

TA ANN HOLDINGS BERHAD
(Incorporated in Malaysia)

Condensed consolidated statement of financial position
As at 30 June 2016 - unaudited

	Note	30 June 2016 RM'000	31 December 2015 RM'000
Assets			
Property, plant and equipment		910,539	927,819
Prepaid lease payments		3,937	4,077
Oil palm plantation development expenditure		341,931	341,129
Reforestation expenditure		90,614	88,966
Deferred tax assets		7,884	8,165
Timber concessions		27,593	30,431
Goodwill		10,492	10,732
Other intangible assets		5,593	7,055
Total non-current assets		1,398,583	1,418,374
Inventories		160,047	156,100
Property development costs		1,441	1,441
Trade and other receivables	14	85,264	72,495
Current tax recoverable		1,166	314
Cash and cash equivalents	22	279,225	319,027
Other investments	23	24,621	4,500
Total current assets		551,764	553,877
Total assets		1,950,347	1,972,251
Financed by:			
Capital and reserves			
Share capital		444,844	370,736
Treasury shares		(904)	(904)
Foreign exchange translation reserve		10,965	18,152
Retained earnings	33	745,103	796,181
Total equity attributable to owners of the Company		1,200,008	1,184,165
Non-controlling interests		37,027	33,889
Total equity		1,237,035	1,218,054
Liabilities			
Deferred tax liabilities		87,007	85,553
Deferred income		39,223	42,305
Borrowings	27	302,394	327,361
Employee benefits		23,830	22,204
Total non-current liabilities		452,454	477,423
Trade and other payables		131,979	127,544
Deferred income		2,425	2,538
Borrowings	27	117,877	127,810
Employee benefits		2,246	2,012
Current tax payable		6,331	16,870
Total current liabilities		260,858	276,774
Total liabilities		713,312	754,197
Total equity and liabilities		1,950,347	1,972,251
Net assets per share (RM)		2.70	3.19

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

Condensed consolidated statement of profit or loss and other comprehensive income
For the period ended 30 June 2016 - unaudited

	Note	Individual Quarter		Cumulative Quarter	
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter Ended	Corresponding	To date	Corresponding
		30 June	Quarter Ended	30 June	Period Ended
		2016	30 June	2016	30 June
		RM'000	2015	RM'000	2015
			RM'000		RM'000
Revenue	9	269,081	256,889	487,613	479,035
Cost of sales		(199,762)	(183,966)	(376,435)	(347,566)
Gross profit		69,319	72,923	111,178	131,469
Finance income		2,646	1,902	4,535	3,747
Other operating income		6,118	5,462	11,777	9,609
Unrealised gain/ (loss) in foreign exchange		1,464	605	(220)	1,577
Distribution costs		(15,213)	(13,075)	(28,516)	(26,394)
Administrative expenses		(14,316)	(12,438)	(23,100)	(22,313)
Other expenses		(5,150)	(3,698)	(8,114)	(7,374)
Profit from operations		44,868	51,681	67,540	90,321
Finance costs		(4,952)	(6,255)	(10,012)	(11,213)
Profit before tax	9	39,916	45,426	57,528	79,108
Tax expense	21	(6,785)	(12,445)	(12,433)	(21,190)
Profit for the period		33,131	32,981	45,095	57,918
Other comprehensive income/ (loss), net of tax					
Item that is or may be reclassified subsequently to profit or loss					
Foreign exchange translation differences for foreign operations		356	2,435	(7,187)	1,246
Other comprehensive income/ (loss) for the period, net of tax		356	2,435	(7,187)	1,246
Total comprehensive income for the period		33,487	35,416	37,908	59,164
Profit attributable to:					
Owners of the Company		29,012	33,449	41,557	60,530
Non-controlling interests		4,119	(468)	3,538	(2,612)
Profit for the period		33,131	32,981	45,095	57,918
Total comprehensive income attributable to:					
Owners of the Company		29,368	35,884	34,370	61,776
Non-controlling interests		4,119	(468)	3,538	(2,612)
Total comprehensive income for the period		33,487	35,416	37,908	59,164
Earnings per share attributable to owners of the Company :					
Basic/ Diluted earnings per ordinary share (sen) as originally reported for the quarter ended 30 June 2015		-	9.03	-	16.34
Basic/ Diluted earnings per ordinary share (sen) after the bonus issues effected in June 2016	31	6.52	7.52	9.35	13.61

