

Company No: 419232-K

TA ANN HOLDINGS BERHAD
(Incorporated in Malaysia)

Condensed consolidated statement of financial position
As at 30 September 2019 - unaudited

	Note	30 September 2019 RM'000	31 December 2018 RM'000
Assets			
Property, plant and equipment		1,042,047	1,044,729
Right-of-use assets		9,472	-
Prepaid lease payments		2,933	3,150
Bearer plants		509,963	509,146
Biological assets		121,086	118,940
Investment in associates		210,230	197,883
Deferred tax assets		34,221	32,162
Goodwill		79,664	79,664
Other intangible assets		22,181	24,417
Total non-current assets		2,031,797	2,010,091
Inventories		225,608	170,913
Right-of-use assets		734	-
Biological assets		46,178	46,571
Trade and other receivables	14	65,666	78,110
Current tax assets		168	514
Cash and cash equivalents	22	133,183	128,429
Total current assets		471,537	424,537
Total assets		2,503,334	2,434,628
Financed by:			
Capital and reserves			
Share capital		444,844	444,844
Treasury shares		(10,417)	(8,450)
Foreign exchange translation reserve		4,602	8,429
Retained earnings		990,097	952,103
Total equity attributable to owners of the Company		1,429,126	1,396,926
Non-controlling interests		93,177	85,951
Total equity		1,522,303	1,482,877
Liabilities			
Deferred tax liabilities		181,319	176,019
Deferred income		29,538	32,277
Borrowings	26	313,756	332,958
Employee benefits		41,468	38,083
Other payables		9,348	-
Total non-current liabilities		575,429	579,337
Trade and other payables		107,368	109,265
Deferred income		2,286	2,362
Borrowings	26	273,471	243,961
Employee benefits		2,514	3,598
Current tax liabilities		19,963	13,228
Total current liabilities		405,602	372,414
Total liabilities		981,031	951,751
Total equity and liabilities		2,503,334	2,434,628
Net assets per share (RM)		3.21	3.14

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.

Condensed consolidated statement of profit or loss and other comprehensive income
For the period ended 30 September 2019 - unaudited

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter Ended 30 September 2019 RM'000	Preceding Year Corresponding Quarter Ended 30 September 2018 RM'000	Current Year to date 30 September 2019 RM'000	Preceding Year Corresponding Period Ended 30 September 2018 RM'000
Revenue	9	267,919	276,387	662,850	728,339
Cost of sales		(187,492)	(192,662)	(504,387)	(563,656)
Gross profit		80,427	83,725	158,463	164,683
Finance income		577	1,049	1,875	3,917
Other operating income		445	4,132	6,112	10,202
Unrealised gain / (loss) in foreign exchange		183	(16)	627	21
Distribution costs		(14,166)	(17,335)	(39,125)	(46,526)
Administrative expenses		(12,423)	(15,725)	(36,496)	(36,674)
Other expenses		(1,955)	(2,699)	(6,575)	(5,908)
Profit from operations		53,088	53,131	84,881	89,715
Finance costs		(6,165)	(6,623)	(17,062)	(18,994)
Share of profit of equity-accounted investee, net of tax		1,552	2,807	3,670	3,514
Profit before tax	9	48,475	49,315	71,489	74,235
Tax expense	21	(15,532)	(11,105)	(24,202)	(17,254)
Profit after tax		32,943	38,210	47,287	56,981
Change in fair value of biological assets		59	139	173	2,778
Profit after change in fair value of biological assets		33,002	38,349	47,460	59,759
Other comprehensive income, net of tax					
Item that is or may be reclassified subsequently to profit or loss					
Foreign exchange translation differences for foreign operations		(2,687)	465	(3,827)	(7,266)
Other comprehensive income for the period, net of tax		(2,687)	465	(3,827)	(7,266)
Total comprehensive income for the period		30,315	38,814	43,633	52,493
Profit attributable to:					
Owners of the Company		24,777	32,210	37,994	52,524
Non-controlling interests		8,225	6,139	9,466	7,235
Profit after change in fair value of biological assets		33,002	38,349	47,460	59,759
Total comprehensive income attributable to:					
Owners of the Company		22,090	32,675	34,167	45,258
Non-controlling interests		8,225	6,139	9,466	7,235
Total comprehensive income for the period		30,315	38,814	43,633	52,493
Earnings per share attributable to owners of the Company :					
Basic/Diluted earnings per ordinary share (sen)	30	5.62	7.24	8.61	11.81

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 30 September 2019- unaudited

