg 50 to 57)</li> </ul>










# SUSTAINABILITY STATEMENT

Material Matters	Risks, Stakeholder Priorities and Concern	Opportunities / Our Responses
<b>Economic</b>		
<b>Anti-Bribery and Corruption</b>  <b>GRI 205</b>  	<b>Stakeholder</b>   <b>Risks</b> <ul style="list-style-type: none"> <li>• Non-compliance</li> <li>• Poor business ethics</li> <li>• Brand and reputation</li> </ul> <b>Stakeholder Priorities and Concern</b> <ul style="list-style-type: none"> <li>• Good management and corporate governance practices</li> <li>• Strong risk management</li> <li>• Strong internal controls and policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Strong corporate governance practices (Refer to pg 42 to 47)</li> <li>• Adherence to Code of Conduct and Ethics for Employees</li> <li>• Risk management and internal audit function (Refer to pg 50 to 57)</li> <li>• e-Learning/training on anti-bribery and corruption regulations by employees</li> <li>• Annual assessment on corruption risk by business and operation units</li> <li>• To ensure all business associates comply with our ABC policy</li> </ul>
<b>Environmental</b>		
<b>Climate Change (Energy Management)</b>  <b>GRI 302</b> <b>GRI 305</b>    	<b>Stakeholder</b>   <b>Risks</b> <ul style="list-style-type: none"> <li>• Non-compliance with climate change regulations</li> <li>• Business disruptions, physical damages and financial losses caused by extreme weather</li> <li>• Depletion of natural resources</li> </ul> <b>Stakeholder Priorities and Concern</b> <ul style="list-style-type: none"> <li>• Ability and speed to adapt to evolving trends and requirements</li> <li>• Policies and procedures to mitigate risks related to climate change</li> <li>• Transparent and accurate disclosure on the impact of the Group's operations on the climate</li> </ul>	<ul style="list-style-type: none"> <li>• Constant monitoring and tracking of environmental risks</li> <li>• Strict adherence to applicable environmental rules and regulations</li> <li>• Maintain and implement zero burning policy</li> <li>• Work towards GreenRE certifications for all properties developed by the Group</li> <li>• Maintain MSPO and MyGAP certifications for oil palm and durian plantations</li> <li>• To expand on renewable energy use</li> <li>• Promote and encourage energy conservation practices within the Group</li> <li>• To evaluate and implement regenerative agriculture</li> <li>• To conserve the Group's land at Pasir Raja of 5,003 acres</li> </ul>
<b>Water Management</b>  <b>GRI 303</b>  	<b>Stakeholder</b>   <b>Risks</b> <ul style="list-style-type: none"> <li>• Scarcity of clean water</li> <li>• Costs escalation</li> </ul> <b>Stakeholder Priorities and Concern</b> <ul style="list-style-type: none"> <li>• Proper management of water usage</li> </ul>	<ul style="list-style-type: none"> <li>• Promote and encourage prudent water usage behaviour throughout the Group</li> </ul>

# SUSTAINABILITY STATEMENT

Material Matters	Risks, Stakeholder Priorities and Concern	Opportunities / Our Responses
<b>Environmental</b>		
<b>Waste Management</b>  <b>GRI 306</b>  	<b>Stakeholder</b>   <b>Risks</b> <ul style="list-style-type: none"> <li>Non-compliance with environmental regulations</li> <li>Disposal costs escalation</li> </ul> <b>Stakeholder Priorities and Concern</b> <ul style="list-style-type: none"> <li>Proper management and recycling and disposal of waste</li> </ul>	<ul style="list-style-type: none"> <li>Adherence to relevant environmental regulations</li> <li>Promote and encourage recycling and re-use (where applicable) throughout the Group's operations</li> <li>Proper disposal of scheduled waste to certified companies</li> </ul>
<b>Protection and Enhancing Biodiversity</b>  <b>GRI 304</b>  	<b>Stakeholder</b>   <b>Risks</b> <ul style="list-style-type: none"> <li>Loss of biodiversity</li> </ul> <b>Stakeholder Priorities and Concern</b> <ul style="list-style-type: none"> <li>Transparent and accurate disclosure on the impact of the Group's operations on biodiversity</li> <li>Action plans to address protection and enhancement of biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Integration of biodiversity in development plans</li> <li>Maintain MSPO and MyGAP certification for oil palm and durian plantations</li> <li>To conserve the Group's land at Pasir Raja of 5,003 acres</li> </ul>
<b>Social</b>		
<b>Employee Management</b>  <b>GRI 404</b>  	<b>Stakeholder</b>   <b>Risks</b> <ul style="list-style-type: none"> <li>High turnover rate</li> <li>Inability to recruit</li> <li>Low productivity and poor performance</li> <li>Low staff morale</li> </ul> <b>Stakeholder Priorities and Concern</b> <ul style="list-style-type: none"> <li>Conducive work environment</li> <li>Competitive remuneration and benefits</li> <li>Career and personal development</li> <li>Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Competitive remuneration package and benefits</li> <li>Upskilling, trainings, learning and development</li> <li>Promote high performance culture</li> <li>Annual performance management</li> <li>Talent and leadership development program where employees are able to attend training relevant to their work nature</li> </ul>
<b>Supply Chain Management</b> <b>GRI 204</b> <b>GRI 308</b> <b>GRI 414</b> <b>GRI 417</b>       	<b>Stakeholder</b>   <b>Risks</b> <ul style="list-style-type: none"> <li>Non-compliance with the Group's environmental and social requirements</li> <li>Supply chain disruptions</li> </ul> <b>Stakeholder Priorities and Concern</b> <ul style="list-style-type: none"> <li>Efficient, fair and transparent procurement processes</li> <li>Health and safety of contractors' workers</li> </ul>	<ul style="list-style-type: none"> <li>Adherence to procurement processes</li> <li>Supplier assessment based on the Group's environmental and social requirements</li> </ul>

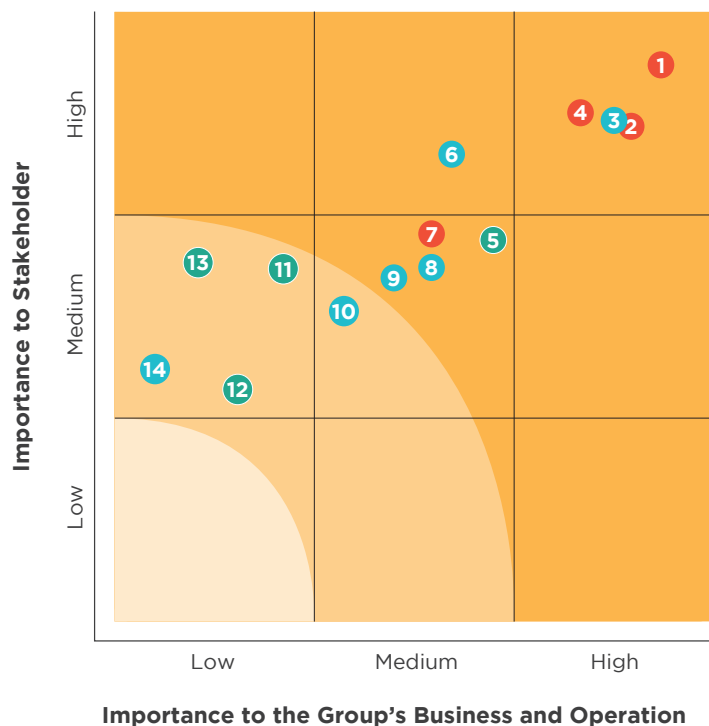
# SUSTAINABILITY STATEMENT

Material Matters	Risks, Stakeholder Priorities and Concern	Opportunities / Our Responses
<b>Social</b>		
<b>Health &amp; Safety</b>  <b>GRI 403</b>  	<b>Stakeholder</b>   <b>Risks</b> <ul style="list-style-type: none"> <li>Non-compliance with Occupational Safety and Health Act ("OSHA") regulations</li> <li>Business disruptions, legal consequences and financial losses caused by workers ill health, injury or fatality</li> <li>Sufficiency of labour</li> </ul> <b>Stakeholder Priorities and Concern</b> <ul style="list-style-type: none"> <li>Proper training on health and safety</li> <li>Policies and procedures to ensure workers' health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Employees to observe health and safety regulations and legislation</li> <li>Promote a culture of safety at work</li> <li>Ensuring fast and easy access to healthcare for employees</li> <li>Compliance and training for health and safety regulations and legislation</li> <li>Maintain MSPO and MyGAP certifications for oil palm and durian plantations</li> </ul>
<b>Diversity, Equity &amp; Inclusion</b>  <b>GRI 405</b>   	<b>Stakeholder</b>   <b>Risks</b> <ul style="list-style-type: none"> <li>Unjust and discriminatory practices</li> <li>Damage reputation</li> </ul> <b>Stakeholder Priorities and Concern</b> <ul style="list-style-type: none"> <li>Fair, non-discriminatory and inclusive work environment</li> </ul>	<ul style="list-style-type: none"> <li>Equal and just employment opportunities</li> <li>Fair and just treatment on wages and work-related activities</li> <li>Diversity and inclusivity at all levels of the organisation</li> </ul>
<b>Human Rights</b>  <b>GRI 401</b>   	<b>Stakeholder</b>   <b>Risks</b> <ul style="list-style-type: none"> <li>Unacceptable breaches in human rights practices</li> <li>Inability to recruit talent</li> <li>Reputation damage</li> </ul> <b>Stakeholder Priorities and Concern</b> <ul style="list-style-type: none"> <li>Fair and conducive work environment</li> </ul>	<ul style="list-style-type: none"> <li>Access to proper healthcare for all employees</li> <li>Clinics are present nearby the estates for all employees (including general workers) to access medical facilities</li> <li>Compliance with regulatory requirements for housing for workers</li> </ul>
<b>Community Investment</b>  <b>GRI 201</b>   	<b>Stakeholder</b>   <b>Risks</b> <ul style="list-style-type: none"> <li>Business activities can have adverse impact on communities</li> </ul> <b>Stakeholder Priorities and Concern</b> <ul style="list-style-type: none"> <li>Marginalised communities</li> <li>Corporate social responsibility programmes that benefit communities</li> </ul>	<ul style="list-style-type: none"> <li>To improve our corporate social responsibility programs</li> </ul>

# SUSTAINABILITY STATEMENT

## Materiality Matrix

Materiality Matrix of AYER Holdings Berhad



Prioritisation of material matters from the materiality assessment are as follows:

### High Priority

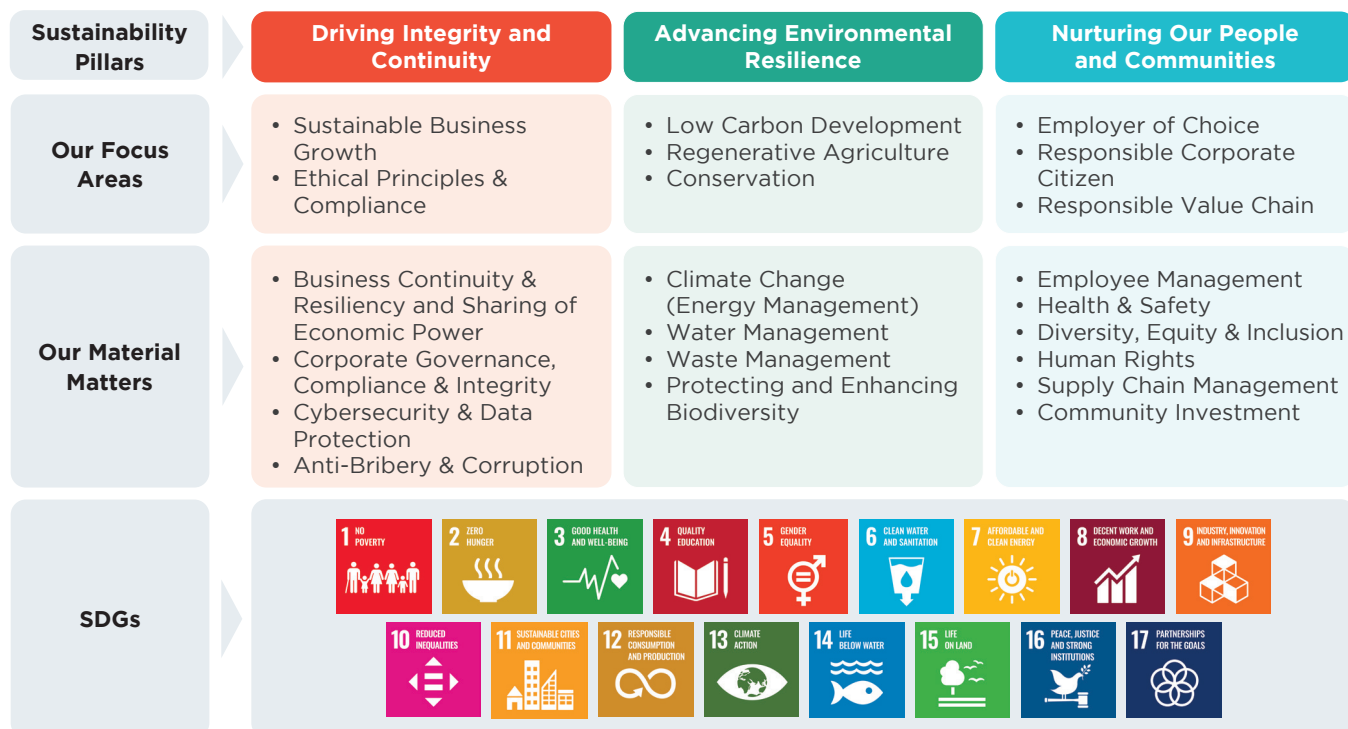
- 1 Business Continuity & Resiliency and Sharing of Economic Power
- 2 Corporate Governance, Compliance & Integrity
- 3 Employee Management
- 4 Cybersecurity & Data Protection
- 5 Climate Change (Energy Management)
- 6 Supply Chain Management
- 7 Anti-Bribery & Corruption
- 8 Health & Safety
- 9 Diversity, Equity & Inclusion

### Medium Priority

- 10 Human Rights
- 11 Water Management
- 12 Waste Management
- 13 Protection & Enhancing Biodiversity
- 14 Community Investment

## Sustainability Framework

The combined material matters and their prioritisation form the Sustainability Framework under the 3 broad pillars, as follows:





# SUSTAINABILITY STATEMENT

## Management Approach for Material Matters



### ECONOMIC & GOVERNANCE

#### Business Continuity & Resiliency and Sharing of Economic Power

We believe that the ability to remain resilient in navigating through challenges will ensure business continuity and delivery of long-term value to stakeholders.

We have a competent team who implements robust business strategies in the face of challenges whilst upholding strong corporate governance principles and a robust risk management process. We also strive to manage our costs and capital with prudence. AYER continuously explores new innovations, technologies, mechanisation and digitalisation opportunities in our business operations to reduce reliance on manual labour, improve yield and productivity and in the property development.

We keep abreast with new and evolving trends and customer preferences to ensure high take up rate for our property products.

During the year 2024, we had successfully tested the business continuity plan (“BCP”) at the alternate sites for both of our offices at Bangunan Yee Seng and Bukit Puchong. We will continue to strengthen our BCP preparedness to ensure that there will be minimum business disruption to our operations due to unforeseen circumstances.

For the year ended 31 December 2024, the Group registered a total revenue of RM107.7 million. Property and Plantations contributed 71.3% and 28.7% respectively.

AYER strives to make consistent dividend payment to its shareholders and competitive remuneration to staff. AYER proposes a final dividend of 20.0 sen per share for FYE2024. As part of our continuing efforts to optimize our capital structure, the Board has proposed a special dividend of 20.0 sen per share to return capital to shareholders.