The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

Company No: 419232-K

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Condensed consolidated statement of changes in equity
For the period ended 30 June 2016 - unaudited

	← Attributable to owners of the Company →						
	← Non-distributable →		Foreign exchange translation reserve	Distributable Retained earnings	Total	Non- controlling interests	Total equity
	Share capital RM'000	Treasury shares RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2016	370,736	(904)	18,152	796,181	1,184,165	33,889	1,218,054
Foreign exchange translation differences	-	-	(7,187)	-	(7,187)	-	(7,187)
Total other comprehensive loss for the period	-	-	(7,187)	-	(7,187)	-	(7,187)
Profit for the period	-	-	-	41,557	41,557	3,538	45,095
Total comprehensive (loss)/ income for the period	-	-	(7,187)	41,557	34,370	3,538	37,908
<i>Contributions by and distributions to owners of the Company</i>							
- Dividends to owners of the Company	-	-	-	(18,527)	(18,527)	-	(18,527)
- Dividends to non-controlling interests	-	-	-	-	-	(400)	(400)
- Issue of bonus shares	74,108	-	-	(74,108)	-	-	-
Total transactions with owners of the Company	74,108	-	-	(92,635)	(18,527)	(400)	(18,927)
At 30 June 2016	444,844	(904)	10,965	745,103	1,200,008	37,027	1,237,035
At 1 January 2015	370,736	(904)	5,578	682,777	1,058,187	31,867	1,090,054
Foreign exchange translation differences	-	-	1,246	-	1,246	-	1,246
Total other comprehensive income for the period	-	-	1,246	-	1,246	-	1,246
Profit/ (Loss) for the period	-	-	-	60,530	60,530	(2,612)	57,918
Total comprehensive income/ (loss) for the period	-	-	1,246	60,530	61,776	(2,612)	59,164
<i>Contributions by and distributions to owners of the Company</i>							
- Dividends to non-controlling interests	-	-	-	-	-	(1,400)	(1,400)
Total transactions with owners of the Company	-	-	-	-	-	(1,400)	(1,400)
At 30 June 2015	370,736	(904)	6,824	743,307	1,119,963	27,855	1,147,818

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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**Condensed consolidated statement of cash flows
For the period ended 30 June 2016 - unaudited**

	1 January 2016 to 30 June 2016 RM'000	1 January 2015 to 30 June 2015 RM'000
Cash flows from operating activities		
Profit before tax	57,528	79,108
<i>Adjustments for:</i>		
Amortisation of plantation development expenditure	9,268	7,342
Amortisation of prepaid lease payments	140	140
Amortisation of goodwill	240	240
Amortisation of other intangible assets and timber concessions	4,238	4,249
Depreciation of property, plant and equipment	33,325	28,020
Deferred income recognised as income	(1,220)	(614)
Finance costs	10,012	11,213
Finance income	(4,535)	(3,747)
Gain on disposal of property, plant and equipment	(104)	(145)
Property, plant and equipment written off	203	247
Unrealised foreign exchange loss/ (gain)	220	(1,577)
Employee benefits	1,746	1,220
Operating profit before changes in working capital	<u>111,061</u>	<u>125,696</u>
Changes in working capital:		
Inventories	(5,572)	(4,079)
Property development costs	-	(1)
Trade and other receivables, prepayments and other assets	(12,915)	(17,340)
Trade and other payables	4,190	(276)
Cash generated from operations	<u>96,764</u>	<u>104,000</u>
Interest paid	(1,446)	(1,974)
Income tax paid	(22,053)	(14,766)
Employee benefits paid	(120)	-
Net cash from operating activities	<u>73,145</u>	<u>87,260</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(13,985)	(21,916)
Proceeds from disposal of property, plant and equipment	233	1,254
Plantation development expenditure incurred	(11,448)	(19,088)
(Placement)/ Upliftment of fixed deposits with original maturities exceeding three months	(20,121)	12,450
Interest received	4,535	3,747
Net cash used in investing activities	<u>(40,786)</u>	<u>(23,553)</u>
Cash flows from financing activities		
Dividends paid to owners of the Company	(18,527)	-
Dividends to non-controlling interests	(400)	(1,400)
Repayment of borrowings	(36,687)	(15,503)
Repayment of finance lease liabilities	(7,688)	(7,588)
Upliftment/ (Placement) of pledged deposits	407	(725)
Finance lease interest paid	(600)	(696)
Term loan interest/ profit paid	(7,966)	(8,543)
Net cash used in financing activities	<u>(71,461)</u>	<u>(34,455)</u>
Net (decrease)/ increase in cash and cash equivalents	(39,102)	29,252
Effect of exchange rate fluctuations on cash held	(293)	(188)
Cash and cash equivalents at 1 January	<u>317,716</u>	<u>297,862</u>
Cash and cash equivalents at 30 June (Note 22)	<u>278,321</u>	<u>326,926</u>