	← Attributable to owners of the Company →				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Foreign exchange translation reserve RM'000	Distributable Retained earnings RM'000			
At 1 January 2019	444,844	(8,450)	8,429	952,103	1,396,926	85,951	1,482,877
Foreign exchange translation differences	-	-	(3,827)	-	(3,827)	-	(3,827)
Total other comprehensive income for the period	-	-	(3,827)	-	(3,827)	-	(3,827)
Profit after change in fair value of biological assets	-	-	-	37,994	37,994	9,466	47,460
Total comprehensive income for the period	-	-	(3,827)	37,994	34,167	9,466	43,633
<i>Contributions by and distributions to owners of the Company</i>							
- Dividends to non-controlling interests	-	-	-	-	-	(2,240)	(2,240)
Total transactions with owners of the Company	-	-	-	-	-	(2,240)	(2,240)
Treasury shares purchased	-	(1,967)	-	-	(1,967)	-	(1,967)
At 30 September 2019	444,844	(10,417)	4,602	990,097	1,429,126	93,177	1,522,303
At 1 January 2018	444,844	(905)	18,728	920,758	1,383,425	77,963	1,461,388
Foreign exchange translation differences	-	-	(7,266)	-	(7,266)	-	(7,266)
Total other comprehensive income for the period	-	-	(7,266)	-	(7,266)	-	(7,266)
Profit after change in fair value of biological assets	-	-	-	52,524	52,524	7,235	59,759
Total comprehensive income for the period	-	-	(7,266)	52,524	45,258	7,235	52,493
<i>Contributions by and distributions to owners of the Company</i>							
- Dividends to owners of the Company	-	-	-	(22,232)	(22,232)	-	(22,232)
- Dividends to non-controlling interests	-	-	-	-	-	(4,416)	(4,416)
Total transactions with owners of the Company	-	-	-	(22,232)	(22,232)	(4,416)	(26,648)
At 30 September 2018	444,844	(905)	11,462	951,050	1,406,451	80,782	1,487,233

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.

Company No: 419232-K

TA ANN HOLDINGS BERHAD
(Incorporated in Malaysia)

Condensed consolidated statement of cash flows
For the period ended 30 September 2019 - unaudited

	1 January 2019 to 30 September 2019	1 January 2018 to 30 September 2018
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	71,489	74,235
<i>Adjustments for:</i>		
Amortisation of bearer plants	19,837	16,125
Depletion of biological asset	852	1,794
Amortisation of prepaid lease payments	217	216
Amortisation of other intangible assets	2,329	2,319
Depreciation of property, plant and equipment	47,517	50,846
Deferred income recognised as income	(1,715)	(1,832)
Finance costs	17,062	18,994
Finance income	(1,875)	(3,917)
Gain on disposal of property, plant and equipment	(514)	(1,292)
Property, plant and equipment written off	266	689
Unrealised foreign exchange gain	(627)	(21)
Employee benefits	3,195	3,385
Share of profit of equity-accounted investee, net of tax	(3,670)	(3,514)
Operating profit before changes in working capital	<u>154,363</u>	<u>158,027</u>
Changes in working capital:		
Inventories	(56,079)	(9,931)
Trade and other receivables, prepayments and other assets	12,328	5,470
Trade and other payables	(2,318)	(4,153)
Cash generated from operations	<u>108,294</u>	<u>149,413</u>
Interest paid	(9,159)	(7,133)
Income tax paid	(14,060)	(24,282)
Employee benefits paid	(951)	(1,093)
Net cash from operating activities	<u>84,124</u>	<u>116,905</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(42,479)	(32,603)
Proceeds from disposal of property, plant and equipment	806	2,630
Addition to biological assets	(2,424)	(3,342)
Addition to bearer plants	(18,958)	(16,523)
Purchase of treasury shares	(1,967)	-
Acquisition of new associate	(8,676)	(166,843)
Upliftment of fixed deposits with original maturities exceeding three months	-	11,774
Interest received	1,875	3,917
Net cash used in investing activities	<u>(71,823)</u>	<u>(200,990)</u>
Cash flows from financing activities		
Dividends paid to owners of the Company	-	(22,232)
Dividends to non-controlling interests	(2,240)	(4,416)
Proceeds from borrowings/trade financing	15,614	35,343
Repayment of finance lease liabilities	(9,585)	(8,951)
Upliftment/ (Placement) of pledged deposits	932	(9)
Finance lease interest paid	(746)	(656)
Term loan interest/profit paid	(10,321)	(11,205)
Net cash used in financing activities	<u>(6,346)</u>	<u>(12,126)</u>
Net increase / (decrease) in cash and cash equivalents	5,955	(96,211)
Effect of exchange rate fluctuations on cash held	(268)	(1,063)
Cash and cash equivalents at 1 January	127,496	271,938
Cash and cash equivalents at 30 September (Note 22)	<u>133,183</u>	<u>174,664</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.

