

Company No: 419232-K

**TA ANN HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**Condensed consolidated statement of financial position**  
**As at 31 March 2019 - unaudited**

	Note	31 March 2019 RM'000	31 December 2018 RM'000
<b>Assets</b>			
Property, plant and equipment		1,047,186	1,044,729
Right-of-use assets		9,762	-
Prepaid lease payments		3,078	3,150
Bearer plants		508,789	509,146
Biological assets		119,654	118,940
Investment in associates		199,281	197,883
Deferred tax assets		31,765	32,162
Goodwill		79,664	79,664
Other intangible assets		23,672	24,417
<b>Total non-current assets</b>		<b>2,022,851</b>	<b>2,010,091</b>
Inventories		201,803	170,913
Right-of-use assets		734	-
Biological assets		46,440	46,571
Trade and other receivables	14	52,328	78,110
Current tax assets		171	514
Cash and cash equivalents	22	133,557	128,429
<b>Total current assets</b>		<b>435,033</b>	<b>424,537</b>
<b>Total assets</b>		<b>2,457,884</b>	<b>2,434,628</b>
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Share capital		444,844	444,844
Treasury shares		(8,450)	(8,450)
Foreign exchange translation reserve		7,469	8,429
Retained earnings		960,179	952,103
<b>Total equity attributable to owners of the Company</b>		<b>1,404,042</b>	<b>1,396,926</b>
<b>Non-controlling interests</b>		<b>83,684</b>	<b>85,951</b>
<b>Total equity</b>		<b>1,487,726</b>	<b>1,482,877</b>
<b>Liabilities</b>			
Deferred tax liabilities		175,563	176,019
Deferred income		31,402	32,277
Borrowings	26	336,565	332,958
Employee benefits		39,862	38,083
Other payables		9,762	-
<b>Total non-current liabilities</b>		<b>593,154</b>	<b>579,337</b>
Trade and other payables		93,210	109,265
Deferred income		2,340	2,362
Borrowings	26	265,476	243,961
Employee benefits		2,422	3,598
Current tax liabilities		13,556	13,228
<b>Total current liabilities</b>		<b>377,004</b>	<b>372,414</b>
<b>Total liabilities</b>		<b>970,158</b>	<b>951,751</b>
<b>Total equity and liabilities</b>		<b>2,457,884</b>	<b>2,434,628</b>
<b>Net assets per share (RM)</b>		<b>3.16</b>	<b>3.14</b>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 31 March 2019 - unaudited**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter Ended	Corresponding	to date	Corresponding
		31 March	Quarter Ended	31 March	Period Ended
		2019	31 March	2019	31 March
		RM'000	2018	RM'000	2018
			RM'000		RM'000
<b>Revenue</b>	9	178,923	216,148	178,923	216,148
Cost of sales		(141,327)	(184,920)	(141,327)	(184,920)
<b>Gross profit</b>		37,596	31,228	37,596	31,228
Finance income		980	1,545	980	1,545
Other operating income		3,168	2,449	3,168	2,449
Unrealised gain/ (loss) in foreign exchange		107	(575)	107	(575)
Distribution costs		(10,770)	(14,423)	(10,770)	(14,423)
Administrative expenses		(11,854)	(9,677)	(11,854)	(9,677)
Other expenses		(1,706)	(2,927)	(1,706)	(2,927)
<b>Profit from operations</b>		17,521	7,620	17,521	7,620
Finance costs		(6,645)	(5,347)	(6,645)	(5,347)
Share of profit of equity-accounted investee, net of tax		1,398	-	1,398	-
<b>Profit before tax</b>	9	12,274	2,273	12,274	2,273
Tax expense	21	(4,884)	(69)	(4,884)	(69)
<b>Profit after tax</b>		7,390	2,204	7,390	2,204
Change in fair value of biological assets		59	108	59	108
<b>Profit after change in fair value of biological assets</b>		7,449	2,312	7,449	2,312
<b>Other comprehensive loss, net of tax</b>					
<b>Item that is or may be reclassified subsequently to loss</b>					
Foreign exchange translation differences for foreign operations		(960)	(8,285)	(960)	(8,285)
<b>Other comprehensive loss for the period, net of tax</b>		(960)	(8,285)	(960)	(8,285)
<b>Total comprehensive income for the period</b>		6,489	(5,973)	6,489	(5,973)
<b>Profit attributable to:</b>					
Owners of the Company		8,076	4,232	8,076	4,232
Non-controlling interests		(627)	(1,920)	(627)	(1,920)
<b>Profit after change in fair value of biological assets</b>		7,449	2,312	7,449	2,312
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		7,116	(4,053)	7,116	(4,053)
Non-controlling interests		(627)	(1,920)	(627)	(1,920)
<b>Total comprehensive income for the period</b>		6,489	(5,973)	6,489	(5,973)
<b>Earnings per share attributable to owners of the Company :</b>					
Basic/Diluted earnings per ordinary share (sen)	30	1.83	0.95	1.83	0.95

