



AYER

FINANCIAL REPORT 2020

## FINANCIAL STATEMENTS

1	Corporate Information
2	Directors' Report
8	Statement by Directors
8	Statutory Declaration
9	Independent Auditors' Report
14	Statements of Comprehensive Income
15	Statements of Financial Position
17	Statements of Changes in Equity
19	Statements of Cash Flows
21	Notes to the Financial Statements

## OTHER INFORMATION

89	Analysis of Shareholdings
91	Properties Held by the Group
92	Notice of the 110 <sup>th</sup> Annual General Meeting
	• Proxy Form



**AYER Holdings Berhad**  
*(Incorporated in Malaysia)*

---

**Corporate Information**

**Board of Directors**

Tan Sri Datuk Yong Poh Kon  
Chin Yoong Kheong  
Lim Ke Hun  
Lim Kee Choon  
Lim Wan Yee  
Chang Wee Yon [Alternative Director to Lim Wan Yee]

**Secretaries**

Tai Yit Chan (MAICSA 7009143)  
Tai Yuen Ling (LS 0008513)

**Auditors**

Khoo Wong & Chan (AF: 0736)  
*Chartered Accountants*  
8.06 - 8.08, 8th. Floor,  
Plaza First Nationwide,  
161, Jalan Tun H.S. Lee,  
50000 Kuala Lumpur,  
Malaysia.

**Share Registrar**

Tricor Investor and 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,  
Malaysia.

**Principal banker**

Malayan Banking Berhad

**AYER Holdings Berhad***(Incorporated in Malaysia)***Directors' Report for the year ended  
31 December 2020**

The Directors present their report together with the audited financial statements of the Group and of the Company for the year ended 31 December 2020.

**Principal activities**

The principal activities of the Company consist of the cultivation of oil palm and durian and investment in other companies.

The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

**Financial results**

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit before taxation	11,217	1,658
Taxation	(3,400)	-
Profit for the year	7,817	1,658
Other comprehensive expense for the year, net of tax	(464)	(464)
Total comprehensive income for the year	7,353	1,194

**Dividends**

The amounts of dividends paid and proposed since the end of the previous financial year were as follows:-

	<b>RM'000</b>
Paid:	
<i>In respect of financial year ended 31 December 2019:</i>	
• first and final dividend of 4.5 sen per share	3,368
Proposed:	
<i>In respect of financial year ended 31 December 2020:</i>	
• first and final dividend of 4.1 sen per share	3,069

**Movements on reserves and provisions**

There were no material transfers to or from reserves and provisions during the financial year, other than those disclosed in the financial statements.

**AYER Holdings Berhad***(Incorporated in Malaysia)***Share capital and debentures**

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no issue of debentures by the Company during the financial year.

**Share options**

There were no share options granted during the financial year or unissued shares under option at the end of the financial year, in respect of shares in the Company.

**Directors**

The Directors in office during the financial year and up to the date of the report are:-

Tan Sri Datuk Yong Poh Kon  
 Chin Yoong Kheong  
 Lim Ke Hun  
 Lim Kee Choon  
 Lim Wan Yee  
 Chang Wee Yon [Alternative Director to Lim Wan Yee]

Pursuant to the Constitution of the Company, Lim Kee Choon and Lim Wan Yee retire and being eligible, offer themselves for re-election.

**Directors of subsidiaries**

The following are Directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report:-

Lim Ke Hun  
 Lim Kee Choon  
 Lim Wan Yee

**Directors' interests**

According to the Register of Directors' Shareholdings, particulars of interests of those who held office at the end of the financial year in shares in the Company and its related corporations are as follows:-

Company	Number of ordinary shares			31 December 2020
	1 January 2020	Addition	Disposal	
<b>Direct</b>				
Lim Ke Hun	4,014,077	-	-	4,014,077
Lim Kee Choon	2,594,815	-	-	2,594,815
Lim Wan Yee	26,000	-	-	26,000
Chang Wee Yon	37,000	-	-	37,000

## **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

---

### **Directors' interests (continued)**

	Number of ordinary shares			
Company	1 January 2020	Addition	Disposal	31 December 2020
Indirect				
Lim Ke Hun	28,000	-	-	28,000
Lim Kee Choon	11,644,510	1,480,000	-	13,124,510
Lim Wan Yee	16,609,008	-	-	16,609,008
Chang Wee Yon	16,609,008	-	-	16,609,008

By virtue of their interest in the Company, the following Directors are also deemed to be interested in the shares of the subsidiaries to the extent of the shares held by the Company.

Lim Ke Hun  
Lim Kee Choon  
Lim Wan Yee  
Chang Wee Yon

None of the other Directors in office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.

### **Directors' benefits**

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, apart from those disclosed in the financial statements.

Neither during nor at the end of the financial year, was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

During the financial year, the total amount of indemnity coverage for the Directors and the officers of the Company and its subsidiaries is RM20,000,000 (2019: RM20,000,000).

**AYER Holdings Berhad***(Incorporated in Malaysia)*

---

**Other statutory information**

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to:

- (i) ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which:

- (i) would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or
- (ii) would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist any:

- (i) charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements of the Group and of the Company misleading.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than those disclosed in the financial statements; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

---

### **Subsidiaries**

(i) Details of subsidiaries:

Details of subsidiaries are disclosed in Note 13 to the financial statements.

(ii) Independent auditors' reports on the financial statements of the subsidiaries:

Independent auditors' reports on the financial statements of the subsidiaries did not contain any qualifications or any adverse comment made under Section 266(3) of the Companies Act 2016.

(iii) Subsidiaries' holding of shares in the company and other related corporations:

None of the subsidiaries had any interest in shares in the company and other related corporations during the financial year.

### **Directors' remuneration**

Details of Directors' remuneration are disclosed in Note 7 to the financial statements.

### **Ultimate holding company**

The Company is not a subsidiary of another corporation at the end of the financial year.



**AYER Holdings Berhad**  
*(Incorporated in Malaysia)*

---

**Auditors**

Details of auditors' remuneration are disclosed in Note 7 to the financial statements.

There was no amount of indemnity given during the financial year, or since the end of the financial year, to the auditors of the Company.

Messrs. Khoo Wong & Chan have indicated their willingness to continue in office.

On behalf of the Board,

---

Lim Kee Choon

---

Lim Wan Yee

Kuala Lumpur,  
26 February 2021

**AYER Holdings Berhad***(Incorporated in Malaysia)*

---

**Statement by Directors**

Pursuant to Section 251(2) of the Companies Act 2016

We, Lim Kee Choon and Lim Wan Yee, being the Directors of AYER Holdings Berhad do hereby state on behalf of the Board of Directors that in our opinion, the financial statements set out on pages 14 to 88 give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance, changes in equity and cash flows for the year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

On behalf of the Board,

---

Lim Kee Choon

---

Lim Wan Yee

Kuala Lumpur,  
26 February 2021

**Statutory Declaration**

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Sim Keg Yee, being the Officer primarily responsible for the accounting records and financial management of AYER Holdings Berhad do solemnly and sincerely declare that the financial statements set out on pages 14 to 88 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the *Statutory Declarations Act 1960*.

Subscribed and solemnly declared by )  
Sim Keg Yee )  
at Kuala Lumpur in the )  
Federal Territory )  
on 26 February 2021 )  
)  
)

---

Sim Keg Yee  
CA 8626

Before me,

**Khoo Wong & Chan** (AF: 0736)*Chartered Accountants*

8.06 – 8.08, 8th. Floor,  
Plaza First Nationwide,  
161, Jalan Tun H. S. Lee,  
50000 Kuala Lumpur.

---

## **Independent Auditors' Report To The Members of AYER Holdings Berhad**

---

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of **AYER Holdings Berhad**, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 14 to 88.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance, changes in equity and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### **Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence and Other Ethical Requirements**

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There is no key audit matter pertaining to the Company for the financial year. The key audit matter relating to the Group for the financial year is as described in the table below:

Continued

**Khoo Wong & Chan** (AF: 0736)*Chartered Accountants*

8.06 – 8.08, 8th. Floor,  
Plaza First Nationwide,  
161, Jalan Tun H. S. Lee,  
50000 Kuala Lumpur.

## Independent Auditors' Report To The Members of AYER Holdings Berhad

**Key Audit Matters** (continued)

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment of goodwill</b></p> <p>As at 31 December 2020, the Group's goodwill amounted to RM27,100,000/- (Note 17) which represents 5% of the Group's total assets.</p> <p>The Group is required to perform an annual impairment test of the cash-generating units ("CGU") to which goodwill has been allocated. The Group estimated the recoverable amount of the CGU containing goodwill based on fair value less costs of disposal (FVLCD). The Group has concluded that no impairment is required as the recoverable amount exceeds the carrying amount of goodwill by a significant margin.</p> <p>We determined this to be a key audit matter as the impairment assessment process is highly subjective, and involves significant judgment.</p> <p><i>(Refer to Note 3.4(ii)(c) for key sources of estimates and judgments.)</i></p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Evaluated the reasonableness of the key assumptions used by the Group in the cash flow projection by comparing the FFB yields, CPO price and PK price to historical results and industry data where appropriate.</li> <li>• Evaluated the FVLCD of land and rights by making reference to available market date.</li> <li>• Assessed the reliability of the Group's projection by comparing the actual past financial performance against previous forecast results.</li> <li>• Assessed the appropriateness of sensitivity analysis performed by the Group.</li> </ul> <p>Based on the procedures performed, we are satisfied with the Group's impairment assessment.</p>

**Information other than the Financial Statements and Auditors' Report thereon**

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but excludes the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Continued

**Khoo Wong & Chan** (AF: 0736)*Chartered Accountants*

8.06 – 8.08, 8th. Floor,  
Plaza First Nationwide,  
161, Jalan Tun H. S. Lee,  
50000 Kuala Lumpur.

---

## **Independent Auditors' Report To The Members of AYER Holdings Berhad**

---

**Information other than the Financial Statements and Auditors' Report thereon** (continued)

Based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Statements**

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

Continued

**Khoo Wong & Chan** (AF: 0736)*Chartered Accountants*

8.06 – 8.08, 8th. Floor,  
Plaza First Nationwide,  
161, Jalan Tun H. S. Lee,  
50000 Kuala Lumpur.

---

**Independent Auditors' Report  
To The Members of AYER Holdings Berhad**

---

**Auditors' Responsibilities for the Audit of the Financial Statements** (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Continued

**Khoo Wong & Chan** (AF: 0736)

*Chartered Accountants*

8.06 – 8.08, 8th. Floor,  
Plaza First Nationwide,  
161, Jalan Tun H. S. Lee,  
50000 Kuala Lumpur.

---

**Independent Auditors' Report  
To The Members of AYER Holdings Berhad**

---

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Khoo Wong & Chan  
Chartered Accountants  
(AF: 0736)

Ong Lam Hock @  
Tan Ah Lam  
Partner  
03267/07/2022 J  
Chartered Accountant

Kuala Lumpur,  
26 February 2021

**AYER Holdings Berhad***(Incorporated in Malaysia)***Statements of Comprehensive Income  
for the year ended 31 December 2020**

	Note	Group		Company	
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
		Restated			
<b>Revenue</b>	6	49,123	67,418	5,894	8,328
Cost of sales	6	(25,964)	(35,709)	(1,382)	(1,267)
Gross profit		23,159	31,709	4,512	7,061
Other income		5,760	6,688	1,456	2,272
Administration expenses		(17,688)	(21,200)	(4,296)	(6,247)
Finance cost		(14)	(34)	(14)	(34)
<b>Profit before taxation</b>	7	11,217	17,163	1,658	3,052
Taxation	8	(3,400)	(4,616)	-	-
<b>Profit for the year</b>		7,817	12,547	1,658	3,052
<b>Other comprehensive income/(expense)</b>					
<b>for the year, net of tax:</b>					
<i>Items that will not be subsequently reclassified to profit or loss:</i>					
• Net gain/(loss) on financial assets at fair value through other comprehensive income	14	(464)	250	(464)	250
<b>Total comprehensive income for the year</b>		7,353	12,797	1,194	3,302
Attributable to owners of the Company:					
• profit for the year		7,817	12,547		
• total comprehensive income for the year		7,353	12,797		
		sen	sen		
Basic and diluted earnings per share	9	10.44	16.76		

**The annexed notes form an integral part of the financial statements.**



**AYER Holdings Berhad**  
(Incorporated in Malaysia)

**Statements of Financial Position as at 31 December 2020**

	Note	31/12/2020 RM'000	Group 31/12/2019 RM'000 Restated	1/1/2019 RM'000 Restated
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	11	171,321	172,184	171,562
Right-of-use assets	12	356	576	-
Investments	14	5,097	5,561	5,311
Investment properties	15	3,098	3,119	3,140
Inventories	16	163,822	161,741	160,496
Goodwill	17	27,100	27,100	27,100
		370,794	370,281	367,609
<b>Current assets</b>				
Inventories	16	48,334	66,206	78,179
Biological assets	18	1,053	996	1,365
Receivables	19	21,395	6,484	12,683
Contract assets	20	-	27,097	25,604
Current tax assets		405	177	229
Short-term investments	21	89,039	79,177	70,032
Deposits, cash & bank balances	22	52,133	33,888	23,007
		212,359	214,025	211,099
<b>TOTAL ASSETS</b>		<b>583,153</b>	<b>584,306</b>	<b>578,708</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	23	74,945	74,945	74,945
Reserves	24	449,997	446,012	436,958
<b>TOTAL EQUITY</b>		<b>524,942</b>	<b>520,957</b>	<b>511,903</b>
<b>Non-current liabilities</b>				
Lease liabilities	25	172	391	-
Deferred tax liabilities	26	40,211	41,229	41,571
		40,383	41,620	41,571
<b>Current liabilities</b>				
Payables	27	16,764	21,366	23,730
Lease liabilities	25	199	199	-
Current tax liabilities		865	164	1,504
		17,828	21,729	25,234
<b>TOTAL LIABILITIES</b>		<b>58,211</b>	<b>63,349</b>	<b>66,805</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>583,153</b>	<b>584,306</b>	<b>578,708</b>

The annexed notes form an integral part of the financial statements.

**AYER Holdings Berhad**  
(Incorporated in Malaysia)

**Statements of Financial Position as at 31 December 2020**

		Company	
	Note	2020	2019
		RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	10,450	9,317
Right-of-use assets	12	356	576
Subsidiaries	13	246,640	246,640
Investments	14	5,097	5,561
Investment properties	15	1,273	1,290
		263,816	263,384
<b>Current assets</b>			
Inventories	16	49	112
Biological assets	18	178	207
Receivables	19	338	435
Short-term investments	21	44,758	48,088
Deposits, cash & bank balances	22	548	516
		45,871	49,358
<b>TOTAL ASSETS</b>		<b>309,687</b>	<b>312,742</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	23	74,945	74,945
Reserves	24	232,384	234,558
<b>TOTAL EQUITY</b>		<b>307,329</b>	<b>309,503</b>
<b>Non-current liabilities</b>			
Lease liabilities	25	172	391
<b>Current liabilities</b>			
Payables	27	1,987	2,649
Lease liabilities	25	199	199
		2,186	2,848
<b>TOTAL LIABILITIES</b>		<b>2,358</b>	<b>3,239</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>309,687</b>	<b>312,742</b>

The annexed notes form an integral part of the financial statements.

