

Company No: 419232-K

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

**Condensed consolidated statement of financial position**  
**As at 31 March 2020 - unaudited**

	Note	31 March 2020 RM'000	31 December 2019 RM'000
<b>Assets</b>			
Property, plant and equipment		798,078	815,371
Right-of-use assets		214,392	218,907
Bearer plants		515,866	514,573
Biological assets		114,535	115,306
Investment in associates		213,611	214,284
Deferred tax assets		24,348	25,167
Goodwill		79,664	79,664
Other intangible assets		14,181	14,934
<b>Total non-current assets</b>		<b>1,974,675</b>	<b>1,998,206</b>
Inventories		213,120	225,412
Biological assets		64,374	67,264
Trade and other receivables	14	78,402	103,469
Current tax assets		55	599
Cash and cash equivalents	22	130,253	109,979
<b>Total current assets</b>		<b>486,204</b>	<b>506,723</b>
<b>Total assets</b>		<b>2,460,879</b>	<b>2,504,929</b>
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Share capital		444,844	444,844
Treasury shares		(10,417)	(10,417)
Foreign exchange translation reserve		(3,854)	5,546
Retained earnings		1,005,110	1,009,007
<b>Total equity attributable to owners of the Company</b>		<b>1,435,683</b>	<b>1,448,980</b>
<b>Non-controlling interests</b>		<b>88,826</b>	<b>99,933</b>
<b>Total equity</b>		<b>1,524,509</b>	<b>1,548,913</b>
<b>Liabilities</b>			
Deferred tax liabilities		180,895	179,960
Deferred income		26,628	29,348
Borrowings	26	268,689	270,508
Employee benefits		40,156	38,139
Lease liabilities		13,677	16,125
<b>Total non-current liabilities</b>		<b>530,045</b>	<b>534,080</b>
Trade and other payables		109,572	126,448
Lease liabilities		7,538	7,582
Deferred income		2,141	2,317
Borrowings	26	275,421	271,636
Employee benefits		2,377	3,566
Current tax liabilities		9,276	10,387
<b>Total current liabilities</b>		<b>406,325</b>	<b>421,936</b>
<b>Total liabilities</b>		<b>936,370</b>	<b>956,016</b>
<b>Total equity and liabilities</b>		<b>2,460,879</b>	<b>2,504,929</b>
<b>Net assets per share (RM)</b>		<b>3.23</b>	<b>3.26</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 2019 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 2020 - unaudited**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter Ended 31 March 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 March 2019 RM'000	Current Year to date 31 March 2020 RM'000	Preceding Year Corresponding Period Ended 31 March 2019 RM'000
<b>Revenue</b>	9	252,601	178,923	252,601	178,923
Cost of sales		(199,324)	(141,327)	(199,324)	(141,327)
<b>Gross profit</b>		53,277	37,596	53,277	37,596
Finance income		480	980	480	980
Other operating income		1,357	5,899	1,357	5,899
Unrealised gain in foreign exchange		95	107	95	107
Distribution costs		(15,535)	(10,770)	(15,535)	(10,770)
Administrative expenses		(9,621)	(11,854)	(9,621)	(11,854)
Other expenses		(3,346)	(4,437)	(3,346)	(4,437)
<b>Profit from operations</b>		26,707	17,521	26,707	17,521
Finance costs		(5,473)	(6,645)	(5,473)	(6,645)
Share of (loss) / profit of equity-accounted investee, net of tax		(672)	1,398	(672)	1,398
<b>Profit before tax</b>	9	20,562	12,274	20,562	12,274
Tax expense	21	(6,421)	(4,884)	(6,421)	(4,884)
<b>Profit after tax</b>		14,141	7,390	14,141	7,390
Change in fair value of biological assets		(2,890)	59	(2,890)	59
<b>Profit after change in fair value of biological assets</b>		11,251	7,449	11,251	7,449
<b>Other comprehensive income, net of tax</b>					
<b>Item that is or may be reclassified subsequently to profit or loss</b>					
Foreign exchange translation differences for foreign operations		(9,400)	(960)	(9,400)	(960)
<b>Other comprehensive income for the period, net of tax</b>		(9,400)	(960)	(9,400)	(960)
<b>Total comprehensive income for the period</b>		1,851	6,489	1,851	6,489
<b>Profit attributable to:</b>					
Owners of the Company		10,245	8,076	10,245	8,076
Non-controlling interests		1,006	(627)	1,006	(627)
<b>Profit after change in fair value of biological assets</b>		11,251	7,449	11,251	7,449
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		845	7,116	845	7,116
Non-controlling interests		1,006	(627)	1,006	(627)
<b>Total comprehensive income for the period</b>		1,851	6,489	1,851	6,489
<b>Earnings per share attributable to owners of the Company :</b>					
Basic/Diluted earnings per ordinary share (sen)	30	2.33	1.83	2.33	1.83

