

Company No: 419232-K

TA ANN HOLDINGS BERHAD
(Incorporated in Malaysia)

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

	Note	31 December 2020 RM'000	31 December 2019 RM'000
Assets			
Property, plant and equipment		760,361	815,371
Right-of-use assets		217,524	218,907
Bearer plants		519,425	514,573
Biological assets		117,540	115,306
Investment in associates		232,725	214,284
Deferred tax assets		22,993	25,167
Goodwill		79,664	79,664
Other intangible assets		11,433	14,934
Total non-current assets		1,961,665	1,998,206
Inventories		153,746	225,412
Biological assets		95,187	67,264
Trade and other receivables	14	55,110	103,469
Current tax assets		882	599
Other investment		1,028	-
Cash and cash equivalents	22	271,983	109,979
Total current assets		577,936	506,723
Total assets		2,539,601	2,504,929
Financed by:			
Capital and reserves			
Share capital		444,844	444,844
Treasury shares		(10,417)	(10,417)
Foreign exchange translation reserve		14,114	5,546
Retained earnings		995,909	1,009,007
Total equity attributable to owners of the Company		1,444,450	1,448,980
Non-controlling interests		118,936	99,933
Total equity		1,563,386	1,548,913
Liabilities			
Deferred tax liabilities		192,178	179,960
Deferred income		29,162	29,348
Borrowings	26	223,570	270,508
Employee benefits		42,617	38,139
Lease liabilities		15,635	16,125
Total non-current liabilities		503,162	534,080
Trade and other payables		172,830	126,448
Lease liabilities		4,174	7,582
Deferred income		2,502	2,317
Borrowings	26	272,893	271,636
Employee benefits		2,280	3,566
Current tax liabilities		18,374	10,387
Total current liabilities		473,053	421,936
Total liabilities		976,215	956,016
Total equity and liabilities		2,539,601	2,504,929
Net assets per share (RM)		3.25	3.26

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 year ended 31 December 2020 - unaudited

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter Ended 31 December 2020 RM'000	Preceding Year Corresponding Quarter Ended 31 December 2019 RM'000	Current Year Ended 31 December 2020 RM'000	Preceding Year Ended 31 December 2019 RM'000
Revenue	9	363,083	282,842	1,217,759	945,692
Cost of sales		(305,708)	(227,933)	(964,048)	(732,320)
Gross profit		57,375	54,909	253,711	213,372
Finance income		860	938	2,466	2,813
Other operating income		2,859	43,724	10,527	49,836
Unrealised gain / (loss) in foreign exchange		503	(1,092)	18	(465)
Distribution costs		(22,687)	(17,830)	(72,018)	(56,955)
Administrative expenses		(16,587)	(16,426)	(49,881)	(52,922)
Other expenses		(2,991)	(23,906)	(13,671)	(30,481)
Profit from operations		19,332	40,317	131,152	125,198
Finance costs		(4,120)	(5,255)	(19,387)	(22,317)
Share of profit of equity-accounted investee, net of tax		8,860	4,054	22,689	7,724
Profit before tax	9	24,072	39,116	134,454	110,605
Tax expense	21	(11,793)	(7,992)	(39,721)	(32,194)
Profit after tax		12,279	31,124	94,733	78,411
Property, plant and equipment written off		(24,257)	(22,396)	(24,257)	(22,396)
Impairment of property, plant and equipment		(10,727)	-	(10,727)	-
Change in fair value of biological assets		14,741	14,073	16,726	14,246
Profit after change in fair value of biological assets		(7,964)	22,801	76,475	70,261
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liability		-	3,066	-	3,066
Item that is or may be reclassified subsequently to profit or loss					
Foreign exchange translation differences for foreign operations		2,810	944	8,568	(2,883)
Other comprehensive income for the period / year, net of tax		2,810	4,010	8,568	183
Total comprehensive income for the period / year		(5,154)	26,811	85,043	70,444
Profit attributable to:					
Owners of the Company		(21,181)	15,844	45,090	53,838
Non-controlling interests		13,217	6,957	31,385	16,423
Profit after change in fair value of biological assets		(7,964)	22,801	76,475	70,261
Total comprehensive income attributable to:					
Owners of the Company		(18,371)	19,854	53,658	54,021
Non-controlling interests		13,217	6,957	31,385	16,423
Total comprehensive income for the period / year		(5,154)	26,811	85,043	70,444
Earnings per share attributable to owners of the Company :					
Basic/Diluted earnings per ordinary share (sen)	30	(4.81)	3.60	10.24	12.22