**AYER Holdings Berhad***(Incorporated in Malaysia)***Statements of Changes in Equity  
for the year ended 31 December 2020**

Group 2020	Note	Attributable to owners of the Company				
		Share capital RM'000	Non- distributable	Distributable		Total equity RM'000
			Fair value reserves RM'000	General reserves RM'000	Accumulated profits RM'000	
At 1 January 2020:						
As previously reported		74,945	31,027	250	416,719	522,941
Prior year adjustments	32	-	-	-	(1,984)	(1,984)
As restated		74,945	31,027	250	414,735	520,957
Profit for the year		-	-	-	7,817	7,817
Other comprehensive expense for the year		-	(464)	-	-	(464)
Total comprehensive income/ (expense) for the year		-	(464)	-	7,817	7,353
Transfer within reserves:						
• transfer to accumulated profits upon disposal of property		-	(138)	-	138	-
Transaction with owners:						
• dividends	10	-	-	-	(3,368)	(3,368)
At 31 December 2020		74,945	30,425	250	419,322	524,942

**2019**

At 1 January 2019:						
As previously reported		74,945	30,841	250	407,083	513,119
Prior year adjustments	32	-	-	-	(1,216)	(1,216)
As restated		74,945	30,841	250	405,867	511,903
Profit for the year:						
As previously reported		-	-	-	13,315	13,315
Prior year adjustments	32	-	-	-	(768)	(768)
As restated		-	-	-	12,547	12,547
Other comprehensive income for the year		-	250	-	-	250
Total comprehensive income for the year		-	250	-	12,547	12,797
Transfer within reserves:						
• transfer to accumulated profits upon disposal of property		-	(64)	-	64	-
Transaction with owners:						
• dividends	10	-	-	-	(3,743)	(3,743)
At 31 December 2019		74,945	31,027	250	414,735	520,957

**The annexed notes form an integral part of the financial statements.**

**AYER Holdings Berhad***(Incorporated in Malaysia)***Statements of Changes in Equity  
for the year ended 31 December 2020**

Company 2020	Note	<u>Attributable to owners of the Company</u>				
		Share capital RM'000	Non- distributable	Distributable		Total equity RM'000
			Fair value reserves RM'000	General reserves RM'000	Accumulated profits RM'000	
At 1 January 2020		74,945	5,267	250	229,041	309,503
Profit for the year		-	-	-	1,658	1,658
Other comprehensive expense for the year		-	(464)	-	-	(464)
Total comprehensive income/ (expense) for the year		-	(464)	-	1,658	1,194
Transaction with owners:						
• dividends	10	-	-	-	(3,368)	(3,368)
At 31 December 2020		74,945	4,803	250	227,331	307,329

**2019**

At 1 January 2019		74,945	5,017	250	229,732	309,944
Profit for the year		-	-	-	3,052	3,052
Other comprehensive income for the year		-	250	-	-	250
Total comprehensive income for the year		-	250	-	3,052	3,302
Transaction with owners:						
• dividends	10	-	-	-	(3,743)	(3,743)
At 31 December 2019		74,945	5,267	250	229,041	309,503

**The annexed notes form an integral part of the financial statements.**

**AYER Holdings Berhad***(Incorporated in Malaysia)***Statements of Cash Flows  
for the year ended 31 December 2020**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>		
<b>Cash flows from operating activities</b>				
Profit before taxation	11,217	17,163	1,658	3,052
<b>Adjustments for:</b>				
Depreciation and amortisation	3,419	3,398	445	432
Gain on disposal of property, plant and equipment	-	(83)	-	-
Loss on derecognition of property, plant and equipment	-	43	-	43
Fair value (gain)/loss on biological assets	(57)	369	29	99
Dividend income	(121)	(186)	(3,121)	(6,186)
Interest expenses	14	34	14	34
Interest income	(2,360)	(2,844)	(1,136)	(1,546)
Operating profit/(loss) before working capital changes	12,112	17,894	(2,111)	(4,072)
Decrease/(increase) in inventories	17,872	11,973	63	28
Decrease/(increase) in receivables	12,130	4,787	41	125
(Decrease)/increase in payables	(4,602)	(2,364)	(662)	(1,386)
Cash generated from/(used for)	37,512	32,290	(2,669)	(5,305)
Interest received	2,307	2,763	1,192	1,464
Tax refunded	-	353	-	-
Tax paid	(3,945)	(6,599)	-	-
Net cash generated from/(used for) operating activities	35,874	28,807	(1,477)	(3,841)
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(2,327)	(4,021)	(1,353)	(2,744)
Proceeds from disposal of property, plant and equipment	-	265	-	-
Payment for land held for property development	(2,081)	(1,245)	-	-
(Placement)/withdrawal of short-term deposits	(149)	(22)	-	-
Dividend received from:				
• subsidiaries	-	-	3,000	6,000
• quoted equity securities in Malaysia	121	186	121	186
Interest received	109	-	-	-
Net cash (used for)/generated from investing activities	(4,327)	(4,837)	1,768	3,442

**The annexed notes form an integral part of the financial statements.**

**AYER Holdings Berhad***(Incorporated in Malaysia)***Statements of Cash Flows  
for the year ended 31 December 2020**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>		
<b>Cash flows from financing activities</b>				
Repayments of lease liabilities	(207)	(189)	(207)	(189)
Dividend paid	(3,368)	(3,743)	(3,368)	(3,743)
Interest paid	(14)	(34)	(14)	(34)
Net cash used in financing activities	(3,589)	(3,966)	(3,589)	(3,966)
Net increase/(decrease) in cash and cash equivalents	27,958	20,004	(3,298)	(4,365)
Cash and cash equivalents at beginning of the year	112,913	92,909	48,604	52,969
Cash and cash equivalents at end of the year	140,871	112,913	45,306	48,604
<b>Analysis of cash and cash equivalents</b>				
Short-term investments	89,039	79,177	44,758	48,088
Short-term deposits	316	167	-	-
Cash and bank balances	51,817	33,721	548	516
	141,172	113,065	45,306	48,604
Pledged short-term deposits	(301)	(152)	-	-
Cash and cash equivalents	140,871	112,913	45,306	48,604

**The annexed notes form an integral part of the financial statements.**

**AYER Holdings Berhad***(Incorporated in Malaysia)*

---

**Notes to the Financial Statements**  
**31 December 2020**

---

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. General information****1.1 Principal activities**

The principal activities of the Company consist of the cultivation of oil palm and durian and investment in other companies.

The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

**1.2 Legal form and domicile**

The Company is a public limited liability company incorporated and domiciled in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad.

**1.3 Registered office and principal place of business**

The addresses of the registered office and principal place of business are as follows:-

Registered office

12th Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim,  
Seksyen 13,  
46200 Petaling Jaya,  
Selangor Darul Ehsan.

Principal place of business

5th Floor, Bangunan Yee Seng,  
No. 15, Jalan Raja Chulan,  
50200 Kuala Lumpur.

**1.4 Authorisation for issue**

The financial statements were authorised for issue by the Directors on 26 February 2021.

**AYER Holdings Berhad***(Incorporated in Malaysia)*

---

**2. Financial risk management policies**

The Group and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group and of the Company's businesses whilst managing their risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group and the Company's policies are to forbid speculative transactions.

The main areas of financial risks faced by the Group and by the Company and the policies in respect of the major areas of treasury activity are set out as follows:

**2.1 Interest rate risk**

The Group and the Company's primary interest rate risk relates to short-term deposits with financial institutions and short-term investments in money market funds in Malaysia. Short-term deposits and investments generate interest income based on prevailing market rates. The Group and the Company manage their interest rate risk by placing and investing such deposits and investments on short tenures of less than one year.

**2.2 Market risk**

Market price risk is the risk that the fair value or future cash flows of the Group and the Company's financial instruments will fluctuate because of changes in market prices. The Group and the Company are exposed to market price risk as follows:

**(i) Commodity price risk**

The Group and the Company are exposed to market price risk arising from price fluctuations on crude palm oil ("CPO") and palm kernel ("PK") in the commodity market. Management reviews these risks and takes proactive measures to mitigate its effects by monitoring the market condition and maximising production and operational efficiencies on a regular basis.

**(ii) Equity price risk**

The Group and the Company's investment in quoted shares and money market funds are subject to fluctuation in net asset values of the unit trust funds and market prices of equity instruments. The Group and the Company manage the risk of unfavourable changes by cautious review of the investments before investing and continuous monitoring of their performance and risk profiles.

**2.3 Credit risk**

The credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risk is minimised and monitored by strictly limiting the Group and the Company's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis based on Group management reporting procedures.

**2.4 Liquidity and cash flow risks**

The Group and the Company practice prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient cash and cash equivalents for contingent funding requirement of working capital.



## **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

---

### **3. Basis of preparation**

#### **3.1 Statement of compliance**

The financial statements of the Group and the Company comply with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act 2016 in Malaysia. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

#### **3.2 Basis of measurement**

The financial statements of the Group and of the Company have been prepared under the historical cost basis unless otherwise indicated.

#### **3.3 Functional and presentation currency**

The financial statements are presented in Ringgit Malaysia (RM), which is the Group and the Company's functional currency. All financial information presented in RM had been rounded to the nearest thousand.

#### **3.4 Use of estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised and in any future periods affected.

##### Estimates and judgments

The following are the estimates and judgments made by management in the process of applying the Group and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

(i) Critical judgment made in applying accounting policies

(a) Classification between investment properties and property, plant and equipment

The Group and the Company have developed certain criteria based on MFRS 140 Investment Property in making judgment whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both. Judgment is made on an individual property basis to determine whether the property qualifies as an investment property.

## **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

---

### **3.4 Use of estimates and judgments (continued)**

#### **(ii) Key sources of estimation uncertainty**

##### **(a) Revenue recognition from property development activities**

Revenue is recognised as and when the control of the asset is transferred to customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for the complete satisfaction of the development project).

Significant judgment is required in determining the percentage of completion, the extent of property development costs incurred, the total estimated property development revenue and costs, as well as the recoverability of the development projects. In making the judgment, the Group evaluates them by relying on past experiences and the work of specialists.

##### **(b) Valuation of inventories (land held for property development and completed development units)**

The Group assesses the expected selling price and costs to sell each of the plots or units that constitute the Group's land bank and completed development units. Cost includes the cost of acquisition of land, the cost of infrastructure and construction works, and legal and professional fees incurred during development prior to sale. Estimation of the selling price is subject to significant inherent uncertainties, in particular the prediction of future trends in the market value of land.

Whilst the Group exercises due care and attention to make reasonable estimates, taking into account all available information in estimating the future selling price, the estimates will, in all likelihood, differ from the actual selling prices achieved in future periods and these differences may, in certain circumstances, be very significant.

The carrying amount of inventories is disclosed in Note 16 to the financial statements.

**AYER Holdings Berhad***(Incorporated in Malaysia)*

## (ii) Key sources of estimation uncertainty (continued)

(c) Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units (“CGU”) to which the goodwill is allocated. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amounts of CGUs were determined on the higher of fair value less costs to sell and value in use calculations.

The carrying amount of goodwill and details of impairment test are disclosed in Note 17 to the financial statements.

(d) Biological assets

The Group and the Company measure biological assets at fair value, with changes in fair value being recognised in profit or loss. The fair value determination of biological assets requires the use of estimates on the projected harvest quantities and market price of FFB as at the reporting date.

The carrying amount and key assumptions used to determine the fair value of biological assets are disclosed in Note 18 to the financial statements.

(e) Deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying amount of unrecognised deductible temporary differences is disclosed in Note 26 to the financial statements.

**4. Significant accounting policies****4.1 Amendments to MFRSs (‘Standards’) that are effective for current financial year**

The following Standards are applicable to the Group and the Company, which are effective for current financial year:-

**Effective for financial periods beginning on or after 1 January 2020**

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3 Business Combinations
- Amendments to MFRS 7 Financial Instruments: Disclosures
- Amendments to MFRS 9 Financial Instruments
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

**AYER Holdings Berhad***(Incorporated in Malaysia)*

---

**4.1 Amendments to MFRSs ('Standards') that are effective for current financial year (continued)**

The initial application of these Standards has an immaterial impact on the Group and the Company's financial statements.

**4.2 Amendments to MFRSs ('Standards') that are yet to be effective for current financial year**

No early adoption is made by the Group and the Company on the following Standards that are expected to have an application to the Group and the Company's operations. These Standards have been issued by the MASB, but yet to be effective:-

**Effective for financial periods beginning on or after 1 June 2020**

- Amendments to MFRS 16      Leases

**Effective for financial periods beginning on or after 1 January 2021**

- Amendments to MFRS 7      Financial Instruments: Disclosures
- Amendments to MFRS 9      Financial Instruments
- Amendments to MFRS 16      Leases

**Effective for financial periods beginning on or after 1 January 2022**

- Amendments to MFRS 3      Business Combinations
- Amendments to MFRS 9      Financial Instruments (*Annual Improvements to MFRS Standards 2018-2020*)
- Amendments to MFRS 116      Property, Plant and Equipment
- Amendments to MFRS 137      Provisions, Contingent Liabilities and Contingent Assets
- Amendments to MFRS 141      Agriculture (*Annual Improvements to MFRS Standards 2018-2020*)

**Effective for financial periods beginning on or after 1 January 2023**

- Amendments to MFRS 101      Presentation of Financial Statements

**Effective date to be announced**

- Amendments to MFRS 10      Consolidated Financial Statements

The initial application of these Standards is expected to have an immaterial impact on the Group and the Company's financial statements.

## **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

---

### **4.3 Consolidated financial statements**

(i) Subsidiaries

Subsidiaries are those entities controlled by the Company. Control is achieved when the Company:-

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Subsidiaries are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the consideration transferred is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Contingent consideration is measured at fair value as part of the consideration transferred with subsequent adjustment resulting from events after the acquisition date recognised in profit or loss. Acquisition-related costs are recognised as expenses in profit or loss in the period in which they are incurred.

If a business combination is achieved in stages, the previously held equity interest in the acquiree is remeasured to the acquisition-date fair value. Any resulting gain or loss is recognised in profit or loss.

Non-controlling interests that are present ownership interests entitling their holders to a proportionate share of the acquiree's net assets in the event of liquidation may be initially measured either:

- at fair value; or
- at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

The choice of measurement is made on a transaction-by-transaction basis. Other types of non-controlling interest are measured at fair value.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at acquisition-date fair value.

Goodwill is initially measured as the excess of the aggregate of the fair value of the consideration transferred, the fair value of non-controlling interest and the fair value of any previously held equity interest over the identifiable assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the gain is recognised in profit or loss.

All intragroup transactions, balances and unrealised gains and losses are eliminated in full. Intragroup unrealised losses may indicate an impairment that requires recognition in the consolidated financial statements.

**AYER Holdings Berhad***(Incorporated in Malaysia)*

---

(i) Subsidiaries (continued)Loss of control

Upon a loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any gain or loss arising from the loss of control of a subsidiary is recognised in profit or loss and measured as the difference between:

- an aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the previous carrying amount of the assets (including goodwill), liabilities of the subsidiary and any non-controlling interests.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as financial asset categorised at fair value through profit or loss depending on the level of influence retained.

Transactions with non-controlling interests

Non-controlling interests represent that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly by the Group. It is measured at:-

- the non-controlling interests' share of the fair value of the subsidiary's identifiable assets and liabilities at the acquisition date; and
- changes in the subsidiary's equity since that date.

Total comprehensive income is attributed to the Group and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary without loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to the Group.

**4.4 Revenue and income recognition**

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contracts with customers. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of indirect taxes, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling prices of each distinct goods or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

**AYER Holdings Berhad***(Incorporated in Malaysia)*

---

**4.4 Revenue and income recognition (continued)**

Performance obligations by segment are as follows:-

(i) Revenue from property development

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on the expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if:-

- the Group's performance does not create an asset with an alternative use to the entity; and
- the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the Group's effort to the satisfaction of the performance obligations (i.e. by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for the complete satisfaction of the development project).

The promised properties are specifically identified by their plot, lot and parcel number and their attributes (such as their size and location) in the sale and purchase agreements and the attached layout plan. Purchasers could enforce their rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group. The Group has the right to payment for performance completed to date according to the Housing Development Act. The Group is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

**AYER Holdings Berhad***(Incorporated in Malaysia)*

---

- (i) Revenue from property development (continued)  
The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.
- (ii) Revenue from sale of agricultural produce  
Revenue from sales of agricultural produce is recognised net of discount and taxes at the point in time when control of the goods has transferred to the customer. Depending on the terms of the contract with the customer, control transfers upon delivery of the goods to a location specified by the customer and acceptance of the goods by the customer.  
  
There is no element of financing present as the Group and the Company's sale of goods are either on cash terms or on credit terms of up to 30 days.
- (iii) Rental income  
Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements. Other rent-related income is recognised in the financial period in which the services being rendered.
- (iv) Interest income  
Interest income is recognised on an accrual basis, using the effective interest method, unless collectability is in doubt, in which case it is recognised on a cash receipt basis.
- (v) Dividend income  
Dividend income is recognised when the right to receive payment is established.

**4.5 Employee benefits**

- (i) Short-term benefits  
Wages, salaries, bonuses and social security contributions are recognised as expenses in the period in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leaves are recognised when the absences occur.
- (ii) Termination benefits  
The Group and the Company pay termination benefits in cases of termination of employment. Termination benefits are recognised as a liability and an expense when the Group and the Company have a detailed formal plan for the termination and are without realistic possibility of withdrawal.



**AYER Holdings Berhad***(Incorporated in Malaysia)*

---

**4.5 Employee benefits (continued)****(iii) Post-employment benefits***Defined contribution plans*

As required by law, the Group and the Company make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as expenses in profit or loss as incurred.

**4.6 Borrowings costs**

Borrowing costs are recognised as expenses in profit or loss using the effective interest method.

**4.7 Income taxes**

Income tax expense represents the sum of the current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

**Current tax**

The current tax is the amount of income taxes payable in respect of the taxable profit for a period. The Group and the Company's liabilities for current tax are calculated using tax rates that have been enacted or substantively enacted by the reporting date.

**Deferred tax**

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and their tax bases. No deferred tax is recognised for the temporary differences arising from:

- the initial recognition of goodwill; and
- the initial recognition of assets or liabilities in a transaction other than a business combination and that affects neither accounting nor taxable profit or loss.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle their current tax assets and liabilities on a net basis.