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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Notes to the interim financial report

1 Basis of Preparation

The interim financial report has been prepared in accordance with FRS 134: *Interim Financial Reporting* and paragraph 9.22 of Listing Requirements of the Bursa Malaysia Securities Berhad.

The preparation of an interim financial report in conformity with FRS 134, *Interim Financial Reporting*, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2015. It contains unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the year ended 31 December 2015. The condensed consolidated interim financial report and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Financial Reporting Standards (FRSs).

The statutory financial statements for the year ended 31 December 2015 are available from the Company's registered office.

2 Significant Accounting Policies

2.1 Change in accounting policies

The significant accounting policies adopted in the preparation of this interim financial report are consistent with those in the audited financial statements for the year ended 31 December 2015, except for the adoption of the following standards, amendments and interpretations:

- Amendments to FRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 10, *Consolidated Financial Statements*, FRS 12, *Disclosure of Interests in Other Entities* and FRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to FRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to FRS 116, *Property, Plant and Equipment* and FRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to FRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to FRS 134, *Interim Financial Reporting (Annual Improvements 2012 – 2014 Cycle)*

The adoption of the new and revised FRSs, IC Interpretations and Amendments has no material impact to the Group's consolidated financial statements of the current quarter or the comparative consolidated financial statements of the prior financial year.

2.2 Malaysian Financial Reporting Standards (MFRS) Framework

On 8 September 2015, MASB has confirmed that the effective date of MFRS 15 *Revenue from Contracts with Customers* will be deferred to annual periods beginning on or after 1 January 2018. The MASB has consistently used the effective date of MFRS 15 as the basis for setting the effective date for Transitioning Entities (TEs) to apply MFRS. As a result, the effective date for the TEs to apply MFRS will also be deferred to annual periods beginning on or after 1 January 2018.

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Notes to the interim financial report

2 Significant Accounting Policies (continued)

2.2 Malaysian Financial Reporting Standards (MFRS) Framework (continued)

Given that certain group entities are TEs, the financial statements of the Group will continue to be prepared in compliance with FRS for the financial year ending 31 December 2016 and 31 December 2017. They will be prepared in compliance with MFRS from the financial year beginning on 1 January 2018.

3 Auditors' Report on Preceding Annual Financial Statements

The auditors have expressed an unqualified opinion on the audited financial statements for the year ended 31 December 2015 in their report dated 30 March 2016.

4 Seasonality or Cyclicity of Operations

The Group's operations were not subject to any seasonal or cyclical changes for the current quarter under review.

5 Unusual Items

There are no unusual items that have any material impact on the interim financial report.

6 Changes in Estimates

There were no changes in estimates that have had a material effect on the current quarter and financial year-to-date results.

7 Debt and Equity Securities, Share Buy-back

There were no issuances or repayment of debt or equity securities during the financial quarter under review.

As at 30 June 2016, the number of ordinary shares repurchased in an earlier period and retained as treasury shares is 199,400 shares.

8 Dividend

An interim single-tier ordinary dividend of 5 sen per ordinary share for the financial year ended 31 December 2016, amounting to RM18,526,854 was paid on 23 June 2016 to depositors registered in the Record of Depositors at the close of business on 3 June 2016.

No dividend has been proposed by the Directors for the financial quarter under review (corresponding period in Year 2015: nil).

9 Segmental Reporting

	Revenue from external customers		Profit before tax	
	6 months ended 30 June			
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Timber products	250,348	267,637	31,284	66,883
Oil palm	236,987	211,364	26,103	12,640
Reforestation	278	34	242	(308)
Property development	-	-	(101)	(107)
	487,613	479,035	57,528	79,108

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Notes to the interim financial report

10 Valuation of Property, Plant and Equipment

The valuations of buildings, wharf and jetty have been brought forward, without amendment from the previous audited financial statements.