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 except for the share buy-back disclosed below:

In the current quarter, the Company repurchased 612,900 shares from the open market at an average cost RM2.25 per share. The total consideration paid for the repurchase, including the transaction cost was RM1,385,479, which was financed by internally generated funds. All the repurchased shares are retained as treasury shares.

As at 30 September 2019, the number of ordinary shares repurchased and retained as treasury shares are as follows:

	No of shares
As at 1 January 2019	3,524,400
Shares repurchased up to September 2019	<u>857,600</u>
As at 30 September 2019	<u>4,382,000</u>

8 Dividend

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

9 Segmental Reporting

	Revenue from external customers		Profit before tax	
	9 months ended 30 September			
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Timber products	224,252	275,955	19,210	5,396
Oil palm	438,392	451,824	52,758	69,126
Reforestation	93	430	(414)	(203)
Property development	113	130	(65)	(84)
	<u>662,850</u>	<u>728,339</u>	<u>71,489</u>	<u>74,235</u>

Company No : 419232-K

TA ANN HOLDINGS BERHAD

Notes to the interim financial report

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.

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 September 2019 RM'000	As At 31 December 2018 RM'000
Current assets		
Trade receivables	47,934	54,619
Interest receivable	-	163
Other receivables	2,306	2,582
Deposits	4,636	10,021
Prepayments		
-Plant and machinery	816	771
-Others	9,739	9,561
Other advances	235	393
	<u>65,666</u>	<u>78,110</u>

15 Capital Commitments

	As At 30 September 2019 RM'000
Property, plant and equipment	
- Contracted but not provided for	<u>12,923</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, the Group reported a revenue of RM267.92million compared to RM276.40million achieved in the corresponding quarter in 2018. Group's profit before tax and net profit were RM48.48million and RM33.00million respectively for the quarter under review compared to RM49.32million and RM38.35million of the corresponding quarter in 2018.

The main contributing factors to the variation of performance were:

(i) Lower average selling price for export logs, plywood products, fresh fruit bunches ('FFB') and crude palm oil ('CPO') by 30%, 5%, 13% and 11% respectively; however these negative effects were mitigated with better sales volume achieved for export logs, FFB and CPO by 201%, 6% and 26% respectively.

The Group has recognised a gain from the changes in the fair value of the biological assets amounting to RM0.06million during the current quarter under review as compared to a gain of RM0.14million in the corresponding quarter.

(b) For the first nine months of 2019, the Group's revenue and net profit were RM662.85million and RM47.46 million, compared to RM728.34million and RM59.76million of the corresponding period in year 2018.

The performance was mainly caused by drop in average CPO and FFB selling price by 17% and 19% respectively as well as the lower sales volume for plywood products by 39%.

The Group has recognised a gain from the changes in the fair value of the biological assets amounting to RM0.17million during the current period under review as compared to a gain of RM2.78million in the preceding corresponding period.

17 Variation of Results compared to the Preceding Quarter

Revenue and net profit were RM267.92million and RM33.00million respectively in the quarter under review compared to RM216.01million and RM7.01million respectively of the preceding quarter.

The performance was improved due to higher sales volume achieved for export logs, FFB and CPO by 86%, 48% and 37% respectively despite a lower average selling price for export logs by 10%.

18 Current Year Prospects

Performance in oil palm division for the second half of 2019 will be significantly improved with the peak season FFB production as well as the strengthening of CPO price due to market catalysts. Furthermore, the division will increase its CPO production due to greater FFB processing capacity contributed by its new oil mill, TBS which commenced operation in August'19.

Performance for the timber division is expecting better result due to the demand catalyst from Japan's post typhoon reconstruction activities.

Barring unforeseen circumstances, the Board of Directors expects to achieve a relatively satisfactory performance for the year 2019.

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 after change in fair value of biological assets

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		9 months ended 30 September	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit after change in fair value of biological assets is arrived at after crediting/(charging):				
Finance income	577	1,049	1,875	3,917
Finance costs	(6,165)	(6,623)	(17,062)	(18,994)
Depreciation and amortisation	(22,289)	(23,067)	(70,752)	(71,300)
Gain on disposal of property, plant and equipment	343	609	514	1,292
Property, plant and equipment written off	(180)	(120)	(266)	(689)
Foreign exchange gain				
- realised	1,257	1,560	2,910	4,478
- unrealised	183	(16)	627	21

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	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current tax expense/ (income)				
- Current year	12,847	11,954	21,630	22,473
- Prior year	(505)	(833)	(490)	(833)
	12,342	11,121	21,140	21,640
Deferred tax expense/ (income)				
- Current year	3,190	(16)	3,062	(4,386)
Total tax expense	15,532	11,105	24,202	17,254