The above total dividend payment of 40.0 sen per share representing 81.1% payout from the Group's profit after tax for the year.

The economic value distribution for the years are as follows:

Item	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)
<b>Economic value generated (revenue and other operating income)</b>	115,183	145,344	120,762
<b>Total Economic value generated</b>	<b>115,183</b>	<b>145,344</b>	<b>120,762</b>
<b>Economic value distributed:</b>			
Operating cost*	52,574	69,932	51,988
Employee wages and benefits*	11,368	13,203	15,923
Payment to providers of capital (dividend and finance cost)	7,491	14,983	14,978
Reinvestment and future growth (depreciation and amortisation)	3,663	3,752	3,867
Payment to government (current tax expenses)	12,858	14,347	13,227
Total community investment	23	48	10
<b>Total Economic value distributed</b>	<b>87,977</b>	<b>116,265</b>	<b>99,993</b>
<b>Total Economic value retained</b>	<b>27,206</b>	<b>29,079</b>	<b>20,769</b>

\* Employee training cost has been excluded from employee wages and benefits and included in operating costs.

# SUSTAINABILITY STATEMENT

## Corporate Governance, Compliance & Integrity

Conducting the affairs and business of the Group with strong corporate governance principles is the foundation to ensure that the interests of stakeholders are protected and that shareholders’ value continues to be enhanced.

With over 100 years in business, we pride ourselves in persistently upholding a strong corporate governance culture coupled with robust risk management and internal audit functions. We wholeheartedly embrace the Malaysian Code on Corporate Governance, amongst others, by thoroughly embedding corporate governance practices into our business practices.

We require our employees to undertake necessary training especially in relation to Code of Conduct & Ethics for Employees and Bribery and Corruption Prevention. Employees are required to comply with the standard operating procedures (“SOP”) and policies in performing their duties and dealings with third parties.

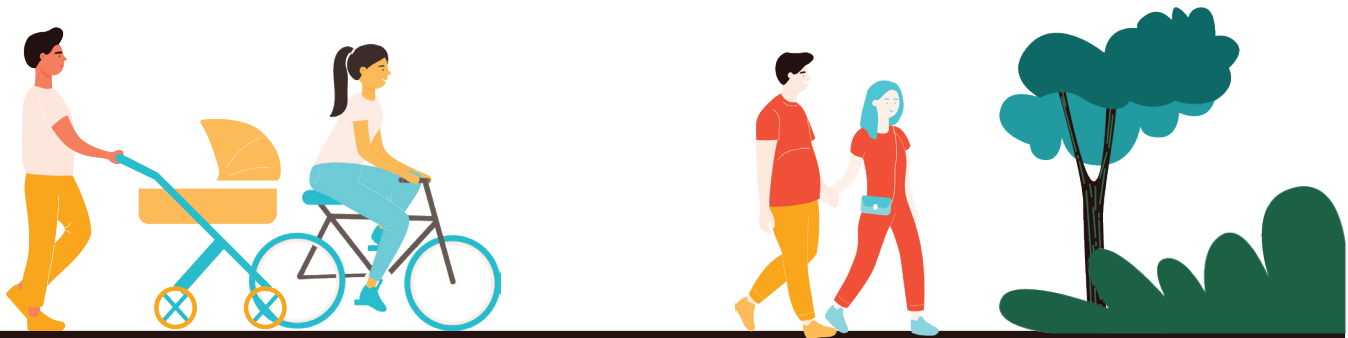
In addition, employees are required to comply with relevant rules and regulations and functional/industry standards in performing their duties, and to attend trainings/seminars to keep abreast with development in those governing rules, regulations and standards.

The Group has established the following policies:

Board Policies	<ul style="list-style-type: none"><li>• Fit and Proper Policy</li><li>• Board Charter</li><li>• Remuneration Policy for Directors and Senior Management</li><li>• Director’s Code of Conduct</li></ul>
Corporate Policies	<ul style="list-style-type: none"><li>• Whistleblower Policy</li><li>• Bribery and Corruption Prevention Policy</li><li>• Employee’s Code of Conduct &amp; Ethics</li><li>• Discretionary Authority Limit</li></ul>
Sustainability Policies	<ul style="list-style-type: none"><li>• Zero Burning Policy</li><li>• Board Diversity Policy</li><li>• Employee Diversity Policy</li></ul>

## ZERO

There were no reported breaches of any rules, regulations and policies during FYE2024



# SUSTAINABILITY STATEMENT

## Cybersecurity & Data Protection

With the advent of technology, we have progressively adopted digitalization to improve efficiency and productivity. We strive to ensure that our information systems, data and network are well protected against cybersecurity risks and data leakages.

Among the key initiatives taken on data protection are regular data backups, patch and update management, firewall & endpoint protection, maintain a secure email environment, and multi-factor authentication ("MFA").

For the year 2024, there has not been any reported cases of breaches or stealing of the database.

### ZERO

There were no substantiated complaints concerning breaches of customer privacy and losses of customer data for FYE2024

## Anti-Bribery & Corruption

Conducting business with strong ethical and corporate governance principles is one of the key factors in building trusts in the Group amongst our stakeholders.

AYER places strict emphasis on proper business conducts and ethics by its employees, as outlined in its Employee's Code of Conduct and Ethics. With honesty and integrity as its cornerstone, the Code emphasises ethical, fair and impartial practices while defining behaviour that is deemed unacceptable in the workplace.

AYER takes a zero-tolerance approach towards bribery and corruption, and is committed to behaving professionally, fairly and with integrity in all our business dealings and relationships wherever AYER operates, as outlined in the Group's Bribery and Corruption Prevention Policy ("ABC policy"). Moving forward, the Group aims to ensure that all business associates comply with our ABC policy.

### Corruption Risk Assessment

AYER conducted a corruption risk assessment during the year covering all relevant business and operations of the Group.

### Corruption-related Training

During the year 2024, we had acquired an e-Learning module on anti-bribery and corruption. All office employees, including new staff have completed the e-Learning training on anti-bribery and corruption for the year under review. Moving forward, the e-Learning training on anti-bribery and corruption will be triggered to all office employees to be completed on an annual basis whilst non-office employees will be given annual briefing.

Office Employee Category	Completion Rate (%) 2024
Senior Management	100
Managers	100
Executives	100
Non-executives	100

During the financial year, there were no reported cases of corruption-related incidents in the Group.

### ZERO

There were no reported cases of bribery and corruption for FYE2024

# SUSTAINABILITY STATEMENT



## ENVIRONMENTAL

### Climate Change (Energy Management)

The adverse effects of changing weather patterns have an impact on the Group's property and plantation operations. In particular, bad weather may cause construction delays in our property operations, and flooding and drought affect activities and palm oil fresh fruit bunch and durian yield in our plantation division.

We constantly monitor and track our environmental risks whilst strictly adhering to our zero-burning policy in compliance with the Environmental Quality Act 1974.

In addition, the company deploys the following sustainable practices:

#### Green Technology

- We have installed solar panels at our Bukit Puchong Sales Gallery in 2022 that generate clean energy. The energy will be used to supply power for the Sales Gallery. This has translated to a reduction of the power consumption by one-third. In 2024, a total of 38.871MWh of solar-generated electricity was exported to the grid.
- We use drones to monitor our undeveloped properties on a weekly basis to minimise risk of fire hazards, soil erosion or illegal dumping instead of car or motorbike patrolling.

#### Sustainable Development and Plantation Practices

We are committed to deploying sustainable practices and designs in our property projects and strive to achieve GreenRE certification for all projects.

Our Erica Residence has become the first landed property project in Malaysia to receive the prestigious Platinum GreenRE Provisional Certification, which reaffirms our commitment to creating sustainable living spaces that meet the needs of our residents while prioritising the preservation of our environment. Dahlia, which is also another landed home scheme, has also attained a provisional GreenRE Bronze Certification.





# SUSTAINABILITY STATEMENT

Some green features of Erica include:

## Energy efficient features

- Enhanced glazing
- Roof insulation
- Efficient horizontal and vertical stack ventilation
- Window design facilitating cross ventilation and daylight
- Daylight harvesting via skylight
- LED street lighting
- Solar hot water system
- 5-star rated ceiling fan
- Timer at car porch

## Water efficient features

- Rainwater harvesting
- Water efficient sanitaryware

## Other sustainable features

- Low VOC paint and adhesive
- Green and sustainable material for tiles, timber flooring, ceiling board
- RC flat roof designed for family activities and green landscape/ roof garden
- RC flat roof designed for easy installation of solar panels

Moving forward, we aim to include suppliers and contractors that adhere to the environmental and social indicators in our efforts to embed sustainability in our value chain.

For our plantations, we have achieved Malaysian Sustainable Palm Oil (“MSPO”) and Malaysian Good Agricultural Practices (“MyGAP”) certifications and will continue to maintain these certifications. MSPO is the mandatory sustainability certification for the Malaysian palm oil industry. The MSPO certification covers field operations including harvesting, application of fertilisers, pruning, pests and disease, accommodation and workers welfare. The MyGAP certification entails the process at the nursery, to the field operations which includes application of fertilisers, pruning, pests and disease, accommodation and workers welfare.



Illustration of Erica Residence

## ZERO

Incident of fire

During the year, there was an incident of slope erosion at the public space at our Foreston Residence due to damaged drain. Rectification works have been completed.

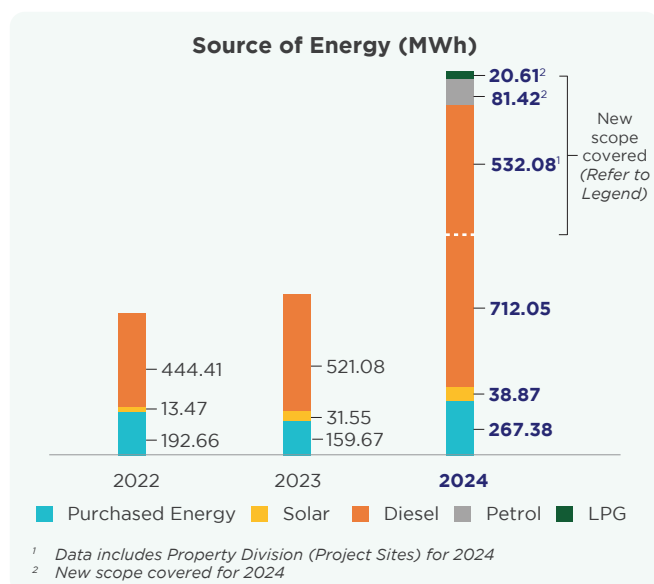
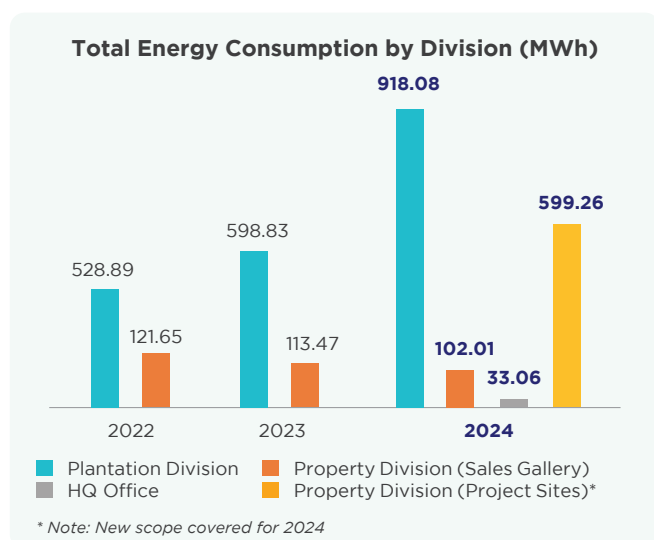


# SUSTAINABILITY STATEMENT

## Energy Management

We are actively monitoring our energy consumption and efficiency to manage our emissions. In addition, we promote and encourage energy conservation behaviour amongst our employees. Employees are required to switch off lights, fans and air-conditioning when they are not in use.

Breakdown of energy consumption by non-renewable and renewable sources are as follows:



In 2024, our total energy consumption increased compared to 2023 primarily attributable to:

- Expansion of reporting scope with the inclusion of diesel consumption at our project sites
- An additional 50 workers and 30 workers for Kretay and Gali estates respectively
- Higher usage of machineries for repair and maintenance purposes at the estates

For the current year, we have also expanded our reporting scope to include petrol and LPG consumption to provide a more comprehensive and accurate picture of our energy usage across all operations.

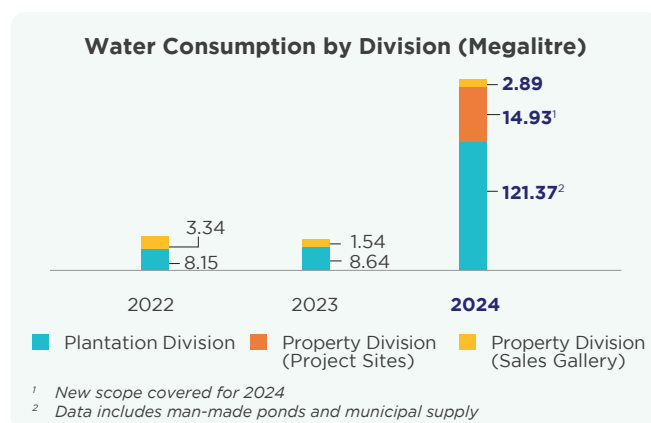
Meanwhile, the energy consumption at our Sales Gallery has shown a decreasing trend, primarily due to the installation of solar panels since 2022.

We endeavour to look for more opportunities to meet our needs through renewable energy sources.

## Water Management

Water is a crucial commodity without which our survival will be threatened. Climate change has affected the source of water with bouts of drought whilst human activities have caused pollution to water sources. We are committed to manage our water consumption efficiently to reduce the stress on the system.

We mainly rely on natural sources of water such as rainwater and streams for our oil palm and durian trees. The clean water from the municipal supply is for the staff and workers' quarters at Kretay Estate, and other plantation management activities. To promote efficient water usage by our customers, our property projects are installed with water efficient sanitary fittings. In addition, we promote and encourage prudent water usage behaviour amongst employees.



The significant increase in water usage at our plantation division is due to the inclusion of water consumption from the three man-made ponds at Gali Estate which was used for irrigation purposes. In addition, there was a switch to municipal water at our newly developed workers' quarters at Kretay Estate, replacing the use of natural water sources. This change was implemented to ensure improved hygiene standards and access to clean, safe water for our workforce.

This year, the measurement for our property division includes our usage at the Sales Gallery and project sites. Our Sales Gallery has recorded an increase in its water consumption due to an underground water leak which was duly repaired, increase in staff numbers and renovation activities at the office.

# SUSTAINABILITY STATEMENT

## Waste Management

Waste generated from operations can significantly harm the environment and the communities where AYER operates if not properly managed and disposed of. AYER generates construction wood waste, chemical waste, domestic waste and recyclable waste in its property development and plantation operations. AYER promotes and encourages recycling and reusing of materials where possible to divert our waste from landfills.

In 2024, we commenced data collection for waste generation at our operational sites, including plantations and construction sites, to track and manage waste more accurately. At the office level, general waste disposal is currently estimated based on average consumption patterns per employee.

Waste Management	Unit	Scheduled Waste	Non-Scheduled Waste	Total
Waste Generated	tonnes	0.41	90.45	<b>90.86</b>
Waste Diverted from Disposal		0.41	50.10	<b>50.51</b>
Waste Disposed		0.00	40.35	<b>40.35</b>

At our project sites, steel bars are recycled as scrap metal whilst timber plywoods are reused based on permissible number of cycles depending on the type of wood. For our project at Erica, aluminium formwork which is fully reusable is used instead of timber plywood to eliminate waste.