11 Subsequent Events

There were no significant events that have occurred during the interval between the end of the current quarter and the date of this announcement.

12 Changes in Composition of the Group

There were no changes in the composition of the Group during the financial quarter under review.

13 Contingent Liabilities or Assets

There were no material changes in the contingent liabilities or assets since the last annual reporting date.

14 Trade and Other Receivables

	As At 30 June 2016 RM'000	As At 31 December 2015 RM'000
Current assets		
Trade receivables	51,961	45,028
Interest receivable	215	171
Other receivables	6,113	4,913
Deposits	4,663	3,833
Prepayments		
-Plant and machinery	3,344	2,466
-Land premium	5,978	5,978
-Others	12,218	9,728
Advance to a log supplier	90	90
Other advances	682	288
	<u>85,264</u>	<u>72,495</u>

15 Capital Commitments

	As At 30 June 2016 RM'000
Property, plant and equipment	
- Contracted but not provided for	4,800
- Authorised but not contracted for	36,006
- Authorised and contracted for	732
	<u>41,538</u>
Plantation development expenditure	
- Authorised but not contracted for	20,810
Leasehold land held for subsidiaries' use	
- Approved and contracted for	46,523
	<u>108,871</u>

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Notes to the interim financial report

16 Review of Performance

- (a) For the second quarter of 2016, a revenue of RM269.08 million was achieved compared to RM256.89 million of the corresponding quarter in 2015. Profit before tax and net profit for the quarter were RM39.92 million and RM33.13 million, compared to RM45.43 million and RM32.98 million of the corresponding quarter in 2015 respectively.

The higher revenue were mainly attributed to:

- (i) Higher crude palm oil ('CPO') and fresh fruit bunch ('FFB') average selling price by 11% and 25% respectively; and
- (ii) Increase in sales volume of plywood by 6%.
- (b) For the first half year of 2016, the revenue and net profit were RM487.61 million and RM45.10 million, compared to RM479.04 million and RM57.92 million respectively of the corresponding period in 2015.

Higher revenue for the 1H16 was attributed to the rise in FFB production volume as additional matured hectares were declared for the 1H16 which resulted in a higher FFB and CPO sales volume by 8% and 11% respectively. Higher CPO price were registered by 8%. However, the performance was affected by the drop in export log sales volume and the selling price, by 27% and 11% respectively, resulted in a lower net profit than the corresponding period in 2015.

17 Variation of Results as compared to the Preceding Quarter

Revenue and net profit in the quarter under review were RM269.08 million and RM33.13 million compared to RM218.53 million and RM11.96 million respectively of the preceding quarter.

Main factors contributing to the performance were:

Increased in sales volume, especially Plywood, FFB and CPO which jumped by 20%, 29%, and 33% respectively as well as better selling prices for CPO and FFB accounted for the higher revenue and net profit for the quarter under review.

18 Current Year Prospects

With the peak crop seasons in the coming third quarter, the Group is monitoring closely on harvesting interval to maximize FFB harvesting volume to raise the contribution of palm oil sector to the Group revenue and profit accordingly.

The recent announcement of monthly allocation quota for export and milling logs to 30%:70% from 40%:60%, will result in short supply of export logs. In the tight log supplies scenario, timber prices are anticipated to remain on positive trend in the coming months with the anticipated stable market demand. Plywood demand in Japan is still slow but anticipated plywood demand will be improving soon.

Barring unforeseen circumstances, the Board of Directors expects the Group to achieve a satisfactory performance for the year under review.

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Notes to the interim financial report

19 Profit Forecast

Not applicable as the Group did not publish any profit forecast.

20 Profit for the period

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 June		6 months ended 30 June	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit for the period is arrived at after crediting/ (charging):				
Finance income	2,646	1,902	4,535	3,747
Finance costs	(4,952)	(6,255)	(10,012)	(11,213)
Depreciation and amortisation	(22,607)	(20,125)	(47,211)	(39,991)
Gain/ (Loss) on disposal of property, plant and equipment	90	159	104	145
Property, plant and equipment written off	(126)	(165)	(203)	(247)
Foreign exchange gain/ (loss)				
- realised	3,009	1,993	5,234	2,584
- unrealised	1,464	605	(220)	1,577

Save as disclosed above, the other items required to be disclosed under Appendix 9B, Part A(16) of the Bursa Listing Requirements are not applicable.

