

Company No: 419232-K

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

**Condensed consolidated statement of financial position**  
**As at 30 June 2020 - unaudited**

	Note	30 June 2020 RM'000	31 December 2019 RM'000
<b>Assets</b>			
Property, plant and equipment		800,005	815,371
Right-of-use assets		216,313	218,907
Bearer plants		516,362	514,573
Biological assets		116,972	115,306
Investment in associates		219,362	214,284
Deferred tax assets		25,462	25,167
Goodwill		79,664	79,664
Other intangible assets		13,449	14,934
<b>Total non-current assets</b>		<b>1,987,589</b>	<b>1,998,206</b>
Inventories		212,421	225,412
Biological assets		67,606	67,264
Trade and other receivables	14	88,655	103,469
Current tax assets		799	599
Cash and cash equivalents	22	135,034	109,979
<b>Total current assets</b>		<b>504,515</b>	<b>506,723</b>
<b>Total assets</b>		<b>2,492,104</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		9,709	5,546
Retained earnings		1,018,367	1,009,007
<b>Total equity attributable to owners of the Company</b>		<b>1,462,503</b>	<b>1,448,980</b>
<b>Non-controlling interests</b>		<b>93,848</b>	<b>99,933</b>
<b>Total equity</b>		<b>1,556,351</b>	<b>1,548,913</b>
<b>Liabilities</b>			
Deferred tax liabilities		182,189	179,960
Deferred income		28,825	29,348
Borrowings	26	248,416	270,508
Employee benefits		41,153	38,139
Lease liabilities		16,591	16,125
<b>Total non-current liabilities</b>		<b>517,174</b>	<b>534,080</b>
Trade and other payables		109,956	126,448
Lease liabilities		5,914	7,582
Deferred income		2,370	2,317
Borrowings	26	284,503	271,636
Employee benefits		2,482	3,566
Current tax liabilities		13,354	10,387
<b>Total current liabilities</b>		<b>418,579</b>	<b>421,936</b>
<b>Total liabilities</b>		<b>935,753</b>	<b>956,016</b>
<b>Total equity and liabilities</b>		<b>2,492,104</b>	<b>2,504,929</b>
<b>Net assets per share (RM)</b>		<b>3.29</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.

## Condensed consolidated statement of profit or loss and other comprehensive income

For the period ended 30 June 2020 - unaudited

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter Ended 30 June 2020 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2019 RM'000	Current Year to date 30 June 2020 RM'000	Preceding Year Corresponding Period Ended 30 June 2019 RM'000
<b>Revenue</b>	9	248,704	216,008	501,305	394,931
Cost of sales		(200,731)	(175,568)	(400,055)	(316,895)
<b>Gross profit</b>		47,973	40,440	101,250	78,036
Finance income		502	318	982	1,298
Other operating income		2,647	2,499	4,004	5,667
Unrealised (loss) / gain in foreign exchange		(581)	337	(486)	444
Distribution costs		(15,603)	(14,189)	(31,138)	(24,959)
Administrative expenses		(13,254)	(12,219)	(22,875)	(24,073)
Other expenses		(1,463)	(2,914)	(4,809)	(4,620)
<b>Profit from operations</b>		20,221	14,272	46,928	31,793
Finance costs		(5,459)	(4,252)	(10,932)	(10,897)
Share of profit of equity-accounted investee, net of tax		5,751	720	5,079	2,118
<b>Profit before tax</b>	9	20,513	10,740	41,075	23,014
Tax expense	21	(6,216)	(3,786)	(12,637)	(8,670)
<b>Profit after tax</b>		14,297	6,954	28,438	14,344
Change in fair value of biological assets		3,232	55	342	114
<b>Profit after change in fair value of biological assets</b>		17,529	7,009	28,780	14,458
<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		13,563	(180)	4,163	(1,140)
<b>Other comprehensive income for the period, net of tax</b>		13,563	(180)	4,163	(1,140)
<b>Total comprehensive income for the period</b>		31,092	6,829	32,943	13,318
<b>Profit attributable to:</b>					
Owners of the Company		13,257	5,141	23,502	13,217
Non-controlling interests		4,272	1,868	5,278	1,241
<b>Profit after change in fair value of biological assets</b>		17,529	7,009	28,780	14,458
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		26,820	4,961	27,665	12,077
Non-controlling interests		4,272	1,868	5,278	1,241
<b>Total comprehensive income for the period</b>		31,092	6,829	32,943	13,318
<b>Earnings per share attributable to owners of the Company :</b>					
Basic/Diluted earnings per ordinary share (sen)	30	3.01	1.17	5.34	3.00