## **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

---

### **4.8 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	Inputs are unadjusted quoted prices in active markets for identical assets or liabilities
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities either directly or indirectly
Level 3	Inputs that are unobservable for the assets or liabilities

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

---

### **4.9 Impairment of assets**

(i) **Non-financial assets**

The carrying amounts of non-financial assets are assessed for impairment when there is an indication that the assets might be impaired. For goodwill with indefinite useful life, the recoverable amount is estimated at each reporting date.

Impairment is measured by comparing the carrying amounts of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Recoverable amounts are estimated for individual assets, or if it is impossible, for the cash-generating unit (CGU). For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in profit or loss immediately.

Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

In respect of goodwill, no reversal is made for impairment loss previously recognised. In respect of other assets, subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss. It is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(ii) **Financial assets and contract assets**

At each reporting period end, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets and contract assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

In determining whether credit risk on a financial asset and contract asset has increased significantly since initial recognition, the Group and the Company use external credit rating and other supportive information to assess deterioration in credit quality of a financial asset and contract asset. The Group and the Company assess whether the credit risk on a financial asset and contract asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets and contract assets are grouped on the basis of similar risk characteristics.

The Group and the Company consider past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

**AYER Holdings Berhad***(Incorporated in Malaysia)*

---

**(ii) Financial assets and contract assets (continued)**

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset and contract asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and to the Company and all the cash flows that the Group and the Company expect to receive.

The Group and the Company measure the allowance for impairment loss on financial assets and contract assets based on the two-step approach as follows:-

**(a) *12-months expected credit loss***

For a financial asset and contract asset for which there is no significant increase in credit risk since initial recognition, the Group and the Company measure the allowance for impairment loss for that financial asset and contract asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset and contract asset.

**(b) *Lifetime expected credit loss***

For a financial asset and contract asset for which there is a significant increase in credit risk since initial recognition, a lifetime expected credit loss for that financial asset and contract asset is recognised as the allowance for impairment loss by the Group and the Company. If in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group and the Company revert the allowance for impairment loss measurement from lifetime expected credit loss to 12-months expected credit loss.

For trade receivables and contract assets, the Group and the Company apply the simplified approach in accordance with MFRS 9 “Financial Instruments” and measure the allowance for impairment loss based on a lifetime expected credit loss from initial recognition. The Group and the Company estimate the expected credit losses on trade receivables and contract assets using a provision matrix with reference to historical loss experience.

Financial instruments that are credit impaired are assessed on an individual basis.

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:-

- when the counterparty fails to make contractual payment as they fall due;
- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor’s financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent.

The carrying amount of the financial asset and contract asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss.

**AYER Holdings Berhad***(Incorporated in Malaysia)***4.10 Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Expenditure incurred to replace a component of an item of property, plant and equipment that is recognised separately, including major inspection and overhaul expenditure, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. The carrying amount of replaced parts are derecognised. All other expenditure is recognised in profit or loss as an expense as incurred.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment. No depreciation is recognised for properties in progress.

The principal annual rates adopted are as follows:-

Leasehold land	- 60 to 99 years
Buildings	- 2% to 10%
Vehicles, plant & machinery	- 10% to 25%
Furniture, fittings & equipment	- 10% to 50%

On derecognition or disposal of an item of property, plant and equipment, the difference between net disposal proceeds, if any, and its carrying amount is recognised in profit or loss. On disposal of revalued assets arising from business combinations, the amounts in fair value reserve relating to those assets are transferred to accumulated profits.

Bearer plants are initially recognised at cost. Subsequent to initial recognition, bearer plants are measured at cost less accumulated depreciation and impairment losses.

All costs directly related to bearer plants including planting expenditure are capitalised until such time as the bearer plants reach maturity, at which point all further costs are expensed and depreciation commences.

No depreciation is recognised for immature plantation.

The estimated useful lives of bearer plants are as follows:-

	<u>Immature period</u>	<u>Estimated useful life</u>
Oil palm	3 years	20 – 25 years
Durian	5 years	40 – 50 years

## **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

---

### **4.11 Investments in subsidiaries**

Investments in subsidiaries are measured at cost less accumulated impairment losses.

On loss of control of a subsidiary, the difference between the fair value of considerations received, if any, and its carrying amount is recognised as gain or loss on derecognition in profit or loss.

### **4.12 Investment properties**

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Investment properties are properties held for earning rental or capital appreciation or both. These include land held for a currently undetermined future use. Properties that are occupied by the entities in the Group are accounted for as owner-occupied rather than as investment properties.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 50 years or leasehold period of the properties.

On derecognition or disposal of an investment property, the difference between net disposal proceeds, if any, and its carrying amount is recognised in profit or loss. On disposal of revalued assets arising from business combinations, the amounts in fair value reserve relating to those assets are transferred to accumulated profits.

### **4.13 Intangible assets**

#### Goodwill

Goodwill is measured at cost less accumulated impairment losses and is reviewed annually for impairment.

For the purposes of impairment testing, goodwill is allocated to each of the Group's CGU that are expected to benefit from the synergies of the combination.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### **4.14 Inventories**

Inventories are measured at the lower of cost and net realisable value.

Cost is determined on the following bases:-

<b>Category</b>	<b>Basis</b>
(a) Land held for property development	Specific identification or relative sale value
(b) Property development costs	Specific identification or relative sale value
(c) Completed development units	Specific identification or relative sale value
(d) Estate stores / consumables	Weighted average

## **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

---

### **4.14 Inventories (continued)**

(a) Land held for property development

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other related fees.

Such asset is transferred to property development costs when development activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs for which work has been undertaken and development activities are expected to be completed within the Group's normal operating cycle, are classified as current asset.

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs comprise costs of land, land enhancement costs, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset. The property development costs are subsequently recognised as an expense in profit or loss as and when the control of the asset is transferred to the customer.

Property development costs of unsold units are transferred to completed development units once the development activities are completed.

(c) Completed development units

Cost of completed development units comprises direct cost of construction and proportionate land and development costs.

(d) Estate stores and consumables

Cost of estate stores and consumables includes cost of acquisition and other incidental expenses which relate to bringing the inventories to its present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

**AYER Holdings Berhad***(Incorporated in Malaysia)*

---

**4.15 Biological assets**

Biological assets comprise agricultural produce growing on bearer plants, which is referred to as unharvested fresh fruit bunches ('FFB') and unharvested durian fruits.

Biological assets are measured at fair value less costs to sell. Fair value is determined based on projected quantities and the estimated market price of agricultural produce. In determining the estimated FFB and durian production quantities, the Group and the Company consider the estimated yield of the biological assets which is dependent on the age of the oil palm and durian trees, the location, soil type and infrastructure.

The changes in the fair value less costs to sell of agricultural produce growing on bearer plants are recognised in profit or loss.

**4.16 Contract assets / liabilities**

Contract assets relate to the Group's right to consideration for completed performance under the contract but yet to be billed at the reporting date. The contract assets are transferred to receivables when the right to consideration becomes unconditional. In the case of property development, contract assets are the excess of cumulative revenue earned over the billings to-date.

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied. In the case of property development, contract liabilities are the excess of the billings to-date over the cumulative revenue recognised.

**4.17 Financial instruments**

Financial instruments are any contracts that give rise to both:

- a financial asset of one entity; and
- a financial liability or equity instrument of another entity

Financial instruments are offset when the Group and the Company have:

- a legally enforceable right to set off the recognised amounts; and
- an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**(i) Financial assets**

The Group and the Company classify their financial assets at initial recognition into three categories, based on nature and purpose of the financial assets:-

- At amortised cost
- At fair value through other comprehensive income ("FVOCI")
- At fair value through profit or loss ("FVTPL")

At the reporting date, the Group and the Company have financial assets categorised as financial assets at amortised cost, FVOCI and FVTPL.



**AYER Holdings Berhad***(Incorporated in Malaysia)*(i) **Financial assets** (continued)**Classification**

Category	Nature and purpose
Financial assets at amortised cost	<p>Financial assets are measured at amortised cost if both of the following conditions are met:-</p> <p>(a) the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and</p> <p>(b) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.</p>
Financial assets at FVOCI	<p><u>Debt investments</u> This category comprises debt investments where they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.</p> <p><u>Equity investments</u> This category comprises investments in equity that are not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.</p>
Financial assets at FVTPL	<p>All financial assets not measured at amortised cost or FVOCI as described above are measured at FVTPL.</p> <p>Derivatives are categorised as financial assets at FVTPL unless they are designated as hedges.</p>

**Initial recognition and measurement**

A financial asset is recognised when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs. Trade receivables contain no significant financing component are initially measured at the transaction price.

## AYER Holdings Berhad

(Incorporated in Malaysia)

(i) **Financial assets** (continued)

Category	Recognition and measurement principle
Financial assets at amortised cost	<p>Financial assets at amortised cost are subsequently measured at amortised costs using effective interest method, less impairment.</p> <p>Gains and losses are recognised in profit or loss when the financial assets at amortised cost are derecognised or impaired, and through the amortisation process.</p>
Financial assets at FVOCI	<p><u>Debt investments</u> Subsequent to initial recognition, debt investments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income, except impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.</p> <p><u>Equity investments</u> Subsequent to initial recognition, equity investments are measured at fair value. Any gains or losses arising from the changes in fair value of these investments are recognised in other comprehensive income and are not subsequently reclassified to profit or loss.</p>
Financial assets at FVTPL	<p>Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any impairment loss, exchange differences, interest or dividend income, are recognised in the profit or loss.</p>

### ***Derecognition***

A financial asset is derecognised when, and only when:-

- the contractual rights to the cash flows from the financial asset expire; or
- the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the profit or loss, except equity instruments at fair value through other comprehensive income.

**AYER Holdings Berhad***(Incorporated in Malaysia)***4.17 Financial instruments (continued)****(ii) Financial liabilities**

The Group and the Company classify their financial liabilities at initial recognition into two categories, based on nature and purpose for which they are issued:-

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit or loss

At the reporting date, the Group and the Company have only financial liabilities categorised as financial liabilities at amortised cost.

***Financial liabilities at amortised cost***

<b>Accounting principle</b>	<b>Methodology</b>
Classification	<p>These are financial liabilities other than those classified into financial liabilities at fair value through profit or loss.</p> <p>Financial liabilities at amortised cost include payables and lease liabilities.</p>
Initial recognition and measurement	<p>Financial liabilities at amortised cost are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.</p> <p>When financial liabilities at amortised cost are recognised initially, they are measured at fair value plus transactions costs.</p>
Subsequent recognition and measurement	<p>Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method.</p> <p>Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.</p>
Derecognition	<p>A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires.</p> <p>On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the profit or loss.</p>

**AYER Holdings Berhad***(Incorporated in Malaysia)*

---

**4.17 Financial instruments (continued)****(iii) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs, and are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

**4.18 Leases****(i) The Group and the Company as lessor**

The Group and the Company classify their leases as either operating lease or finance lease. Leases, where the Group and the Company retain substantially all the risks and rewards of ownerships of the leased assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

If the Group and the Company transfer substantially all the risks and rewards incidental to ownership of the leased assets, leases are classified as finance leases and are capitalised at an amount equal to the net investment in the lease.

**(ii) The Group and the Company as lessee**

The Group and the Company recognise right-of-use assets and lease liabilities at the lease commencement date.

**Right-of-use assets**

The right-of-use assets are initially measured at cost and comprised of the following:-

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- Any initial direct costs incurred; and
- Any decommissioning or restoration cost.

Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated amortisation, impairment losses and adjusted for any remeasurement of lease liabilities.

Amortisation is calculated on a straight-line basis over the estimated useful lives of the right-of-use assets. The amortisation period used is as follows:-

Buildings	-	4 years
-----------	---	---------

**AYER Holdings Berhad***(Incorporated in Malaysia)*

---

**(ii) The Group and the Company as lessee (continued)****Lease liabilities**

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the Group and the Company's weighted average incremental borrowing rates.

Lease payments included in the measurement of the lease liability comprise:-

- fixed payments;
- any variable lease payments;
- the amount expected to be payable under a residual value guarantee; and
- the exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Subsequent to the initial recognition, lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities are re-measured when:-

- there is a change in future lease payments arising from a change in an index or rate;
- there is a change in the Group and the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- the Group and the Company change their assessment of whether they will exercise a purchase, extension or termination option.

**Short-term leases and low-value assets**

The Group and the Company have elected to apply the recognition exemptions of the following right-of-use assets and lease liabilities:-

- short-term leases that have a lease term of 12 months or less; and
- leases of low-value assets.

Lease payments with short-term leases and low-value assets are recognised as rental expenses in the profit or loss on a straight-line basis over the lease terms.

**4.19 Provisions**

Provisions are recognised in the statements of financial position when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

**4.20 Cash and cash equivalents**

Cash and cash equivalents consist of bank balances, deposits repayable on demand and highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value, against which the bank overdrafts are deducted.

**AYER Holdings Berhad***(Incorporated in Malaysia)***5. Segmental information**

Management has determined the operating segments based on reports reviewed by the Board of Directors and the working group that makes strategic decisions.

Segment information is presented in respect of the Group's business. No segmental reporting by geographical segments is considered necessary as the Group is primarily involved in business operations in Malaysia. Inter-segment pricing is determined according to the normal course of business and has been established under the terms that are no less favourable than those arranged with external customers. Segment revenue, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's major business segments are as follows:-

- (a) *Property development*
  - developing residential and commercial properties;
- (b) *Plantation*
  - cultivating oil palm and durian; and
- (c) *Other*
  - investments.

<b>Group 2020</b>	<b>Property development RM'000</b>	<b>Plantation RM'000</b>	<b>Other RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>				
Revenue from external customers	32,374	16,628	121	49,123
<b>Results</b>				
Segment results	6,509	6,464	(1,756)	11,217
Taxation				(3,400)
Profit for the year				7,817
<b>Assets</b>				
Segment assets	338,006	99,429	145,718	583,153
<b>Liabilities</b>				
Segment liabilities	13,046	1,918	43,247	58,211
<b>Others</b>				
Capital expenditure	2,278	2,130	-	4,408
Non-cash expenses:				
• depreciation and amortisation	1,048	2,371	-	3,419

# AYER Holdings Berhad

(Incorporated in Malaysia)

## 5. Segmental information (continued)

<b>Group</b>	<b>Property</b>			
<b>2019</b>	<b>development</b>	<b>Plantation</b>	<b>Other</b>	<b>Consolidated</b>
<b>Restated</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
Revenue from external customers	56,965	10,267	186	67,418
<b>Results</b>				
Segment results	19,211	1,118	(3,166)	17,163
Taxation				(4,616)
Profit for the year				12,547
<b>Assets</b>				
Segment assets	349,103	98,665	136,538	584,306
<b>Liabilities</b>				
Segment liabilities	16,691	2,378	44,280	63,349
<b>Others</b>				
Capital expenditure	1,492	3,774	-	5,266
Non-cash expenses:				
• depreciation and amortisation	1,071	2,327	-	3,398

## 6. Revenue and cost of sales

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue:</b>				
Property development	32,374	56,965	-	-
Plantation	16,628	10,267	2,773	2,142
Investments	121	186	3,121	6,186
	49,123	67,418	5,894	8,328
<b>Analysis of revenue:</b>				
Revenue from contract with customers	49,002	67,232	2,773	2,142
Revenue from other sources	121	186	3,121	6,186
	49,123	67,418	5,894	8,328

# **AYER Holdings Berhad**

(Incorporated in Malaysia)

## 6. Revenue and cost of sales (continued)

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Disaggregation of revenue from contract with customers:				
<i>Major goods and services:</i>				
Property development revenue	-	36,499	-	-
Sale of completed development units	32,374	20,466	-	-
Sale of agricultural produce	16,628	10,267	2,773	2,142
	49,002	67,232	2,773	2,142
<i>Timing of revenue from contract with customers:</i>				
At a point in time	49,002	30,733	2,773	2,142
Over time	-	36,499	-	-
	49,002	67,232	2,773	2,142
<i>Cost of sales:</i>				
Property development	17,865	28,316	-	-
Plantation	8,099	7,393	1,382	1,267
	25,964	35,709	1,382	1,267

## 7. Profit before taxation

This is arrived at:-

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<i>After charging all expenses including:</i>				
Directors' fees:				
• Company's Directors	1,780	1,780	1,040	1,040
Directors' other emoluments:				
• Company's Directors	352	272	196	179
Employee benefits expense:				
• salaries and other benefits	5,542	8,238	1,990	3,582
• defined contribution plans	732	921	213	396
Total employee benefits expense	6,626	9,431	2,399	4,157