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 2019 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 changes in equity**  
**For the period ended 31 March 2020- 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			
<b>At 1 January 2020</b>	444,844	(10,417)	5,546	1,009,007	1,448,980	99,933	1,548,913
Foreign exchange translation differences	-	-	(9,400)	-	(9,400)	-	(9,400)
Total other comprehensive income for the period	-	-	(9,400)	-	(9,400)	-	(9,400)
Profit after change in fair value of biological assets	-	-	-	10,245	10,245	1,006	11,251
<b>Total comprehensive income for the period</b>	-	-	(9,400)	10,245	845	1,006	1,851
<i>Contributions by and distributions to owners of the Company</i>							
- Dividends to owners of the Company	-	-	-	(22,023)	(22,023)	-	(22,023)
<b>Total transactions with owners of the Company</b>	-	-	-	(22,023)	(22,023)	-	(22,023)
<b>Changes in ownership of interests in a subsidiary</b>	-	-	-	7,881	7,881	(12,113)	(4,232)
<b>At 31 March 2020</b>	444,844	(10,417)	(3,854)	1,005,110	1,435,683	88,826	1,524,509
<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

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 2019 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 2020 - unaudited**

	<b>1 January 2020 to 31 March 2020 RM'000</b>	<b>1 January 2019 to 31 March 2019 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	20,562	12,274
<i>Adjustments for:</i>		
Amortisation of bearer plants	6,512	5,724
Depletion of biological asset	244	158
Amortisation of other intangible assets	604	620
Depreciation of property, plant and equipment	14,135	13,934
Depreciation of right-of-use assets	1,781	2,200
Deferred income recognised as income	(535)	(588)
Finance costs	5,473	6,645
Finance income	(480)	(980)
Gain on disposal of property, plant and equipment	(204)	(80)
Property, plant and equipment written off	275	22
Unrealised foreign exchange gain	(95)	(107)
Employee benefits	1,265	976
Share of loss / (profit) of equity-accounted investee, net of tax	672	(1,398)
Operating profit before changes in working capital	<u>50,209</u>	<u>39,400</u>
Changes in working capital:		
Inventories	9,928	(31,293)
Trade and other receivables, prepayments and other assets	22,600	25,748
Trade and other payables	(34,342)	(13,686)
Cash generated from operations	<u>48,395</u>	<u>20,169</u>
Interest paid	(3,271)	(2,552)
Income tax paid	(6,196)	(4,627)
Employee benefits paid	(201)	(396)
Net cash from operating activities	<u>38,727</u>	<u>12,594</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(4,504)	(17,977)
Proceeds from disposal of property, plant and equipment	249	165
Addition to biological assets	(1,258)	(1,115)
Addition to bearer plants	(5,557)	(5,955)
Interest received	480	980
Acquisition of non-controlling interests	(4,232)	-
Net cash used in investing activities	<u>(14,822)</u>	<u>(23,902)</u>
<b>Cash flows from financing activities</b>		
Dividends to non-controlling interests	-	(1,640)
Proceeds from borrowings/trade financing	1,129	25,776
Payment of lease liabilities	(1,976)	(3,756)
Upliftment of pledged deposits	-	392
Hire purchase financing interest paid	(65)	(26)
Term loan interest/profit paid	(2,092)	(3,839)
Net cash (used in) / from financing activities	<u>(3,004)</u>	<u>16,907</u>
<b>Net increase in cash and cash equivalents</b>	20,901	5,599
<b>Effect of exchange rate fluctuations on cash held</b>	(627)	(78)
<b>Cash and cash equivalents at 1 January</b>	<u>109,979</u>	<u>127,496</u>
<b>Cash and cash equivalents at 31 March</b> (Note 22)	<u>130,253</u>	<u>133,017</u>

