

TA ANN HOLDINGS BERHAD
(Incorporated in Malaysia)
Condensed consolidated statement of financial position
As at 30 September 2017 - unaudited

	Note	30 September 2017 RM'000	31 December 2016 RM'000
Assets			
Property, plant and equipment		1,210,019	924,446
Prepaid lease payments		3,527	3,763
Oil palm plantation development expenditure		396,687	344,170
Reforestation expenditure		106,406	94,493
Deferred tax assets		13,658	13,407
Timber concessions		21,630	23,293
Goodwill		38,187	10,058
Other intangible assets		5,495	5,487
Total non-current assets		1,795,609	1,419,117
Inventories		192,872	169,122
Property development costs		1,441	1,441
Trade and other receivables	14	83,776	110,663
Current tax recoverable		306	1,998
Cash and cash equivalents	22	283,673	345,941
Other investments	23	12,949	16,921
Total current assets		575,017	646,086
Total assets		2,370,626	2,065,203
Financed by:			
Capital and reserves			
Share capital		444,844	444,844
Treasury shares		(904)	(904)
Foreign exchange translation reserve		24,605	23,744
Retained earnings	33	858,235	806,888
Total equity attributable to owners of the Company		1,326,780	1,274,572
Non-controlling interests		60,168	42,821
Total equity		1,386,948	1,317,393
Liabilities			
Deferred tax liabilities		168,208	90,770
Deferred income		39,962	40,987
Borrowings	27	263,160	251,470
Employee benefits		28,105	25,584
Total non-current liabilities		499,435	408,811
Trade and other payables		119,662	152,918
Deferred income		2,680	2,617
Borrowings	27	336,648	166,169
Employee benefits		2,923	2,550
Current tax payable		22,330	14,745
Total current liabilities		484,243	338,999
Total liabilities		983,678	747,810
Total equity and liabilities		2,370,626	2,065,203
Net assets per share (RM)		2.98	2.87

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

TA ANN HOLDINGS BERHAD
(Incorporated in Malaysia)

Condensed consolidated statement of profit or loss and other comprehensive income
For the period ended 30 September 2017 - unaudited

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter Ended 30 September 2017 RM'000	Preceding Year Corresponding Quarter Ended 30 September 2016 RM'000	Current Year To date 30 September 2017 RM'000	Preceding Year Corresponding Period Ended 30 September 2016 RM'000
Revenue	9	308,171	349,884	880,103	837,497
Cost of sales		(223,905)	(244,971)	(628,776)	(621,406)
Gross profit		84,266	104,913	251,327	216,091
Finance income		2,285	2,573	6,474	7,108
Other operating income		4,069	6,371	15,598	18,148
Unrealised (loss)/ gain in foreign exchange		(76)	302	(357)	82
Distribution costs		(13,783)	(17,895)	(37,841)	(46,411)
Administrative expenses		(12,063)	(11,672)	(36,594)	(34,772)
Other expenses		(8,710)	(4,096)	(15,245)	(12,210)
Profit from operations		55,988	80,496	183,362	148,036
Finance costs		(6,822)	(4,545)	(18,870)	(14,557)
Profit before tax	9	49,166	75,951	164,492	133,479
Tax expense	21	(18,885)	(18,336)	(50,770)	(30,769)
Profit for the period		30,281	57,615	113,722	102,710
Other comprehensive (loss)/income, net of tax					
Item that is or may be reclassified subsequently to profit or loss					
Foreign exchange translation differences for foreign operations		(2,352)	8,213	861	1,026
Other comprehensive (loss)/income for the period, net of tax		(2,352)	8,213	861	1,026
Total comprehensive income for the period		27,929	65,828	114,583	103,736
Profit attributable to:					
Owners of the Company		23,090	52,061	95,811	93,618
Non-controlling interests		7,191	5,554	17,911	9,092
Profit for the period		30,281	57,615	113,722	102,710
Total comprehensive income attributable to:					
Owners of the Company		20,738	60,274	96,672	94,644
Non-controlling interests		7,191	5,554	17,911	9,092
Total comprehensive income for the period		27,929	65,828	114,583	103,736
Earnings per share attributable to owners of the Company :					
Basic/ Diluted earnings per ordinary share (sen)	31	5.19	11.71	21.55	21.05