**AYER Holdings Berhad***(Incorporated in Malaysia)***7. Profit before taxation (continued)**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<i>After charging all expenses including:</i>				
Auditors' remuneration:				
• audit fee				
• current year	103	114	42	45
• adjustment for previous year	(3)	-	-	-
• other services	57	43	14	14
Depreciation and amortisation:				
• property, plant and equipment	3,190	3,174	220	212
• right-of-use assets	208	203	208	203
• investment properties	21	21	17	17
	3,419	3,398	445	432
Allowance for impairment of receivables	19	10	19	10
Fair value loss on biological assets	-	369	29	99
Fair value loss on short-term investments	23	-	2	-
Loss on derecognition of property, plant and equipment	-	43	-	43
Rental of premises and car park	15	18	14	14
Interest on lease liabilities	14	34	14	34
Direct operating expenses of investment properties generating rental income	19	33	14	28
<i>And crediting all income including:-</i>				
Gross dividend income from:				
• subsidiaries	-	-	3,000	6,000
• quoted equity securities in Malaysia	121	186	121	186
Gain on disposal of property, plant and equipment	-	83	-	-
Durian planting incentive	-	300	-	300
Fair value gain on biological assets	57	-	-	-
Fair value gain on short-term investments	-	227	-	77
Interest income from:				
• short-term deposits	306	751	-	-
• money market funds	2,042	2,091	1,136	1,546
• other interest income	12	2	-	-
Total interest income	2,360	2,844	1,136	1,546
Lease of land	267	274	-	-
Rental of land and buildings:				
• investment properties	327	367	308	349
• others	2,416	2,400	-	-

# AYER Holdings Berhad

(Incorporated in Malaysia)

## 8. Taxation

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Malaysian:				
Current tax expense/(income):				
• current year	3,289	5,681	-	-
• adjustment for previous year	1,129	(723)	-	-
	4,418	4,958	-	-
Deferred tax expense/(income):				
• current year	(93)	(444)	-	-
• adjustment for previous year	(925)	102	-	-
	(1,018)	(342)	-	-
	3,400	4,616	-	-

The tax reconciliation is as follows:-

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
	<b>Restated</b>			
Taxation based on Malaysian applicable statutory tax rate of 24%	2,692	4,119	398	732
Disallowable expenses for tax purposes	566	724	167	116
Non-taxable income for tax purposes	(516)	(630)	(1,021)	(1,874)
Taxes for previous year	204	(621)	-	-
Unrecognised deferred tax assets	456	1,026	456	1,026
Others	(2)	(2)	-	-
Taxation recognised in profit or loss	3,400	4,616	-	-

**AYER Holdings Berhad***(Incorporated in Malaysia)***9. Earnings per share**

The basic and diluted earnings per share of the Group are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year as follows:-

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
Net profit attributable to shareholders (RM'000)	7,817	12,547
Weighted average number of ordinary shares in issue ('000)	74,853	74,853
Basic and diluted earnings per share (sen)	10.44	16.76

**10. Dividends**

	<b>Group and Company</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
In respect of financial year ended 31 December 2019:		
First and final dividend of 4.5 sen per share	3,368	-
In respect of financial year ended 31 December 2018:		
First and final dividend of 5 sen per share	-	3,743
	3,368	3,743

*Dividend proposed*

A first and final dividend in respect of the financial year ended 31 December 2020 will be proposed at the forthcoming Annual General Meeting for shareholders' approval as follows:-

	<b>RM'000</b>
First and final dividend of 4.1 sen per share	3,069

These financial statements do not reflect these proposed dividends, which when approved by shareholders, will be accrued as a liability in the financial year ending 31 December 2021.

# **AYER Holdings Berhad** *(Incorporated in Malaysia)*

## **11. Property, plant and equipment**

<b>Group 2020</b>	<b>Land &amp; buildings (Note A) RM'000</b>	<b>Vehicles, plant &amp; machinery RM'000</b>	<b>Furniture, fittings &amp; equipment RM'000</b>	<b>Bearer plants (Note B) RM'000</b>	<b>Total RM'000</b>
<i>Cost:</i>					
At 1 January 2020	168,278	1,809	4,921	20,321	195,329
Additions	43	245	157	1,882	2,327
Derecognition	-	(24)	(4)	-	(28)
At 31 December 2020	168,321	2,030	5,074	22,203	197,628
<i>Accumulated depreciation:</i>					
At 1 January 2020	15,863	1,344	4,151	1,787	23,145
Charge for the year	2,292	206	289	403	3,190
Derecognition	-	(24)	(4)	-	(28)
At 31 December 2020	18,155	1,526	4,436	2,190	26,307
<i>Carrying amount:</i>					
At 31 December 2020	150,166	504	638	20,013	171,321

## **2019**

<i>Cost:</i>					
At 1 January 2019	168,196	2,099	4,701	16,783	191,779
Additions	82	129	229	3,581	4,021
Disposals	-	(331)	(9)	-	(340)
Derecognition	-	(88)	-	(43)	(131)
At 31 December 2019	168,278	1,809	4,921	20,321	195,329
<i>Accumulated depreciation:</i>					
At 1 January 2019	13,571	1,331	3,880	1,435	20,217
Charge for the year	2,292	253	277	352	3,174
Disposals	-	(152)	(6)	-	(158)
Derecognition	-	(88)	-	-	(88)
At 31 December 2019	15,863	1,344	4,151	1,787	23,145
<i>Carrying amount:</i>					
At 31 December 2019	152,415	465	770	18,534	172,184

# **AYER Holdings Berhad** *(Incorporated in Malaysia)*

## **11. Property, plant and equipment (continued)**

<b>Company</b>	<b>Land &amp; buildings (Note A)</b>	<b>Vehicles, plant &amp; machinery</b>	<b>Furniture, fittings &amp; equipment</b>	<b>Bearer plants (Note B)</b>	<b>Total</b>
<b>2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<i>Cost:</i>					
At 1 January 2020	1,366	798	1,174	9,312	12,650
Additions	-	130	3	1,220	1,353
At 31 December 2020	1,366	928	1,177	10,532	14,003
<i>Accumulated depreciation:</i>					
At 1 January 2020	340	703	1,024	1,266	3,333
Charge for the year	-	73	59	88	220
At 31 December 2020	340	776	1,083	1,354	3,553
<i>Carrying amount:</i>					
At 31 December 2020	1,026	152	94	9,178	10,450
<b>2019</b>					
<i>Cost:</i>					
At 1 January 2019	1,366	785	1,156	6,642	9,949
Additions	-	13	18	2,713	2,744
Derecognition	-	-	-	(43)	(43)
At 31 December 2019	1,366	798	1,174	9,312	12,650
<i>Accumulated depreciation:</i>					
At 1 January 2019	340	652	959	1,170	3,121
Charge for the year	-	51	65	96	212
At 31 December 2019	340	703	1,024	1,266	3,333
<i>Carrying amount:</i>					
At 31 December 2019	1,026	95	150	8,046	9,317

# **AYER Holdings Berhad** *(Incorporated in Malaysia)*

## **11. Property, plant and equipment (continued)**

### *Analysis of land and buildings:*

#### **Note A**

<b>Group</b>	<b>Long</b>	<b>Short</b>	<b>Freehold</b>	<b>Buildings</b>	<b>Properties</b>	<b>Total</b>
<b>2020</b>	<b>leasehold</b>	<b>leasehold</b>	<b>land</b>	<b>RM'000</b>	<b>in</b>	<b>RM'000</b>
	<b>land</b>	<b>land</b>	<b>land</b>	<b>RM'000</b>	<b>progress</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<i>Cost:</i>						
At 1 January 2020	83,565	24,764	8,305	33,846	17,798	168,278
Additions	-	-	-	-	43	43
At 31 December 2020	83,565	24,764	8,305	33,846	17,841	168,321
<i>Accumulated depreciation:</i>						
At 1 January 2020	7,209	3,817	-	4,837	-	15,863
Charge for the year	949	485	-	858	-	2,292
At 31 December 2020	8,158	4,302	-	5,695	-	18,155
<i>Carrying amount:</i>						
At 31 December 2020	75,407	20,462	8,305	28,151	17,841	150,166
<b>2019</b>						
<i>Cost:</i>						
At 1 January 2019	83,565	24,764	8,305	33,804	17,758	168,196
Additions	-	-	-	42	40	82
At 31 December 2019	83,565	24,764	8,305	33,846	17,798	168,278
<i>Accumulated depreciation:</i>						
At 1 January 2019	6,260	3,332	-	3,979	-	13,571
Charge for the year	949	485	-	858	-	2,292
At 31 December 2019	7,209	3,817	-	4,837	-	15,863
<i>Carrying amount:</i>						
At 31 December 2019	76,356	20,947	8,305	29,009	17,798	152,415

All the properties in progress represent the development costs incurred on the properties which are intended to be held for long-term.

# **AYER Holdings Berhad** *(Incorporated in Malaysia)*

---

## **11. Property, plant and equipment (continued)**

### *Analysis of land and buildings:*

#### **Note A**

<b>Company</b>	<b>Freehold land RM'000</b>	<b>Buildings RM'000</b>	<b>Total RM'000</b>
<b>2020</b>			
<i>Cost:</i>			
At 1 January 2020 and 31 December 2020	1,002	364	1,366
<i>Accumulated depreciation:</i>			
At 1 January 2020 and 31 December 2020	-	340	340
<i>Carrying amount:</i>			
At 31 December 2020	1,002	24	1,026
<b>2019</b>			
<i>Cost:</i>			
At 1 January 2019 and 31 December 2019	1,002	364	1,366
<i>Accumulated depreciation:</i>			
At 1 January 2019 and 31 December 2019	-	340	340
<i>Carrying amount:</i>			
At 31 December 2019	1,002	24	1,026

# **AYER Holdings Berhad**

(Incorporated in Malaysia)

## 11. Property, plant and equipment (continued)

### *Analysis of bearer plants:*

#### **Note B**

Bearer plants comprise of:

- Oil palm plantation; and
- Durian plantation.

At the end of the financial year, the Group and the Company's total planted and related value of mature and immature plantations are as follows:

Area	Group		Company	
	2020	2019	2020	2019
	Hectares	Hectares	Hectares	Hectares
Oil palm plantation:				
• Mature	1,660	1,660	247	247
• Immature	409	409	-	-
	2,069	2,069	247	247
Durian:				
• Immature	38	38	38	38

Carrying amount	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Oil palm plantation:				
• Mature	7,804	8,202	777	860
• Immature	3,808	3,146	-	-
	11,612	11,348	777	860
Durian:				
• Immature	8,401	7,186	8,401	7,186
	20,013	18,534	9,178	8,046



## AYER Holdings Berhad

(Incorporated in Malaysia)

### 12. Right-of-use assets

	<b>Group and Company</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Cost:</i>		
At 1 January	779	-
Effects of adopting MFRS 16	-	779
Adjustment due to lease remeasurement	(12)	-
At 31 December	767	779
<i>Accumulated depreciation:</i>		
At 1 January	203	-
Charge for the year	208	203
At 31 December	411	203
<i>Carrying amount:</i>		
At 31 December	356	576

The Group and the Company lease a building for office space. The lease typically runs for a period of 2 years (2019: 2 years) with an option to renew the lease after that date.

### 13. Subsidiaries

#### *Unquoted investments at cost:*

	<b>Company</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January and 31 December	246,640	246,640

The subsidiaries are as follows:-

Name of company	Principal country of incorporation and operation	Principal activity	Effective interest	
			2020	2019
Direct subsidiaries				
The Ayer Hitam Development Sdn. Bhd.	Malaysia	Property development for investment and sale	100%	100%
Bukit Hitam Development Sdn. Bhd.	Malaysia	Property development for investment and sale	100%	100%
Yee Seng Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palms	100%	100%

# AYER Holdings Berhad

(Incorporated in Malaysia)

## 13. Subsidiaries (continued)

Name of company	Principal country of incorporation and operation	Principal activity	Effective interest	
			2020	2019
<i>Indirect subsidiary</i>				
Cendana Maju Construction Sdn. Bhd.	Malaysia	Dormant	100%	100%

## 14. Investments

### *Quoted equity securities in Malaysia*

	Group and Company	
	2020	2019
	RM'000	RM'000
<i>At fair value:</i>		
At 1 January	5,561	5,311
Gain/(loss) on fair value changes	(464)	250
At 31 December	5,097	5,561

No strategic investments were disposed of during the financial year, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

## 15. Investment properties

Group 2020	Freehold land RM'000	Buildings RM'000	Total RM'000
<i>Cost:</i>			
At 1 January 2020 and 31 December 2020	2,318	1,188	3,506
<i>Accumulated depreciation:</i>			
At 1 January 2020	-	387	387
Charge for the year	-	21	21
At 31 December 2020	-	408	408
<i>Carrying amount:</i>			
At 31 December 2020	2,318	780	3,098
<i>Fair value:</i>			
At 31 December 2020	10,730	1,065	11,795

# **AYER Holdings Berhad** *(Incorporated in Malaysia)*

## **15. Investment properties (continued)**

<b>Group 2019</b>	<b>Freehold land RM'000</b>	<b>Buildings RM'000</b>	<b>Total RM'000</b>
<i>Cost:</i>			
At 1 January 2019 and 31 December 2019	2,318	1,188	3,506
<i>Accumulated depreciation:</i>			
At 1 January 2019	-	366	366
Charge for the year	-	21	21
At 31 December 2019	-	387	387
<i>Carrying amount:</i>			
At 31 December 2019	2,318	801	3,119
<i>Fair value:</i>			
At 31 December 2019	10,714	1,081	11,795
<b>Company 2020</b>			
<i>Cost:</i>			
At 1 January 2020 and 31 December 2020	794	848	1,642
<i>Accumulated depreciation:</i>			
At 1 January 2020	-	352	352
Charge for the year	-	17	17
At 31 December 2020	-	369	369
<i>Carrying amount:</i>			
At 31 December 2020	794	479	1,273
<i>Fair value:</i>			
At 31 December 2020	8,481	479	8,960

## AYER Holdings Berhad

(Incorporated in Malaysia)

### 15. Investment properties (continued)

Company 2019	Freehold land RM'000	Buildings RM'000	Total RM'000
<i>Cost:</i>			
At 1 January 2019 and 31 December 2019	794	848	1,642
<i>Accumulated depreciation:</i>			
At 1 January 2019	-	335	335
Charge for the year	-	17	17
At 31 December 2019	-	352	352
<i>Carrying amount:</i>			
At 31 December 2019	794	496	1,290
<i>Fair value:</i>			
At 31 December 2019	8,464	496	8,960

#### Fair value measurement

The fair values of investment properties disclosed as at the reporting date are determined by the Directors based on the sales comparable approach that reflects the recent transaction prices for similar properties which have been sold or are being offered for sale.

The fair values disclosed as at the reporting date are categorised as follows:-

#### Fair value hierarchy

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
• Level 1	-	-	-	-
• Level 2	11,795	11,795	8,960	8,960
• Level 3	-	-	-	-
	11,795	11,795	8,960	8,960

Level 2 fair values of investment properties have been generally derived using the sales comparison approach. Selling prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation technique is price per square foot of comparable properties.

# **AYER Holdings Berhad** *(Incorporated in Malaysia)*

## **16. Inventories**

<b>Group</b>	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Non-current:				
Land held for property development (Note a)	163,822	161,741	-	-
Current:				
At cost:				
• Estate stores / consumables	173	308	49	112
• Completed development units	48,161	65,898	-	-
	48,334	66,206	49	112
• Property development costs (Note b)	-	-	-	-
	48,334	66,206	49	112
<b>Total inventories</b>	<b>212,156</b>	<b>227,947</b>	<b>49</b>	<b>112</b>

### **(a) Land held for property development**

<b>Group</b>	<b>Development</b>		<b>Total</b>
	<b>Land costs</b>	<b>costs</b>	
<b>2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cost:			
At 1 January 2020	116,874	44,867	161,741
Incurred during the year	-	2,081	2,081
At 31 December 2020	116,874	46,948	163,822
<b>2019</b>			
Cost:			
At 1 January 2019	116,874	43,622	160,496
Incurred during the year	-	1,245	1,245
At 31 December 2019	116,874	44,867	161,741

# **AYER Holdings Berhad** *(Incorporated in Malaysia)*

## **16. Inventories (continued)**

### **(b) Property development costs**

<b>Group</b>	<b>Land costs RM'000</b>	<b>Development costs RM'000</b>	<b>Total RM'000</b>
<b>(2020: Inapplicable)</b>			
<b>2019</b>			
<i>At cost:</i>			
At 1 January 2019	2,274	27,867	30,141
Additions	-	17,513	17,513
Derecognition on completion of project	(2,274)	(45,380)	(47,654)
At 31 December 2019	-	-	-
<i>Cost recognised in profit or loss:</i>			
At 1 January 2019	1,676	27,862	29,538
Charge for the year	598	17,518	18,116
Derecognition on completion of project	(2,274)	(45,380)	(47,654)
At 31 December 2019	-	-	-
<i>At carrying amount:</i>			
At 31 December 2019	-	-	-

## **17. Goodwill**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January and 31 December	27,100	27,100

The goodwill arose from the acquisition of Yee Seng Plantations Sdn. Bhd, ("YSP"), a company incorporated in Malaysia, in August 2012.