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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Condensed consolidated statement of changes in equity
For the year ended 31 December 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			
At 1 January 2020	444,844	(10,417)	5,546	1,009,007	1,448,980	99,933	1,548,913
Foreign exchange translation differences	-	-	8,568	-	8,568	-	8,568
Total other comprehensive income for the year	-	-	8,568	-	8,568	-	8,568
Profit after change in fair value of biological assets	-	-	-	45,090	45,090	31,385	76,475
Total comprehensive income for the year	-	-	8,568	45,090	53,658	31,385	85,043
<i>Contributions by and distributions to owners of the Company</i>							
- Dividends to owners of the Company	-	-	-	(66,069)	(66,069)	-	(66,069)
- Dividends to non-controlling interests	-	-	-	-	-	(10,300)	(10,300)
Total transactions with owners of the Company	-	-	-	(66,069)	(66,069)	(10,300)	(76,369)
Subscription of shares by non-controlling interests	-	-	-	-	-	10,031	10,031
Changes in ownership of interests in subsidiaries	-	-	-	7,881	7,881	(12,113)	(4,232)
At 31 December 2020	444,844	(10,417)	14,114	995,909	1,444,450	118,936	1,563,386
At 1 January 2019	444,844	(8,450)	8,429	952,103	1,396,926	85,951	1,482,877
Remeasurement of defined benefit liability	-	-	-	3,066	3,066	-	3,066
Foreign exchange translation differences	-	-	(2,883)	-	(2,883)	-	(2,883)
Total other comprehensive income for the year	-	-	(2,883)	3,066	183	-	183
Profit after change in fair value of biological assets	-	-	-	53,838	53,838	16,423	70,261
Total comprehensive income for the year	-	-	(2,883)	56,904	54,021	16,423	70,444
<i>Contributions by and distributions to owners of the Company</i>							
- Dividends to non-controlling interests	-	-	-	-	-	(2,440)	(2,440)
Total transactions with owners of the Company	-	-	-	-	-	(2,440)	(2,440)
Treasury shares purchased	-	(1,967)	-	-	(1,967)	-	(1,967)
At 31 December 2019	444,844	(10,417)	5,546	1,009,007	1,448,980	99,933	1,548,913

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 year ended 31 December 2020 - unaudited

	1 January 2020 to 31 December 2020	1 January 2019 to 31 December 2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	134,454	110,605
<i>Adjustments for:</i>		
Amortisation of bearer plants	25,430	25,109
Bearer plants written off	-	403
Biological assets written off	622	54
Depletion of biological assets	2,378	1,116
Amortisation of other intangible assets	2,942	9,472
Depreciation of property, plant and equipment	53,515	58,332
Depreciation of right-of-use assets	8,873	11,892
Deferred income recognised as income	(2,343)	(3,709)
Finance costs	19,387	22,317
Finance income	(2,466)	(2,813)
Gain on disposal of property, plant and equipment	(1,182)	(896)
Property, plant and equipment written off	2,523	387
Property, plant and equipment expensed off	-	567
Unrealised foreign exchange (gain) / loss	(18)	465
Employee benefits	5,444	4,994
Share of profit of equity-accounted investee, net of tax	(22,689)	(7,724)
Operating profit before changes in working capital	<u>226,870</u>	<u>230,571</u>
Changes in working capital:		
Inventories	74,164	(55,314)
Trade and other receivables, prepayments and other assets	53,494	(25,427)
Trade and other payables	3,494	19,874
Provision for leave pay	-	(1,322)
Cash generated from operations	<u>358,021</u>	<u>168,382</u>
Interest paid	(11,301)	(13,449)
Income tax paid	(28,129)	(25,495)
Employee benefits paid	(1,836)	(1,035)
Net cash from operating activities	<u>316,755</u>	<u>128,403</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(33,403)	(67,072)
Proceeds from disposal of property, plant and equipment	5,073	4,749
Proceeds from shares issued to non-controlling interests	2,499	-
Addition to biological assets	(3,855)	(4,798)
Addition to bearer plants	(29,118)	(23,270)
Purchase of treasury shares	-	(1,967)
Acquisition of new associate	-	(12,925)
Placement of fixed deposits with original maturities exceeding three months	(1,028)	-
Dividend received from associate	4,248	4,248
Interest received	2,466	2,813
Acquisition of non-controlling interests	(4,232)	-
Net cash used in investing activities	<u>(57,350)</u>	<u>(98,222)</u>
Cash flows from financing activities		
Dividends to owners of the Company	(22,023)	-
Dividends to non-controlling interests	(10,300)	(2,440)
Repayment of borrowings/trade financing	(50,174)	(17,913)
Payment of lease liabilities	(6,777)	(14,044)
Upliftment of pledged deposits	-	932
Hire purchase financing interest paid	(261)	(63)
Term loan interest/profit paid	(8,529)	(14,149)
Net cash used in financing activities	<u>(98,064)</u>	<u>(47,677)</u>
Net increase / (decrease) in cash and cash equivalents	161,341	(17,496)
Effect of exchange rate fluctuations on cash held	663	(21)
Cash and cash equivalents at 1 January	<u>109,979</u>	<u>127,496</u>
Cash and cash equivalents at 31 December (Note 22)	<u>271,983</u>	<u>109,979</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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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.