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

Company No: 419232-K

TA ANN HOLDINGS BERHAD

Condensed consolidated statement of changes in equity
For the period ended 30 September 2017 - unaudited

	← Attributable to owners of the Company →						Non-controlling interests	Total equity
	← Non-distributable →		Foreign exchange translation reserve		Distributable Retained earnings			
	Share capital	Treasury shares	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2017	444,844	(904)	23,744	806,888	1,274,572	42,821	1,317,393	
Foreign exchange translation differences	-	-	861	-	861	-	861	
Total other comprehensive income for the period	-	-	861	-	861	-	861	
Profit for the period	-	-	-	95,811	95,811	17,911	113,722	
Total comprehensive income for the period	-	-	861	95,811	96,672	17,911	114,583	
<i>Contributions by and distributions to owners of the Company</i>								
- Dividends to owners of the Company	-	-	-	(44,464)	(44,464)	-	(44,464)	
- Dividends to non-controlling interests	-	-	-	-	-	(3,200)	(3,200)	
Total transactions with owners of the Company	-	-	-	(44,464)	(44,464)	(3,200)	(47,664)	
Subscription of shares by non-controlling interests	-	-	-	-	-	2,636	2,636	
At 30 September 2017	444,844	(904)	24,605	858,235	1,326,780	60,168	1,386,948	
At 1 January 2016	370,736	(904)	18,152	796,181	1,184,165	33,889	1,218,054	
Foreign exchange translation differences	-	-	1,026	-	1,026	-	1,026	
Total other comprehensive income for the period	-	-	1,026	-	1,026	-	1,026	
Profit for the period	-	-	-	93,618	93,618	9,092	102,710	
Total comprehensive income for the period	-	-	1,026	93,618	94,644	9,092	103,736	
<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 September 2016	444,844	(904)	19,178	797,164	1,260,282	42,581	1,302,863	

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

Company No: 419232-K

TA ANN HOLDINGS BERHAD

Condensed consolidated statement of cash flows
For the period ended 30 September 2017 - unaudited

	1 January 2017 to 30 September 2017 RM'000	1 January 2016 to 30 September 2016 RM'000
Cash flows from operating activities		
Profit before tax	164,492	133,479
<i>Adjustments for:</i>		
Amortisation of plantation development expenditure	17,069	13,894
Amortisation of prepaid lease payments	236	211
Amortisation of goodwill	360	360
Amortisation of other intangible assets and timber concessions	1,683	6,349
Depreciation of property, plant and equipment	54,443	48,053
Deferred income recognised as income	(1,988)	(1,832)
Finance costs	18,870	14,557
Finance income	(6,474)	(7,108)
Loss/(Gain) on disposal of property, plant and equipment	14	(128)
Property, plant and equipment written off	2,153	703
Unrealised foreign exchange loss/(gain)	357	(82)
Employee benefits	2,661	2,631
Operating profit before changes in working capital	253,876	211,087
Changes in working capital:		
Inventories	(20,870)	(2,458)
Trade and other receivables, prepayments and other assets	6,627	(26,553)
Trade and other payables	(73,798)	23,327
Cash generated from operations	165,835	205,403
Interest paid	(3,273)	(1,861)
Income tax paid	(27,677)	(32,755)
Employee benefits paid	(172)	(120)
Net cash from operating activities	134,713	170,667
Cash flows from investing activities		
Acquisition of property, plant and equipment	(30,072)	(24,190)
Proceeds from disposal of property, plant and equipment	725	289
Proceeds from issuance of shares to non-controlling interests	2,250	-
Plantation development expenditure incurred	(20,452)	(16,763)
Acquisition of new subsidiary (net of cash acquired)	(185,926)	-
Upliftment / (Placement) of fixed deposits with original maturities exceeding three months	3,972	(33,900)
Interest received	6,474	7,108
Net cash used in investing activities	(223,029)	(67,456)
Cash flows from financing activities		
Dividends paid to owners of the Company	(44,464)	(18,527)
Dividends to non-controlling interests	(3,200)	(400)
Proceeds from/ (Repayment of) borrowings/trade financing	100,716	(53,553)
Repayment of finance lease liabilities	(11,697)	(11,852)
(Placement)/ Upliftment of pledged deposits	(11)	404
Finance lease interest paid	(866)	(909)
Term loan interest/ profit paid	(14,731)	(11,787)
Net cash from/ (used in) financing activities	25,747	(96,624)
Net (decrease) / increase in cash and cash equivalents	(62,569)	6,587
Effect of exchange rate fluctuations on cash held	293	121
Cash and cash equivalents at 1 January	345,031	317,716
Cash and cash equivalents at 30 September (Note 22)	282,755	324,424