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

Company No: 419232-K

**TA ANN HOLDINGS BERHAD**  
(Incorporated in Malaysia)

**Condensed consolidated statement of changes in equity**  
**For the period ended 31 March 2019- 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
<b>At 1 January 2019</b>	444,844	(8,450)	8,429	952,103	1,396,926	85,951	1,482,877
Foreign exchange translation differences	-	-	(960)	-	(960)	-	(960)
Total other comprehensive income for the period	-	-	(960)	-	(960)	-	(960)
Profit after change in fair value of biological assets	-	-	-	8,076	8,076	(627)	7,449
<b>Total comprehensive income for the period</b>	-	-	(960)	8,076	7,116	(627)	6,489
<i>Contributions by and distributions to owners of the Company</i>							
- Dividends to non-controlling interests	-	-	-	-	-	(1,640)	(1,640)
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	(1,640)	(1,640)
<b>At 31 March 2019</b>	444,844	(8,450)	7,469	960,179	1,404,042	83,684	1,487,726
<b>At 1 January 2018</b>	444,844	(905)	18,728	920,758	1,383,425	77,963	1,461,388
Foreign exchange translation differences	-	-	(8,285)	-	(8,285)	-	(8,285)
Total other comprehensive income for the period	-	-	(8,285)	-	(8,285)	-	(8,285)
Profit after change in fair value of biological assets	-	-	-	4,232	4,232	(1,920)	2,312
<b>Total comprehensive income for the period</b>	-	-	(8,285)	4,232	(4,053)	(1,920)	(5,973)
<i>Contributions by and distributions to owners of the Company</i>							
- Dividends to non-controlling interests	-	-	-	-	-	(2,000)	(2,000)
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	(2,000)	(2,000)
<b>At 31 March 2018</b>	444,844	(905)	10,443	924,990	1,379,372	74,043	1,453,415

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

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**TA ANN HOLDINGS BERHAD**  
**(Incorporated in Malaysia)**

**Condensed consolidated statement of cash flows**  
**For the period ended 31 March 2019 - unaudited**

	<b>1 January 2019 to 31 March 2019 RM'000</b>	<b>1 January 2018 to 31 March 2018 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	12,274	2,273
<i>Adjustments for:</i>		
Amortisation of bearer plants	5,724	5,342
Depletion of biological asset	158	528
Amortisation of prepaid lease payments	70	70
Amortisation of other intangible assets	620	681
Depreciation of property, plant and equipment	16,064	17,400
Deferred income recognised as income	(588)	(612)
Finance costs	6,645	5,347
Finance income	(980)	(1,545)
Gain on disposal of property, plant and equipment	(80)	(56)
Property, plant and equipment written off	22	406
Unrealised foreign exchange (gain) / loss	(107)	575
Employee benefits	976	1,107
Share of profit of equity-accounted investee, net of tax	(1,398)	-
Operating profit before changes in working capital	<u>39,400</u>	<u>31,516</u>
Changes in working capital:		
Inventories	(31,293)	5,278
Trade and other receivables, prepayments and other assets	25,748	(15,133)
Trade and other payables	(13,686)	(9,635)
Cash generated from operations	<u>20,169</u>	<u>12,026</u>
Interest paid	(2,552)	(907)
Income tax paid	(4,627)	(6,588)
Employee benefits paid	(396)	(366)
Net cash from operating activities	<u>12,594</u>	<u>4,165</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(17,977)	(7,210)
Proceeds from disposal of property, plant and equipment	165	252
Addition to biological assets	(1,115)	(1,127)
Addition to bearer plants	(5,955)	(5,247)
Acquisition of new associate	-	(170,969)
Upliftment of fixed deposits with original maturities exceeding three months	-	10,706
Interest received	980	1,545
Net cash used in investing activities	<u>(23,902)</u>	<u>(172,050)</u>
<b>Cash flows from financing activities</b>		
Dividends to non-controlling interests	(1,640)	(2,000)
Proceeds from borrowings/trade financing	25,947	85,383
Repayment of finance lease liabilities	(3,682)	(2,937)
Upliftment/ (placement) of pledged deposits	392	(3)
Finance lease interest paid	(271)	(298)
Term loan interest/profit paid	(3,839)	(4,142)
Net cash from financing activities	<u>16,907</u>	<u>76,003</u>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	5,599	(91,882)
<b>Effect of exchange rate fluctuations on cash held</b>	(78)	(1,131)
<b>Cash and cash equivalents at 1 January</b>	127,496	271,939
<b>Cash and cash equivalents at 31 March (Note 22)</b>	<u>133,017</u>	<u>178,926</u>