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

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## 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 2019. 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 2019. 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 2019 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 2019, except for the adoption of the following accounting standards, amendments and interpretations:

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint ventures – Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*

The adoption of the accounting standards, amendments and interpretations 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.

#### 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 2019 in their report dated 21 May 2020.

#### 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.

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**TA ANN HOLDINGS BERHAD**

**Notes to 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 2020, the number of ordinary shares repurchased in an earlier period and retained as treasury shares is 4,382,000 shares.

**8 Dividend**

An interim single-tier ordinary dividend of 5 sen per ordinary share for the financial year ended 31 December 2019, amounting to RM22,023,095 was declared on 28 February 2020 and paid on 13 April 2020 to depositors registered in the Record of Depositors at the close of business on 16 March 2020.

No dividend has been proposed by the Directors for the financial quarter under review (corresponding period in Year 2019: Nil).

**9 Segmental Reporting**

	Revenue from external customers		Profit before tax	
	Period ended 31 March			
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Timber products	78,576	66,840	7,681	8,247
Oil palm	173,980	111,944	12,953	4,156
Reforestation	4	87	(87)	(94)
Property development	41	52	15	(35)
	252,601	178,923	20,562	12,274

**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 except for the acquisition of non-controlling interests disclosed below:

In January 2020, the Group acquired an additional 9.48% interest in a subsidiary for RM4.23 million in cash, increasing its ownership from 90.52% to 100%

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**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**

	<b>As At 31 March 2020 RM'000</b>	<b>As At 31 December 2019 RM'000</b>
<b>Current assets</b>		
Trade receivables	35,963	50,587
Interest receivable	-	13
Other receivables	29,516	34,885
Deposits	4,033	5,284
Prepayments		
-Plant and machinery	1,410	1,127
-Others	7,246	11,341
Other advances	234	232
	<hr/> <b>78,402</b>	<hr/> <b>103,469</b>

**15 Capital Commitments**

	<b>As At 31 March 2020 RM'000</b>
<b>Property, plant and equipment</b>	
- Contracted but not provided for	2,316
<b>Leases as a lessee</b>	
- Contracted but not commenced	39,142
	<hr/> <b>41,458</b>

**16. Review of Performance**

For the quarter under review, the Group reported a revenue of RM252.60 million compared to RM178.92 million achieved in the corresponding quarter in 2019. Group's profit before tax and its net profit were RM20.56 million and RM11.25 million respectively for the quarter under review compared to RM12.27 million and RM7.45 million of the corresponding quarter in 2019.

The improved performance was mainly contributed by higher average selling price for crude palm oil ('CPO') and fresh fruit bunches ('FFB') by 34% and 40% respectively.

The Group has recognised a loss from the changes in the fair value of the biological assets amounting to RM2.89 million during the current quarter under review as compared to a profit of RM0.06 million in the corresponding quarter.

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**Notes to the interim financial report**

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

Group revenue and operating profit were RM252.60 million and RM26.71 million respectively in the quarter under review as compared to RM281.73 million and RM17.02 million respectively of the preceding quarter.