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.

Company No: 419232-K

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

**Condensed consolidated statement of changes in equity**  
**For the period ended 30 June 2020 - 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 2020</b>	444,844	(10,417)	5,546	1,009,007	1,448,980	99,933	1,548,913
Foreign exchange translation differences	-	-	4,163	-	4,163	-	4,163
Total other comprehensive income for the period	-	-	4,163	-	4,163	-	4,163
Profit after change in fair value of biological assets	-	-	-	23,502	23,502	5,278	28,780
<b>Total comprehensive income for the period</b>	-	-	4,163	23,502	27,665	5,278	32,943
<i>Contributions by and distributions to owners of the Company</i>							
- Dividends to owners of the Company	-	-	-	(22,023)	(22,023)	-	(22,023)
- Dividends to non-controlling interests	-	-	-	-	-	(600)	(600)
<b>Total transactions with owners of the Company</b>	-	-	-	(22,023)	(22,023)	(600)	(22,623)
<b>Changes in ownership of interests in subsidiaries</b>	-	-	-	7,881	7,881	(10,763)	(2,882)
<b>At 30 June 2020</b>	444,844	(10,417)	9,709	1,018,367	1,462,503	93,848	1,556,351
<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	-	-	(1,140)	-	(1,140)	-	(1,140)
Total other comprehensive income for the period	-	-	(1,140)	-	(1,140)	-	(1,140)
Profit after change in fair value of biological assets	-	-	-	13,217	13,217	1,241	14,458
<b>Total comprehensive income for the period</b>	-	-	(1,140)	13,217	12,077	1,241	13,318
<i>Contributions by and distributions to owners of the Company</i>							
- Dividends to non-controlling interests	-	-	-	-	-	(2,240)	(2,240)
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	(2,240)	(2,240)
<b>Treasury shares purchased</b>	-	(582)	-	-	(582)	-	(582)
<b>At 30 June 2019</b>	444,844	(9,032)	7,289	965,320	1,408,421	84,952	1,493,373

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.