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

Company No : 419232-K

TA ANN HOLDINGS BERHAD

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 2016. 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 2016. 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 2016 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 2016, except for the adoption of the following standards, amendments and interpretations:

- Amendments to FRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to FRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

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.

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 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 2016 in their report dated 6 April 2017.

Company No : 419232-K

TA ANN HOLDINGS BERHAD

Notes to the interim financial report

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 September 2017, 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 2017, amounting to RM22,232,225 was paid on 28 September 2017 to depositors registered in the Record of Depositors at the close of business on 8 September 2017.

No dividend has been proposed by the Directors for the financial quarter under review (corresponding period in Year 2016: 5 sen).

9 Segmental Reporting

	Revenue from external customers		Profit before tax	
	9 months ended 30 September			
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Timber products	321,751	402,950	11,182	57,375
Oil palm	558,024	434,110	153,399	76,910
Reforestation	328	437	31	(648)
Property development	-	-	(120)	(158)
	880,103	837,497	164,492	133,479

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.

Company No : 419232-K

TA ANN HOLDINGS BERHAD

Notes to the interim financial report

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 September 2017 RM'000	As At 31 December 2016 RM'000
Current assets		
Trade receivables	59,561	64,936
Interest receivable	-	428
Other receivables	1,388	8,252
Deposits	11,468	26,464
Prepayments		
-Plant and machinery	2,552	1,091
-Others	8,226	9,081
Advance to a log supplier	90	90
Other advances	491	321
	<u>83,776</u>	<u>110,663</u>

15 Capital Commitments

	As At 30 September 2017 RM'000
Property, plant and equipment	
- Contracted but not provided for	-
- Authorised but not contracted for	34,033
- Authorised and contracted for	6,056
	<u>40,089</u>
Plantation development expenditure	
- Authorised but not contracted for	18,087
Leasehold land held for subsidiaries' use	
- Approved and contracted for	45,390
	<u>103,566</u>

Company No : 419232-K

TA ANN HOLDINGS BERHAD

Notes to the interim financial report

16 Review of Performance

- (a) For the quarter under review, a revenue of RM308.17 million was achieved compared to RM349.88 million of the corresponding quarter in 2016. Profit before tax and net profit for the quarter were RM49.17 million and RM30.28 million respectively, 35% and 47% lower compared to RM75.95 million and RM57.62 million of the corresponding quarter in 2016 respectively.

The plywood product and export logs sales volume dropped by 37% and 55% respectively accounted mainly for the decrease in revenue and profit.

- (b) For the first nine months of 2017, the revenue of RM880.10 million was 5% higher than the RM837.50 million of corresponding period in 2016 and net profit also rose by 11% to RM113.72 million from RM102.71 million.

The crude palm oil ('CPO') and fresh fruit bunches ('FFB') achieved higher sales volumes of 11% and 13% respectively as well as fetching better CPO and FFB average selling prices, by 14% and 11% respectively, contributed to the better performance of the nine months under review.

17 Variation of Results as compared to the Preceding Quarter

Revenue and net profit in the quarter under review were RM308.17 million and RM30.28 million respectively compared to RM266.37 million and RM40.47 million respectively of the preceding quarter.

These were mainly attributed to the drop in logs export volume resulted by the 10% reduction in logs export quota.

18 Current Year Prospects

Performance for the palm oil sector is expected to remain as the main profit contributor in the coming quarter. For timber sector, the underperformance is due to the low logs production in compliance with the certification exercise as well as the restricting logs export quota of 20% that took effect in July 2017. The Group has nevertheless strategized in employing higher plantation and certified woods components in its production by utilizing matured plantation logs as well as the imported eucalyptus veneer and also adjusting market mix in accordance to the availability of the raw material.