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**TA ANN HOLDINGS BERHAD**

**Notes to the interim financial report**

**1 Basis of Preparation**

The interim financial report has been prepared in accordance with MFRS 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 MFRS 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 2018. 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 2018. 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 Malaysian Financial Reporting Standards (MFRS).

The statutory financial statements for the year ended 31 December 2018 are available from the Company's registered office.

**2 Significant 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 2018, except for the adoption of the following standards, amendments and interpretations:

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayments Features with Negative Compensation*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employees Benefit - Plan Amendments, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures*

The adoption of the new and revised MFRSs, 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 except for changes arising from the adoption of MFRS 16, *Leases* as described below:

MFRS 16, *Leases* supersedes MFRS 117, *Leases* and its related interpretations. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. A lessee recognises its lease liability for its lease payments while recognising its lease asset representing the right to use of the underlying asset during the lease term. The Group elected to use the recognition exemptions for short-term leases and the leases of low-value assets. The lessor's accounting remains similar to the current standard which continues to be classified as finance or operating lease.

On the date of initial application, the Group applied the modified retrospective transition approach and did not restate comparative information for the period prior to first adoption.

As at 1 January 2019, the Group has recognised right-of-use assets and corresponding lease liabilities of RM10.50 million respectively.

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Notes to the interim financial report

**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 2018 in their report dated 1 April 2019.

**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 31 March 2019, the number of ordinary shares repurchased in an earlier period and retained as treasury shares is 3,524,400 shares.

**8 Dividend**

No dividend has been proposed by the Directors for the financial quarter under review (corresponding period in Year 2018: 5 sen).

**9 Segmental Reporting**

	Revenue from external customers		Profit before tax	
	Period ended 31 March			
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Timber products	66,840	87,400	8,247	(7,167)
Oil palm	111,944	128,584	4,156	9,585
Reforestation	87	115	(94)	(76)
Property development	52	49	(35)	(69)
	178,923	216,148	12,274	2,273

**10 Valuation of Property, Plant and Equipment**

There were no valuation of property, plant and equipment of the Group during the financial quarter under review.

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Notes to the interim financial report

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 31 March 2019 RM'000	As At 31 December 2018 RM'000
<b>Current assets</b>		
Trade receivables	36,893	54,619
Interest receivable	113	163
Other receivables	2,529	2,582
Deposits	4,354	10,021
Prepayments		
-Plant and machinery	1,001	771
-Others	7,092	9,561
Other advances	346	393
	<u>52,328</u>	<u>78,110</u>

15 Capital Commitments

	As At 31 March 2019 RM'000
<b>Property, plant and equipment</b>	
- Contracted but not provided for	<u>1,410</u>

Notes to the interim financial report

**16 Review of Performance**

For the first quarter of 2019, the Group's revenue was RM178.92 million compared to RM216.15 million of the corresponding quarter in year 2018. Group's profit before tax and net profit were higher at RM12.27 million and RM7.45 million respectively for the quarter under review compared to RM2.27 million and RM2.31 million respectively of the corresponding quarter in year 2018.