For our oil palm plantation, as a requirement under MSPO, we have an established standard operating procedure for handling of chemical wastes that are classified under Environmental Quality (Scheduled Wastes) Regulations 2005 and Environmental Quality Act 1974 to ensure proper and safe handling, storage and disposal. All chemical waste is disposed to certified companies for proper management and disposal.

As AYER does not operate any mills, all fresh fruit bunches are sold to third party millers.

Our offices are equipped with recycling bins where all recyclables such as glass, plastic and paper are collected for recycling. During the year, 363kg of recyclables were collected for recycling.

## Protecting and Enhancing Biodiversity

As a company with land-based operations, AYER recognizes the importance of protecting as well as enhancing biodiversity to minimise any negative impacts from its operations.

Moving forward, for our property division, in planning our township or parcel developments, we will continue to minimise earthworks as much as possible to retain existing features of the land, respect the natural path of streams and water bodies. In addition, we strive to:-

- maintain the existing trees or relocate the trees if found suitable
- reuse any rock and/or hard materials as hard landscape if there are rocks and/or hard materials during earthworks stage
- replant trees for developed areas in accordance to Landscape Architect design, with approval from City or Local Councils and relevant authorities
- maintain or divert any waterways or streams
- create lakes and waterways as retention pond with trees planting, shrubs and vegetations in accordance to Landscape Architect design, with approval from City or Local Councils and relevant authorities

In compliance with the Malaysian Sustainable Palm Oil ("MSPO") certification requirements, we adhere to the no-hunting provisions and strive to coexist with wildlife in our plantations.

The Group will also explore future conservation efforts on our 5,003 acre Pasir Raja land, which is rich in biodiversity. By conserving this land, we aim to contribute to climate change mitigation, biodiversity preservation and protect the livelihood of indigenous communities, establishing it as a cornerstone of sustainable land management.

SUSTAINABILITY STATEMENT

SOCIAL

Employee Management

Human capital is one of AYER’s key elements for its sustainability and growth. We are committed to promote a positive and cohesive work environment and high-performance culture with opportunities for upskilling, reskilling, professional and personal development.

Employee Benefits

We provide competitive remuneration packages and benefits commensurate with experience and skills to retain and attract new talents. Employee benefits include:

Access to Proper Healthcare	Medical Coverage which Is extended to Non-Working Spouse And Dependents	Insurance Coverage	Leave(s) - Annual, Medical, Marriage, Maternity, Paternity, Compassionate, Examination
Phone, Parking and Education Subsidy	Meal & Hardship Allowance (For Work on Off or Rest Day)	Subscription of Professional Membership Staff Price for Durian Purchase	

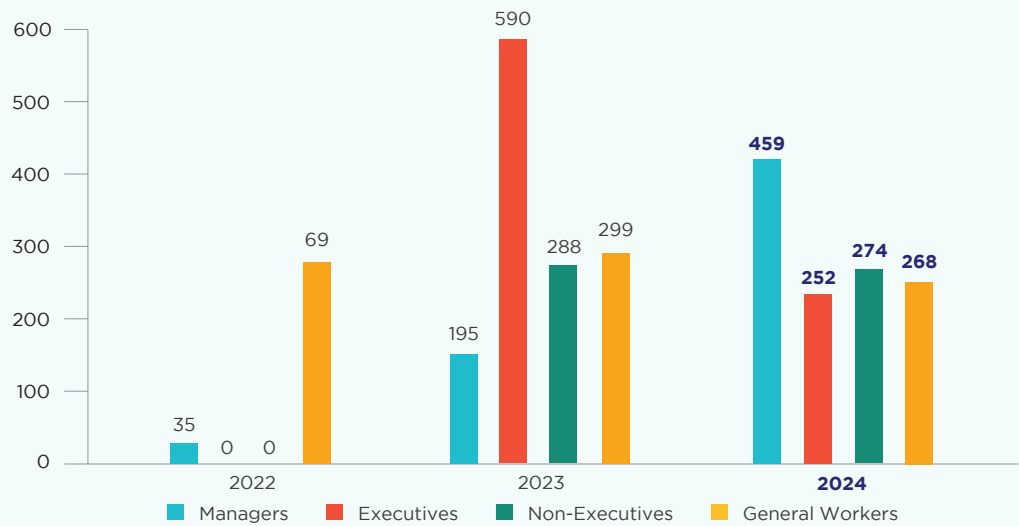
AYER is committed to achieving employer of choice status by enhancing the benefits on par with other major players in the industries.

Talent Management and Trainings

The Group carries out half-yearly employee evaluations for all employees to identify areas for improvement. A two-way assessment is carried out to ensure that employees are fairly treated. As part of our reward program, a merit raise and increase such as cost of living expenses are the Company’s compensative effort to reward employees’ performance on the job apart from their salaries.

AYER provides relevant external and internal training as well as talent and leadership development programmes for its employees. AYER believes that advocating in training and capacity development aids in erecting and building up individuals and communities to further cope with global change and foster sustainable development and socioeconomic growth. In FYE2024, a total of 1,253 training hours was recorded for 265 employees, averaging 4.7 hours per employee.

Training Hours by Employee Category



SUSTAINABILITY STATEMENT

Some of the trainings that were attended by the employees are as follows:

- **Product Training:** STRATA Management Conference 2024
- **Leadership Training:** 30% Club Malaysia’s IWD event: Beyond Quotas: Sustainable Strategies for Building the Talent Pipeline
- **Product Training:** Cyber and D&O Insurance
- **Leadership Training:** Webinar Series: Board Governance & Oversight: ESG Impact on Group’s Business
- **Technical Training:** Introduction to GHG Emissions Management and Data Collection Workshop
- **Technical Training:** Training for Chemical Handling and Chemical Health Risk Assessment Report

Total amount spent for training and development in 2024:

Types of Training	Total (RM)
Product training	2,364
Technical skills	11,510
Leadership training	11,156
Compliance	5,300
Soft skills	9,674
Others	1,200
<b>Total amount spent for training and development (RM)</b>	<b>41,204</b>

Employee Engagement Activities

Besides training, AYER regularly engages with employees through various activities. During the year, we held the following activities:



Annual Dinner – appreciation dinner night with all the staff, fostering a special camaraderie amongst the colleagues



Chinese New Year festive mandarin oranges giveaway to all staff



Hari Raya festive cookies giveaway to all staff



Townhall - staff luncheon and sharing EES 2024 results and insights throughout the half-day presentation



# SUSTAINABILITY STATEMENT



Bi-monthly staff outing lunch – to celebrate a birthday is to commemorate the birthday anniversary with everyone in the office and to achieve one of AYER’s value of celebrating life and to amplify the power of birthday celebrations for employees’ mental and emotional well-being



Deepavali festive cookies giveaway



Christmas festive cookies giveaway



Business Continuity Planning

# SUSTAINABILITY STATEMENT

## Employee Engagement Survey

An Employee Engagement Survey (“EES”) was conducted in 2024 to gather feedback on various aspects of our workplace environment. This survey was conducted with the assistance of an external consultant, Mercer Malaysia, to ensure anonymity of employees’ feedback. This fosters open and candid feedback, based on the engagement score. In 2024, we gathered a total of 89 responses, representing 100% of our office staff. Based on the survey, the employee engagement score was 61% and the overview is as follows:

### What’s going well

#### People

- Working in strong and unbeatable teamwork within the internal department, everyone is supporting each other to solve problems together.
- Positive atmosphere and good working environment surrounded by good colleagues with less office politics.

#### Rewards

- The punctuality of salary payments, yearly bonuses, and increments creates a sense of job security and employees’ financial well-being.
- Manager Effectiveness
- The superior caliber is adept at driving and supporting the team toward its goals and ensuring the successful achievement of those goals. It not only boosts productivity but also makes each day enjoyable. The autonomy and trust the staff received from the superior is remarkable.

#### Growth

- Career opportunities to explore things out of the actual job scope. The 1-day work-from-home program helps to provide flexibility and reduce commuting time, and carbon emissions which is good for the environment and the earth.
- Opportunity to constantly learn, grow and at the same time develop new skills. The opportunity to attend training sessions, workshops, and mentorship programs to develop new skills.

### What can be improved

#### Rewards

- Health and wellness programs
- Better benefits to attract and retain talent
- Flexibility to seek treatment at non-panel clinic

#### Culture

- More flexibility in terms of healthy work-life balance by offering flexible working hours and more days for remote work options

#### Senior Leadership

- To instill cohesion, support, appreciation, and walk-the-talk management to increase staff motivation and morale

#### Processes

- To digitalize the approval process for sustainability reasons, work effectiveness, and better efficiency

### What to prioritise

- Work-life-balance helps to avoid unsustainable ways of working, energy depletion and staff burnout.
- Manage workload – to increase staff force to manage the workload.
- To enhance business tools to increase work efficiencies.
- To continue to foster and cultivate productive and cohesive teamwork and collaboration.
- Review SOPs and the rationale for every layer of activities, approval, and if there is a necessity for them.

Following that, our staff in the Corporate and Property divisions are allowed to take a 1-day work-from-home program, effective January 2024 to promote work-life balance and reduce stress. This initiative stimulated the emergence of AYER Sports Club to enable the staff to interact more through sports and recreation as well as to encourage health and well-being. The process of incorporating AYER Sports Club kick-started in February 2024 and it is chaired by a group of pro-tem enthusiastic employees with common goals and interests.

The Group shall be looking into the other prioritised areas and areas of improvement in the coming year.



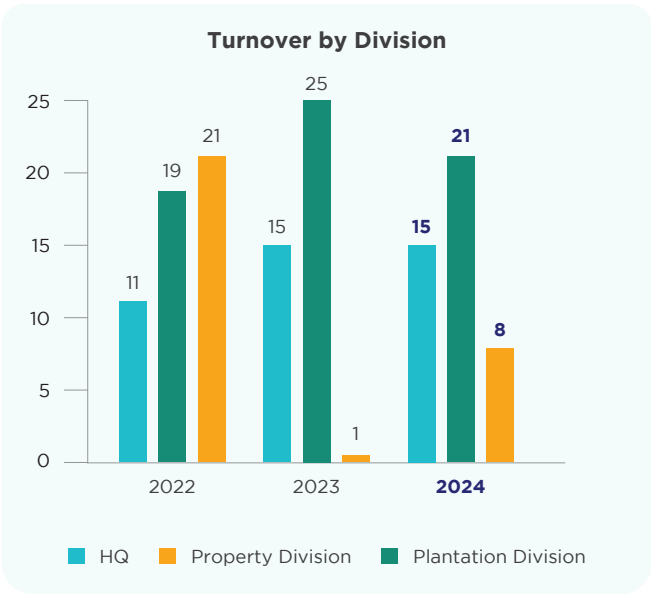
# SUSTAINABILITY STATEMENT

### New Hires

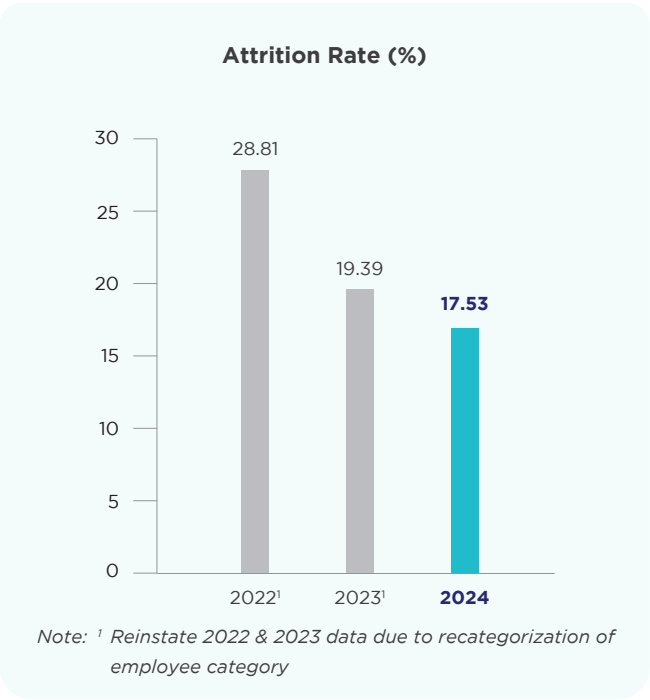
Year	2024
Headquarters (“HQ”)	22
Property Division	9
Plantation Division	40

### Employee Turnover

Number of employee turnover by category, division and attrition rate are as follows:



The attrition rate has been on a declining trend and stood at 17.53% for 2024. There were 44 resignations where 25 were from office staff, 9 were general workers and 10 were foreign workers.



### Supply Chain Management

AYER recognises the importance of a sustainable value chain to ensure minimising the environmental and social impacts throughout the supply chain. We hope to reduce our carbon footprint across the supply chain and aim to deal with suppliers, contractors, consultants and other service providers who adhere to sustainability best practices.

We intend to conduct assessments for environmental and social impacts for all our material contractors, consultants and vendors in the coming years.

In 2024, out of RM58.6 million spent on procurement, 99.96% was spent on local suppliers.

	2022	2023	2024
Proportion of spending on local suppliers	99.89%	99.93%	99.96%

# SUSTAINABILITY STATEMENT

## Health & Safety

AYER places strong emphasis on employees and contractors' health and safety at the workplace. A healthy, safe and conducive work environment promotes higher productivity with lower downtime from illness or injuries.

In the property division, our employees, consultants and contractors are required to strictly adhere to the procedures that comply with the Occupational Safety and Health (Amendment) Act 2022. We are actively working to provide a safe and healthy work environment, demonstrating our commitment to the care of our employees, consultants and contractors.

All staff and workers in the plantation division are required to strictly adhere to the health and safety requirements under MSPO and MyGAP. In addition, all our employees and contractors are required to undergo regular health and safety training. This includes health screening and health tests like typhoid and hepatitis B for our durian plantation.

	2022	2023	2024
Number of employees and contractors trained on health and safety standards	120	185	<b>204</b>

During the year there was no reported case of injury reported at both our plantation and property divisions.

	Property Division			Plantation Division		
	2022	2023	2024	2022	2023	2024
Total hours worked <sup>1</sup>	71,700.0	43,905.0	<b>373,364.0</b>	366,348.5	478,762.5	<b>454,477.5</b>
Number of work-related fatalities	0	0	<b>0</b>	0	0	<b>0</b>
Number of lost time injuries	0	0	<b>0</b>	0	1	<b>0</b>
Lost time incident rate (over 1,000,000 man-hours)	0	0	<b>0</b>	0	2.09 <sup>2</sup>	<b>0</b>

<sup>1</sup> Total hours worked for 2022 and 2023 have been restated after a work hour recalculation.

<sup>2</sup> Restated from 0.41 due to change in base factor from 200,000 man-hours to 1,000,000 man-hours worked in line with Department of Occupational Safety and Health ("DOSH")'s standard.

## Diversity, Equity & Inclusion

AYER believes that a diverse, equitable and inclusive workforce will provide a higher level of dynamism and better economic performance for the organisation. More ideas and views from different perspectives will enable the Group to make better decisions. Hence, AYER strictly adheres to the practice of non-discrimination in providing equal employment opportunities and workforce diversity which includes diversity at the Board of Directors. AYER has established both a Board Diversity Policy and an Employee Diversity Policy since 2016. We endeavour to have a diverse Board and staff.