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

8 Dividend

The Board of Directors has declared a second interim single-tier ordinary dividend for the financial year ended 31 December 2020 of 5 sen per ordinary share (corresponding period in Year 2019: 5 sen) to be paid on 23 April 2021 to depositors whose names appear in the Record of Depositors on 7 April 2021.

A depositor shall qualify for entitlement only in respect of:

- (a) Securities transferred into Depositor's Securities Account before 4:00 p.m. on 7 April 2021 in respect of transfers; and
- (b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

The total dividend declared to date for the financial year ended 31 December 2020 is 15 sen per ordinary share.

9 Segmental Reporting

	Revenue from external customers		Profit before tax	
	Year ended 31 December			
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Timber products	306,947	297,319	(35,381)	37,711
Oil palm	910,439	648,143	169,290	73,201
Reforestation	226	94	262	(176)
Property development	147	136	283	(131)
	1,217,759	945,692	134,454	110,605

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.

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Notes to the interim financial report

14 Trade and Other Receivables

	As At 31 December 2020 RM'000	As At 31 December 2019 RM'000
Current assets		
Trade receivables	42,135	50,587
Interest receivable	38	13
Other receivables	891	34,885
Deposits	4,264	5,284
Prepayments		
-Plant and machinery	725	1,127
-Others	6,917	11,341
Other advances	140	232
	<u>55,110</u>	<u>103,469</u>

15 Capital Commitments

	As At 31 December 2020 RM'000
Property, plant and equipment	
- Contracted but not provided for	<u>380</u>

16. Review of Performance

(a) For the quarter under review, the Group reported a revenue of RM363.08 million as compared to that of RM282.84 million in the corresponding quarter in 2019. Group's profit before tax at RM24.07 million for the quarter under review as compared to RM39.12 million of the corresponding quarter in 2019.

The better performance was mainly contributed by higher average selling price for export logs, Crude Palm Oil ('CPO') and Fresh Fruit Bunches ('FFB') by 32%, 34% and 42% respectively despite lower sales volume for export logs and FFB by 15% and 5% respectively.

The Group has recognised a profit from the changes in the fair value of the biological assets amounting to RM14.74 million during the current quarter under review as compared to a profit of RM14.07 million in the corresponding quarter.

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Notes to the interim financial report

(b) For the year 2020, the Group's revenue and net profit were recorded at RM1.22 billion and RM76.48 million as compared to that of RM0.95 billion and RM70.26 million respectively in 2019.

Higher revenue and profit were mainly contributed by increases in average selling price for the CPO and FFB of 30% and 36% respectively.