21 Tax Expense

The taxation charges of the Group for the period under review are as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 June		6 months ended 30 June	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current tax expense				
- Current year	5,265	12,925	10,662	22,079
- Prior years	-	(128)	-	(128)
	5,265	12,797	10,662	21,951
Deferred tax expense/(income)				
- Current year	1,520	(352)	1,771	(761)
Total tax expense	6,785	12,445	12,433	21,190

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Notes to the interim financial report

21 Tax Expense (continued)

Reconciliation of tax expense

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 June		6 months ended 30 June	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit for the period	33,131	32,981	45,095	57,918
Total tax expense	6,785	12,445	12,433	21,190
Profit excluding tax	39,916	45,426	57,528	79,108
Tax calculated using Malaysian tax rate of 24% (2015: 25%)				
- Prima facie income tax expense	9,580	11,356	13,807	19,777
- Non-deductible expenses	3,274	2,625	5,537	4,489
- Double deduction for certain expenses	-	(1,536)	-	(3,076)
- Movements in unrecognised deferred tax assets	(2,123)	-	(2,965)	-
- Utilisation of previously unrecognised deferred tax assets	(3,946)	-	(3,946)	-
Tax expense for the period	6,785	12,445	12,433	21,190

22 Cash and Cash Equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

	As at 30 June 2016 RM'000	As at 30 June 2015 RM'000
Cash in hand	150	38
Cash at banks	132,385	215,375
Fixed deposits with original maturities not exceeding three months	145,786	111,513
	278,321	326,926
Fixed deposits pledged to banks	904	1,562
	279,225	328,488

Fixed deposits of subsidiaries amounting to RM903,772 (2015: RM1,562,327) are pledged to licensed banks for bank facilities granted thereto.

23 Other Investments

	As at 30 June 2016 RM'000	As at 31 December 2015 RM'000
Fixed deposits with original maturities exceeding three months	24,621	4,500
	24,621	4,500

24 Unquoted Investment and Properties

There was no sale of unquoted investments and/or properties during the financial quarter under review.

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Notes to the interim financial report

25 Quoted Investments

There was no purchase or disposal of quoted securities during the financial quarter under review.

26 Status of Corporate Proposal

Pursuant to shareholders' approval on 19 May 2016 for a bonus issue of one bonus share for every five existing ordinary shares held, 74,107,416 bonus shares were issued by the Company, which were listed and quoted on Bursa Malaysia Securities Berhad on 9 June 2016.

There were no corporate proposals announced or pending completion as at the date of this announcement.

27 Group Borrowings and Debt Securities

Total Group borrowings as at 30 June 2016 were as follows: -

		As at 30 June 2016
		RM'000
<u>Current</u>		
<i>Denominated in Ringgit Malaysia</i>		
Unsecured -	Bankers' acceptances/ Export Credit Refinancing	17,904
	Revolving Credits	38,000
	Term loans	
	- Conventional	26,841
	- Islamic	21,000
Secured -	Finance lease liabilities	14,132
		<hr/>
		117,877
<u>Non-current</u>		
<i>Denominated in Ringgit Malaysia</i>		
Unsecured -	Term loans	
	- Conventional	105,100
	- Islamic	170,000
Secured -	Term loans	16,675
	Finance lease liabilities	10,619
		<hr/>
		302,394
		<hr/>
Total		420,271

28 Material Litigation

There are no pending material litigations as at the date of this announcement other than the following:

- (a) On 16 February 2012, Amba Anak Balleh and 3 others filed a writ of summons against Ta Ann Pelita Igan Plantation Sdn Bhd ("TAPIPSB"), a subsidiary of Ta Ann and four other external defendants not within the Ta Ann Group where the plaintiffs claimed various orders, relief and damages including a declaration that the issuance of the said provisional lease covering the plaintiffs' claimed areas of approximately 450 hectares within the provisional lease of the state land described as Lot 550 Kabang Land District was unlawful, unconstitutional, null and void. The maximum exposure to liabilities will be confined to the approximately 450 hectares claimed by the plaintiffs and Ta Ann is unable to determine the monetary liability impact pending the outcome of the appeal.

The High Court delivered a ruling on 11 July 2014 allowing the plaintiffs' claim against the defendants. The defendants had filed appeals against the High Court's ruling with the Court of Appeal, and a Notice of Application for Stay of Execution was filed on 30 October 2014. The hearing of the appeal has been fixed on 20 October 2016.