Strategies to fine tune processes in managing workforce has been formulated towards production efficiency and effectiveness.

Given to the low plywood inventory in Japan coupled with the infrastructure construction works for the coming Olympics which has accepted the Company plywood products for the said construction works, we expect the timber market to rebound.

Barring unforeseen circumstances, the directors are confident of a satisfactory performance for 2017.

19 Profit Forecast

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

TA ANN HOLDINGS BERHAD

Notes to the interim financial report

20 Profit for the period

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		9 months ended 30 September	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit for the period is arrived at after crediting/ (charging):				
Finance income	2,285	2,573	6,474	7,108
Finance costs	(6,822)	(4,545)	(18,870)	(14,557)
Depreciation and amortisation	(27,678)	(21,656)	(73,791)	(68,867)
Gain/ (loss) on disposal of property, plant and equipment	231	24	(14)	128
Property, plant and equipment written off	(1,895)	(500)	(2,153)	(703)
Foreign exchange gain/ (loss)				
- realised	1,548	2,696	5,677	7,930
- unrealised	(76)	302	(357)	82

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 September		9 months ended 30 September	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax expense				
- Current year	12,920	14,211	37,051	24,873
- Prior year	85	-	85	-
	<hr/>	<hr/>	<hr/>	<hr/>
	13,005	14,211	37,136	24,873
Deferred tax expense				
- Current year	5,880	4,125	13,634	5,896
Total tax expense	<hr/>	<hr/>	<hr/>	<hr/>
	18,885	18,336	50,770	30,769

Company No : 419232-K

TA ANN HOLDINGS BERHAD

Notes to the interim financial report

21 Tax Expenses (cont'd)

Reconciliation of tax expense

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		9 months ended 30 September	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit for the period	30,281	57,615	113,722	102,710
Total tax expense	18,885	18,336	50,770	30,769
Profit excluding tax	49,166	75,951	164,492	133,479
Tax calculated using Malaysian tax rate of 24% (2016: 24%)				
- Prima facie income tax expense	11,800	18,228	39,478	32,035
- Non-deductible expenses	3,634	3,234	6,685	8,771
- Utilisation of previously unrecognised deferred tax assets	1,510	(1,837)	-	(5,783)
- Movements in unrecognised deferred tax assets	1,941	(1,289)	4,607	(4,254)
Tax expense for the period	18,885	18,336	50,770	30,769

22 Cash and Cash Equivalents

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

	As at 30 September 2017 RM'000	As at 30 September 2016 RM'000
Cash in hand	218	123
Cash at banks	176,141	159,975
Fixed deposits with original maturities not exceeding three months	106,396	164,326
	282,755	324,424
Fixed deposits pledged to banks	918	907
	283,673	325,331

Fixed deposits of subsidiaries amounting to RM917,568 (2016: RM906,606) are pledged to licensed banks for bank facilities granted thereto.

23 Other Investments

	As at 30 September 2017 RM'000	As at 31 December 2016 RM'000
Fixed deposits with original maturities exceeding three months	12,949	16,921

Company No : 419232-K

TA ANN HOLDINGS BERHAD

Notes to the interim financial report

24 Unquoted Investment and Properties

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

25 Quoted Investments

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

26 Status of Corporate Proposal

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 September 2017 were as follows: -

		As at 30 September 2017
		RM'000
<u>Current</u>		
<i>Denominated in Ringgit Malaysia</i>		
Unsecured -	Bankers' acceptances/ Export Credit Refinancing	31,792
	Revolving Credits	107,000
	Term loans	
	- Conventional	52,531
	- Islamic	124,000
Secured -	Finance lease liabilities	11,004
	Term loans	10,321
		<hr/>
		336,648
<u>Non-current</u>		
<i>Denominated in Ringgit Malaysia</i>		
Unsecured -	Term loans	
	- Conventional	45,568
	- Islamic	149,000
Secured -	Finance lease liabilities	8,411
	Term loans	60,181
		<hr/>
		263,160
Total		<hr/> 599,808 <hr/>

Company No : 419232-K

TA ANN HOLDINGS BERHAD

Notes to the interim financial report

28 Material Litigation

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

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 Sibü 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 trial of the case has ended on 4 November 2016. The High Court has given directions to prepare written submissions and bundles of authorities.