The Group has written off Property, Plant and Equipment amounting to RM24.26 million whereas the provision of asset impairment has further taken off AUD3.75 million or RM10.73 million for Smithton mill which is located in Tasmania, Australia and the derecognition of deferred tax asset of AUD 1.93 million or RM equivalent of RM5.5 million was registered. The assets written off were mainly the Huon Mill's assets that were damaged by the bush fire in 2019, and have since ceased the operations of the plant. The site building and infrastructure are up for sale. The provision for asset impairment was deemed appropriate in view of the weak performance that have been severely affected by the COVID 19 pandemic in 2020. Therefore, there were a total of RM40.49 million of losses being reported in the quarter under review on the Group's assets written off as well as the asset impairment impact.

The Group has recognised a gain from the changes in the fair value of the biological assets amounting to RM16.73 million in 2020 as compared to a gain of RM14.25 million in 2019.

17 Variation of Results compared to the Preceding Quarter

The Group reported a revenue and profit before tax of at RM363.08 million and RM24.07 million in the quarter under review as compared to RM353.37 million and RM 69.31 million respectively in the preceding quarter.

The variation of performance was mainly contributed by the followings:

- (i) a drop in average selling price for plywood product by 11%;
- (ii) lower achievement of sales volume for export logs, CPO and FFB by 37%, 13% and 24% respectively despite the higher average selling price for export logs, CPO and FFB by 23%, 21% and 26% respectively.

18 Current Year Prospects

The outlook for 2021 remains positive with the uptrend of commodities price resulting from the demand exceed supply mainly due to the COVID 19 pandemic.

Worldwide governments, as well as the Malaysian Government, had strategized in reviving the economy by introducing and undertaking numerous economic stimulus plans, to curb and control the Covid-19 pandemic. This economic stimulus plan will stimulate for stronger demands for the Group's raw material resource products and thus maintaining sustainable productivity in timber and oil palm divisions.

Nevertheless, the Group has taken all necessary measures and precautions to keep the work force safe while maintaining sustainable operations under strict compliance to the standard operating procedures issued by the Government to curb the spread of COVID 19.

Barring any unforeseen circumstances, the Board of Directors anticipates a satisfactory financial performance for the financial year 2021.

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 December		Cumulative Quarter Year ended 31 December	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit after change in fair value of biological assets is arrived at after crediting/(charging):				
Finance income	860	938	2,466	2,813
Finance costs	(4,120)	(5,255)	(19,387)	(22,317)
Depreciation and amortisation	(21,335)	(35,169)	(93,138)	(105,921)
Gain on disposal of property, plant and equipment	888	382	1,182	896
Property, plant and equipment written off	(26,512)	(22,517)	(26,780)	(22,783)
Foreign exchange gain / (loss)				
- realised	1,114	853	5,664	3,721
- unrealised	503	(1,050)	18	(423)

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/ year under review are as follows:

	Individual Quarter 3 months ended 31 December		Cumulative Quarter Year ended 31 December	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- Current year	10,551	3,869	36,264	25,499
- Prior year	(431)	(2,439)	(431)	(2,929)
	10,120	1,430	35,833	22,570
Deferred tax expense				
- Current year	1,673	6,643	3,888	9,705
- Prior year	-	(81)	-	(81)
	1,673	6,562	3,888	9,624
Total tax expense	11,793	7,992	39,721	32,194
Reconciliation of tax expense	RM'000	RM'000	RM'000	RM'000
Profit after change in fair value of biological assets	(7,964)	22,801	76,475	70,261
Property , plant, equipment written off	24,257	22,396	24,257	22,396
Impairment of property , plant, equipment	10,727	-	10,727	-
Change in fair value of biological assets	(14,741)	(14,073)	(16,726)	(14,246)
Total tax expense	11,793	7,992	39,721	32,194
Profit excluding tax	24,072	39,116	134,454	110,605
Tax calculated using Malaysian tax rate of 24% (2019: 24%)				
- Prima facie income tax expense	5,777	9,388	32,269	26,545
- Non-deductible expenses	4,022	(3,007)	6,120	2,895
- Double deduction for certain expenses	-	(3)	-	(3)
- Movements in unrecognised deferred tax assets	(3,245)	7,691	(2,773)	8,832
- others	5,670	(3,067)	4,536	(3,065)
- Over provision in prior years	(431)	(3,010)	(431)	(3,010)
Tax expense for the period / year	11,793	7,992	39,721	32,194

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Notes to the interim financial report

22 Cash and Cash Equivalents

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

	As at 31 December 2020 RM'000	As at 31 December 2019 RM'000
Cash in hand	129	58
Cash at banks	264,373	109,831
Fixed deposits with original maturities not exceeding three months	7,481	90
	<u>271,983</u>	<u>109,979</u>

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.