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Notes to the interim financial report

28 Material Litigation (continued)

- (b) On 26 August 2014, Sumen Bin Gasan and 6 others claiming to be inhabitants of Melanau and Iban communities and villages situated at Kampung Kebuaw Lama, Kampung Baru Sungai Sah, Kebuaw and Sungai Ilas Batang Igan within the provisional lease of the state land known as Lot 2 Block 3 Lassa Land District held by TAPIPSB and four other external defendants not within the Ta Ann Group filed a claim with the Sibu High Court for various orders, relief and damages including a declaration that the issuance of the said provisional lease covering the plaintiffs' claimed areas of approximately 719 hectares was unlawful, unconstitutional, null and void. The maximum exposure to liabilities will be confined to the approximately 719 hectares claimed by the plaintiffs and Ta Ann is unable to determine the monetary liability impact pending the outcome of the trial.

At the pre-trial case management hearing for this suit in March 2015, the plaintiffs' claim was struck out by the Court with liberty to file afresh due to non-compliance with pre-trial directions.

On 13 October 2015, the plaintiff refiled the Writ and Statement of Claim. The High Court Sibu fixed the trial from 19 to 23 September 2016. We are currently preparing witness statements to be filed by 22 August 2016.

29 Significant Related Party Transactions

The Group entered into the following transactions with related parties, other than compensations to Directors and other key management personnel (see Note 30), during the current financial year:

	6 months ended 30 June	
	2016	2015
	RM'000	RM'000
Transactions with an associate		
Sales of logs and timber products	(2,286)	(3,463)
Transactions with companies connected to certain Directors of the Company and its subsidiaries		
Contract fees and fuel surcharge	24,971	25,637
Food ration expenses	1,760	1,797
Handling fees, transportation & freight charges	8,245	10,522
Hiring of equipment	2	2
Insurance premium	1,883	2,042
Purchase of fresh fruit bunches	377	-
Purchase of property, plant and equipment	76	141
Rental of premises paid	33	25
Purchase of spare parts, fertilizer & consumables	5,629	10,164
Purchase of logs and timber products	2,716	1,324
Security charges	42	43
Repair and maintenance	-	2
Advisory fee	24	-
Computer hardware & software development fees	125	583
Purchase of diesel and lubricants	7,193	9,741
Road toll received	(59)	(80)
Sales of logs and timber products	(4,608)	(5,369)
Sales of fresh fruit bunches	(24,232)	(18,334)
Sales of spare parts, fertilizer & consumables	(59)	(57)
Empty bunch subsidised	(2)	(5)
Hiring income	(4)	(21)
Income from rental of premises	(71)	(70)
Handling fee received	(1,846)	(1,180)
Transport subsidised	(254)	(634)
	=====	=====

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Notes to the interim financial report

30 Key Management Personnel Compensation

Compensations to key management personnel are as follows:

	6 months ended 30 June	
	2016 RM'000	2015 RM'000
Directors		
- Fees	556	536
- Remunerations	1,841	4,344
	<u>2,397</u>	<u>4,880</u>
Other key management personnel		
- Fees	66	60
- Remunerations	2,267	3,604
	<u>2,333</u>	<u>3,664</u>
Total	<u>4,730</u>	<u>8,544</u>

31 Earnings Per Share

	3 months ended 30 June 2016	6 months ended 30 June 2016
(a) Basic		
Net profit attributable to ordinary owners of the Company ('000)	<u>RM29,012</u>	<u>RM41,557</u>
Weighted average number of ordinary shares in issue ('000)	444,645	444,645
Basic earnings per ordinary share (sen)	<u>6.52</u>	<u>9.35</u>
(b) Diluted – after the bonus issue as disclosed in Note 26	<u>6.52</u>	<u>9.35</u>

32 Gain/Losses arising from Fair Value Changes of Financial Liabilities

There were no gains or losses arising from fair value changes of financial liabilities for the current quarter ended 30 June 2016.

33 Realised and Unrealised Profits Disclosure

The retained earnings is analysed as follows:

	As at 30 June 2016 RM'000	As at 30 June 2015 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	1,067,881	1,044,441
- Unrealised	(79,343)	(83,086)
	<u>988,538</u>	<u>961,355</u>
Less: Consolidation adjustments	(243,435)	(218,048)
Total Group retained earnings as per consolidated accounts	<u>745,103</u>	<u>743,307</u>

34 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 August 2016.