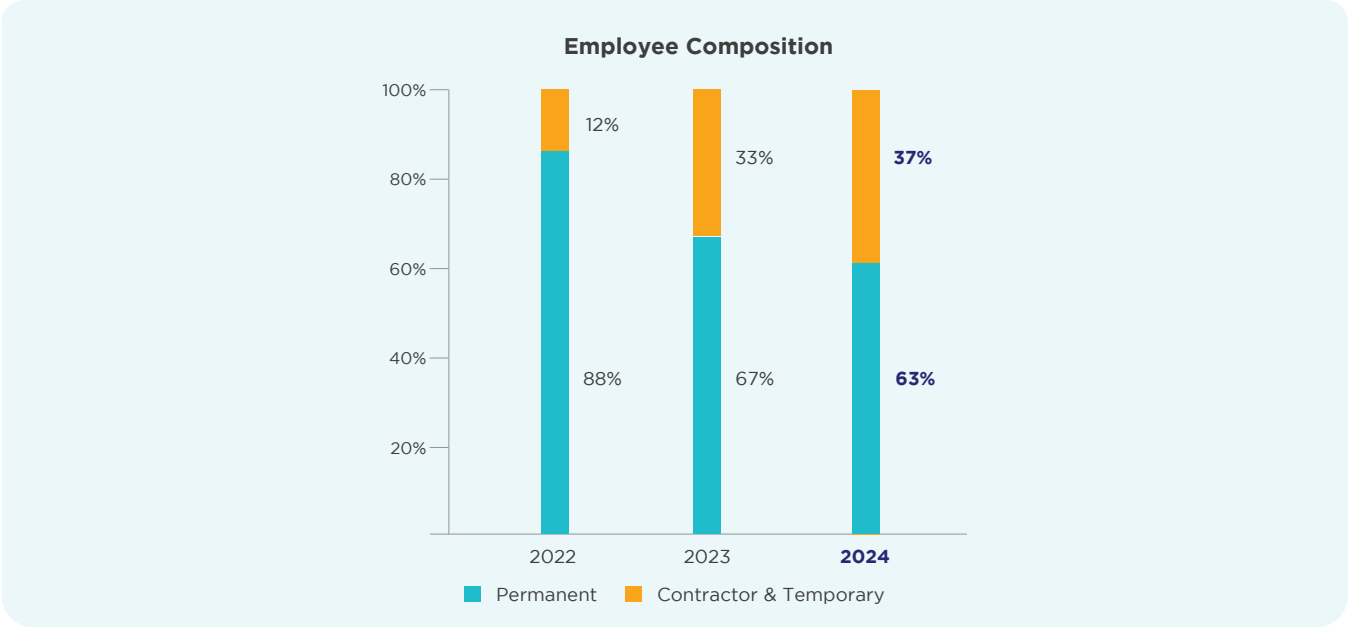
AYER became an Advocate member of the 30% Club Malaysia Chapter in 2023. The 30% Club is a global business-led campaign founded in the UK to advocate for gender parity (diversity, equality and inclusion) in boardrooms and senior leadership.

### Percentage of Employees by Gender, Age & Ethnicity as at 31 December 2024

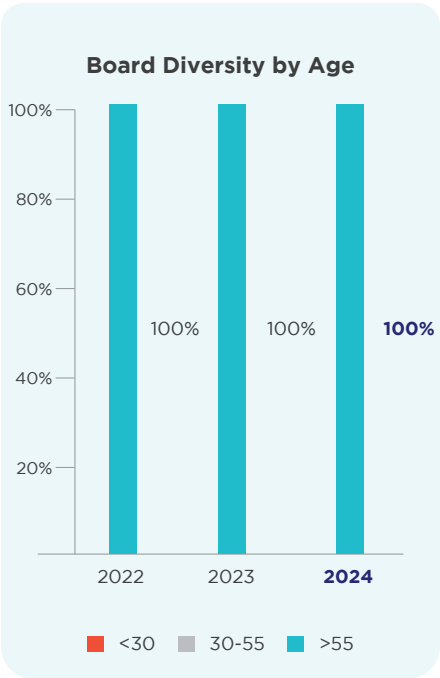
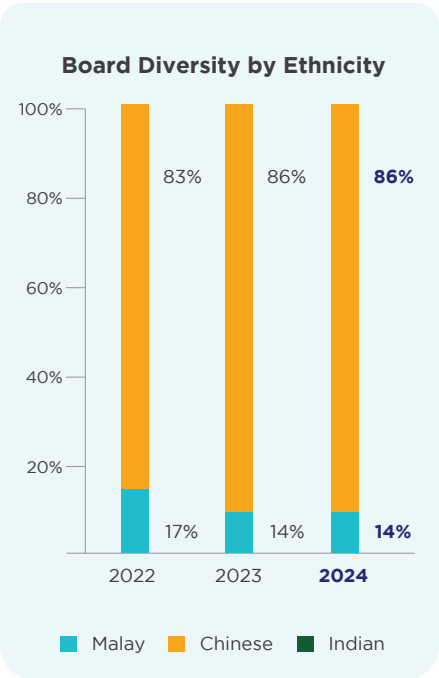
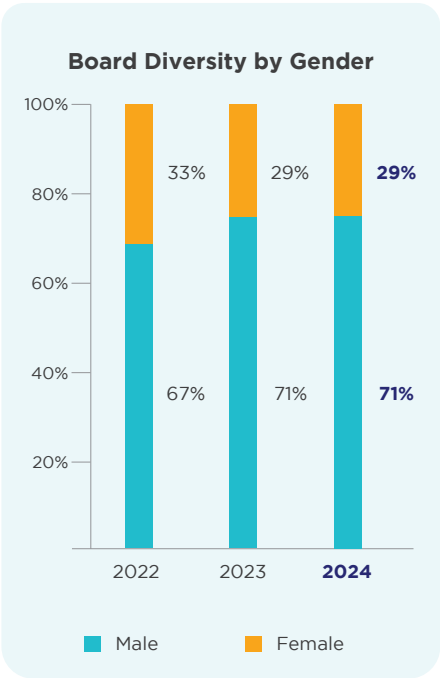
Employee Category	Gender		Age			Ethnicity				
	Male	Female	<30	30-55	>55	Malay	Chinese	Indian	Others	Foreigners
Managers	56%	44%	0%	78%	22%	22%	68%	10%	0%	0%
Executive	44%	56%	21%	68%	12%	53%	35%	12%	0%	0%
Non-Executive	75%	25%	33%	59%	8%	79%	0%	8%	13%	0%
General Workers	90%	10%	19%	71%	10%	37%	0%	4%	0%	59%

# SUSTAINABILITY STATEMENT

## Employee Composition by Employment Status



## Board Diversity



# SUSTAINABILITY STATEMENT

## Human Rights

AYER advocates that our employees are accorded fair and proper treatment and with due respect. This will promote a conducive work environment and consequently productivity. AYER is committed to upholding human rights when conducting our business as reflected in our Employee Handbook.

All employees including our plantation division have access to healthcare facilities. The Group completed 30 units single-story semi-detached workers quarters at Kretay Estate in 2023 which improved the workers' welfare.

AYER has a Whistleblower Policy that enables employees and other stakeholders to lodge reports regarding any suspected misconduct, corporate misbehaviour, fraudulent activities and non-compliance without fear and retaliation through our website at <http://ayer.com.my/our-story>.

Going forward, we will undertake an assessment of our suppliers for any human rights violation. During the year, we have not received any complaints concerning human rights violation.

## Community Investment

AYER strongly supports the development of communities where we operate. As a responsible corporate citizen, we aim to help others "Celebrate Life" through providing career opportunities to the youth segment.

Besides undertaking CSR initiatives through donation, AYER participates in the sponsorship of MYTC-MEOA Conductorship program which provides education and employment opportunities for marginalised youth to learn and acquire new skills in the plantation industry. During the year, we employed 4 graduates under this program.

AYER collaborates with United Voice, a self-advocacy society of persons with learning disabilities through purchase of customised gift packs for AYER's staff during the festive seasons; Hari Raya AidilFitri, Deepavali and Christmas.

Since 2014, AYER has made available a piece of land measuring approximately 1 acre to SJK(C) Han Ming, Puchong for use as carpark at a nominal rental rate. The net annual expenses for the land amount to approximately RM5,716.

	2022	2023	2024
Total amount invested in the community where the target beneficiaries are external to AYER	RM22,750	RM48,400	<b>RM10,166</b>
Total number of beneficiaries of the investment in communities	3	7	<b>4</b>

## Membership in Associations

Industry	Organisation	AYER's Representative
Property	Real Estate and Housing Developers' Association ("REHDA")	AYER Holdings Berhad
	The International Real Estate Federation ("FIABCI")	Ordinary Corporate Membership - AYER Holdings Berhad
Plantation	Malaysian Palm Oil Association ("MPOA")	Yee Seng Plantations Sdn Bhd
	The Malaysian Estate Owners' Association ("MEOA")	Yee Seng Plantations Sdn Bhd
	National Union of Plantation Workers ("NUPW")	Yee Seng Plantations Sdn Bhd
	Malayan Agricultural Producers Association ("MAPA")	Yee Seng Plantations Sdn Bhd
Public Listed Companies	30% Club Malaysian Chapter	AYER Holdings Berhad
	Malaysian Employers Federation ("MEF")	AYER Holdings Berhad

# SUSTAINABILITY STATEMENT

## PERFORMANCE TABLE (BURSA ESG REPORTING PLATFORM)

Indicator	Measurement Unit	2022	2023	2024
<b>Cybersecurity &amp; Data Protection</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
<b>Anti-Bribery &amp; Corruption</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Managers	Percentage	0.00	0.00	100.00
Executives	Percentage	0.00	0.00	100.00
Non-Executives	Percentage	0.00	0.00	100.00
General Workers	Percentage	0.00	0.00	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	75.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
<b>Climate Change (Energy Management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	650.54	712.30	1,652.41
<b>Water Management</b>				
Bursa C9(a) Total volume of water used	Megalitres	11.490000	10.180000	139.190000
<b>Waste Management</b>				
Bursa C10(a) Total waste generated	Metric tonnes	-	-	90.86
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	50.51
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	40.35
<b>Employee Management</b>				
Bursa C6(a) Total hours of training by employee category				
Managers	Hours	35	195	459
Executives	Hours	0	590	252
Non-Executives	Hours	0	288	274
General Workers	Hours	69	299	268
Bursa C6(c) Total number of employee turnover by employee category				
Managers	Number	17	9 *	14
Executives	Number	14	6	9
Non-Executives	Number	5	6	2
General Workers	Number	15	20 *	19
Attrition rate	Percentage	28.81	19.39 *	17.53
<b>Health &amp; Safety</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	1.91 *	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	120	185	204
Number of work-related employee fatalities, over last 3 years	Number	0	0	0
<b>Diversity, Equity &amp; Inclusion</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				

Internal assurance

External assurance

No assurance

(\*) Restated

# SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2022	2023	2024
<b>Diversity, Equity &amp; Inclusion</b>				
Age Group by Employee Category				
Managers Under 30	Percentage	0.00	0.00	0.00
Managers Between 30-55	Percentage	67.00	80.00	78.00
Managers Above 55	Percentage	33.00	20.00	22.00
Executives Under 30	Percentage	17.00	18.00	21.00
Executives Between 30-55	Percentage	80.00	73.00	68.00
Executives Above 55	Percentage	3.00	9.00	12.00
Non-Executives Under 30	Percentage	25.00	30.00	33.00
Non-Executives Between 30-55	Percentage	69.00	65.00	59.00
Non-Executives Above 55	Percentage	6.00	5.00	8.00
General Workers Under 30	Percentage	24.00	19.00	19.00
General Workers Between 30-55	Percentage	70.00	74.00	71.00
General Workers Above 55	Percentage	6.00	7.00	10.00
Gender Group by Employee Category				
Managers Male	Percentage	57.00	51.00	56.00
Managers Female	Percentage	43.00	49.00	44.00
Executives Male	Percentage	37.00	38.00	44.00
Executives Female	Percentage	63.00	62.00	56.00
Non-Executives Male	Percentage	69.00	70.00	75.00
Non-Executives Female	Percentage	31.00	30.00	25.00
General Workers Male	Percentage	83.00	87.00	90.00
General Workers Female	Percentage	17.00	13.00	10.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	67.00	71.00	71.00
Female	Percentage	33.00	29.00	29.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-55	Percentage	0.00	0.00	0.00
Above 55	Percentage	100.00	100.00	100.00
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	12.00	33.00	37.00
<b>Human Rights</b>				
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
<b>Supply Chain Management</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.89	99.93	99.96
<b>Community Investment</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	22,750.00	48,400.00	10,166.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3	7	4



## BOARD OF DIRECTORS' PROFILE

### MR. LIM KEE CHOON\*

**Non-Independent Non-Executive Chairman**

Age

68

Nationality



Gender



**Appointed On:** 10 August 1994



Mr. Lim was appointed to the Board on 10 August 1994. On 1 January 2022, he was appointed as Chairman of the Board and had ceased as member of the Nomination and Remuneration Committee. He also ceased as member of the Strategy and Oversight Committee following its dissolution on 1 January 2022.

Mr. Lim does not sit on any Board Committee as the Company adopts the best practice recommended by the Malaysian Code on Corporate Governance 2021 whereby Chairman of the Board should not be a member of a Board Committee.

Mr. Lim is also a Director of Red Ideas Holdings Berhad and several other private companies. He is also a trustee of both the Alzheimer's Disease Foundation Malaysia and Yayasan Lim Yee Hoh.

Mr. Lim graduated with degrees in Law and Commerce from the University of Melbourne, Australia in 1978 and has been admitted to practice law in Malaysia and in the State of Victoria, Australia.

Besides Red Ideas Holdings Berhad, Mr. Lim does not have any directorship in other public companies or listed issuers in Malaysia.

### MR. LIM KE HUN\*

**Non-Independent Non-Executive Director**

Age

73

Nationality



Gender



**Appointed On:** 3 May 1994



Mr. Lim was appointed to the Board on 3 May 1994 and was re-designated as an Executive Director on 1 December 2002. On 17 October 2016, he was re-designated as a Non-Independent Non-Executive Director. He is a member of Board Risk Committee since 1 January 2022. He is currently a member of the Board Sustainability Committee.

Mr. Lim is also a Director of several other private companies.

Mr. Lim graduated from The Chartered Institute of Marketing of London, United Kingdom.

Mr. Lim does not have any directorship in other public companies or listed issuers in Malaysia.

Note : \* Cousin Relationship

## BOARD OF DIRECTORS' PROFILE

### MS. LIM WAN YEE\*

**Non-Independent Non-Executive Director**

**Age**

**58**

**Nationality**



**Gender**



**Appointed On:** 18 May 1994



Ms Lim was appointed to the Board on 18 May 1994. She was re-designated as an Executive Director on 1 December 2002, and re-designated as a Non-Independent Non-Executive Director on 17 October 2016. She is currently the Chair of the Board Sustainability Committee and a member of the Board Risk Committee.

Ms Lim is a Director of Bee Guan Sdn Bhd and several other private companies. She is a Council Member of the Malaysian Estate Owners' Association ("MEOA") and represents the MEOA on the Malaysian Sustainable Palm Oil High Conservation Value Committee and Greenhouse Gas Working Group. She is also the Founder of The Godown, an arts centre in Downtown Kuala Lumpur.

Ms. Lim has a Bachelor's degree in Management Science and a Master's degree in Operational Research from the London School of Economics, University of London. She completed the Oxford Climate Emergency Program of the Saïd Business School, University of Oxford in 2021, and has a keen interest in regenerative agriculture.

Ms. Lim does not have any directorship in other public companies or listed issuers in Malaysia.

### MR. CHIN YOONG KHEONG

**Non-Independent Non-Executive Director**

**Age**

**66**

**Nationality**



**Gender**



**Appointed On:** 1 January 2014



Mr. Chin was appointed to the Board on 1 January 2014. He is Chairman of the Nomination and Remuneration Committee and is a member of the Board Risk Committee and Audit Committee.

Mr. Chin was a partner of a Big 4 Accounting Firm and had served the Firm for more than 34 years in the United Kingdom, Vietnam and Malaysia. He is also an Independent Non-Executive Director of various companies under RHB Bank Berhad Group and in other private companies. He had also been appointed to various board positions for companies located in Singapore, Thailand, Vietnam, Cambodia and Laos.