The carrying amount of goodwill is reviewed for impairment annually. Impairment is determined for goodwill by assessing the recoverable amount of the CGU to which the goodwill relates.

**AYER Holdings Berhad***(Incorporated in Malaysia)***17. Goodwill (continued)**Determination of recoverable amount

The recoverable amount of a CGU is determined based on fair value less costs of disposal (FVLCD). The FVLCD is determined using income approach (Level 3 of the fair value hierarchy). The following factors are being considered in deriving at FVLCD:-

- (a) Estimated fair value of land and rights less incremental costs for disposing of the asset;
- (b) Estimated fresh fruit bunches price; and
- (c) Estimated yield.

The fair value of land and rights is estimated based on recent transactions and asking prices of similar land around the locality for comparison to derive adjusted land for location, size, tenure and other relevant characteristics to arrive at the market price.

Other key assumptions used are as follows:-

	<u>2020</u>	<u>2019</u>
Projection period	A 28-year cash flow projection based on the average lifecycle of oil palm trees	
FFB yield per hectare ('Ha')	3 - 28 MT/Ha	3 - 28 MT/Ha
CPO price per MT	RM2,900 per MT	RM2,800 per MT
PK price per MT	RM1,600 per MT	RM1,600 per MT
Discount rates	5.60% per annum	6.65% per annum

In assessing the FVLCD, the management is of the view that no foreseeable changes in any of the above key assumptions would cause the carrying amount of the CGU to materially exceed its recoverable amount.

The management concluded that no impairment loss is required on goodwill as the recoverable amount exceeds the carrying amount of CGU's assets and goodwill by a significant margin.

**18. Biological assets****18.1 Fresh fruits bunches (FFB)**

The biological assets of the Group and of the Company comprise unharvested fresh fruits bunches ('FFB').

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<i>At fair value less cost to sell:</i>				
Fresh fruits bunches ('FFB'):				
At 1 January	996	1,365	207	306
Fair value gain/(loss)	57	(369)	(29)	(99)
At 31 December	1,053	996	178	207

# AYER Holdings Berhad

(Incorporated in Malaysia)

## 18.1 Fresh fruits bunches (FFB) (continued)

Analysis of oil palm production:-

	Group		Company	
	2020	2019	2020	2019
<i>In Metric Tonne (MT):</i>				
• FFB harvested during the year	30,054	24,816	4,961	5,008
• Unharvested FFB included in the fair valuation of FFB	1,546	1,964	255	396

### Fair value determination

The fair value of biological assets has been determined based on the market price and the estimated yield of FFB, net of estimated cost to sell. The estimated yield is dependent on the age of the oil palm trees, the location of the plantations, soil type and infrastructure. The market price of the FFB is largely dependent on the prevailing market prices of crude palm oil and palm kernel. The estimated cost to sell includes all transportation and harvesting costs.

The Group and the Company's biological assets were fair valued within Level 3 of the fair value hierarchy.

The following table shows the key unobservable inputs used in the valuation models:

Key unobservable inputs			Inter-relationship between key unobservable inputs and fair value measurement
a) FFB average selling price per MT:			
	Group	Company	
2020	RM398 to RM775	RM398 to RM775	The estimated fair value increases as the estimated selling price of FFB increases
2019	RM355 to RM590	RM363 to RM590	
b) Annual production:			
	Group MT	Company MT	
2020	30,054	4,961	The estimated fair value increases/decreases as the production of FFB increases/decreases
2019	24,816	5,008	



## AYER Holdings Berhad

(Incorporated in Malaysia)

### 18.1 Fresh fruits bunches (FFB) (continued)

#### Sensitivity analysis

At the reporting date, if the market prices for FFB had been 10% higher/lower, with all other variables being held constant, the profit or loss of the Group and of the Company would have been RM106,000 and RM18,000 (2019: RM100,000 and RM21,000) higher/lower.

### 18.2 Durian fruits

There is an insignificant output of durian for both years under review.

#### Inability to measure fair value reliably

Critical judgment is required in determining the fair value of growing agricultural produce on bearer plant. The key assumptions include the market prices and stage of growth at the reporting date based on past experiences.

The fair value of the agricultural produce on durian is unable to be reliably measured as at the reporting date. In addition, the impact of the biological transformation on price is expected to be immaterial over the durian production cycle.

## 19. Receivables

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b><i>Trade receivables:</i></b>				
Gross receivables	13,746	3,442	84	82
Retention sum on property projects	5,612	197	-	-
	19,358	3,639	84	82
Less: Allowance for impairment	(200)	(200)	-	-
	19,158	3,439	84	82
<b><i>Other receivables:</i></b>				
• interest receivable	66	122	66	122
• refundable deposits	1,573	2,502	108	104
• others	80	224	51	71
	1,719	2,848	225	297
Less: Allowance for impairment	(29)	(10)	(29)	(10)
	1,690	2,838	196	287
<b><i>Trade and other receivables</i></b>	20,848	6,277	280	369
Prepayment and government entity	547	207	58	66
<b>Total receivables</b>	21,395	6,484	338	435

**AYER Holdings Berhad***(Incorporated in Malaysia)***19. Receivables (continued)**

Trade receivables are non-interest-bearing and are generally on 10 to 90-day (2019: 10 to 90-day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The retention sums are receivable at the expiry of 8 to 24-month (2019: 8 to 24-month) after the completion of respective projects.

Trade receivables secured by credit enhancements are as follows:-

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Gross receivables amounts	899	610	84	82
Nominal value of secured bank guarantees	1,100	1,100	300	300

**20. Contract assets**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Current:</i>		
Contract assets from property development	-	27,097

The Group issues progress billings to purchasers when the billing milestones are attained. The Group recognises revenue where the performance obligation is satisfied.

The Group's contract assets relating to the sale of properties as of each reporting period are summarised as follows:-

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Contract assets:</i>		
At 1 January	27,097	25,604
Revenue recognised during the year	-	36,499
Progress billings issued during the year	(27,097)	(35,006)
At 31 December	-	27,097

Contract assets are transferred to receivables when rights to economic benefits become unconditional. This usually occurs when the Group issues billings to the purchasers.

# **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

## **21. Short-term investments**

### *Money market funds in Malaysia:*

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<i>At fair value:</i>				
At 1 January	79,177	70,032	48,088	52,077
Additions	26,684	27,608	3,671	6,125
Redemptions	(16,799)	(18,690)	(6,999)	(10,191)
Fair value gain/(loss)	(23)	227	(2)	77
At 31 December	89,039	79,177	44,758	48,088

Short-term investments represent investments in highly liquid money market funds redeemable with notice of 1 to 5 days. These money market funds are subject to an insignificant risk of changes in value.

## **22. Deposits, cash and bank balances**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short-term deposits	316	167	-	-
Cash and bank balances:				
• Housing development accounts	47,573	28,198	-	-
• Others	4,244	5,523	548	516
	51,817	33,721	584	516
	52,133	33,888	548	516

Housing development accounts are held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966. These accounts are restricted from use in other operations.

The carrying amounts of short-term deposits pledged as securities for banking facilities granted to a subsidiary are disclosed in Note 31 to the financial statements.

## **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

### 23. Share capital

	Number of ordinary shares		Amount	
	2020 '000	2019 '000	2020 RM'000	2019 RM'000
Issued and fully paid	74,853	74,853	74,945	74,945

The ordinary shares have no par value.

### 24. Reserves

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
	<b>Restated</b>			
<i>Non-distributable:</i>				
Fair value reserves	30,425	31,027	4,803	5,267
<i>Distributable:</i>				
General reserves	250	250	250	250
Accumulated profits	419,322	414,735	227,331	229,041
	419,572	414,985	227,581	229,291
	449,997	446,012	232,384	234,558

#### Fair value reserves

The fair value reserves arise from:-

- change in fair value of business combinations achieved in stages; and
- cumulative net change in the fair value of financial assets at fair value through other comprehensive income until the financial assets are derecognised.

#### General reserves

The general reserves arise from the transfer of accumulated profits.

### 25. Lease liabilities

	Group and Company	
	2020 RM'000	2019 RM'000
<i>Lease liabilities:</i>		
Current	199	199
Non-current	172	391
	371	590

## **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

---

### 25. **Lease liabilities** (continued)

The movements of lease liabilities are as follows:-

	<b>Group and Company</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	590	-
Effects of adopting MFRS 16	-	779
Adjustment due to lease remeasurement	(12)	-
Interest charged		
• Current year	20	34
• Adjustment for previous year	(6)	-
	14	34
Payments of:		
• Principal	(207)	(189)
• Interest	(14)	(34)
	(221)	(223)
At 31 December	371	590

The weighted average incremental borrowing rate applied to the lease liabilities is 4% (2019: 4%) per annum.

### 26. **Deferred tax liabilities**

The deferred tax liabilities after appropriate offsetting are as follows:-

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deferred tax liabilities	40,211	41,229	-	-

The deferred tax liabilities and assets are offset as:-

- the Group and the Company have a legally enforceable right to set off current tax assets against current tax liabilities; and
- they relate to taxes levied by the same tax authority on the Company and its subsidiaries.

# AYER Holdings Berhad

(Incorporated in Malaysia)

## 26. Deferred tax liabilities (continued)

The movements and components of deferred tax liabilities and assets without taking into consideration the offsetting within the same tax authority are as follows:-

Group 2020	Property, plant & equipment RM'000	Land held for property development RM'000	Payables RM'000	*Other temporary differences RM'000	Total RM'000
At 1 January 2020	22,667	12,825	365	5,372	41,229
Amount recognised in profit or loss	(334)	-	(732)	48	(1,018)
At 31 December 2020	22,333	12,825	(367)	5,420	40,211

## 2019

At 1 January 2019	23,000	12,825	596	5,150	41,571
Amount recognised in profit or loss	(333)	-	(231)	222	(342)
At 31 December 2019	22,667	12,825	365	5,372	41,229

## \* Analysis of other temporary differences:

Group 2020	Investmen t RM'000	Inventorie RM'000	Accelerate d capital allowances RM'000	Retiremen t benefits RM'000	Unutilised tax losses RM'000	Biologica l assets RM'000	Total RM'000
At 1 January 2020	14	443	4,891	(165)	-	189	5,372
Amount recognised in profit or loss	-	(87)	126	(12)	-	21	48
At 31 December 2020	14	356	5,017	(177)	-	210	5,420

## 2019

At 1 January 2019	13	484	4,575	(175)	(1)	254	5,150
Amount recognised in profit or loss	1	(41)	316	10	1	(65)	222
At 31 December 2019	14	443	4,891	(165)	-	189	5,372

# **AYER Holdings Berhad** *(Incorporated in Malaysia)*

## **26. Deferred tax liabilities (continued)**

<b>Company</b>	<b>Accelerated capital allowances</b>	<b>Unabsorbed capital allowances</b>	<b>Total</b>
<b>2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2020	1,729	(1,729)	-
Amount recognised in profit or loss	495	(495)	-
At 31 December 2020	2,224	(2,224)	-
<b>2019</b>			
At 1 January 2019	918	(918)	-
Amount recognised in profit or loss	811	(811)	-
At 31 December 2019	1,729	(1,729)	-

### ***Unrecognised deductible temporary differences***

The amounts of deductible temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Property, plant and equipment	2,653	2,653	-	-
Land held for property development	11,946	11,946	-	-
Payables	1,454	1,708	1,454	1,708
Unabsorbed capital allowances	358	1,452	358	1,452
Unutilised tax losses:				
• 2025 expiry	9,223	9,223	8,148	8,148
• 2026 expiry	6,965	5,381	6,965	5,381
• 2027 expiry	3,035	-	3,035	-
	35,634	32,363	19,960	16,689

The above deductible temporary differences have no expiry date except unutilised tax losses. Deferred tax assets are only recognised in respect of these deductible temporary differences when it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

## **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

### **27. Payables**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>Restated</b>			
Trade payables	10,268	13,647	99	143
Other payables:				
• accrued expenses	3,334	3,568	700	1,142
• deposits	1,231	761	110	119
• others	981	2,440	128	295
	5,546	6,769	938	1,556
Trade and other payables	15,814	20,416	1,037	1,699
Provision	950	950	950	950
	16,764	21,366	1,987	2,649

Trade payables are non-interest-bearing and are normally settled on 30 to 90-day (2019: 30 to 90-day) terms.

Included in trade payables of the Group are retention sums for construction contracts amounting to RM2,147,000 (2019: RM4,359,000).

The retention sums are payable at the expiry period of 24-month (2019: 24-month) after the completion of respective projects.

Provision represents the incident costs for compulsory acquisition of land.

### **28. Capital management**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders. The Group's approach in managing capital is based on defined guidelines approved by the Board.

There were no changes in the Group's approach to capital management during the financial year.



**AYER Holdings Berhad***(Incorporated in Malaysia)***29. Related party disclosures**

In addition to related party disclosures made elsewhere in the financial statements, set out below are other significant related party transactions:

**29.1 Related party transactions:**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<i>Transactions with a subsidiary:</i>				
• dividend income	-	-	3,000	6,000
<i>Transactions with entity over which key management personnel has control:</i>				
• rental paid	215	223	215	223
• rental expenses	15	18	14	14

**29.2 Compensation of key management personnel:**

The remuneration of key management personnel during the year was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short-term employee benefits	2,904	3,397	2,007	2,565
Contributions to defined contribution plan	92	141	92	141
	<u>2,996</u>	<u>3,538</u>	<u>2,099</u>	<u>2,706</u>

**30. Financial instruments****30.1 Liquidity risk**

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due.

The table below summarises the maturity profile of the Group and the Company's financial liabilities as at the reporting date based on contractual undiscounted repayment obligations:-

# AYER Holdings Berhad

(Incorporated in Malaysia)

## 30.1 Liquidity risk (continued)

<b>Group</b>	<b>Within</b>	<b>One to</b>	<b>More than</b>	<b>Total</b>
<b>2020</b>	<b>one year</b>	<b>five years</b>	<b>five years</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
<i>Financial liabilities:</i>				
Non-interest-bearing:				
• Payables	15,814	-	-	15,814
Interest-bearing:				
• Lease liabilities:				
• principal	199	172	-	371
• interest	11	3	-	14
	210	175	-	385
<b>2019</b>				
<b>Restated</b>				
<i>Financial liabilities:</i>				
Non-interest-bearing:				
• Payables	20,416	-	-	20,416
Interest-bearing:				
• Lease liabilities:				
• principal	199	391	-	590
• interest	25	19	-	44
	224	410	-	634
<b>Company</b>				
<b>2020</b>				
<i>Financial liabilities:</i>				
Non-interest-bearing:				
• Payables	1,037	-	-	1,037
Interest-bearing:				
• Lease liabilities:				
• principal	199	172	-	371
• interest	11	3	-	14
	210	175	-	385

## AYER Holdings Berhad

(Incorporated in Malaysia)

### 30.1 Liquidity risk (continued)

Company 2019	Within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
<i>Financial liabilities:</i>				
Non-interest-bearing:				
• Payables	1,699	-	-	1,699
Interest-bearing:				
• Lease liabilities:				
• principal	199	391	-	590
• interest	25	19	-	44
	224	410	-	634

### 30.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates.

#### *Sensitivity analysis for interest rate risk*

No sensitivity analysis has been presented as the Group and the Company's exposure to interest rate risk on the following interest-bearing instruments is insignificant:-

#### • Fixed rate instruments

The effective interest rates of short-term deposits, short-term investments and lease liabilities are as follows:-

	Group		Company	
	2020	2019	2020	2019
	%	%	%	%
Short-term deposits	1.80 - 3.10	3.05 - 3.35	-	-
Short-term investments	1.83 - 3.55	3.02 - 3.80	1.85 - 3.55	3.04 - 3.80
Lease liabilities	4.00	4.00	4.00	4.00

## **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

---

### **30.3 Credit risk**

Credit risk is the potential loss from a transaction in the event of default by the counterparty.

The maximum exposure to credit risk for financial assets recognised in the statements of financial position equals to their carrying amounts.

Credit risk is controlled by the application of credit approvals, setting of counterparty limits and monitoring procedures. Credit risk is minimised given the Group and the Company's policies of selecting only counterparties with high creditworthiness.

The Group and the Company have no significant concentrations of credit risk with any single counterparty.

#### **(i) Trade receivables and contract assets**

The Group and the Company apply the simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The ageing analysis of trade receivables and contract assets is as follows:-

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Gross trade receivables (Note 19)	19,358	3,639	84	82
Contract assets (Note 20)	-	27,097	-	-
	<b>19,358</b>	<b>30,736</b>	<b>84</b>	<b>82</b>
Neither past due nor impaired	19,136	30,507	84	82
Past due unimpaired:				
• more than 90 days past due	22	29	-	-
Impaired	200	200	-	-
	<b>19,358</b>	<b>30,736</b>	<b>84</b>	<b>82</b>

**AYER Holdings Berhad***(Incorporated in Malaysia)*(i) Trade receivables and contract assets (continued)**Neither past due nor impaired**

The credit quality of trade receivables and contract assets that are neither past due nor impaired are mainly amounts due from property purchasers with end financing facilities from reputable end-financiers and customers with good collection track records with the Group and the Company.