The higher operational profit and margin registered in the quarter under review as compared to the preceding quarter were mainly due to higher selling prices of CPO and FFB by 10% and 12% respectively despite the drop in sale volume for CPO and FFB by 24% comparatively to the preceding quarter.

**18 Current Year Prospects**

The Coronavirus (Covid-19) pandemic was announced by the World Health Organisation (WHO) on 11th March'20 which was shortly followed by an introduction of the Movement Control Order ("MCO") by the Malaysian Government from 18th March 2020 until 12th May 2020, and subsequently followed by a further extension of the Conditional Movement Control Order ("CMCO") from 13th May to 9th June 2020.

While the pandemic crisis appears to be under control in East Asia, ASEAN and Australia Oceania, it is however still plaguing the major western economies like USA and Russia with whom there is not trading relationship. Given the current economic structure and the easing of the total lockdown in some of the countries in the region like Japan and India which are major business counterparts, it is a common consensus that this regional economic recovery kicked off sooner than any where else. During this period of the pandemic crisis, the Group has maintained its operation and running as usual. Nevertheless, the profit margins were compromised due to conservative demand decisions by the buyers. Hence, we anticipate the Group's business activities to be progressing forward upon the recovery from the pandemic, and we expect the Group's businesses fully recover in the near future.

The Group's current cash position remains sound and liquid. The efforts in cost saving measures as well as consolidating Group's best resources and improving productivity will continue to sustain the Group's financial position.

Notwithstanding the challenging near-term economic outlook as a result of the Coronavirus pandemic, we remain resilient to external shocks in view of the sound fundamentals of our sustainable business operations. We will continue to move forward to strengthen both our financial and market position in the industries we are in.

**19 Profit Forecast**

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



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Notes to the interim financial report

20 Profit after change in fair value of biological assets

	Individual Quarter 3 months ended 31 March		Cumulative Quarter Period ended 31 March	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Profit after change in fair value of biological assets is arrived at after crediting/(charging):</b>				
Finance income	480	980	480	980
Finance costs	(5,473)	(6,645)	(5,473)	(6,645)
Depreciation and amortisation	(23,276)	(22,636)	(23,276)	(22,636)
Gain on disposal of property, plant and equipment	204	80	204	80
Property, plant and equipment written off	(275)	(22)	(275)	(22)
Foreign exchange gain				
- realised	1,201	834	1,201	834
- unrealised	95	107	95	107

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 3 months ended 31 March		Cumulative Quarter Period ended 31 March	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax expense				
- Current year	5,629	5,283	5,629	5,283
- Prior years	-	15	-	15
	5,629	5,298	5,629	5,298
Deferred tax expense/ ( income)				
- Current year	792	(414)	792	(414)
<b>Total tax expense</b>	<b>6,421</b>	<b>4,884</b>	<b>6,421</b>	<b>4,884</b>
<b>Reconciliation of tax expense</b>				
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit after change in fair value of biological assets	11,251	7,449	11,251	7,449
Change in fair value of biological assets	2,890	(59)	2,890	(59)
Total tax expense	6,421	4,884	6,421	4,884
Profit excluding tax	20,562	12,274	20,562	12,274
Tax calculated using Malaysian tax rate of 24% (2019: 24%)				
- Prima facie income tax expense	4,935	2,946	4,935	2,946
- Non-deductible expenses	1,040	1,923	1,040	1,923
- Movements in unrecognised deferred tax assets	446	-	446	-
- Under provision in prior years	-	15	-	15
Tax expense for the period	6,421	4,884	6,421	4,884

**22 Cash and Cash Equivalents**

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

	As at 31 March 2020 RM'000	As at 31 March 2019 RM'000
Cash in hand	66	65
Cash at banks	129,097	132,862
Fixed deposits with original maturities not exceeding three months	1,090	90
	130,253	133,017
Fixed deposits pledged to banks	-	540
	130,253	133,557

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**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 2020 were as follows: -