Mr. Chin graduated with BA (Hons) Economics and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Mr. Chin is not related to any Director and/or major shareholder of the Company and does not have any interest in the securities of the Company and/or its subsidiaries.

Other than RHB Investment Bank Berhad, Mr. Chin does not have any directorship in public companies or listed issuers in Malaysia.

*Note : \* Cousin Relationship*

## BOARD OF DIRECTORS' PROFILE

**TAN SRI ARPAH BINTI  
ABDUL RAZAK****Independent Non-Executive Director**

Age

70

Nationality



Gender

**Appointed On:** 1 October 2021

Tan Sri Arpah was appointed to the Board on 1 October 2021 as an Independent Non-Executive Director. On 1 January 2022, Tan Sri Arpah was appointed as a member of the Audit Committee and the Nomination and Remuneration Committee.

Tan Sri Arpah had previously worked in the Malaysian Civil Service sector for over 40 years. She held various posts at the local government and the federal government level. She was the Secretary General of the Ministry of Housing and Local Government prior to her appointment as the Chairman of Public Service Commission Malaysia in 2015. She retired from the Public Service Commission Malaysia in 2018.

Tan Sri Arpah graduated with a Second Class Upper Honours in Bachelor of Social Science (Pengajian Bandar) from University Sains Malaysia and Masters of Planning from the University of Southern California, USA. She also obtained a post-graduate diploma in Public Administration from the National Institute of Public Administration (INTAN), certification in Human Resource Management from the University of New South Wales, Australia and has completed the Advanced Management Program from the Harvard Business School.

She is not related to any Director and/or major shareholder of the Company and does not have any interest in the securities of the Company and/or its subsidiaries.

Tan Sri Arpah does not have any directorship in other public companies or listed issuers in Malaysia.

**DATO' NG TIONG LIP****Independent Non-Executive Director**

Age

68

Nationality



Gender

**Appointed On:** 1 July 2023

Dato' Ng was appointed to the Board on 1 July 2023. He is the Chairman of the Board Risk Committee and member of the Nomination and Remuneration Committee and Board Sustainability Committee.

Dato' Ng has a Bachelor Degree of Economics from Monash University, Melbourne, Australia. He is a member of The Malaysia Association of Certified Public Accountants and a fellow member of the Chartered Accountants Australia and New Zealand.

Dato' Ng holds various positions in non-governmental associations, among which he is the Chairman of Real Estate Housing Developers Association Institute and is an advisor of The Malaysian REIT Managers Association. He is also a panel member of the Appeal Board under the Federal Territory (Planning Act 1982).

Dato' Ng has more than 38 years of extensive experience in the real estate, hotel and banking industry. He previously held directorships in companies under Sunway Group including as the former CEO of Sunway REIT and served as the former Chairman of United Overseas Bank (Malaysia) Bhd. Presently, he is the non-executive Chairman of Capitaland Malaysia Trust.

Dato' Ng does not have any directorship in other public listed companies or listed issuers in Malaysia.

He is not related to any Director and/or major shareholder of the Company and does not have any interest in the securities of the Company and/or its subsidiaries.

## BOARD OF DIRECTORS' PROFILE

### MR. RAYMOND YEOH CHENG SEONG

**Independent Non-Executive Director**

Age

62

Nationality



Gender



**Appointed On:** 1 November 2023

Mr. Raymond Yeoh was appointed to the Board on 1 November 2023. On 15 December 2023, he was appointed as the Chairman of the Audit Committee, a member of the Nomination and Remuneration Committee and the Board Sustainability Committee.

Mr. Raymond Yeoh earned his degree in Economics and Social Studies from the University of Manchester, United Kingdom. Additionally, he is a Fellow of the Institute of Chartered Accountants in England and Wales and a Chartered Banker.

Mr. Raymond Yeoh began his professional journey at Deloitte Haskins & Sells, London in 1984 as an accountant and ventured into the banking career at Bankers Trust Company in Singapore as an arbitrage trader. He concluded his banking career at Bank of America Malaysia Berhad as Country Head, Chief Executive Officer and Principal Officer of its Labuan branch and retired from Bank of America Malaysia Berhad in October 2023.

Presently, Mr. Raymond Yeoh is the Chairman at CIMB Investment Bank Berhad and a Director at IGB REIT Management Sdn Bhd.

He is not related to any Director and/or major shareholder of the Company and does not have any interest in the securities of the Company and/or its subsidiaries.

Mr. Raymond Yeoh does not have any directorship in other public listed companies or listed issuers in Malaysia.

### MDM. CHANG WEE YON<sup>#</sup>

**Alternate Director to Ms. Lim Wan Yee**

Age

81

Nationality



Gender



**Appointed On:** 25 July 1994

Mdm. Chang is an alternate Director to Ms. Lim Wan Yee since 25 July 1994.

### MR. EDWIN JOSE GOMES

**Alternate Director to Mr. Lim Kee Choon**

Age

67

Nationality



Gender



**Appointed On:** 10 September 2021

Mr. Edwin Jose Gomes, ACA, is as an alternate Director to Mr. Lim Kee Choon since 10 September 2021.

*Note : <sup>#</sup> Mother of Ms. Lim Wan Yee*

### ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

#### Conflict of interest or potential conflict of interest, including interest in any competing business

Save for the conflict of interest of Lim Ke Hun as disclosed in the Audit Committee Report of this Annual Report, the Directors have no conflict of interest with the Company or its subsidiaries or potential conflict of interest, including interest in any competing business.

#### Convictions (within past 5 years, other than traffic offences)

The Directors have not been convicted of any offences (other than traffic offences, if any) within the past 5 years nor subject to any public sanction or penalty imposed by any regulatory bodies during the financial year.

#### Interest in securities of the Company and its subsidiaries

Directors interest in securities of the Company and its subsidiaries are disclosed in the Financial Statements and in the Analysis of Shareholdings of the Financial Report 2024.

#### Number of Board meetings attended in the financial year

The details of Directors' attendance at Board Meetings held in the financial year ended 31 December 2024 are set out in the Corporate Governance Overview Statement.

# SENIOR MANAGEMENT TEAM’S PROFILE

MR. CHUA SENG YONG

Group Chief Executive Officer

Age62NationalityGender

Appointed On: 1 August 2022

Mr. Chua was appointed as Group Chief Executive Officer on 1 August 2022. He graduated with a degree in Economics (Accounting) from Monash University, Australia in 1985 and had also obtained his Master of Business Administration from Cranfield University, United Kingdom in 1991.

Mr. Chua started his career in 1985 as an accountant in YBH Group, which was involved in the property development industry and the retail of industrial diesel and petroleum products industry. He then joined Tan & Tan Developments Sdn Bhd as the Accounts Controller in 1988 and had held various positions within the company in both its hospitality and property development division. He was Group Accountant and was seconded to IGB Corporation Berhad (“IGBC”) in 1994 as Financial Controller.

Mr. Chua was appointed as an Executive Assistant to Group Managing Director and alternate director to Dato’ Seri Robert Tan on the Board of IGBC from 1999 until 2018. Following the delisting of IGBC, he assumed the position as Executive Assistant to the Group Chief Executive Officer of IGBC. He was appointed as a non-executive director of Negara Properties Berhad from 23 June 2006 until 31 December 2007 before Negara Properties Berhad was merged to form Sime Darby Property Berhad. Overall, Mr. Chua had more than 30 years of experience in property, construction, retail and hospitality industries.

Mr. Chua does not hold any directorship in any public companies or listed issuers in Malaysia. Mr. Chua currently has a direct interest of 125,000 ordinary shares in the securities of the Company. He is not related to any Director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and has not been convicted for any offences other than traffic offence, if any, within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

MS. LEE SOR PHAIK

Deputy Group Chief Executive Officer

Age55NationalityGender

Appointed On: 15 October 2024

Ms. Lee was appointed as Deputy Group Chief Executive Officer on 15 October 2024. She graduated with a degree in Business Administration from the National University of Malaysia. She is a member of the Malaysian Institute of Purchasing and Materials Management (“MIPMM”) and Building Materials Distributors Association of Malaysia (“MBAM”).

Ms. Lee has over 30 years of professional experience spanning across diverse industries, including property development, construction, manufacturing, food & beverage, hospitality, retail & shopping malls, gaming & leisure, healthcare, and agriculture. Prior to joining the Group, Ms Lee was Chief Executive Officer of Kerjaya Prospek Property Berhad and as Deputy Chief Executive Officer of Tropicana Corporation Berhad.

Ms. Lee does not hold any directorship in any public companies or listed issuers in Malaysia. She is not related to any Director and/or major shareholder of the Company and does not have any interest in the securities of the Company and/or its subsidiaries. She does not have any conflict of interest with the Company and has not been convicted for any offences other than traffic offences, if any, within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

# SENIOR MANAGEMENT TEAM'S PROFILE

## MS. JEANNIE KHOO POH GAIK

**Group Chief Operating Officer**

**Age**

**59**

**Nationality**



**Gender**



**Appointed On:** 1 July 2019

Ms. Khoo is a Fellow of The Chartered Governance Institute, UK and Malaysia. She was previously attached to a Fortune 500 multi-national corporation as Marketing Director for both Malaysia and Singapore, as Executive Director of a Big 4 Accounting Firm and as Chief Transformation Officer of a Public Listed Company prior to joining the Group. She was involved in the Strategic Reform Initiatives ("SRI") for Malaysia's New Economic Model ("NEM") and was a member of the Industry Advisory Committee of Jabatan Pengajian Politeknik under The Ministry of Higher Education from 2012 till 2016.

Ms. Khoo does not hold any directorship in any public companies or listed issuers in Malaysia. She is not related to any Director and/or major shareholder of the Company and does not have any interest in the securities of the Company and/or its subsidiaries. She does not have any conflict of interest with the Company and has not been convicted for any offences other than traffic offences, if any, within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

## MR. TAN KIAN WHOO

**Group Chief Financial Officer**

**Age**

**49**

**Nationality**



**Gender**



**Appointed On:** 18 September 2024

Mr. Tan was appointed as Group Chief Financial Officer on 18 September 2024. He graduated with a degree in Accounting & Finance from the University of Technology, Sydney, Australia. He is a member of Malaysian Institute of Accountants and Certified Practising Accountant Australia ("CPA Australia"). Prior to joining AYER Holdings Berhad, Mr. Tan was Chief Financial Officer at NCT Alliance Berhad and covered corporate finance, corporate reporting, internal control improvement, structure planning, tax planning, project financing and enterprise risk management.

Mr. Tan does not hold any directorship in any public companies or listed issuers in Malaysia. He is not related to any Director and/or major shareholder of the Company and does not have any interest in the securities of the Company and/or its subsidiaries. He does not have any conflict of interest with the Company and has not been convicted for any offences other than traffic offences, if any, within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

## MR. ONG CHIN TECK

**Chief Operating Officer for Property Division**

**Age**

**56**

**Nationality**



**Gender**



**Appointed On:** 8 March 2023

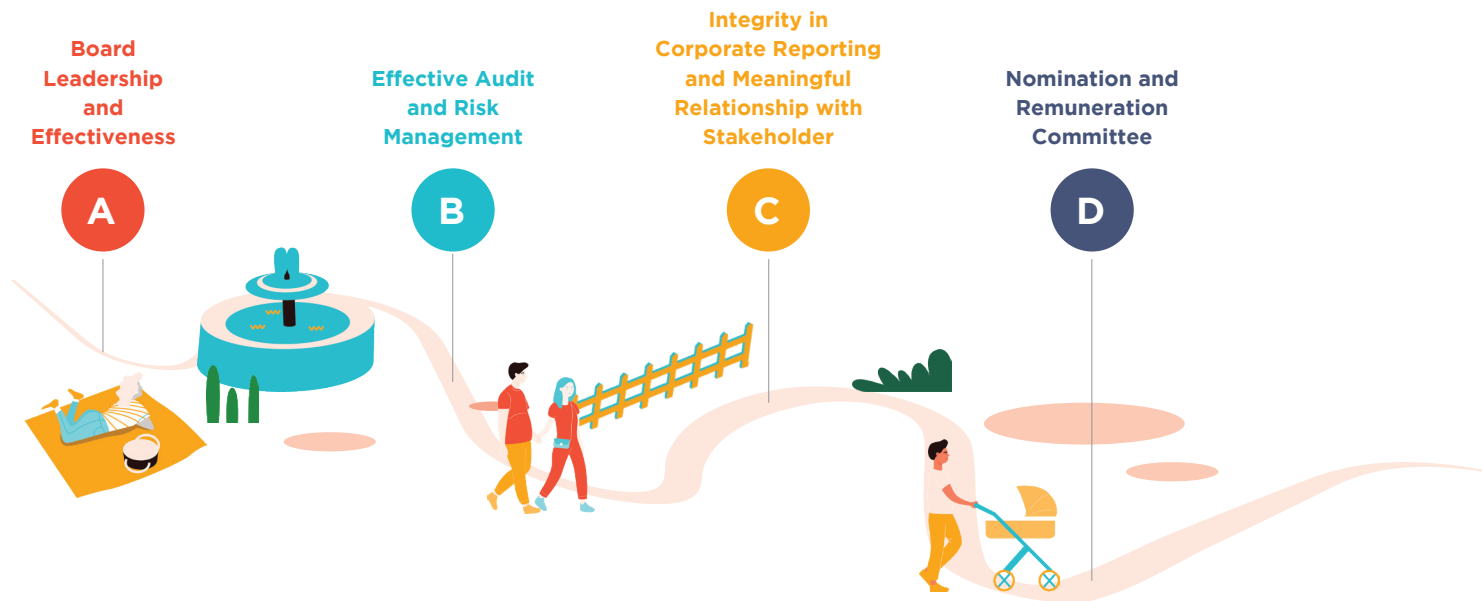
Mr. Ong is appointed as Chief Operating Officer, Property, on 8 March 2023. He graduated with an honour's degree in Housing, Building & Planning from University Science Malaysia, Penang, Malaysia. He is a member of the Property Surveying Division, Royal Institution of Surveyors Malaysia. He has a total 30 years of working experience in both property development and property investment, including hotel, shopping mall, office tower, university and hospital.

Mr. Ong does not hold any directorship in any public companies or listed issuers in Malaysia. He is not related to any Director and/or major shareholder of the Company and does not have any interest in the securities of the Company and/or its subsidiaries. He does not have any conflict of interest with the Company and has not been convicted for any offences other than traffic offences, if any, within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of AYER Holdings Berhad (“AYER” or the “Company”) is committed to maintaining high standards of corporate governance in conducting the affairs and business of AYER and its subsidiaries (the “Group”). This is to ensure that the interests of shareholders and other stakeholders are protected and that shareholders’ value continues to be enhanced. Pursuant to paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board is pleased to present the Group’s application of the principles as set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”):



This Corporate Governance Overview Statement should be read together with the Corporate Governance Report 2024 which is available on the Company’s website at <https://www.ayer.com.my>.

## A BOARD LEADERSHIP AND EFFECTIVENESS

### 1. The Board Roles And Responsibilities

The Board is responsible, amongst others, for setting and communicating the strategic direction, enhancing corporate values of the Group and supervising its affairs to ensure its success within a framework of acceptable risks. It also reviews the performance of the management team and ensures that the necessary resources are available to meet the Group’s objectives.

The Board delegates specific responsibilities to the respective committees of the Board, all of which operate within their defined terms of reference. Notwithstanding this, the Board remains responsible for its fiduciary duties.