Company No: 419232-K

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

**Condensed consolidated statement of cash flows**  
**For the period ended 30 June 2020 - unaudited**

	<b>1 January 2020 to 30 June 2020 RM'000</b>	<b>1 January 2019 to 30 June 2019 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	41,075	23,014
<i>Adjustments for:</i>		
Amortisation of bearer plants	12,745	13,189
Depletion of biological asset	643	403
Amortisation of other intangible assets	1,208	1,208
Depreciation of property, plant and equipment	28,858	29,264
Depreciation of right-of-use assets	3,802	4,400
Deferred income recognised as income	(1,128)	(1,175)
Finance costs	10,932	10,897
Finance income	(982)	(1,298)
Gain on disposal of property, plant and equipment	(105)	(171)
Property, plant and equipment written off	275	86
Unrealised foreign exchange loss / (gain)	486	(444)
Employee benefits	2,535	2,090
Share of profit of equity-accounted investee, net of tax	(5,079)	(2,118)
Operating profit before changes in working capital	<u>95,265</u>	<u>79,345</u>
Changes in working capital:		
Inventories	13,705	(29,683)
Trade and other receivables, prepayments and other assets	15,559	18,921
Trade and other payables	(17,430)	(14,784)
Cash generated from operations	<u>107,099</u>	<u>53,799</u>
Interest paid	(6,451)	(6,136)
Income tax paid	(7,639)	(5,214)
Employee benefits paid	(495)	(561)
Net cash from operating activities	<u>92,514</u>	<u>41,888</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(8,928)	(37,616)
Proceeds from disposal of property, plant and equipment	401	311
Proceeds from shares issued to non-controlling interests	1,350	-
Addition to biological assets	(2,682)	(2,065)
Addition to bearer plants	(12,758)	(12,467)
Purchase of treasury shares	-	(582)
Acquisition of new associate	-	(12,925)
Interest received	982	1,298
Acquisition of non-controlling interests	(4,232)	-
Net cash used in investing activities	<u>(25,867)</u>	<u>(64,046)</u>
<b>Cash flows from financing activities</b>		
Dividends to owners of the Company	(22,023)	-
Dividends to non-controlling interests	(600)	(2,240)
(Repayment of) / Proceeds from borrowings/trade financing	(10,526)	21,305
Payment of lease liabilities	(3,738)	(6,900)
Upliftment of pledged deposits	-	542
Hire purchase financing interest paid	(119)	(81)
Term loan interest/profit paid	(4,776)	(7,249)
Net cash (used in) / from financing activities	<u>(41,782)</u>	<u>5,377</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	24,865	(16,781)
<b>Effect of exchange rate fluctuations on cash held</b>	190	(69)
<b>Cash and cash equivalents at 1 January</b>	<u>109,979</u>	<u>127,496</u>
<b>Cash and cash equivalents at 30 June (Note 22)</b>	<u>135,034</u>	<u>110,646</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.

**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*

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.

**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.

Company No : 419232-K

**TA ANN HOLDINGS BERHAD**

**Notes to the interim financial report**

**7 Debt and Equity Securities, Share Buy-back**

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

As at 30 June 2020, the number of ordinary shares repurchased in an earlier period and retained as treasury shares is 4,382,000 shares.

**8 Dividend**

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	
	6 months ended 30 June			
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Timber products	151,665	148,354	279	13,224
Oil palm	349,453	246,387	40,745	10,101
Reforestation	113	91	-	(257)
Property development	74	99	51	(54)
	501,305	394,931	41,075	23,014

**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.

Company No : 419232-K

**TA ANN HOLDINGS BERHAD**

**Notes to the interim financial report**

**14 Trade and Other Receivables**

	<b>As At 30 June 2020 RM'000</b>	<b>As At 31 December 2019 RM'000</b>
<b>Current assets</b>		
Trade receivables	41,406	50,587
Interest receivable	-	13
Other receivables	30,019	34,885
Deposits	5,360	5,284
Prepayments		
-Plant and machinery	806	1,127
-Others	10,882	11,341
Other advances	182	232
	<u>88,655</u>	<u>103,469</u>

**15 Capital Commitments**

	<b>As At 30 June 2020 RM'000</b>
<b>Property, plant and equipment</b>	
- Contracted but not provided for	<u>1,775</u>

**16. Review of Performance**

(a) For the quarter under review, the Group reported a revenue of RM248.70 million compared to RM216.01 million in the corresponding quarter in 2019. Group's profit before tax and its net profit were RM20.51 million and RM17.53 million respectively for the quarter under review compared to RM10.74 million and RM7.01 million of the corresponding quarter in 2019.

The higher revenue and profit was contributed by the higher average selling prices for Crude Palm Oil ('CPO') and Fresh Fruit Bunches ('FFB') by 20% and 19% respectively despite the drop in export logs sales volume by 19% and the lower average selling prices for export logs and plywood products by 23% and 11% respectively.

The Group has recognised a profit from the changes in the fair value of the biological assets amounting to RM3.23 million during the current quarter under review as compared to a profit of RM0.06 million in the preceding corresponding quarter.

(b) For the first half year of 2020, the Group's revenue and net profit were RM501.31 million and RM28.78 million, compared to RM394.93 million and RM14.46 million of the corresponding period in year 2019.