Trade receivables also include amounts due from tenants that are secured with deposits paid by tenants prior to occupancy of premises and rentals paid in advance.

None of the Group and the Company's trade receivables and contract assets that are neither past due nor impaired have been renegotiated during the financial year.

**Past due unimpaired**

Trade receivables and contract assets of the Group that are past due but unimpaired are mainly related to the progress billings to be settled by end-buyers' financiers. It is the Group's policy to monitor the financial standing of these receivables and contract assets on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

**Credit impaired**

The trade receivables are impaired individually at the reporting date.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that:-

- are in significant financial difficulties; and
- have defaulted on payments.

These receivables are unsecured by any collateral or credit enhancements.

The movement in the allowance for impairment loss on trade receivables is as follows:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Movement in allowance accounts:</i>		
At 1 January and 31 December	200	200

## **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

---

### 30.3 Credit risk (continued)

#### (ii) Other receivables

The ageing analysis of the other receivables is as follows:-

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Neither past due nor impaired	1,690	2,838	196	287
Impaired	29	10	29	10
	<u>1,719</u>	<u>2,848</u>	<u>225</u>	<u>297</u>

The unimpaired other receivables are monitored closely by the Group and the Company. The expected credit loss of other receivables is determined individually after considering the financial strength of the debtors. The Group and the Company concluded that the probability of the default of these receivables is low and thus, no loss allowance has been made.

#### **Other receivables that are impaired**

The other receivables are impaired individually at the reporting date.

Other receivables that are individually determined to be impaired at the reporting date relate to a receivable in which the recoverable amount is below its carrying amount.

The movement in the allowance for impairment loss on other receivables is as follows:-

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Movement in allowance accounts:</i>		
At 1 January	10	-
Addition	19	10
At 31 December	<u>29</u>	<u>10</u>

## AYER Holdings Berhad

(Incorporated in Malaysia)

### 30.3 Credit risk (continued)

#### (iii) Deposits, cash and bank balances (excluding cash in hand)

The counterparty risk rating of deposits, cash and bank balances with financial institutions at the reporting period end is as follows:-

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<i>Counterparty risk rating:</i>				
AAA	49,064	32,212	508	474
AA	52	792	-	-
A	3,005	873	37	38
	<u>52,121</u>	<u>33,877</u>	<u>545</u>	<u>512</u>

### 30.4 Price risk

Price risk is the risk that the fair value or future cash flows of the Group and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or foreign currency).

The Group and the Company are exposed to price risk arising from their investment in quoted securities and short-term investments. These quoted securities in Malaysia and money market funds are classified as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss respectively.

#### *Sensitivity analysis for price risk*

The table below shows the analysis of the impact arising from reasonably possible changes in the prices of the quoted securities and short-term investments:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<i>Increase/(decrease) in:</i>				
• Fair value reserves:				
Quoted securities:				
• Quoted price of securities +/-3%	153	167	153	167
• Accumulated profits:				
Short-term investments:				
• Net assets value +/-1%	890	792	448	481

**AYER Holdings Berhad***(Incorporated in Malaysia)***30.5 Fair values of financial instruments**

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As at the reporting date, the fair values of the Group and the Company's financial instruments approximate their carrying amounts unless it is impracticable to determine these values with sufficient reliability.

Methods and assumptions used to estimate fair values

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

<b>Financial instruments</b>	<b>Fair values determination</b>
<ul style="list-style-type: none"> <li>Investments</li> </ul>	The fair values of publicly traded instruments are based on quoted market prices.
<ul style="list-style-type: none"> <li>Short-term investments</li> </ul>	The fair values of the financial assets are determined by reference to statements of account at the reporting date provided by fund managers.
<ul style="list-style-type: none"> <li>Receivables</li> <li>Deposits, cash and bank balances</li> <li>Payables</li> </ul>	The carrying amounts of these financial instruments approximate fair values due to the relatively short-term maturity of these instruments.
<ul style="list-style-type: none"> <li>Lease liabilities</li> </ul>	<p>The carrying amounts of current lease liabilities approximate fair values because of the short period to maturity of these instruments.</p> <p>The fair values of non-current liabilities are estimated based on the current rates available for lease liabilities with the same maturity profile. The carrying amount of the non-current lease liabilities are reasonable approximations of fair values due to the insignificant impact of discounting.</p>



# **AYER Holdings Berhad** *(Incorporated in Malaysia)*

---

## **30.6 Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Group and the Company's financial assets carried at fair value as at the reporting date:-

<b>Group</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<i>Investments:</i>				
Quoted equity securities	5,097	-	-	5,097
<i>Short-term investments:</i>				
Money market funds	-	89,039	-	89,039
<b>2019</b>				
<i>Investments:</i>				
Quoted equity securities	5,561	-	-	5,561
<i>Short-term investments:</i>				
Money market funds	-	79,177	-	79,177
<b>Company</b>				
<b>2020</b>				
<i>Investments:</i>				
Quoted equity securities	5,097	-	-	5,097
<i>Short-term investments:</i>				
Money market funds	-	44,758	-	44,758
<b>2019</b>				
<i>Investments:</i>				
Quoted equity securities	5,561	-	-	5,561
<i>Short-term investments:</i>				
Money market funds	-	48,088	-	48,088

# **AYER Holdings Berhad** *(Incorporated in Malaysia)*

## **30.7 Financial instruments by category**

The table below provides an analysis of financial instruments categorised as follows:-

<b>Group 2020</b>	<b>Note</b>	<b>At fair value through profit or RM'000</b>	<b>At fair value through other comprehensive income RM'000</b>	<b>At amortised cost RM'000</b>	<b>Total carrying amount RM'000</b>
<i><u>Financial assets:</u></i>					
• investments	14	-	5,097	-	5,097
• receivables (excluding prepayment and government entity)	19	-	-	20,848	20,848
• short-term investments	21	89,039	-	-	89,039
• deposits, cash and bank balances	22	-	-	52,133	52,133
		89,039	5,097	72,981	167,117
<i><u>Financial liabilities:</u></i>					
• lease liabilities	25	-	-	371	371
• payables (excluding provision)	27	-	-	15,814	15,814
		-	-	16,185	16,185
<b>2019</b>					
<b>Restated</b>					
<i><u>Financial assets:</u></i>					
• investments	14	-	5,561	-	5,561
• receivables (excluding prepayment and government entity)	19	-	-	6,277	6,277
• short-term investments	21	79,177	-	-	79,177
• deposits, cash and bank balances	22	-	-	33,888	33,888
		79,177	5,561	40,165	124,903
<i><u>Financial liabilities:</u></i>					
• lease liabilities	25	-	-	590	590
• payables (excluding provision)	27	-	-	20,416	20,416
		-	-	21,006	21,006

# AYER Holdings Berhad

(Incorporated in Malaysia)

## 30.7 Financial instruments by category (continued)

Company 2020	Note	At fair value through profit or RM'000	At fair value through other comprehensive income RM'000	At amortised cost RM'000	Total carrying amount RM'000
<i>Financial assets:</i>					
• investments	14	-	5,097	-	5,097
• receivables (excluding prepayment and government entity)	19	-	-	280	280
• short-term investments	21	44,758	-	-	44,758
• deposits, cash and bank balances	22	-	-	548	548
		44,758	5,097	828	50,683
<i>Financial liabilities:</i>					
• lease liabilities	25	-	-	371	371
• payables (excluding provision)	27	-	-	1,037	1,037
		-	-	1,408	1,408
<b>2019</b>					
<i>Financial assets:</i>					
• investments	14	-	5,561	-	5,561
• receivables (excluding prepayment and government entity)	19	-	-	369	369
• short-term investments	21	48,088	-	-	48,088
• deposits, cash and bank balances	22	-	-	516	516
		48,088	5,561	885	54,534
<i>Financial liabilities:</i>					
• lease liabilities	25	-	-	590	590
• payables (excluding provision)	27	-	-	1,699	1,699
		-	-	2,289	2,289

# **AYER Holdings Berhad** *(Incorporated in Malaysia)*

## **31. Commitments**

### **31.1 Capital commitments**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<i>Unrecognised but contracted for capital expenditure:</i>				
Property, plant and equipment	137	166	-	29
Inventories - Land held for property development	84	84	-	-
Investment properties	2,500	2,500	-	-
	<u>2,721</u>	<u>2,750</u>	<u>-</u>	<u>29</u>

### **31.2 Financing commitments**

Collateral for banking facilities granted to a subsidiary is as follows:-

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Carrying amount:</i>		
Short-term deposits included in deposits, cash and bank balances	<u>301</u>	<u>152</u>

### **31.3 Lease commitments**

Non-cancellable operating lease commitments:-

	<b>Group</b>		<b>Company</b>	
<b>Leases as lessor</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<i>Future minimum rental receivable:</i>				
• 1 year or less	2,865	2,738	204	186
• 5 years or less but over 1 year	6,789	6,581	38	45
• over 5 years	3,018	3,703	-	-
	<u>12,672</u>	<u>13,022</u>	<u>242</u>	<u>231</u>

The Group and the Company entered into commercial property leases on their portfolio of investment properties consisting of commercial land and buildings. These leases have non-cancellable lease terms of 1 to 9 years (2019: 1 to 9 years).

**AYER Holdings Berhad***(Incorporated in Malaysia)***32. Prior year adjustments**

The prior year adjustments were in respect of the unrecognised maintenance charges on a property belonging to a subsidiary that was developed under a mixed-use strata scheme. The adjustments have been accounted for retrospectively in the financial statements.

**(a) Reconciliation of statement of comprehensive income**

<b>Group</b>	<b>31 December 2019</b>		
	<b>As previously reported RM'000</b>	<b>Prior year adjustments RM'000</b>	<b>As restated RM'000</b>
<b>Revenue</b>	67,418	-	67,418
Cost of sales	(35,709)	-	(35,709)
Gross profit	31,709	-	31,709
Other income	6,688	-	6,688
Administration expenses	(20,432)	(768)	(21,200)
Finance costs	(34)	-	(34)
<b>Profit before taxation</b>	17,931	(768)	17,163
Taxation	(4,616)	-	(4,616)
<b>Profit for the year</b>	13,315	(768)	12,547
<b>Other comprehensive income for the year, net of tax:</b>			
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
• Net gain on financial assets at fair value through other comprehensive income	250	-	250
<b>Total comprehensive income for the year</b>	13,565	(768)	12,797
Attributable to owners of the Company:			
• profit for the year	13,315	(768)	12,547
• total comprehensive income for the year	13,565	(768)	12,797
	<b>sen</b>	<b>sen</b>	<b>sen</b>
Basic and diluted earnings per share	17.79	(1.03)	16.76

# AYER Holdings Berhad

(Incorporated in Malaysia)

## 32. Prior year adjustments (continued)

### (b) Reconciliation of statement of financial position

Group	<u>31 December 2019</u>			<u>1 January 2019</u>		
	As			As		
	previously reported RM'000	Prior year adjustments RM'000	As restated RM'000	previously reported RM'000	Prior year adjustments RM'000	As restated RM'000
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	172,184	-	172,184	171,562	-	171,562
Right-of-use assets	576	-	576	-	-	-
Investments	5,561	-	5,561	5,311	-	5,311
Investment properties	3,119	-	3,119	3,140	-	3,140
Inventories	161,741	-	161,741	160,496	-	160,496
Goodwill	27,100	-	27,100	27,100	-	27,100
	370,281	-	370,281	367,609	-	367,609
<b>Current assets</b>						
Inventories	66,206	-	66,206	78,179	-	78,179
Biological assets	996	-	996	1,365	-	1,365
Receivables	6,484	-	6,484	12,683	-	12,683
Contract assets	27,097	-	27,097	25,604	-	25,604
Current tax assets	177	-	177	229	-	229
Short-term investments	79,177	-	79,177	70,032	-	70,032
Deposits, cash and bank balances	33,888	-	33,888	23,007	-	23,007
	214,025	-	214,025	211,099	-	211,099
<b>TOTAL ASSETS</b>	<b>584,306</b>	<b>-</b>	<b>584,306</b>	<b>578,708</b>	<b>-</b>	<b>578,708</b>

# AYER Holdings Berhad

(Incorporated in Malaysia)

## (b) Reconciliation of statement of financial position (continued)

Group	<u>31 December 2019</u>			<u>1 January 2019</u>		
	As			As		
	previously reported RM'000	Prior year adjustments RM'000	As restated RM'000	previously reported RM'000	Prior year adjustments RM'000	As restated RM'000
<b>EQUITY AND LIABILITIES</b>						
<b>Equity attributable to owners of the Company</b>						
Share capital	74,945	-	74,945	74,945	-	74,945
Reserves	447,996	(1,984)	446,012	438,174	(1,216)	436,958
<b>TOTAL EQUITY</b>	522,941	(1,984)	520,957	513,119	(1,216)	511,903
<b>Non-current liabilities</b>						
Lease liabilities	391	-	391	-	-	-
Deferred tax liabilities	41,229	-	41,229	41,571	-	41,571
	41,620	-	41,620	41,571	-	41,571
<b>Current liabilities</b>						
Payables	19,382	1,984	21,366	22,514	1,216	23,730
Lease liabilities	199	-	199	-	-	-
Current tax liabilities	164	-	164	1,504	-	1,504
	19,745	1,984	21,729	24,018	1,216	25,234
<b>TOTAL LIABILITIES</b>	61,365	1,984	63,349	65,589	1,216	66,805
<b>TOTAL EQUITY AND LIABILITIES</b>	584,306	-	584,306	578,708	-	578,708

# **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

## 32. Prior year adjustments (continued)

### (c) Reconciliation of statement of cash flows

Group	<u>31 December 2019</u>		
	As previously reported RM'000	Prior year adjustments RM'000	As restated RM'000
<b>Cash flows from operating activities</b>			
Profit before taxation	17,931	(768)	17,163
<b>Adjustments for:</b>			
Depreciation and amortisation	3,398	-	3,398
Gain on disposal of property, plant and equipment	(83)	-	(83)
Loss on derecognition of property, plant and equipment	43	-	43
Fair value loss on biological assets	369	-	369
Dividend income	(186)	-	(186)
Interest expenses	34	-	34
Interest income	(2,844)	-	(2,844)
Operating profit/(loss) before working capital changes	18,662	(768)	17,894
Decrease/(increase) in inventories	11,973	-	11,973
Decrease/(increase) in receivables	4,787	-	4,787
(Decrease)/increase in payables	(3,132)	768	(2,364)
Cash generated from/(used for) operations	32,290	-	32,290
Interest received	2,763	-	2,763
Tax refunded	353	-	353
Tax paid	(6,599)	-	(6,599)
Net cash generated from/(used for) operating activities	28,807	-	28,807
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(4,021)	-	(4,021)
Proceeds from disposal of property, plant and equipment	265	-	265
Payment for land held for property development	(1,245)	-	(1,245)
(Placement)/withdrawal of short-term deposits	(22)	-	(22)
Dividend received from quoted equity securities in Malaysia	186	-	186
Net cash (used for)/generated from investing activities	(4,837)	-	(4,837)



# **AYER Holdings Berhad**

*(Incorporated in Malaysia)*

---

(c) Reconciliation of statement of cash flows (continued)

Group	<b><u>31 December 2019</u></b>		
	As		
	<b>previously reported RM'000</b>	<b>Prior year adjustments RM'000</b>	<b>As restated RM'000</b>
<b>Cash flows from financing activities</b>			
Repayments of lease liabilities	(189)	-	(189)
Dividend paid	(3,743)	-	(3,743)
Interest paid	(34)	-	(34)
Net cash used in financing activities	(3,966)	-	(3,966)
Net increase in cash and cash equivalents	20,004	-	20,004
Cash and cash equivalents at beginning of the year	92,909	-	92,909
Cash and cash equivalents at end of the year	112,913	-	112,913
<b>Analysis of cash and cash equivalents</b>			
Short-term investments	79,177	-	79,177
Short-term deposits	167	-	167
Cash and bank balances	33,721	-	33,721
	113,065	-	113,065
Pledged short-term deposits	(152)	-	(152)
Cash and cash equivalents	112,913	-	112,913

# AYER Holdings Berhad

(Incorporated in Malaysia)