The functions of the Board and Management are clearly demarcated to ensure the effectiveness of the Group’s operations and are guided by the Discretionary Authority Limits which defines the limits of authority designated to

specified positions within the Group and to establish the types and obligations that may be approved by individuals or groups of individuals. The Group Chief Executive Officer (“GCEO”), Deputy Group Chief Executive Officer (“DGCEO”), Group Chief Operating Officer (“GCOO”), Group Chief Financial Officer (“GCFO”), Chief Operating Officer - Property (“COO - Property”) and respective Departmental Heads (collectively “Management”) are accountable for the daily management of operational and financial matters of the Group.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## A BOARD LEADERSHIP AND EFFECTIVENESS

### 2. Composition

The MCCG recommends that at least half of the Board comprises independent directors. The Company has a total of seven (7) Directors, four (4) of whom are Independent Directors (57%) and three (3) of whom are non-Independent Directors (43%).

The Independent Directors have provided independent, objective and impartial opinion during Board's deliberation and decision making. The significant contribution of the Independent Directors is evidenced by their participation as members of the Board Committees.

The MCCG recommends that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. After serving for nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain the independent director beyond nine (9) years, the

board should provide justification and seek annual shareholders' approval through a two-tier voting process. The Company will also comply with the tenure limits for Independent Directors stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The MCCG further recommends that the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee. Mr. Lim Kee Choon, the Chairman of the Board, does not sit on any of the Board Committees.

### 3. Remuneration

The Nomination and Remuneration Committee ("NRC") and the Board ensure that the Company's remuneration policy is in line with the Company's corporate objectives and the interest of the shareholders of the Company. The remuneration packages of the Directors and the Senior Management team are also sufficiently attractive to attract and retain persons of high calibre. The salient elements of the Directors' remuneration policy are set out in details in the Corporate Governance Report 2024.

A summary of the Directors' remuneration paid/payable during the financial year ended 31 December 2024 ("FYE 2024") is appended below:-

	Company			Subsidiaries		
	Fees RM'000	Others* RM'000	Company Total RM'000	Fees RM'000	Others* RM'000	Group Total RM'000
<b>Directors</b>						
Mr. Lim Kee Choon	204	48	<b>252</b>	-	-	<b>252</b>
Mr. Lim Ke Hun	170	57	<b>227</b>	-	-	<b>227</b>
Ms. Lim Wan Yee	180	56	<b>236</b>	-	-	<b>236</b>
Mr. Chin Yoong Kheong	205	65	<b>270</b>	-	-	<b>270</b>
Tan Sri Arpah Binti Abdul Razak	170	56	<b>226</b>	-	-	<b>226</b>
Dato' Ng Tiong Lip	205	59	<b>264</b>	-	-	<b>264</b>
Mr. Raymond Yeoh Cheng Seong	205	64	<b>269</b>	-	-	<b>269</b>
<b>Total</b>	<b>1,339</b>	<b>405</b>	<b>1,744</b>	-	-	<b>1,744</b>

\* Others include meeting allowances, insurance premium, medical expenses, mobile phone bills, professional bodies memberships, travelling, training and entertainment.

The following depicts the total remuneration awarded to the GCEO for FY2024:

GCEO	Salary RM'000	Bonus RM'000	Total RM'000
Mr. Chua Seng Yong	812	220	<b>1,032</b>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## 4. Commitment

The Board is expected to meet at least six (6) times annually with additional meetings to be convened when necessary. All Directors of the Board have attended all eight (8) Board Meetings held during the FYE 2024.

The Board through the NRC evaluates and determines the specific and continuous training needs for each of the Directors on a regular basis. A summary of the Directors' training during the financial year ended 31 December 2024 ("FYE 2024") is appended below:-

Name of Directors	Training Programme
Mr. Lim Kee Choon	<ul style="list-style-type: none"> <li>The Future of Net-Zero Building with the National University of Singapore by Young Presidents' Organization ("YPO")</li> <li>Re-adapt to Lead in Disruptive Times workshop with Riaz Shah, OBE by YPO</li> <li>Anti-Bribery &amp; Corruption ("ABC") e-Learning Training Module by the Company and Equick Learn Sdn. Bhd.</li> </ul>
Mr. Lim Ke Hun	<ul style="list-style-type: none"> <li>Guide for Corporate Boards in Southeast Asia on Climate Action by Institute of Corporate Directors Malaysia ("ICDM")</li> <li>Impact of Budget 2025 by PwC</li> </ul>
Ms. Lim Wan Yee	<ul style="list-style-type: none"> <li>Lessons from the Trenches: Governance Scandals by Institute of Corporate Directors Malaysia ("ICDM")</li> <li>Impact of Budget 2025 by PwC</li> </ul>
Mr. Chin Yoong Kheong	<ul style="list-style-type: none"> <li>'What Amounts to a Conflict of Interest by Directors?' by Mr Khoo Guan Huat, Partner of Skrine &amp; Co.</li> <li>Nikkei Asia 18<sup>th</sup> Asia Undercurrent Webinar on "People, Technology, and Prosperity: Japan's growth opportunities under the New Form of Capitalism"</li> <li>"Empowering Boards: Building Capacity For Sustainable Finance Success In The Banking Industry by ICDM"</li> <li>Latest Trends on Anti-Money Laundering, Countering Financing of Terrorism &amp; Countering Proliferation Financing" by Asian Banking School</li> <li>"Leading in Disruptive Times" held at AICB (Asian Institute of Chartered Bankers) by YPO.</li> <li>"The Balancing Act - Navigating Fuel Subsidy Reforms" by Malaysian Economic Association (MEA)</li> <li>"Anti-Bribery and Corruption ("ABC") Training" by Reinushini Chandrasegaram of RC Compliance Sdn. Bhd.</li> </ul>
Tan Sri Arpah Binti Abdul Razak	<ul style="list-style-type: none"> <li>Guide for Corporate Boards in Southeast Asia on Climate Action</li> <li>Impact of Budget 2025 by PwC</li> </ul>
Madam Chang Wee Yon	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II: Leading for Impact ("LIP") by ICDM</li> </ul>
Dato' Ng Tiong Lip	<ul style="list-style-type: none"> <li>Hong Kong &amp; Shenzhen (China) – Asia Real Estate Leaders by REHDA Institute</li> <li>Global REIT Roundtable by Asia Pacific Real Estate Association</li> <li>Conflict of Interest by Messrs Skrine</li> <li>Regional Housing Conference 2024 by REHDA Institute</li> <li>Mandatory Accreditation Programme Part II: Leading for Impact ("LIP") by ICDM</li> <li>International Green Build Conference ("IGBC") by REHDA Institute</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Dato' Ng Tiong Lip (cont'd)	<ul style="list-style-type: none"> <li>• Malaysian REIT Forum 2024 Malaysian REIR Managers Association</li> <li>• Cities: Possibilities 2024 – A CapitaLand Sustainability Edition by Eco-Business</li> <li>• Ho Chi Minh City (“HCMC”) Vietnam, Business Delegation – Asia Real Estate Leaders 2024 by REHDA Institute</li> <li>• ICDM Chairman Roundtable &amp; Networking Session (in collaboration with Aon Malaysia) How Responsible &amp; Responsible Are You in Strategic Risk Management?</li> <li>• Briefing on Budget 2025 by PwC</li> </ul>
Mr. Raymond Yeoh Cheng Seong	<ul style="list-style-type: none"> <li>• Syndication Training by Willis Towers Watson</li> <li>• Mandatory Accreditation Programme part 2 - Leading for Impact by ICDM</li> <li>• Markets Directors Program modules A1, 2,3 &amp; 4 by Securities Industry Development Corporation</li> <li>• Navigating the future with emerging technologies by CIMB</li> <li>• Cyber threat landscape and why it matters by CIMB</li> <li>• Anti Bribery and Corruption by MACC</li> <li>• Embracing Strategic Oversight- The future of Audit Committees by Malaysian Institute of Accountants/The Institute of Internal Auditors Malaysia</li> <li>• Embedding Business and Human Rights in Financial Institutions by CIMB</li> <li>• Joint Cyber drill and crisis simulation exercise by CIMB</li> <li>• Islamic Finance for Board of Directors by International Centre for Education for Islamic Finance</li> <li>• Cloud Services by CIMB</li> <li>• Board ongoing education, Insider Threats by CIMB</li> <li>• Banking Ethics by Asian Institute of Chartered Bankers</li> </ul>
Mr. Edwin Jose Gomes	<ul style="list-style-type: none"> <li>• Mastering Tax and Corporate Compliance Conference by Boardroom, in collaboration with Shearn Delamore</li> </ul>

## B

## EFFECTIVE AUDIT AND RISK MANAGEMENT

### 1. Audit Committee

The Audit Committee is comprised of all Independent Directors. The Audit Committee has adopted a policy that any Director who is a key audit partner shall be subjected to a three (3)-year cooling-off period before being appointed as a member of the Audit Committee.

### 2. Risk Management and Internal Control Framework

The Board has established a risk management framework within the Group to identify, monitor and manage the risks which may occur or have existed within the Group. The Board Risk Committee led by an Independent Non- Executive Director has established the framework and approaches on all strategic and policy matters in relation to risk management within the Group. More information on the Group's risk management process is outlined in the Statement on Risk Management and Internal Control and the Corporate Governance Report 2024.

Details of the Company's internal control system and the review of its effectiveness have been outlined in the Statement on Risk Management and Internal Control and the Corporate Governance Report 2024.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

### 1. Communication with Stakeholders

The Board is committed to providing shareholders and other stakeholders with accurate, useful and timely information about the Company's businesses and activities. Communications are made through announcements to Bursa Malaysia Securities Berhad and the Company's website.

The Company's website at [www.ayer.com.my](http://www.ayer.com.my) provides all relevant corporate information and is easily accessible to the public. The 'Investor Relations' section of the Company's website provides all announcements made by the Company, quarterly reports, annual reports, summary of key matters discussed at the 105<sup>th</sup> to 109<sup>th</sup> Annual General Meetings and minutes of the 110<sup>th</sup> to 113<sup>th</sup> Annual General Meetings. The 'News & Happenings' section of the Company's website provides corporate social responsibility events undertaken by the Group.

### 2. Conduct of General Meetings

The shareholders of the Company are encouraged and are given the opportunity during the Annual General Meeting to raise questions regarding the operations of the Group. The Company will ensure that all Board members, the chairs of the Board Committees, the Management team, the Group's External Auditors and advisors are available to respond to shareholders' questions during the Annual General Meeting and other general meetings.

## D NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") is comprised of all Independent Directors. The NRC met seven (7) times during the FYE 2024. All the meetings were attended by all members of the Committee and the following activities were carried out:

- Reviewed the bonus pool allocation and increment for eligible employees of the Group;
- Assessed the fit and properness of Directors and recommended Directors who were eligible to stand for re-election to the Board for recommendation to the shareholders for approval at the Annual General Meeting;
- Assessed the competency and diversity matrix of the Board and Board Committees. The assessment is based on the Board Diversity Policy which outlines the policies on board composition having regard to the independence, skills and experience, gender, nationality and age;
- Evaluated the performance of the Board and Board Committees based on the criteria on the areas of Board mix and composition, quality of information and decision making, Board's Relationship with the Management, Boardroom activities, Board chairman's role and responsibilities, Environmental, Social and Governance issues and effectiveness of each Board Committees;
- Evaluated the performance of individual Directors and the independence of the Independent Directors based on the criteria which include their abilities and competencies, personality, technical knowledge, knowledge of listing requirements, level of participation and contribution to the business strategies of the Group;
- Reviewed the terms of office of the Audit Committee ("AC") and the assessment of the performance, effectiveness and financial literacy of the AC and members of the AC in discharging their duties and obligations in accordance with the terms of reference;
- Reviewed and recommended the Directors' fees and benefits payable to the Directors to the Board for recommendation to the shareholders for approval at the Annual General Meeting;
- Reviewed and recommended the revision in the Board of Director's Guidelines to the Board for approval;
- Reviewed and recommended the changes in the composition of the Board Committees to the Board for approval;
- Reviewed the succession planning for Senior Management and Board of Directors of AYER; and
- Reviewed and recommended the renewal of the Fixed Term Contract of the GCEO to the Board for approval.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## ADDITIONAL INFORMATION

### Statement on Directors' Responsibility

The Directors are required under the Companies Act 2016 ("the Act") to prepare financial statements of the Group and the Company which will give a true and fair view of the state of affairs at the end of the financial year and of the results and cash flows for the financial year then ended. As required by the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the provisions of the Act and approved accounting standards in Malaysia.

The Directors consider that in preparing the financial statements for the financial year ended 31 December 2024 as set out in this Annual Report, the Group has used appropriate accounting policies that were consistently applied and supported by reasonable and prudent judgments and estimates. The Directors have the responsibility of ensuring that the Group and the Company keep proper accounting records which enable them to ensure that the financial statements comply with the Act.

### Utilisation of Proceeds

The Company did not raise funds through any corporate proposals during the financial year ended 31 December 2024.

### Material Contracts Involving the Interests of the Directors, Group Chief Executive Officer and Major Shareholders

There were no material contracts entered into by the Company and its subsidiaries which involved Directors', GCEO's and Major Shareholders' interest subsisting at the end of the previous financial year or entered into during the financial year. There was no contract relating to a loan by the Company and its subsidiaries in respect to material contracts.



# AUDIT COMMITTEE REPORT

## COMPOSITION

The Audit Committee (“AC”) comprises the following members:

<b>Mr. Raymond Yeoh Cheng Seong</b> <i>Chairman</i>	Independent Non-Executive Director
<b>Mr. Chin Yoong Kheong</b> <i>Member</i>	Independent Non-Executive Director
<b>Tan Sri Arpah Binti Abdul Razak</b> <i>Member</i>	Independent Non-Executive Director

## TERMS OF REFERENCE

The Terms of Reference of the AC is available for reference on the Company’s website at <https://www.ayer.com.my>. The details of the scope of responsibilities, policies and procedures of the AC are disclosed in the Corporate Governance Report 2024.

## MEETINGS OF THE AUDIT COMMITTEE

The AC had convened six (6) meetings during the financial year and all members of AC had attended all meetings. Other members of the Board and senior management, upon invitation by the AC, were also present at the meetings.

## SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

During the financial year under review, the AC carried out the following activities and discharged its duties as outlined in the terms of reference:

### a) Oversight of Financial Reporting

- Reviewed the unaudited quarterly financial results and annual audited financial statements for the financial year of the Company, which were prepared in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the Companies Act 2016 and Main Market Listing Requirement of Bursa Malaysia Securities Berhad, where applicable, and recommended to the Board for approval; and
- Considered reports and feedback from the Senior Management on the outcome of their quarterly reviews and liaised with the Internal Auditors and External Auditors as and when required.

### b) External Audit

- Reviewed the audit planning memorandum (inclusive of audit approach and scope of work) for the financial year ended (“FYE”) 31 December 2024 as prepared by the External Auditors, Messrs. Khoo, Wong & Chan (“KWC”) before commencement of annual audit;
- Reviewed with the External Auditors their report, findings and key audit matters raised arising from the statutory audit for the financial year;
- Reviewed the independence of the External Auditors and had received written assurance that the External Auditors are independent throughout the conduct of the audit;
- Had private session with the External Auditors without the presence of the management;
- Evaluated the performance and effectiveness of the External Auditors. The AC had recommended the re-appointment of KWC as the External Auditors for the ensuing financial year for the approval by shareholders at the forthcoming 114<sup>th</sup> Annual General Meeting of the Company; and
- Reviewed the audit and non-audit services provided by the External Auditors and their affiliated firm during the financial year as tabled below. The AC had concluded that these services have not compromised the External Auditors’ independence and objectivity in view of these services are compliant in nature.