Higher average CPO and FFB selling prices by 27% and 28% respectively contributed positively to the revenue and profit.

The Group has recognised a gain from the changes in the fair value of the biological assets amounting to RM0.34 million during the current period under review as compared to a gain of RM0.11 million in the preceding corresponding period.

**TA ANN HOLDINGS BERHAD**

**Notes to the interim financial report**

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

Revenue and net profit were RM248.70 million and RM17.53 million respectively in the quarter under review as compared to RM252.60 million and RM11.25 million respectively of the preceding quarter.

The lower revenue and margin registered in the current quarter under review as compared to the preceding quarter were mainly due to lower average selling price for CPO and FFB by 14% and 19% respectively and the significant drop in export logs volume that resulted from the COVID 19 pandemic where our major export country was having major lockdowns.

However, these effects were mitigated by the better achievement in sales volume for CPO and FFB by 17% and 23% respectively.

**18 Current Year Prospects**

With the gradual lifting of lockdowns in many major countries as well as the Malaysian government's efforts in containing the spread of Covid-19, the global market is generally expected to recover.

As Ta Ann has secured full certifications of forest concessions in 2020, the Group is confident to have a much stronger competitive edge in the marketing of both logs export as well as the plywood products, particularly in the case of plywood products in Japan. The Group's plywood export volume is always well absorbed in Japan. As for the logs export, the major importing countries such as India, Vietnam have started to resume their business activities.

The average CPO prices have recovered strongly from the lowest in the mid of April at RM2,047/mt to RM2,800/mt in August 2020, registering a significant rise of 37%. This favourable market demand and price trend for CPO are expected to remain sustainable given the expected economic recovery of the major consuming countries such as China and India.

Hence, the Group expects a higher profit in 2H20 which will definitely be better than 1H20 performance given the expected improvements in both products' selling price and export volume .

Barring any unforeseen circumstances and subject to sustainability of prevailing CPO price, the Board of Directors expects the Group to be able to continue to withstand all the external pressures and achieve a satisfactory performance for the year 2020.

**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 30 June 2020	3 months ended 30 June 2019	6 months ended 30 June 2020	6 months ended 30 June 2019
	RM'000	RM'000	RM'000	RM'000
<b>Profit after change in fair value of biological assets is arrived at after crediting/(charging):</b>				
Finance income	502	318	982	1,298
Finance costs	(5,459)	(4,252)	(10,932)	(10,897)
Depreciation and amortisation	(23,980)	(25,828)	(47,256)	(48,464)
(Loss) / Gain on disposal of property, plant and equipment	(99)	91	105	171
Property, plant and equipment written off	-	(64)	(275)	(86)
Foreign exchange gain / (loss)				
- realised	1,319	819	2,520	1,653
- unrealised	(581)	337	(486)	444

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.



## TA ANN HOLDINGS BERHAD

## Notes to the interim financial report

## 21 Tax Expense

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

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 6 months ended 30 June	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax expense				
- Current year	4,777	3,500	10,406	8,783
- Prior years	-	-	-	15
	4,777	3,500	10,406	8,798
Deferred tax expense/ (income)				
- Current year	1,439	286	2,231	(128)
<b>Total tax expense</b>	<b>6,216</b>	<b>3,786</b>	<b>12,637</b>	<b>8,670</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	17,529	7,009	28,780	14,458
Change in fair value of biological assets	(3,232)	(55)	(342)	(114)
Total tax expense	6,216	3,786	12,637	8,670
Profit excluding tax	20,513	10,740	41,075	23,014
Tax calculated using Malaysian tax rate of 24% (2019: 24%)				
- Prima facie income tax expense	4,923	2,578	9,858	5,524
- Non-deductible expenses	580	521	1,620	2,459
- Movements in unrecognised deferred tax assets	713	687	1,159	687
Tax expense for the period	6,216	3,786	12,637	8,670