## 32. Prior year adjustments (continued)

### (d) Reconciliation of notes to financial statements

Group	31 December 2019		
	As previously reported RM'000	Prior year adjustments RM'000	As restated RM'000
<i>Notes to the financial statements:</i>			
Segmental information (Note 5):			
Results:			
Segment results			
• property development	19,979	(768)	19,211
Liabilities:			
Segment liabilities			
• property development	14,707	1,984	16,691
Taxation (Note 8):			
The tax reconciliation is as follows:-			
Taxation based on Malaysian applicable statutory tax rate of 24%	4,303	(184)	4,119
Disallowable expenses for tax purposes	540	184	724
Payables (Note 27):			
Other payables:			
• others	456	1,984	2,440
Financial instruments (Note 30):			
Liquidity risk (Note 30.1):			
Maturity profile of financial liabilities:			
Within one year			
• payables	18,432	1,984	20,416
Financial instruments by category (Note 30.7):			
Financial liabilities at amortised cost:			
• payables (excluding provision)	18,432	1,984	20,416

# Analysis of Shareholdings

as at 15 March 2021

Issued and Paid-up Capital : 74,853,075 ordinary shares

Voting Rights per share : One

## (I) SIZE OF SHAREHOLDINGS

as per Record of Depositors as at 15 March 2021

Size of Shareholdings	No. of Shareholders	%	No. of Shares	% of Holding
1 - 99	89	7.65	825	0.00
100 - 1,000	311	26.72	257,057	0.34
1,001 - 10,000	572	49.14	2,294,970	3.07
10,001 - 100,000	153	13.14	4,914,363	6.57
100,001 - 3,742,652	36	3.09	33,638,265	44.94
3,742,653 and above	3	0.26	33,747,595	45.08
	1,164	100.00	74,853,075	100.00

## (II) THIRTY LARGEST SHAREHOLDERS

as per Record of Depositors as at 15 March 2021

NAME			
1	CIMSEC Nominees (Tempatan) Sdn Bhd	13,124,510	17.53
	CIMB For Twin Trees Holdings Sdn Bhd (PB)		
2	Bee Guan Sdn Bhd	12,158,880	16.24
3	Bee Guan Sdn Bhd	4,450,128	5.95
4	MayBank Nominees (Tempatan) Sdn Bhd	4,014,077	5.36
	Lim Ke Hun		
5	Lim Kien Seng	3,520,815	4.70
6	UOB Kay Hian Nominees (Tempatan) Sdn Bhd	3,382,400	4.52
	Pledged Securities Account For Teo Siew Lai		
7	CIMSEC Nominees (Tempatan) Sdn Bhd	2,594,815	3.47
	CIMB For Lim Kee Choon (PB)		
8	UOB Kay Hian Nominees (Tempatan) Sdn Bhd	2,518,200	3.36
	Pledged Securities Account For Teo Kwee Hock		
9	Lim Kai Hee	2,498,682	3.34
10	Lim Siew Ping	2,494,811	3.33
11	Lim Kah Wee	2,422,373	3.24
12	Lim Peng Yan	2,010,811	2.69
13	Citigroup Nominees (Asing) Sdn Bhd	1,986,400	2.65
	Exempt AN for OCBC Securities Private Limited (Client A/C-NR)		
14	CL Holdings Sdn Bhd	1,339,092	1.79
15	CGS-CIMB Nominees (Tempatan) Sdn Bhd	1,144,000	1.53
	Pledged Securities Account For Lim Kai Hee (MY3800)		
16	Low Chee Kein	900,000	1.20
17	Lim Kean Boon	807,366	1.08
18	Lim Sum Mei	807,366	1.08
19	Teo Kwee Hock	748,700	1.00
20	UOB Kay Hian Nominees (Asing) Sdn Bhd	583,475	0.78
	Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)		
21	Chong Yean Fong	341,165	0.46
22	Timothy Lim Guan Chye	318,000	0.42
23	Maybank Securities Nominees (Tempatan) Sdn Bhd	309,100	0.41
	Pledged Securities Account For Wong Tiang Lien (REM 802)		
24	Yap Boon Eng	286,000	0.38
25	Ho Kah Heng	282,000	0.38
26	Maybank Securities Nominees (Asing) Sdn Bhd	280,500	0.37
	Maybank Kim Eng Securities Pte Ltd for Lion City Enterprises Pte Ltd		
27	Hubert Lim Hing Lee	215,574	0.29
28	Alliancegroup Nominees (Tempatan) Sdn Bhd	206,000	0.28
	Pledged Securities Account For Lim Kai Hee (7000441)		
29	Citigroup Nominees (Tempatan) Sdn Bhd	192,000	0.26
	Exempt AN for OCBC Securities Private Limited (Client A/C-R ES)		
30	HSBC Nominees (Tempatan) Sdn Bhd	189,000	0.25
	Exempt AN For Credit Suisse (SG BR-TST-TEMP)		
		66,126,240	88.34

# Analysis of Shareholdings

as at 15 March 2021

## (III) SUBSTANTIAL SHAREHOLDERS

as per Register of Substantial Shareholders as at 15 March 2021

	NAME	Direct Interest		Indirect Interest		Total Interest	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
1	Bee Guan Sdn Bhd	16,609,008	22.19	-	-	16,609,008	22.19
2	Twin Trees Holdings Sdn Bhd	13,124,510	17.53	-	-	13,124,510	17.53
3	Lim Ke Hun	4,014,077	5.36	28,000	0.04	4,042,077	5.40
4	Lim Kai Hee	3,848,682	5.14	346,574	0.46	4,195,256	5.60
5	Lim Kee Choon	2,614,815	3.49	13,124,510 <sup>(1)</sup>	17.53	15,739,325	21.02
6	Chang Wee Yon	37,000	0.05	16,609,008 <sup>(2)</sup>	22.19	16,646,008	22.24
7	Lim Wan Yee	26,000	0.03	16,609,008 <sup>(2)</sup>	22.19	16,635,008	22.22
8	Lim Hong Beng	25,000	0.03	16,609,008 <sup>(2)</sup>	22.19	16,634,008	22.22

## (IV) DIRECTORS AND KEY SENIOR MANAGEMENT: DIRECT AND INDIRECT INTERESTS IN THE COMPANY

as per Register of Directors' Shareholdings as at 15 March 2021

	NAME	Direct Interest		Indirect Interest		Total Interest	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
1	Tan Sri Datuk Yong Poh Kon	-	-	-	-	-	-
2	Chin Yoong Kheong	-	-	-	-	-	-
3	Lim Ke Hun	4,014,077	5.36	28,000	0.04	4,042,077	5.40
4	Lim Kee Choon	2,614,815	3.49	13,124,510 <sup>(1)</sup>	17.53	15,739,325	21.02
5	Chang Wee Yon	37,000	0.05	16,609,008 <sup>(2)</sup>	22.19	16,646,008	22.24
6	Lim Wan Yee	26,000	0.03	16,609,008 <sup>(2)</sup>	22.19	16,635,008	22.22
7	Jeannie Khoo Poh Gaik	-	-	-	-	-	-
8	Sim Keg Yee	-	-	-	-	-	-

Note:

<sup>(1)</sup> Deemed interest by virtue of his substantial shareholding in Twin Trees Holdings Sdn Bhd, a substantial shareholder of the Company.

<sup>(2)</sup> Deemed interest by virtue of his/her substantial shareholding in Bee Guan Sdn Bhd, a substantial shareholder of the Company.

# Properties Held by the Group

for the year ended 31 December 2020

Location	Description	Land Area/ *Gross Floor Area	Existing use	Date of Acquisition	Tenure	Approximate age of buildings (years)	Net book Value as at 31.12.2020 RM'000
Gali Estate 6 <sup>th</sup> Mile, Jalan Lipis 27600 Raub, Pahang	Oil Palm and Durian Estate	402 hectares (993 acres)	Plantation	1967/69	Freehold	-	1,002
Kretay Estate 24300 Kerteh Kemaman Terengganu	Oil Palm Estate	1,947 hectares (4,811 acres)	Plantation	2001	Leasehold 99 years expiring July 2100	-	75,470
Mukim Pasir Raja Dungun, Terengganu	Undeveloped agricultural land	2,025 hectares (5,004 acres)	Secondary jungle	2003	Leasehold 60 years expiring July 2063	-	20,461
Lot 2616, Mukim Petaling, District of Petaling, Selangor	Land for development	47 hectares (116 acres)	Rent (partially) and future development	1993	Freehold	-	17,461
Bandar Bukit Puchong Puchong, Selangor	Land for development	196 hectares (484 acres)	On-going mixed- development and future development	1993	Freehold	-	118,403
Bandar Bukit Puchong Puchong, Selangor	6-Storey Car Park	31,443 square metres	Car park operation	2016	Freehold	5	17,385
Bandar Bukit Puchong Puchong, Selangor	Sales Gallery	2,616 square metres	Sales Gallery & Office	2016	Freehold	5	7,549
Bandar Puchong Utama Puchong, Selangor	Land for development	5 hectares (11.6 acres)	On-going and future development	1993	Freehold	-	6,849
Bukit Beruntung Rawang, Selangor	Bungalow land	1.4 hectares (3.5 acres)	Vacant	2005/06	Freehold	-	1,750
Bandar Bukit Puchong Puchong, Selangor	16 units low cost factory	2,384 square metres	Investment property	1998	Freehold	21	1,273

# Notice of the 110<sup>th</sup> Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 110<sup>th</sup> Annual General Meeting (“AGM”) of the Company will be held at Bukit Puchong Gallery, Lot 59244, Jalan BP 7/15, Bandar Bukit Puchong, 47120 Puchong, Selangor on Tuesday, 11 May 2021 at 2.00 p.m. for the purpose of considering the following:-

## ORDINARY BUSINESS

- |   |   |
|---|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and the Auditors thereon.   | <b>(Please refer to Explanatory Note 1)</b> |
| 2. To approve the payment of a first and final dividend of 4.10 sen per ordinary share for the financial year ended 31 December 2020.   | <b>Ordinary Resolution 1</b>                |
| 3. To approve the payment of Directors’ Fees and benefits payable to the Directors of the Company and its subsidiaries not exceeding RM2,363,600 for the period from 12 May 2021 until the conclusion of the 111 <sup>th</sup> AGM. | <b>Ordinary Resolution 2</b>                |
| 4. To re-elect Mr. Lim Kee Choon who is retiring pursuant to Article 93 of the Company’s Constitution, who being eligible offers himself for re-election.   | <b>Ordinary Resolution 3</b>                |
| 5. To re-elect Ms. Lim Wan Yee who is retiring pursuant to Article 93 of the Company’s Constitution, who being eligible offers herself for re-election.   | <b>Ordinary Resolution 4</b>                |
| 6. To re-appoint Messrs. Khoo Wong & Chan as Auditors of the Company and to authorise the Directors to determine their remuneration.  | <b>Ordinary Resolution 5</b>                |

## SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions, with or without modification:-

- |   |                              |
|---|------------------------------|
| 7. <b>As Ordinary Resolution</b><br>- <b>Continuing in Office as an Independent Non-Executive Director - Tan Sri Datuk Yong Poh Kon</b>   | <b>Ordinary Resolution 6</b> |
| <p>“THAT the authority be and is hereby given to Tan Sri Datuk Yong Poh Kon, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company.”</p>  |                              |
| 8. <b>As Special Resolution</b><br>- <b>Proposed Amendments to the Constitution of the Company</b>  | <b>Special Resolution</b>    |
| <p>“THAT the proposed amendments to the Company’s Constitution as set out as Appendix A in Page 97 to 100 of the Financial Report be and is hereby approved.</p> <p>AND THAT, the Directors of the Company be and are hereby authorised to assent to any conditions, variations, modifications and/or amendments as may be required by any relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the Proposed Amendment for and on behalf of the Company.”</p> |                              |
| 9. To transact any other ordinary business of which due notice shall have been given.   |                              |

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT the first and final dividend of 4.10 sen per ordinary share for the financial year ended 31 December 2020, if approved, will be paid on 4 June 2021. The entitlement date for the dividend payment is 17 May 2021.

# Notice of the 110<sup>th</sup> Annual General Meeting

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- a. Shares transferred into the depositor's securities account before 4.30 p.m. on 17 May 2021 in respect of transfer; and
- b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

**TAI YIT CHAN (SSM PC NO. 202008001023) (MAICSA 7009143)**

**TAI YUEN LING (SSM PC NO. 202008001075) (LS 0008513)**

Company Secretaries

12 April 2021

Kuala Lumpur

## NOTES :

- i) A member of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy or attorney or other duly authorised representative to attend and vote in his stead. A proxy may, but need not be a member of the Company. A member may appoint any person to be his proxy. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- ii) A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- iii) For a member of the Company who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- iv) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- v) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
  - (a) In hard copy form  
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
  - (b) By electronic form  
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Details on the procedures for electronic lodgement of proxy form via TIIH Online.

# Notice of the 110<sup>th</sup> Annual General Meeting

- vi) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- vii) For a corporate member who has appointed a representative, please deposit the ORIGINAL certificate of appointment with the Share Registrar of the Company at 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia. The certificate of appointment should be executed in the following manner:
- (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
  - (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    1. at least two (2) authorised officers, of whom one shall be a director; or
    2. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- viii) For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 4 May 2021 and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the meeting or appoint proxies to attend and vote in his stead.

## EXPLANATORY NOTES:-

### 1. **Agenda No. 1**

This Agenda item is meant for discussion only as the provision of Section 248 and Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence this item is not put forward for voting.

### 2. **Agenda No. 3**

Section 230(1) of the Companies Act 2016 provides amongst others, that “the fees” of the directors and “any benefits” payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders’ approval shall be sought at the 110<sup>th</sup> AGM on the Directors’ remuneration in a resolution as below:-

- Resolution 2 on payment of Directors’ Fees and benefits payable to the Directors of the Company and its subsidiaries not exceeding RM2,363,600 for the period from 12 May 2021 until the conclusion of the 111<sup>th</sup> AGM (“Relevant Period”).

The payment of the Directors’ Fees of RM1,938,600 for the period from 12 May 2021 until the conclusion of the 111<sup>th</sup> AGM will only be made if the proposed Resolution 2 has been passed at the 110<sup>th</sup> AGM pursuant to Article 74 of the Company’s Constitution and Section 230(1) of the Companies Act 2016.



# Notice of the 110<sup>th</sup> Annual General Meeting

The benefits payable to the Directors of the Company and its subsidiaries comprises the allowances and other emoluments payable to the Directors of the Company and its subsidiaries as follows:-

	RM
Independent Non-Executive Directors	140,000
Non-Independent Non-Executive Directors	285,000
<b>Total*</b>	<b>425,000</b>

Notes:

\* Inclusive of meeting fees, medical claims, mobile phone bills, professional membership, insurance premium, traveling, training and entertainment.

The estimated total amount of benefits payable for the Relevant Period of not exceeding RM425,000 was determined based on the various factors including the number of scheduled meetings for the Board and Board Committees as well as the extent of involvement of the respective Directors.

Payment of Directors' Fees and benefits payable to the Directors of the Company and its subsidiaries for the period from 12 May 2021 until the conclusion of the 111<sup>th</sup> AGM will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred if the proposed Resolution 2 have been passed at the 110<sup>th</sup> AGM. The Board is of the view that it is just and equitable for the Directors of the Company and its subsidiaries to be paid the Directors' Fees and the benefits payable for the period from 12 May 2021 until the conclusion of the 111<sup>th</sup> AGM on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the financial period from 12 May 2021 until the conclusion of the 111<sup>th</sup> AGM.

### 3. **Agenda No. 7 - Continuing in Office as an Independent Non-Executive Director - Tan Sri Datuk Yong Poh Kon**

The proposed Resolution 6 is to seek shareholders' approval by way of a two-tier voting process on the retention of Director who has served as Independent Director in the Company for more than twelve (12) years.

The Board has assessed the independence of Tan Sri Datuk Yong Poh Kon, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- a. He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to provide check and balance and bring an element of objectivity to the Board;
- b. He is familiar with the Company's business operations and is able to advise the Board diligently on business matters;
- c. He was not appointed by any controlling shareholder and hence the issue on special relationship with or loyalty to any controlling shareholder does not arise;
- d. He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making by actively participating in board discussion and provided an independent voice to the Board; and
- e. He has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and shareholders.

The Board considered Tan Sri Datuk Yong Poh Kon to be independent based on the above justifications and recommended him to be retained as an Independent Non-Executive Director of the Company.

# Notice of the 110<sup>th</sup> Annual General Meeting

## 4. **Agenda No. 8 - Proposed Amendments to the Constitution of the Company**

The proposed Special Resolution is to seek shareholders' approval for the proposed amendments to the Constitution of the Company. The Special Resolution, if approved, will allow the Company to leverage the use of technology to conduct general meetings and to facilitate communication and engagements with shareholders electronically.