# AUDIT COMMITTEE REPORT

## b) External Audit (cont'd)

The audit and non-audit fees for the FYE 31 December 2024 to the External Auditors and its affiliated firm was as follows:-

	Group (RM'000)	Company (RM'000)
Audit Fee	152	58
Non-audit Fees	23	17

## c) Internal Audits

- Reviewed and approved the Internal Audit Plan for the year 2024/2025 as prepared by the outsourced Internal Auditors, Crowe Governance Sdn Bhd ("Crowe Governance");
- Reviewed the schedule of responsibilities for the in-house and outsourced internal auditors;
- Reviewed the internal audit reports prepared by Crowe Governance and monitored the implementation of recommended actions, to ensure the adequacy and effectiveness of governance, risk management and internal control systems of the Group;
- Held two (2) private sessions, one with Crowe Governance and another with in-house Internal Auditors, without the presence of the management; and
- Reviewed the adequacy of scope, functions, competency and resources of the internal audit function.

During the financial year under review, the outsourced Internal Auditors had conducted the following reviews:

**28 May 2024:** Presented the review on Dahlia project encompassing sales, billing and credit control

**27 August 2024:** Presented the review on project management for Dahlia Project and project completion for Bromelia Project encompassing the full spectrum from appointment of consultants till post completion review; and vacant possession till post completion review

**22 November 2024:** Presented the review on information technology on cybersecurity encompassing network architecture and network controls; cybersecurity incident management and reporting, and email security management

## d) Related Party Transactions and Conflict of Interest

Reviewed the related party transactions of the Group and any conflict of interest or potential conflict of interest situation that may arise within the Group, before reviewing measures taken to resolve, eliminate or mitigate such conflicts, if any. The conflict of interest identified involving Lim Ke Hun, the Director of the Company, is the Company's rental of office space owned by him. The Director, Lim Ke Hun, has not participated in the deliberation for the tenancy.

## e) Other Matters

- Reviewed and recommended the payment of dividend in respect of the FYE 31 December 2023 to the Board for recommendation to the shareholders for approval at the Annual General Meeting; and
- Reviewed and recommended to the Board for approval the Corporate Governance Report, Audit Committee Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report.

## INTERNAL AUDIT FUNCTION

The Group's internal audit function is undertaken by both the in-house Internal Auditors and outsourced Internal Auditors, namely, Crowe Governance, which is a professional services firm (collectively, "Internal Auditors"). The Internal Auditors report directly to the AC. The Internal Auditors assist the AC by carrying out independent assessments of the adequacy and effectiveness of the internal control system as established and monitored by the management.

The Internal Auditors carried out the internal audits based on the risk-based internal audit plan reviewed and approved by the AC and guided by the Institute of the Internal Auditors' International Professional Practices Framework.

The costs incurred for maintaining the internal audit function for the financial year under review was RM316,538.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to present the Group’s Statement on Risk Management and Internal Control, which outlines the nature and scope of the risk management and internal controls system within the Group for the year under review.

This Statement is prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Practice 10.2 of the Malaysian Code on Corporate Governance (“MCCG”).

## THE BOARD’S RESPONSIBILITY

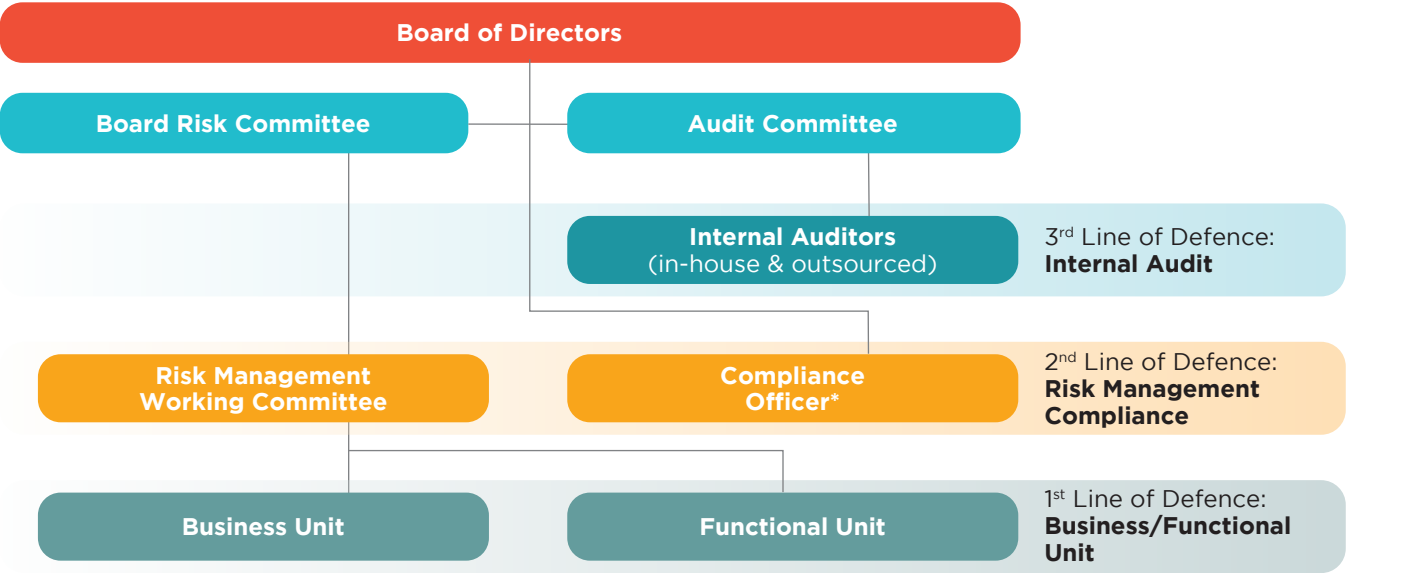
The Board recognises its overall responsibilities in maintaining a sound enterprise risk management and internal control system that support the achievement of the Group’s objectives, safeguard the interest of the shareholders, customers and Group assets. The internal controls cover not only financial but also include operational, compliance controls and management of risks throughout the operations.

The Board has established a risk management framework for identifying, evaluating and managing significant risks faced by the Group. This framework is designed to manage the risk of failure in achieving the Group’s business objectives, rather than eliminate it, and to provide reasonable assurance against material misstatement of financial information, loss and breach of regulations. Periodic reviews are carried out to assess the effectiveness, adequacy and integrity of the framework and to ensure that it remains relevant to prevailing business environment.

The Board Risk Committee (“BRC”) assists the Board in overseeing the risk management function while the Audit Committee (“AC”) supports the Board in overseeing the internal control function of the Group.

## THE RISK GOVERNANCE STRUCTURE

An overview of the risk governance structure of the Group is as follows:



\* Appointed on 21 February 2024

## Audit Committee

The AC, with the assistance of the Internal Auditors, is tasked by the Board with the duty of reviewing and monitoring the adequacy and effectiveness of internal controls and risk management system. In carrying out its responsibilities, the AC relies significantly on the support of the internal audit function, which carries out internal audits based on a risk-based audit plan approved annually by the AC. Based on these audits, the AC is provided with periodic reports highlighting observations, recommendations and management action plans in order to assist AC in the effective discharge of their roles and responsibilities. In addition, the AC reviews and deliberates on any matters relating to internal controls highlighted by the external auditors in the course of their statutory audit of the financial statements. Further information on AC is set out in the Audit Committee Report.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Board Risk Committee

The Board has delegated the oversight of the risk management function to the BRC. The BRC is led by an Independent Non-Executive Director. The BRC is responsible for:

- setting the direction on all strategic and policy matters in relation to risk management within the Group,
- ensuring the adequacy and effectiveness of Group's risk management structure, internal control process and system to identify, assess, monitor and respond to enterprise risks to safeguard/enhance the organisation's and shareholders' values,
- providing guidance on the development of appropriate and effective risk response and mitigation strategies and contingency plans,
- monitoring the overall risk profile and risk tolerance within the Group, and ensuring that this is well communicated within the Group.

The BRC comprises the following members:

### Dato' Ng Tiong Lip

Chairman, Independent Non-Executive Director

### Mr. Chin Yoong Kheong

Independent Non-Executive Director

### Ms. Lim Wan Yee

Non-Independent Non-Executive Director

### Mr. Lim Ke Hun

Non-Independent Non-Executive Director

The BRC members met five (5) times during the financial year under review. All members of the Committee had attended the meetings to deliberate on the followings:

- enterprise risks profiles of the Group and their mitigation actions progress updates,
- review the risk of investment in money market funds and other possible alternatives for investment,
- proposed joint venture with external party for land development,
- financing strategy and updates,
- replanting of oil palm trees proposal,
- update on Green Financing Facility as an option to AYER's Financing Strategy,
- briefing on latest Sustainability Reporting Requirement by external auditor,
- list of applicable Standards, Legislation and Regulations,

- risk management gap analysis report and remediations proposal,
- business continuity plan ("BCP") testing proposal for our corporate office and office at Bukit Puchong,
- Term of Reference ("TOR") for Risk Management Working Committee ("RMWC"),
- Results of Corruption Risk Assessment for the Group.

## Risk Management Working Committee ("RMWC")

The RMWC is responsible to assist the BRC in enterprise risk identification, assessment, monitoring and reporting of significant potential and existing risks faced by the Group in achieving the business objectives and strategies. The RMWC meets on a monthly basis with representatives from various divisions/departments including other invitees as required by the RMWC to attend such meetings from time to time.

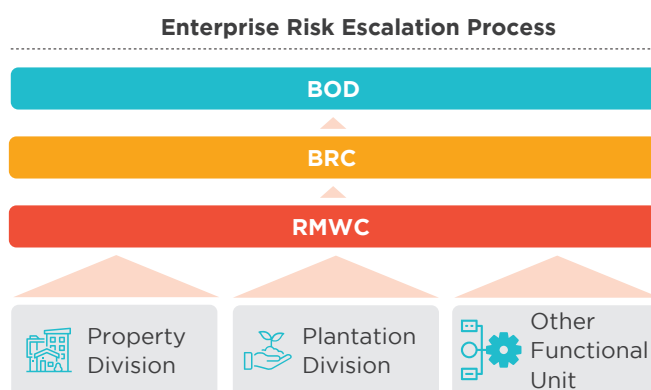
The RMWC is chaired by the Group Chief Executive Officer ("GCEO") and supported by Deputy Group Chief Executive Officer ("DGCEO"), Group Chief Operating Officer ("GCOO"), Group Chief Financial Officer ("GCFO"), Chief Operating Officer - Property ("COO - Property"), all heads of department (Risk Management, Legal, Human Resources & Administration, Information Technology, Internal Audit) and Plantation Managers.

The RMWC meets the BRC on a quarterly basis to report new or potential significant enterprise risk identified impacting the Group's business operations. Status updates on the mitigation actions are also provided to BRC to assess the effectiveness of the risk management and internal controls system in managing such risks.

## RISK MANAGEMENT FRAMEWORK

The Group has an enterprise-wide risk management framework, with processes for identifying, monitoring and managing business risks relevant to the Group.

The Group adopts the following enterprise risk escalation processes:

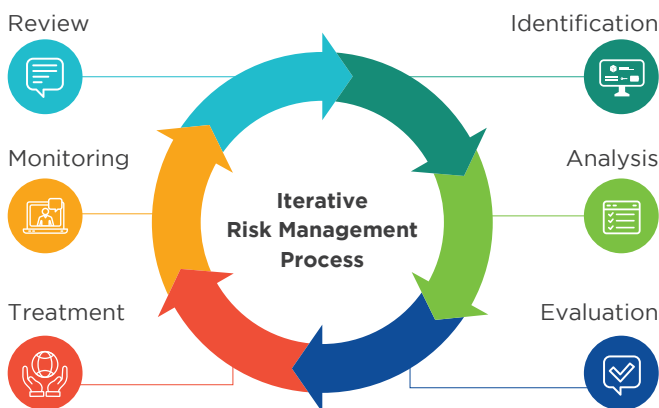


# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

All significant key risks identified by the Risk Owner (typically the Head of Division/ Head of Department) at the respective business division and functions are registered in the respective risk register for risk assessment. The risks are initially assessed by the respective Risk Owner using the defined Risk Matrix with the approved tolerance levels (taking into consideration the likelihood and impact rating) to determine the inherent and residual risk levels, taking into account the effectiveness of existing control mechanisms.

These risks will then be deliberated and challenged at RMWC meeting to determine the Group's risk profiles are reflective of the actual business risk environment and the relevant mitigation measures are effective in managing the risks to an acceptable level. Key risks are reported on a quarterly basis to the BRC for deliberation and the Board for oversight, using the Enterprise Risk Matrix.

## Iterative Process



The Group manages risks through an iterative process of risk identification, analysis, evaluation of control mechanism, risk treatment, monitoring and risk review.

## Integrated Risk Management

The Board and Management have established several key features to ensure that the risk management processes and controls are integrated into the Group's business activities and decision-making processes. In addition, these features facilitate the Board in reviewing the adequacy and integrity of the Group's risk management and internal controls system.

## KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESS

The key processes of the Group's risk management and internal control systems comprise:

### 1. Vision, Mission, Values

A clear vision, mission, corporate values and strategic direction are communicated to all levels of employees.

### 2. Organisation Structure and Delegation of Authority

An organisation structure with clearly defined lines of responsibility and accountability. Delegation of authority to senior management is outlined in the Discretionary Authority Limits ("DAL") and reviewed from time to time.

### 3. Policies and Procedures

Operational policies and procedures including employee's code of conduct and ethics are formalised to serve as a guiding principle to all employees within the Group for their day-to-day activities. The policies and procedures shall be periodically reviewed and updated to cater for changing business environment.

### 4. Internal Audit Function

The Group's internal audit function manages by both the outsourced Internal Auditors, Crowe Governance Sdn. Bhd. and the in-house internal audit function handled by its in-house Internal Audit ("collectively known as Internal Auditors"). The Internal Auditors report directly to the AC periodically on its assessment of reviews covering the financial, operational and compliance controls as well as risk management process. The AC will review the Internal Audit Plan which covers the scope of work of the Internal Auditors for the next financial year(s).

The Internal Auditors have access to all relevant records, personnel and properties within the Group to carry out regular internal audit of critical areas identified, which involve independent evaluation of the effectiveness of internal controls system and highlighting risk areas impacting the Group to the AC. The Internal Auditors reports to the AC on its findings, management's responses, recommendations and actions implemented by the management in response to the internal audit findings.

Further information on the internal audit function and its activities during the financial year are set out in the Audit Committee Report.

### 5. Board and Board Committees' Meetings

Periodic Board and Board Committees' meetings are held where important matters are highlighted, discussed and approved upon, thereby ensuring that the Board maintains full and effective oversight and supervision over key issues.

The Board is assisted by the various Board Committees, which includes AC, BRC, Board Sustainability Committee and Nomination and Remuneration Committee.

### 6. Planning, Monitoring and Reporting

Group financial planning and budgeting is carried out at least once a year with inputs from business units and support functions, taking into consideration the external landscape including market and economic developments, challenges, strategies, internal analysis

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## 6. Planning, Monitoring and Reporting (cont'd)

and any other relevant factors. This leads to the development of an annual business plan and budget, which are submitted to the Board. The annual business plan and budget are deliberated upon and approved by the Board before implementation.

On a monthly basis, the Management reviews and deliberates on the financial and operating performance of the Group and its business segments against the approved budget. The Management also monitors the progress of achieving its approved budget by forecasting the Group's performance for the remaining year, and track closely the status of strategy execution and development in the external business environment, and making the necessary adjustments to the Group's strategies as and when required.

The updates on the Group's performance against the budget are provided to the Board on a regular basis.

## 7. Management Meetings

There are several management committees which comprise of Senior Management overseeing various aspects of the Group's key functions.

The Senior Management comprises GCEO, DGCEO GCOO, GCFO and COO - Property. Representatives from each division are invited to the Senior Management meeting, which is held on a monthly basis, to review and discuss various operational, financial performance, compliance and regulatory matters.