## 22 Cash and Cash Equivalents

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

	As at 30 June 2020 RM'000	As at 30 June 2019 RM'000
Cash in hand	52	68
Cash at banks	133,892	110,488
Fixed deposits with original maturities not exceeding three months	1,090	90
	135,034	110,646
Fixed deposits pledged to banks	-	390
	135,034	111,036

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 June 2020 were as follows: -

		<b>As at 30 June 2020</b>
		<b>RM'000</b>
<b><u>Current</u></b>		
<i>Denominated in Ringgit Malaysia</i>		
<b>Unsecured -</b>	Bankers' acceptances/ Export credit refinancing	32,035
	Revolving credits	150,000
	Term loans	
	- Conventional	17,849
	- Islamic	21,620
<b>Secured -</b>	Hire purchase financing	2,340
	Revolving credits	36,000
	Term loans	24,659
		<hr/>
		284,503
<b><u>Non-current</u></b>		
<i>Denominated in Ringgit Malaysia</i>		
<b>Unsecured -</b>	Term loans	
	- Islamic	65,270
<b>Secured -</b>	Hire purchase financing	2,585
	Revolving credits	65,000
	Term loans	115,561
		<hr/>
		248,416
		<hr/>
<b>Total</b>		<b>532,919</b>

**Company No : 419232-K**

**TA ANN HOLDINGS BERHAD**

**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 Sibiu 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 Sibiu 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. The hearing of the appeal which was fixed on 16 July 2020 is vacated and is now pending the Court of Appeal to re-fix a new hearing date.

**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:

	<b>6 months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Transactions with associates</b>		
Purchase of fresh fruit bunches	9,581	2,764
Purchase of palm kernel shell	145	-
Transportation charges	-	9
Rental of premises paid	-	8
Sales of fresh fruit bunches	(1,221)	(838)
Sales of logs and timber products	(350)	(409)
Contract income	(338)	(408)
Sales of consumables	-	(10)
Hiring income	-	(184)
Visiting fee	-	(3)
<b>Transactions with companies connected to certain Directors of the Company and its subsidiaries</b>		
Contract fees and fuel surcharge	9,019	8,981
Food ration expenses	-	104
Handling fees, transportation & freight charges	5,409	5,912
Repair and maintenance	-	217
Insurance premium	1,157	1,574
Purchase of fresh fruit bunches	65,876	47,941
Purchase of property, plant and equipment	-	106
Rental of premises paid	3	22
Purchase of spare parts, fertiliser & consumables	2,936	4,217
Purchase of logs and timber products	2,218	1,350
Security charges	35	42
Computer hardware & software development fees	181	289
Purchase of diesel and lubricants	10,339	10,555
Sales of logs and timber products	(2,262)	(2,606)
Sales of fresh fruit bunches	(21,762)	(18,252)
Sales of palm kernel shell and bunch ash	(334)	-
Hiring income	-	(94)
Income from rental of premises	(40)	(57)
Handling fee received	(1,249)	(1,273)
Transport subsidised	(682)	(825)
Sales of spare parts, fertiliser & consumables	-	(3)
Sales of seeds & seedlings	-	(6)
Empty bunch subsidised	-	(3)
	=====	=====

TA ANN HOLDINGS BERHAD

Notes to the interim financial report

**29 Key Management Personnel Compensation**

Compensations to key management personnel are as follows:

	<b>6 months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors		
- Fees	755	781
- Remunerations	2,184	2,207
	<u>2,939</u>	<u>2,988</u>
Other key management personnel		
- Fees	54	54
- Remunerations	2,142	2,481
	<u>2,196</u>	<u>2,535</u>
Total	<u>5,135</u>	<u>5,523</u>

**30 Earnings Per Share**

	<b>3 months ended</b>	<b>6 months ended</b>
	<b>30 June 2020</b>	<b>30 June 2020</b>
(a) <b>Basic</b>		
Net profit attributable to ordinary owners of the Company ('000)	<u>RM13,257</u>	<u>RM23,502</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>3.01</u>	<u>5.34</u>
(b) <b>Diluted</b>	<u>3.01</u>	<u>5.34</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 June 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 28 August 2020.