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	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit after change in fair value of biological assets	33,002	38,349	47,460	59,759
Change in fair value of biological assets	(59)	(139)	(173)	(2,778)
Total tax expense	15,532	11,105	24,202	17,254
Profit excluding tax	48,475	49,315	71,489	74,235
Tax calculated using Malaysian tax rate of 24% (2018: 24%)				
- Prima facie income tax expense	11,634	11,836	17,158	17,817
- Non-deductible expenses	3,443	3,309	5,902	5,437
- Movements in unrecognised deferred tax assets	455	(2,540)	1,142	-
- Recognition of previously unrecognised deferred tax assets	-	(1,500)	-	(6,000)
Tax expense for the period	15,532	11,105	24,202	17,254

22 Cash and Cash Equivalents

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

	As at 30 September 2019 RM'000	As at 30 September 2018 RM'000
Cash in hand	67	75
Cash at banks	133,026	139,959
Fixed deposits with original maturities not exceeding three months	90	34,630
	133,183	174,664
Fixed deposits pledged to banks	-	929
	133,183	175,593

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 30 September 2019 were as follows: -

		As at 30 Septmeber 2019
		RM'000
<u>Current</u>		
<i>Denominated in Ringgit Malaysia</i>		
Unsecured -	Bankers' acceptances/ Export Credit	23,742
	Refinancing	
	Revolving Credits	150,000
	Term loans	
	- Conventional	22,600
	- Islamic	30,070
Secured -	Finance lease liabilities	9,126
	Revolving Credits	26,000
	Term loans	11,933
		273,471
<u>Non-current</u>		
<i>Denominated in Ringgit Malaysia</i>		
Unsecured -	Term loans	
	- Conventional	36,744
	- Islamic	81,460
Secured -	Finance lease liabilities	7,480
	Revolving credit	91,000
	Term loans	97,072
		313,756
Total		587,227

Notes to the interim financial report

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 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 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 had on 9 March 2018 filed a notice of appeal against the Sibu High Court's decision. On 30 May 2018, the plaintiffs had served a record of appeal to the Court of Appeal. The Court of Appeal has fixed the case for the hearing on 16 July 2020.

TA ANN HOLDINGS BERHAD

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:

	9 months ended 30 September	
	2019	2018
	RM'000	RM'000
Transactions with associates		
Purchase of fresh fruit bunches	5,485	4,099
Transportation charges	6	-
Hiring of equipment	-	29
Sales of fresh fruit bunches	(2,847)	-
Sales of logs and timber products	(418)	(1,032)
Sales of property, plant and equipment	(227)	(200)
Sales of seedling	(223)	-
Sales of consumables	(10)	-
Contract income	(767)	(653)
Hiring income	(190)	-
Rental of premises	(11)	-
Visiting fee	(3)	-
Transactions with companies connected to certain Directors of the Company and its subsidiaries		
Contract fees and fuel surcharge	16,583	16,740
Food ration expenses	152	169
Handling fees, transportation & freight charges	10,395	10,236
Repair and maintenance	353	263
Insurance premium	3,134	3,135
Hiring of equipment	-	8
Purchase of fresh fruit bunches	88,023	64,800
Purchase of property, plant and equipment	225	151
Rental of premises paid	41	40
Purchase of spare parts, fertiliser & consumables	7,407	11,996
Purchase of logs and timber products	3,014	2,815
Security charges	63	63
Computer hardware & software development fees	364	240
Purchase of diesel and lubricants	16,166	16,588
Compensation paid	-	19
Sales of logs and timber products	(3,985)	(6,076)
Sales of fresh fruit bunches	(32,110)	(42,011)
Sales of palm kernel shell	-	(1,133)
Sales of spare parts, fertiliser & consumables	(131)	(7)
Sales of seeds & seedlings	(11)	-
Empty bunch subsidised	(3)	(1)
Hiring income	(153)	(89)
Income from rental of premises	(81)	(115)
Handling fee received	(2,110)	(2,548)
Transport subsidised	(1,288)	(1,301)
	=====	=====

29 Key Management Personnel Compensation

Compensations to key management personnel are as follows:

	9 months ended 30 September	
	2019	2018
	RM'000	RM'000
Directors		
- Fees	858	738
- Remunerations	3,293	3,304
	4,151	4,042
Other key management personnel		
- Fees	54	40
- Remunerations	4,007	4,099
	4,061	4,139
Total	8,212	8,181

30 Earnings Per Share

	3 months ended	9 months ended
	30 September 2019	30 September 2019
(a) Basic		
Net profit attributable to ordinary owners of the Company ('000)	<u>RM24,777</u>	<u>RM37,994</u>
Weighted average number of ordinary shares in issue ('000)	<u>440,545</u>	<u>441,040</u>
Basic earnings per ordinary share (sen)	<u>5.62</u>	<u>8.61</u>
(b) Diluted	<u>5.62</u>	<u>8.61</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 30 September 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 20 November 2019.