The Senior Management meets the Board on a regular basis to review and deliberate on policies and business matters. Significant matters are raised to the Board and Board Committees during the respective meetings. The minutes of the Board and Board Committees' meetings are made available to the Board electronically.

## 8. Compliance Officer

AYER has put in place the Compliance Officer setup at the Group level since February 2024 to ensure that all relevant rules and regulations applicable to the Group are updated in a central repository and complied by the respective business and support unit.

## 9. Employee Management and Communication

The Group's human capital strategy includes offering competitive remuneration packages, providing trainings and focusing on employee welfare, in order to attract and retain talents, and maintain a high level of competency and capability.

The Group has put in place a systematic performance appraisal system for all levels of employees. The Group's key targets are communicated to employees during townhall sessions and incorporated into the relevant employees' performance appraisal, which is carried out at least twice a year.

## 10. Integrity and Anti-Corruption

The Group takes a zero-tolerance approach towards bribery and corruption, and is committed to behaving professionally, fairly and with integrity in all our business dealings and relationships wherever the Group operates, and implementing and enforcing effective systems to counter bribery and corruption. The Group conducted a Corruption Risk Assessment to review and update the existing corruption risk profile of the Group. In addition, anti-bribery and corruption e-learning have been completed by all office staff during the year. For our plantation operations, corruption risk awareness training has also been provided to the workers.

Additionally, in line with our commitment, a mechanism for employees, third parties and members of the public is provided to report wrongdoing or improper conduct within the Group. The Group's Whistleblowing Policy provides avenues for legitimate concerns to be objectively investigated and addressed without the risk of reprisal.

### RISK APPETITE STATEMENT

Risk appetite statements define the extent of risk appetite that the Group is willing to accept in pursuit of the strategic objectives approved by the Board. It summarises the Board's appetite for risk across the Group's activities which underpin achievement of our goals, strategic outcomes and optimise shareholders' values within a tolerable and balanced risk return.

The following are the risk appetite statements approved by the Board:

#### A. Reputation Risk

- The Group has a low appetite for risks and activities that may adversely compromise our market position, branding and reputation of the company.

#### B. Strategic Risk

- The Group will continue to focus on property development business as its principal growth driver and will continue to develop suitable products which meet consumer demand at the right price and right cost.
- The Group will seek to expand its investment property portfolio to enhance its recurring income to not more than 30% of Group's net assets, taking into consideration the return on investment of not lower than 10% and gearing ratio relating to the particular business opportunity not higher than 50%.
- The Group will continue its oil palm and durian plantation business with larger durian cultivation, and keeping the plantation's net assets contribution at not more than 30% of the Group's net assets.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## C. Business and Market Risk

- The Group has a low to moderate risk appetite for market risks including stagnation or reduced demand in property market, fluctuations in commodity prices, sufficiency of labour and supply chain disruptions. Supply chain risks may be mitigated through selective engagement, pre-qualification of suppliers, appropriate protection mechanisms including warranties, and other arrangements.

## D. Environment, Social and Governance Risk

- The Group will uphold a zero-tolerance position for bribery and corruption activity and non-compliance to relevant rules and regulations in the industry we operate. The Group will strive to maintain good governance principles and practices.
- The Group has a low risk appetite for environmental risk with zero tolerance for open burning. Any adverse effect on the environment is carefully managed and monitored through regular reporting by the business unit.

## E. Human Capital Risk

- The Group has zero appetite for risk associated with employee's and worker's rights, health and safety in our areas of operations.
- The Group has zero risk appetite for risk in relation to fraud, harassment or discrimination and non-compliance behaviour (such as breach of internal policies and procedures) that undermines the Group's reputation.

## F. Operation Risk

- The Group seeks to minimize operational risks through the implementation of industry best practices, robust internal controls and effective business continuity planning. The Group has zero appetite for significant business disruptions and cyber security incident. The Group will strengthen cyber security features to limit and mitigate the impact of cyber risk exposure on our business operations, data security and customer trust.
- The Group recognises the risk inherent in the property development business (from securing development approvals to financial returns of projects) and has a moderate appetite for these risks, noting that any significant risks in this area are carefully managed by the project team.

## G. Financial Risk

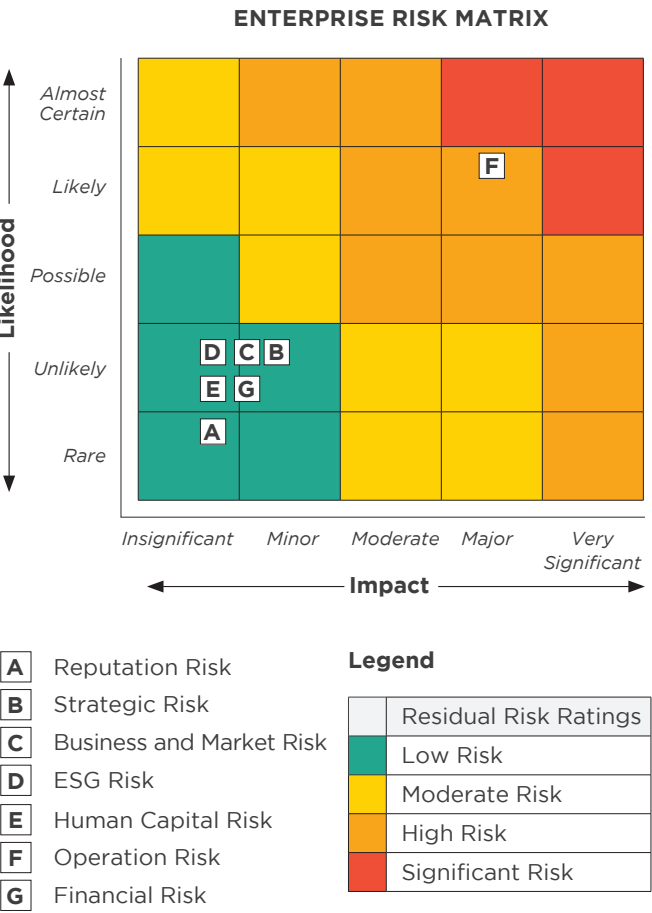
- The Group need to remain financially sustainable to continue to serve its purpose. AYER has a low risk appetite for any activity that has a material adverse impact on its financial position. The Group will maintain a strong focus on liquidity and solvency, ensuring that the Group is not exposed to financial distress.

- The Group will invest its funds with bank-backed fund managers, with the objectives of earning an after-tax return higher than fixed deposit rate, based on risk appetite that focuses on capital preservation and liquidity, while allowing some exposures for capital appreciation, achieving a balance between income and capital preservation, as well as medium term investment horizon, subject to the Group's cash flow projection and management.

The risk appetite statements will be reviewed annually by the BRC to continuously balance the risks and achieve the Group's business objectives.

## ENTERPRISE RISK MATRIX, RISK PROFILE AND MITIGATION CONTROLS

The identification of key business risks takes into consideration both the likelihood and impact parameter. For the financial year under review, the following principal risks were most prevalent in the Group. These were presented to the RMWC, BRC and Board where mitigation controls were highlighted and monitored to ensure the residual risks are mitigated to an acceptable level. AYER's risk profile for 2024 is as follows:



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Risk Category A: Reputation Risk

<b>Risk Description</b>	<ul style="list-style-type: none"> <li>Conducting our businesses with strong ethics and corporate governance principles is critical in building trusts in our Group amongst our stakeholders.</li> <li>Ability to secure mandatory certifications and able to produce quality products will affect our confidence level perception from the market.</li> </ul>
<b>Mitigation Controls</b>	<ul style="list-style-type: none"> <li>We have a zero tolerance on bribery and corruption.</li> <li>We require all employees to undertake training and comply with the Code of Conduct and Ethics Policy, Whistleblower Policy and the Anti-Bribery and Corruption Policy.</li> <li>We have a Whistleblower Policy that enables employees and other stakeholders to lodge reports regarding any suspected misconduct.</li> <li>We are awarded with MSPO certification for both oil palm estates and the MyGAP certification for our durian plantation.</li> <li>We conduct pre-qualification process and award property development projects based on the tender assessment. We also engage qualified consultants and contractors to ensure timely delivery of project and quality of product.</li> </ul>

## Risk Category B: Strategic Risk

<b>Risk Description</b>	<ul style="list-style-type: none"> <li>The concentration in geographical location where we operate, are critical factors that may impact our property development's long term plans.</li> <li>The Group's exposure in investment property portfolio and plantation net asset contribution exceeding the threshold set i.e. 30% of the Group's net asset.</li> </ul>
<b>Mitigation Controls</b>	<ul style="list-style-type: none"> <li>Our property development located at Bukit Puchong comprises of a few interconnected parcels of freehold land and there is continued demand due to scarcity of freehold land within Puchong, Selangor.</li> <li>We engage consultant/experts for branding exercises to identify new trends impacting both design, product and sustainability of the brand identity.</li> <li>We have our plantation operations as counter-cyclical investment to the property development business to minimise the impact of economic slowdown and maintain profitability and continuity of the Group during economic downturns for long term sustainability.</li> <li>Close monitoring by our Finance Division on the Group exposure on investment property portfolio and plantation net asset contribution during the business strategy proposal stage.</li> </ul>

## Risk Category C: Business & Market Risk

<b>Risk Description</b>	<ul style="list-style-type: none"> <li>Our Group's performance is affected by economic uncertainties, sufficiency of labour and supply chain disruptions.</li> <li>To a large extent, Property segment's performance depends on the buoyancy of the property market in which we have a presence and changes to the industry, consumer demands, and product failure.</li> <li>Plantation segment's performance (palm oil) is impacted by Crude Palm Oil ("CPO") volatility driven by demand and supply and influenced by global development/unforeseen events that affect the supply chain.</li> </ul>
<b>Mitigation Controls</b>	<ul style="list-style-type: none"> <li>We conduct market study and monitor closely on property trends in the markets where we operate, and plan developments that meet current and future demand.</li> <li>We implement procurement policy which emphasises on competitive tender and fixed price contract, while diligently manage our cost.</li> <li>We focus on improving labour productivity to achieve optimal yield.</li> <li>We monitor market development and trend and adjust our strategy accordingly.</li> <li>We benchmark against peer competitor to understand our current situation and identify areas for improvement to strengthen business positioning and reduce vulnerability.</li> <li>We forecast property demand and trends, conduct market analysis, perform competitive analysis on our properties for both sale and lease options.</li> <li>We have strategic partnership with contractors, legal counsels and bankers to ensure proper planning and quality controls are in place.</li> </ul>

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Risk Category D: Environment, Social and Governance (“ESG”) Risk

<b>Risk Description</b>	<ul style="list-style-type: none"> <li>• Adverse weather phenomenon affects our plantation output.</li> <li>• Management of human rights leads to conflict, workplace disruption and mismatch in organisation's culture and values.</li> <li>• Compliance with rules and regulation changes, new and emerging compliance affects business continuity.</li> <li>• Support towards the development of communities where we operate may impact our organisation's values to promote a Purpose-led organisation.</li> </ul>
<b>Mitigation Controls</b>	<ul style="list-style-type: none"> <li>• We maintain sufficient water reserves by having ponds and irrigation systems for our plantations.</li> <li>• We provide good living conditions at our plantations by building and refurbishing workers' quarters.</li> <li>• We provide regular training on health and safety regulations to promote a culture of safety at work.</li> <li>• We provide employment opportunities at Gali Estate in Pahang to the graduates from the Montfort Youth Training Centre and the Malaysian Estate Owners' Association (“MYTC-MEOA”) Conductorship program. Hiring the graduates, consisting of marginalised youth from Sabah, provides an avenue for the graduates to be financially independent and have the ability to provide financial support to their families in their hometown.</li> <li>• We keep abreast on the latest rules and regulations from the relevant authorities via periodic information updates and developments</li> <li>• We undertake regular stakeholder and community engagement in our business operations.</li> </ul> <p>For other ESG risk and mitigation actions, please refer to Page 14 to 17 of the Material Matter section in the Sustainability Statement.</p>

## Risk Category E: Human Capital Risk

<b>Risk Description</b>	<ul style="list-style-type: none"> <li>• Sufficiency and competency of manpower to complete project/development.</li> <li>• Significant changes to hiring rules (especially on foreign workers) affecting manpower requirements.</li> <li>• Incomprehensive succession planning and employee retention.</li> <li>• Difficult to recruit suitable replacement resulting in disruption to operation.</li> <li>• Lack of a diverse, equitable and inclusive workforce may impact the level of dynamism and economic performance for the Group.</li> </ul>
<b>Mitigation Controls</b>	<ul style="list-style-type: none"> <li>• We introduce technology-driven initiatives to improve productivity and operational efficiencies.</li> <li>• We deployed Group-wide Learning and Development programs (in-house/on-the-job/external trainings/seminars) for continuous upskilling and reskilling.</li> <li>• We conduct periodic review of the Group's organisation structure to ensure adequacy of manpower and expertise to support the growth of the Group.</li> <li>• We provide competitive remuneration package and benefits to attract and retain talents.</li> <li>• We have established both the Board and Employee Diversity Policy since 2016.</li> <li>• Secondment of foreign workers between plantation estates to manage shortage of worker.</li> <li>• Outsourced plantation activities to third party in managing the worker capacity requirement.</li> </ul>

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Category F: Operation Risk	
<b>Risk Description</b>	<ul style="list-style-type: none"> <li>• Key operational issues will derail achievement of business targets and plans such as project timeline overruns due to reliance on various internal and external parties in many aspects of project development.</li> <li>• Significant Information Technology (“IT”) issues that will have severe impact on business operations.</li> <li>• Our information system is exposed to the risk of cyber attack and information being leaked or tampered.</li> </ul>
<b>Mitigation Controls</b>	<ul style="list-style-type: none"> <li>• We undertake proper project planning, execution and monitoring to ensure timely handover of project.</li> <li>• Monthly management meeting is held to provide progress status update on the respective project and issue resolution.</li> <li>• Close follow-up with the relevant authority to seek confirmation on outstanding matter.</li> <li>• We monitor, service and upgrade our equipment and business tools regularly.</li> <li>• We have put in place IT policies and procedures and promote awareness of cyber security and data protection to our staff.</li> <li>• We have firewall put in place for our IT systems to protect the data via regular system checks.</li> </ul>

Risk Category G: Financial Risk	
<b>Risk Description</b>	<ul style="list-style-type: none"> <li>• Our financial assets may suffer loss in the event of default by counterparties.</li> <li>• Liquidity issues that can derail business operations.</li> <li>• High gearing ratio of the credit facility obtained from the financial institution which may potentially put the Company under financial distress.</li> </ul>
<b>Mitigation Controls</b>	<ul style="list-style-type: none"> <li>• We place our funds with bank-backed fund managers and financial institutions with high credit rating.</li> <li>• We exercise tight credit control measures over our receivables.</li> <li>• We maintain healthy cash reserves for working capital purpose.</li> <li>• Close monitoring by our Finance Division on the usage of the credit facility from the financial institution to ensure gearing ratio within agreed management guidance level.</li> </ul>

## ASSURANCE FROM THE MANAGEMENT

The RMWC has assured the Board that the risk management and internal controls system of the Group is operating adequately and effectively, in all material aspects, based on the framework adopted by the Group.

## REVIEW BY AUDIT COMMITTEE (“AC”)

The AC has reviewed the internal controls elements in the Statement of Risk Management and Internal Control and satisfied that the internal controls system is adequate and effective (including management of sustainability risks).

## REVIEW BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide (“AAPG”) 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal controls system of the Group.

Based on the procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, following the guidelines in paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

## THE BOARD’S CONCLUSION

The Board is satisfied that the risk management and internal controls systems are operating adequately and effectively to safeguard shareholders’ interest for the year under review, and up to the date of approval of this Statement.

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