		<b>As at 31 March 2020</b>
		<b>RM'000</b>
<b><u>Current</u></b>		
<i>Denominated in Ringgit Malaysia</i>		
<b>Unsecured -</b>	Bankers' acceptances/ Export Credit	50,443
	Refinancing	
	Revolving Credits	150,000
	Term loans	
	- Conventional	4,752
	- Islamic	21,320
<b>Secured -</b>	Hire purchase financing	2,218
	Revolving Credits	26,000
	Term loans	20,688
		<hr/>
		275,421
<b><u>Non-current</u></b>		
<i>Denominated in Ringgit Malaysia</i>		
<b>Unsecured -</b>	Term loans	
	- Islamic	70,700
<b>Secured -</b>	Hire purchase financing	2,721
	Revolving credit	78,000
	Term loans	117,268
		<hr/>
		268,689
<b>Total</b>		<hr/> <hr/>
		544,110

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**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 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.

Sibü High Court dismissed the claim on 13 February 2018.

The plaintiffs had on 9 March 2018 filed a notice of appeal against the Sibü 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.

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**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:

	Period ended 31 March	
	2020 RM'000	2019 RM'000
<b>Transactions with associates</b>		
Purchase of fresh fruit bunches	4,067	1,443
Transportation charges	-	12
Rental of premises paid	-	4
Sales of fresh fruit bunches	(1,221)	-
Sales of logs and timber products	(65)	(408)
Sales of property, plant and equipment	(70)	-
Sales of consumables	(15)	-
Sales of seedlings	(1)	-
Hiring income	-	(169)
Contract income	(1)	(133)
Handling income	(2)	-
Visiting fee	-	(3)
<b>Transactions with companies connected to certain Directors of the Company and its subsidiaries</b>		
Contract fees and fuel surcharge	5,156	4,325
Food ration expenses	163	51
Handling fees, transportation & freight charges	3,038	2,687
Repair and maintenance	-	112
Insurance premium	468	919
Purchase of fresh fruit bunches	40,585	21,281
Purchase of property, plant and equipment	34	101
Rental of premises paid	17	5
Purchase of spare parts, fertiliser & consumables	2,461	1,892
Purchase of logs and timber products	1,208	822
Security charges	21	21
Computer hardware & software development fees	178	158
Purchase of diesel and lubricants	5,260	5,275
Sales of logs and timber products	(664)	(1,829)
Sales of fresh fruit bunches	(10,142)	(9,643)
Sales of palm kernel shell and bunch ash	(461)	-
Hiring income	(11)	(52)
Income from rental of premises	(38)	(33)
Handling fee received	(585)	(691)
Transport subsidised	(339)	(318)
Sales of spare parts, fertiliser & consumables	-	(3)
Sales of seeds & seedlings	-	(3)
Empty bunch subsidised	-	(2)
	=====	=====

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**Notes to the interim financial report**

**29 Key Management Personnel Compensation**

Compensations to key management personnel are as follows:

	Period ended 31 March	
	2020 RM'000	2019 RM'000
Directors		
- Fees	169	169
- Remunerations	1,077	1,088
	<u>1,246</u>	<u>1,257</u>
Other key management personnel		
- Fees	27	27
- Remunerations	960	1,061
	<u>987</u>	<u>1,088</u>
Total	<u>2,233</u>	<u>2,345</u>

**30 Earnings Per Share**

	3 months ended 31 March 2020	Period ended 31 March 2020
(a) <b>Basic</b>		
Net profit attributable to ordinary owners of the Company ('000)	<u>RM10,245</u>	<u>RM10,245</u>
Weighted average number of ordinary shares in issue ('000)	<u>440,462</u>	<u>440,462</u>
Basic earnings per ordinary share (sen)	<u>2.33</u>	<u>2.33</u>
(b) <b>Diluted</b>	<u>2.33</u>	<u>2.33</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 2020.

**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 29 May 2020.