### **PERSONAL DATA POLICY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## Appendix A

## Proposed Amendments to the Constitution of AYER Holdings Berhad

Clause No	Existing Clause in the Constitution	Proposed Amendment (as underlined or deleted)
3	<p>In this Constitution, the words standing in the first column of the table next hereinafter contained shall where the context so admits bear the meanings specified opposite to them respectively in the second column thereof.</p> <p>Act - The Companies Act, 2016 and every statutory Modification or re-enactment thereof for the time being in force.</p> <p>Articles - Any provisions in this Constitution as originally framed or as from time to time altered by special resolution.</p> <p>Central Depositories Act - The Securities Industry (Central Depositories) Act 1991.</p> <p>Company - AYER Holdings Berhad [Formerly known as TAHPS Group Berhad] (37-K)</p> <p>Constitution - This Constitution as originally framed or as from time to time altered by special resolution.</p> <p>Deposited Security - Shall have the meaning given in Section 2 of the Central Depositories Act or its equivalent.</p> <p>Depositor - A holder of a securities account established by the Depository.</p> <p>Depository - Bursa Malaysia Depository Sdn. Bhd.</p> <p>Directors - The Directors for the time being of the Company or such number of them who has authority to act for the Company.</p> <p>Exchange - Bursa Malaysia Securities Berhad</p> <p>In Writing - Written, or produced by any substitute for writing, or partly one and partly the other.</p> <p>Listing Requirements - The Listing Requirements of the Exchange including any amendments thereto that may be made from time to time.</p> <p>Market Day - A day on which the stock market of the Exchange is open for trading in securities.</p> <p>Member - Includes a depositor who shall be treated as if he were a member pursuant to Section 35 of the Central Depositories Act or its equivalent but excludes the Depository in its capacity as a bare trustee.</p> <p>Month - Calendar Month</p> <p>Office - The Registered Office of the Company</p>	<p>In this Constitution, the words standing in the first column of the table next hereinafter contained shall where the context so admits bear the meanings specified opposite to them respectively in the second column thereof.</p> <p>Act - The Companies Act, 2016 and every statutory Modification or re-enactment thereof for the time being in force.</p> <p>Articles - Any provisions in this Constitution as originally framed or as from time to time altered by special resolution.</p> <p>Central Depositories Act - The Securities Industry (Central Depositories) Act 1991</p> <p>Company - AYER Holdings Berhad [<u>Registration No. 190701000003 (37-K)</u>].</p> <p>Constitution - This Constitution as originally framed or as from time to time altered by special resolution.</p> <p>Deposited Security - Shall have the meaning given in Section 2 of the Central Depositories Act or its equivalent.</p> <p>Depositor - A holder of a securities account established by the Depository.</p> <p>Depository - Bursa Malaysia Depository Sdn. Bhd. [<u>Registration No. 198701006854 (165570-W)</u>] including any further change of name</p> <p>Directors - The Directors for the time being of the Company or such number of them who has authority to act for the Company.</p> <p>Exchange - Bursa Malaysia Securities Berhad [<u>Registration No. 200301033577 (635998-W)</u>] and / or any other Exchange on which the Company is listed</p> <p>In Writing - Written, or produced by any substitute for writing, or partly one and partly the other.</p> <p>Listing Requirements - The Listing Requirements of the Exchange including any amendments thereto that may be made from time to time.</p> <p>Market Day - A day on which the stock market of the Exchange is open for trading in securities.</p> <p>Member - Includes a depositor who shall be treated as if he were a member pursuant to Section 35 of the Central Depositories Act or its equivalent but excludes the Depository in its capacity as a bare trustee.</p> <p>Month - Calendar Month</p> <p>Office - The Registered Office of the Company</p>

## Proposed Amendments to the Constitution of AYER Holdings Berhad

Clause No	Existing Clause in the Constitution	Proposed Amendment (as underlined or deleted)
3	<p>Register - The Register of Members to be kept pursuant to the Act.</p> <p>Record of Depositors - A record provided by Depository to the Company under Chapter 24.0 of the Register of the Depository or its equivalent.</p> <p>Rules or Rules of the Depository - Shall have the meaning given in Section 2 of the Depositories Act or its equivalent.</p> <p>Seal - The Common Seal of the Company</p> <p>Securities - Shall have the meaning given in section 2 of the Securities Commission Act 1993 or its equivalent.</p> <p>Securities Account - An account established by the Depository for a depositor for the recording of deposit of securities and for dealing in such securities by the depositor.</p> <p>Stock Exchange - The Exchange or such other stock exchange on which the Company's shares are quoted.</p> <p>Year - Year from the 1<sup>st</sup> January to the 31<sup>st</sup> December inclusive.</p> <p>Words denoting the singular number only shall include the plural number and vice versa.</p> <p>Words importing the masculine gender only shall include the feminine gender. Words importing persons shall include corporations.</p> <p>And the expressions "Debenture" and "Debenture holder" shall include "Debenture Stock" and "Debenture Stockholder" and the expression "Secretary" shall include a temporary or assistant Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.</p> <p>Save as aforesaid any words or expressions defined in the Act shall where the context so admits bear the same meaning in this Constitution.</p> <p>All references to time as regards notices or otherwise shall refer to Malaysian time.</p>	<p>Register - The Register of Members to be kept pursuant to the Act.</p> <p>Record of Depositors - A record provided by Depository to the Company under Chapter 24.0 of the Register of the Depository or its equivalent.</p> <p>Rules or Rules of the Depository - Shall have the meaning given in Section 2 of the Depositories Act or its equivalent.</p> <p>Seal - The Common Seal of the Company</p> <p>Securities - Shall have the meaning given in section 2 of the Securities Commission Act 1993 or its equivalent.</p> <p>Securities Account - An account established by the Depository for a depositor for the recording of deposit of securities and for dealing in such securities by the depositor.</p> <p>Stock Exchange - The Exchange or such other stock exchange on which the Company's shares are quoted.</p> <p>Year - Year from the 1<sup>st</sup> January to the 31<sup>st</sup> December inclusive.</p> <p><u>(a) Unless otherwise defined herein, words and expressions defined in the Act shall when used herein bear the same meanings.</u></p> <p><u>(b) A reference to a statute or a statutory provision herein shall be deemed to include any modification, re-enactment or consolidation thereof and any regulations, rules, orders or other statutory instruments made pursuant thereto.</u></p> <p><u>(c) Expressions referring to "writing" shall include, unless the contrary intention appears, references to printing, lithography, photography and any other modes of representing or reproducing words, letters, figures or marks in a visible form or in any other form or manner, whether in hard copy or in electronic form sent by way of an electronic communication or otherwise in a form that allows the document and/or information to be easily accessible and reproduced into written, electronic or visible form.</u></p> <p><u>(d) Expressions referring to "electronic communication" shall include, but shall not be limited to, unless the contrary intention appears, references to delivery of documents or information in electronic form by electronic means to the email address or any other address or number of the addressee, as permitted by applicable laws.</u></p> <p><u>(e)</u> Words denoting the singular number only shall include the plural number and vice versa.</p> <p><u>(f)</u> Words importing the masculine gender only shall include the feminine gender. Words importing persons shall include corporations.</p> <p><u>(g)</u> And the expressions "Debenture" and "Debenture holder" shall include "Debenture Stock" and "Debenture Stockholder" and the expression "Secretary" shall include a temporary or assistant Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.</p>

## Proposed Amendments to the Constitution of AYER Holdings Berhad

Clause No	Existing Clause in the Constitution	Proposed Amendment (as underlined or deleted)
		<p>(h) Save as aforesaid any words or expressions defined in the Act shall where the context so admits bear the same meaning in this Constitution.</p> <p>(i) All references to time as regards notices or otherwise shall refer to Malaysian time.</p>
49	Subject as hereinbefore provided, every general meeting shall be held in such manner, at such time and place as the Directors may determine	Subject as hereinbefore provided, every general meeting shall be held in such manner, at such time and place as the Directors may determine. <u>General meetings may be held at more than (1) one venue using any technology or method that enables the members of the Company to participate and to exercise the members' rights to speak and vote at the meeting.</u>
67	On a poll votes may be given either personally or by proxy. On a poll a member entitled to more than one (1) vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.	On a poll votes may be given either personally or by proxy. On a poll a member entitled to more than one (1) vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. <u>The poll may be conducted manually using voting slips or by electronic communication using various forms of electronic voting devices. Such votes shall be counted by the poll administrator, and verified by the scrutineer(s), as may be appointed by the Company for the purposes of determining the outcome of the resolution(s) to be decided on poll.</u>
68	The instrument appointing a proxy or attorney shall be in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised. A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.	The instrument appointing a proxy or attorney <u>may be in hard copy form or by forms of electronic communication as the Directors may approve or in any particular case, may accept, and which</u> shall be in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised. A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
129	Any dividend, interest, or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last registered address of the member or person entitled thereto or by direct transfer or such other mode of electronic means (subject to the provision of the Act, the Central Depositories Act and the Rules, the Listing Requirements and/or other regulatory authorities) to the bank account of the holder whose name appear in the Register or Record of Depositors respectively. Every such cheque or warrant or payment by direct transfer shall be made payable to the order of the person to whom it is sent or to such person as the holder or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and the payment of the cheque or warrant or by such electronic means shall be a good discharge to the Company of the dividend to which it relates, regardless that it may subsequently appear that the cheque or warrant has been stolen or that the endorsement thereon has been forged or of any discrepancy given by the member in the details of the bank account(s). Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.	Any dividend, interest, or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last registered address of the member or person entitled thereto or by direct transfer or such other mode of electronic <u>communication means</u> (subject to the provision of the Act, the Central Depositories Act and the Rules, the Listing Requirements and/or other regulatory authorities) to the bank account of the holder whose name appear in the Register or Record of Depositors respectively. Every such cheque or warrant or payment by direct transfer shall be made payable to the order of the person to whom it is sent or to such person as the holder or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and the payment of the cheque or warrant or by such electronic means shall be a good discharge to the Company of the dividend to which it relates, regardless that it may subsequently appear that the cheque or warrant has been stolen or that the endorsement thereon has been forged or of any discrepancy given by the member in the details of the bank account(s). Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

## Proposed Amendments to the Constitution of AYER Holdings Berhad

Clause No	Existing Clause in the Constitution	Proposed Amendment (as underlined or deleted)
135	A copy of every financial statements (including every document required by law to be annexed thereto) which is to be laid before the Company in an annual general meeting and of the Directors' and Auditors' reports shall, at least twenty-one (21) clear days previously to the meeting, be delivered or sent by post to every member and debenture holder of the Company of whose address the Company is aware and to the Company's Auditors and the requisite number of copies of each of these documents shall at the same time be forwarded to each Stock Exchange upon which the Company's shares are listed.	<del>A copy of every financial statements (including every document required by law to be annexed thereto) which is to be laid before the Company in an annual general meeting and of the Directors' and Auditors' reports shall, at least twenty-one (21) clear days previously to the meeting, be delivered or sent by post to every member and debenture holder of the Company of whose address the Company is aware and to the Company's Auditors and the requisite number of copies of each of these documents shall at the same time be forwarded to each Stock Exchange upon which the Company's shares are listed.</del> A copy of each of the audited financial statements, the Directors' and Auditors' reports in printed form or in CD-ROM or other electronic communication permitted under the applicable laws or any combination thereof shall, <u>not less than twenty-one (21) days before the date of the annual general meeting be sent to every member of and to every holder of debentures of the Company and to every other person who is entitled to receive notice of general meetings from the Company under the provisions of the Act or of this Constitution, in accordance with the provisions of the Act or of this Constitution, provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.</u>
137	Any notice or documents may be served by the Company on any member in hard copy and/or electronic form, where a notice or document served in hard copy can either be served personally or through the post in a prepaid letter addressed to the member at his registered address, or where it is served by way of electronic form, transmitted to his electronic address. All notices so served by post shall be simultaneously posted from the Office to those members described in the Register of Members and the Record of Depositors with an address within Malaysia and from such other place or places as may be specified by the Directors to other members entitled to have notices served upon them in accordance with the provisions of the next following Article.	Any notice or documents may be served by the Company on any member in hard copy and/or electronic form <u>or such other forms of electronic communication</u> , where a notice or document served in hard copy can either be served personally or through the post in a prepaid letter addressed to the member at his registered address, or where it is served by way of electronic form, transmitted to his electronic address. All notices so served by post shall be simultaneously posted from the Office to those members described in the Register of Members and the Record of Depositors with an address within Malaysia and from such other place or places as may be specified by the Directors to other members entitled to have notices served upon them in accordance with the provisions of the next following Article.
139(b)	Any notice or other document, if served by electronic form, shall be deemed to have been served (in the case of a notice of meeting) on the day it has been transmitted to the electronic address of a member and where a notice is posted on a website, it shall be made available throughout the period beginning from the date of the notification until the conclusion of the meeting.	Any notice or other document, if served by electronic form <u>or such other forms of electronic communication</u> , shall be deemed to have been served (in the case of a notice of meeting) on the day it has been transmitted to the electronic address of a member and where a notice is posted on a website, it shall be made available throughout the period beginning from the date of the notification until the conclusion of the meeting.
140A	NEW	<u>For the avoidance of doubt, any document or instrument transmitted by electronic means or any technology purporting to include a signature and/or electronic or digital signature, including but not limited to signing with a platform, of any of the following persons:</u>  (a) <u>a holder of shares;</u>  (b) <u>a Director;</u>  (c) <u>an alternate Director;</u>  (d) <u>in the case of a corporation, which is a holder of shares, its Director or Secretary or a duly appointed attorney or duly authorised representative;</u>  <u>shall in the absence of express evidence to the contrary available to the person relying on such document or instrument at the relevant time, be deemed to be a document or instrument signed by such person in the terms on which it is received.</u>

This page has been intentionally left blank.

This page has been intentionally left blank.



**AYER HOLDINGS BERHAD** (REGISTRATION NO. 190701000003 (37-K)  
(Incorporated in Malaysia)

<b>CDS Account No.</b>	
<b>No. of Shares Held</b>	

I/We .....NRIC/Passport/Company No. ....  
[Please fill in full name](Please use block letters) [Please fill NRIC/Passport/Company No.]  
(Please use block letters)

of .....  
[Please fill in address]

being a member/members of **AYER HOLDINGS BERHAD** hereby appoint .....  
[Please fill in in full name](Please use block letters)

NRIC/Passport No. .... of .....  
[Please fill NRIC/Passport/Company No.]  
(Please use block letters)

.....  
[Please fill in address]

or failing him, .....NRIC/Passport No. ....  
[Please fill in full name](Please use block letters) [Please fill NRIC/Passport/Company No.]  
(Please use block letters)

of .....  
[Please fill in address]

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 110<sup>th</sup> Annual General Meeting of the Company to be held at Bukit Puchong Gallery, Lot 59244, Jalan BP 7/15, Bandar Bukit Puchong, 47120 Puchong, Selangor on Tuesday, 11 May 2021 at 2.00 p.m. or at adjourned meeting, and to vote as indicated below:-.

Resolutions		For	Against
Payment of first and final dividend	Ordinary Resolution 1		
Payment of Directors' Fees and benefits payable to the Directors' of the Company and its subsidiaries	Ordinary Resolution 2		
Re-election of Mr Lim Kee Choon as Director	Ordinary Resolution 3		
Re-election of Ms Lim Wan Yee as Director	Ordinary Resolution 4		
Re-appointment of Messrs Khoo Wong & Chan as Auditors and authorising Directors to determine their remuneration	Ordinary Resolution 5		
Continuing in office as an Independent Non-Executive Director - Tan Sri Datuk Yong Poh Kon	Ordinary Resolution 6		
Proposed Amendments to the Constitution of the Company	Special Resolution		

(Please indicate with an 'X' in the space provided whether you wish your votes to be cast "FOR" or "AGAINST" the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit. However, if two proxies are appointed, please specify in the table below the number of shares represented by each proxy, failing which the appointment shall be invalid.)

Name of Proxy	Proportion of Shares Held
1.	
2.	
<b>Total number of shares held</b>	

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Signature of Shareholder(s)/Common Seal

Notes :

- i) A member of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy or attorney or other duly authorised representative to attend and vote in his stead. A proxy may, but need not be a member of the Company. A member may appoint any person to be his proxy. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- ii) A member of the Company who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- iii) For a member of the Company who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- iv) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- v) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
- (a) In hard copy form  
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
- (b) By electronic form  
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Details on the procedures for electronic lodgement of proxy form via TIIH Online.

**AFFIX  
STAMP**

**The Share Registrar**

**Tricor Investor & Issuing House Services Sdn Bhd**  
**Registration Number: 197101000970 (11324-H)**

Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3, Bangsar South  
No. 8 Jalan Kerinchi, 59200 Kuala Lumpur

- vi) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- vii) For a corporate member who has appointed a representative, please deposit the ORIGINAL certificate of appointment with the Share Registrar of the Company at 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia. The certificate of appointment should be executed in the following manner:
- (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
- (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
- at least two (2) authorised officers, of whom one shall be a director; or
  - any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- viii) For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 4 May 2021 and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the meeting or appoint proxies to attend and vote in his stead.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms as set out in the Notice of Annual General Meeting dated 12 April 2021.





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