During the clarification hearing on 3 February 2017, the Plaintiffs' counsel had informed the Court in light of the decision of the Federal Court case of TR Sandah (which clearly recognise the temudak and cultivated lands although rejecting the claims on pulau galau and pemakai menoa as having no force of law) that he was considering whether to proceed with the case or to concede with survey of the cleared area based on the aerial photograph of the area in question. His clients brought this matter back to their village for discussion but they have not come to a decision yet.

The Honourable Judge asked if the parties could come to an agreement or settlement perhaps to allow the Plaintiffs' claim for the temudak (cleared or cultivated lands), and agree for a survey to be done for the temudak and cleared or cultivated lands guided by the aerial photograph interpretation. This would mean that the Plaintiff will concede their claim for the pemakai menoa and pulau galau. All these will be done on without admission of liability basis.

This case is fixed for Sibü High Court Decision on 15 December 2017.

Company No : 419232-K

TA ANN HOLDINGS BERHAD

Notes to the interim financial report

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:

	9 months ended 30 September	
	2017	2016
	RM'000	RM'000
Transactions with an associate		
Sales of logs and timber products	(1,869)	(3,161)
Transactions with companies connected to certain Directors of the Company and its subsidiaries		
Contract fees and fuel surcharge	20,735	37,415
Food ration expenses	181	1,864
Handling fees, transportation & freight charges	10,854	13,070
Repair and maintenance	134	-
Hiring of equipment	2	2
Insurance premium	3,286	3,416
Purchase of fresh fruit bunches	3,059	785
Purchase of property, plant and equipment	1,208	275
Rental of premises paid	56	46
Purchase of spare parts, fertilizer & consumables	7,747	9,147
Purchase of logs and timber products	3,678	4,153
Security charges	63	63
Advisory fee	16	36
Computer hardware & software development fees	460	167
Purchase of diesel and lubricants	13,361	11,509
Road toll received	-	(103)
Sales of logs and timber products	(6,052)	(8,431)
Sales of fresh fruit bunches	(56,025)	(42,440)
Sales of spare parts, fertilizer & consumables	(28)	(59)
Empty bunch subsidised	(3)	(3)
Hiring income	(20)	(6)
Income from rental of premises	(106)	(103)
Handling fee received	(3,482)	(3,284)
Transport subsidised	(603)	(464)
	=====	=====

30 Key Management Personnel Compensation

Compensations to key management personnel are as follows:

	9 months ended 30 September	
	2017	2016
	RM'000	RM'000
Directors		
- Fees	705	848
- Remunerations	4,341	2,775
	<u>5,046</u>	<u>3,623</u>
Other key management personnel		
- Fees	51	103
- Remunerations	4,261	3,363
	<u>4,312</u>	<u>3,466</u>
Total	<u>9,358</u>	<u>7,089</u>

Company No : 419232-K

TA ANN HOLDINGS BERHAD

Notes to the interim financial report

31 Earnings Per Share

	3 months ended 30 September 2017	9 months ended 30 September 2017
(a) Basic		
Net profit attributable to ordinary owners of the Company ('000)	<u>RM23,090</u>	<u>RM95,811</u>
Weighted average number of ordinary shares in issue ('000)	<u>444,645</u>	<u>444,645</u>
Basic earnings per ordinary share (sen)	<u>5.19</u>	<u>21.55</u>
(b) Diluted	<u>5.19</u>	<u>21.55</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 September 2017.

33 Realised and Unrealised Profits Disclosure

The retained earnings is analysed as follows:

	As at 30 September 2017 RM'000	As at 30 September 2016 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	1,261,806	1,130,106
- Unrealised	<u>(154,907)</u>	<u>(80,727)</u>
	1,106,899	1,049,379
Less: Consolidation adjustments	<u>(248,664)</u>	<u>(252,215)</u>
Total Group retained earnings as per consolidated accounts	<u>858,235</u>	<u>797,164</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 28 November 2017.