The improved results were attributable mainly to the significant 167% increased in export logs sales as compared to the corresponding quarter under review. Moreover, 13% improvement in average plywood selling price has contributed to the profit in the quarter under review. The average selling price for crude palm oil ('CPO') and fresh fruit bunches ('FFB') fell by 19% and 24% respectively during the review period.

The Group has recognised a gain from the changes in the fair value of the biological assets amounting to RM0.06 million during the current quarter under review as compared to a gain of RM0.11 million in the corresponding quarter.

**17 Variation of Results as compared to the Preceding Quarter**

Revenue and net profit were RM178.92 million and RM7.45 million respectively in the quarter under review compared to RM238.88 million and RM28.47 million respectively of the preceding quarter.

The variation of performance was mainly contributed by the followings:

- (i) overall drop in sales volume for plywood products, export logs, CPO and FFB by 44%, 10%, 18% and 28%, respectively, and
- (ii) lower average selling price for plywood products and export logs by 3% and 14% respectively despite higher average selling price for CPO and FFB by 6% and 4% respectively.

**18 Current Year Prospects**

There are signs of recovery in the timber division especially in the plywood division which saw an increase of plywood product prices by 13% compared to corresponding quarter under review.

The palm oil division's biggest challenge continued to be the low CPO prices. However, the management has taken numerous cost saving measures to make the palm oil division profitable despite the tremendous drop in CPO prices.

FFB production is moving into peak crop period from 2Q onwards resulting in a reduction of the unit production cost. However, the palm oil division's performance is heavily dependent on the CPO prices which are expected to be volatile and uncertainty in the current challenging commodity market.

The Group's current cash position remains sound. The efforts in cost saving measures and improving productivity will continue to enhance the Group's financial position. This will enable the Group to sail through this difficult period.

Barring unforeseen circumstances, the Board of Directors expects the Group to continue to be able to withstand all these external forces and to achieve a satisfactory performance for the year 2019 given the efficient management systems that in place.



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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 after change in fair value of biological assets**

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		Period ended 31 March	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Profit after change in fair value of biological assets is arrived at after crediting/(charging):</b>				
Finance income	980	1,545	980	1,545
Finance costs	(6,645)	(5,347)	(6,645)	(5,347)
Depreciation and amortisation	(22,636)	(24,021)	(22,636)	(24,021)
Gain on disposal of property, plant and equipment	80	56	80	56
Property, plant and equipment written off	(22)	(406)	(22)	(406)
Foreign exchange gain/(loss)				
- realised	834	419	834	419
- unrealised	107	(575)	107	(575)

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 31 March		Period ended 31 March	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current tax expense				
- Current year	5,283	5,992	5,283	5,992
- Prior year	15	-	15	-
	<u>5,298</u>	<u>5,992</u>	<u>5,298</u>	<u>5,992</u>
Deferred tax income				
- Current year	(414)	(5,923)	(414)	(5,923)
	<u>(414)</u>	<u>(5,923)</u>	<u>(414)</u>	<u>(5,923)</u>
<b>Total tax expense</b>	<u>4,884</u>	<u>69</u>	<u>4,884</u>	<u>69</u>

## 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 31 March		Period ended 31 March	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit after change in fair value of biological assets	7,449	2,312	7,449	2,312
Change in fair value of biological assets	(59)	(108)	(59)	(108)
Total tax expense	4,884	69	4,884	69
Profit excluding tax	12,274	2,273	12,274	2,273
Tax calculated using Malaysian tax rate of 24% (2018: 24%)				
- Prima facie income tax expense	2,946	546	2,946	546
- Non-deductible expenses	1,938	1,483	1,938	1,483
- Movements in unrecognised deferred tax assets	-	2,540	-	2,540
- Recognition of previously unrecognised deferred tax assets	-	(4,500)	-	(4,500)
Tax expense for the period	4,884	69	4,884	69

## 22 Cash and Cash Equivalents

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

	As at 31 March 2019 RM'000	As at 31 March 2018 RM'000
Cash in hand	65	96
Cash at banks	132,862	134,214
Fixed deposits with original maturities not exceeding three months	90	44,616
	133,017	178,926
Fixed deposits pledged to banks	540	923
	133,557	179,849

Fixed deposits of subsidiaries amounting to RM540,000 (2018: RM923,184) are pledged to licensed banks for bank facilities granted thereto.