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Notes to the interim financial report

26 Group Borrowings and Debt Securities

Total Group borrowings as at 31 December 2020 were as follows: -

		As at 31 December 2020
		RM'000
<u>Current</u>		
<i>Denominated in Ringgit Malaysia</i>		
Unsecured -	Bankers' acceptances/ Export credit refinancing	23,259
	Revolving credits	145,000
	Term loans	
	- Conventional	20,554
	- Islamic	21,620
Secured -	Hire purchase financing	3,450
	Revolving credits	26,000
	Term loans	33,010
		<hr/>
		272,893
<u>Non-current</u>		
<i>Denominated in Ringgit Malaysia</i>		
Unsecured -	Term loans	
	- Islamic	63,770
Secured -	Hire purchase financing	3,490
	Revolving credits	52,000
	Term loans	104,310
		<hr/>
		223,570
		<hr/>
Total		496,463

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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 and had on 30 May 2018, served a record of appeal to the Court of Appeal.

The Court of appeal had fixed the case for the hearing on 16 July 2020. The hearing of the appeal which was fixed on 16 July 2020 was vacated and was re-fixed on 10 August 2020 for the case management hearing.

After the pre-trial case management hearing for this suit on 10 August 2020, the parties had applied to the High Court on 24 August 2020 to amend the High Court order to correct the claimed land area.

Due to the recent decision of the Federal Court leave granted in TR Rama Bungkong case and TR Samba's case to revisit the TR Sandah case, the Court of Appeal has re-fixed the case for case management hearing on 3 May 2021.

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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 year:

	Year ended 31 December	
	2020	2019
	RM'000	RM'000
Transactions with associates		
Purchase of fresh fruit bunches	26,795	11,341
Purchase of palm kernel shell	653	-
Sales of fresh fruit bunches	(1,222)	(1,919)
Sales of logs and timber products	(476)	(460)
Sales of property, plant and equipment	-	(196)
Sales of seedling	-	(272)
Contract income	(765)	(854)
Hiring income	-	(206)
Transactions with companies connected to certain Directors of the Company and its subsidiaries		
Contract fees and fuel surcharge	19,423	23,233
Food ration expenses	-	196
Handling fees, transportation & freight charges	18,996	16,164
Repair and maintenance	-	462
Insurance premium	3,019	3,632
Purchase of fresh fruit bunches	177,289	137,858
Purchase of property, plant and equipment	-	207
Rental of premises paid	5	77
Purchase of spare parts, fertiliser & consumables	7,320	9,901
Purchase of logs and timber products	4,353	4,038
Security charges	56	63
Computer hardware & software development fees	442	1,124
Purchase of diesel and lubricants	19,685	22,009
Sales of logs and timber products	(4,772)	(5,128)
Sales of fresh fruit bunches	(57,460)	(46,193)
Sales of palm kernel shell and bunch ash	(978)	(343)
Hiring income	-	(119)
Income from rental of premises	(79)	(152)
Handling fee received	(2,945)	(3,041)
Transport subsidised	(1,457)	(1,663)
Sales of spare parts, fertiliser & consumables	-	(208)
Sales of seeds & seedlings	-	(17)
Contract income	-	(506)
	=====	=====

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Notes to the interim financial report

29 Key Management Personnel Compensation

Compensations to key management personnel are as follows:

	Year ended 31 December	
	2020 RM'000	2019 RM'000
Directors		
- Fees	1,513	1,511
- Remunerations	11,095	11,608
	<u>12,608</u>	<u>13,119</u>
Other key management personnel		
- Fees	249	322
- Remunerations	3,725	4,977
	<u>3,974</u>	<u>5,299</u>
Total	<u>16,582</u>	<u>18,418</u>

30 Earnings Per Share

	3 months ended 31 December 2020	Year ended 31 December 2020
(a) Basic		
Net profit attributable to ordinary owners of the Company ('000)	<u>(RM 21,181)</u>	<u>RM45,090</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>(4.81)</u>	<u>10.24</u>
(b) Diluted	<u>(4.81)</u>	<u>10.24</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 December 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 22 March 2021.