TA ANN HOLDINGS BERHAD

Notes to the interim financial report

**23 Unquoted Investment and Properties**

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

**24 Quoted Investments**

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

**25 Status of Corporate Proposal**

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

**26 Group Borrowings and Debt Securities**

Total Group borrowings as at 31 March 2019 were as follows: -

		<b>As at 31 March 2019</b>
		<b>RM'000</b>
<b><u>Current</u></b>		
<i>Denominated in Ringgit Malaysia</i>		
<b>Unsecured -</b>	Bankers' acceptances/ Export Credit	23,806
	Refinancing	
	Revolving Credits	115,000
	Term loans	
	- Conventional	37,847
	- Islamic	42,590
<b>Secured -</b>	Finance lease liabilities	10,955
	Revolving Credits	26,000
	Term loans	9,278
		265,476
<b><u>Non-current</u></b>		
<i>Denominated in Ringgit Malaysia</i>		
<b>Unsecured -</b>	Term loans	
	- Conventional	26,798
	- Islamic	91,060
<b>Secured -</b>	Finance lease liabilities	9,825
	Revolving credit	104,000
	Term loans	104,882
		336,565
<b>Total</b>		602,041

**27 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.

Sibu High Court dismissed the claim on 13 February 2018.

The plaintiffs have filed a notice of appeal against the Sibü High Court's decision on 9 March 2018. The matter is now pending the service of the memorandum of appeal and record of appeal by the plaintiff.

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Notes to the interim financial report

28 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 29), during the current financial period:

	Period ended 31 March	
	2019 RM'000	2018 RM'000
<b>Transactions with associates</b>		
Purchase of fresh fruit bunches	1,443	-
Transportation charges	12	-
Rental of premises paid	4	-
Sales of logs and timber products	(408)	(387)
Contract income	(133)	-
Hiring income	(169)	-
Visiting fee	(3)	-
<b>Transactions with companies connected to certain Directors of the Company and its subsidiaries</b>		
Contract fees and fuel surcharge	4,325	5,048
Food ration expenses	51	53
Handling fees, transportation & freight charges	2,687	2,854
Repair and maintenance	112	68
Insurance premium	919	986
Purchase of fresh fruit bunches	21,281	17,415
Purchase of property, plant and equipment	101	75
Rental of premises paid	5	13
Purchase of spare parts, fertiliser & consumables	1,892	3,253
Purchase of logs and timber products	822	613
Security charges	21	21
Computer hardware & software development fees	158	100
Purchase of diesel and lubricants	5,275	4,223
Compensation paid	-	19
Sales of logs and timber products	(1,829)	(2,005)
Sales of fresh fruit bunches	(9,643)	(11,427)
Sales of spare parts, fertiliser & consumables	(3)	-
Sales of seeds & seedlings	(3)	-
Empty bunch subsidised	(2)	-
Hiring income	(52)	-
Income from rental of premises	(33)	(36)
Handling fee received	(691)	(824)
Transport subsidised	(318)	(331)
	=====	=====

Notes to the interim financial report

**29 Key Management Personnel Compensation**

Compensations to key management personnel are as follows:

	Period ended 31 March	
	2019 RM'000	2018 RM'000
Directors		
- Fees	169	169
- Remunerations	1,088	1,183
	<u>1,257</u>	<u>1,352</u>
Other key management personnel		
- Fees	27	27
- Remunerations	1,061	1,074
	<u>1,088</u>	<u>1,101</u>
Total	<u>2,345</u>	<u>2,453</u>

**30 Earnings Per Share**

	3 months ended 31 March 2019	Period ended 31 March 2019
(a) <b>Basic</b>		
Net profit attributable to ordinary owners of the Company ('000)	<u>RM8,076</u>	<u>RM8,076</u>
Weighted average number of ordinary shares in issue ('000)	<u>441,320</u>	<u>441,320</u>
Basic earnings per ordinary share (sen)	<u>1.83</u>	<u>1.83</u>
(b) <b>Diluted</b>	<u>1.83</u>	<u>1.83</u>

**31 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 31 March 2019.

**32 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 May 2019.