

Company No: 419232-K

TA ANN HOLDINGS BERHAD
(Incorporated in Malaysia)

Condensed consolidated statement of financial position
As at 30 June 2021 - unaudited

	Note	30 June 2021 RM'000	31 December 2020 RM'000
Assets			
Property, plant and equipment		747,635	757,105
Right-of-use assets		209,722	214,077
Bearer plants		526,317	520,227
Biological assets		122,460	121,691
Investment in associates		246,725	225,232
Deferred tax assets		29,700	29,700
Goodwill		79,665	79,665
Other intangible assets		9,010	10,810
Total non-current assets		1,971,234	1,958,507
Inventories		145,869	154,792
Biological assets		121,484	94,099
Trade and other receivables	14	65,053	65,640
Current tax assets		241	728
Other investment	23	1,028	1,028
Cash and cash equivalents		304,290	271,358
Total current assets		637,965	587,645
Total assets		2,609,199	2,546,152
Financed by:			
Capital and reserves			
Share capital		444,844	444,844
Treasury shares		(10,417)	(10,417)
Foreign exchange translation reserve		14,578	14,098
Retained earnings		1,091,124	998,035
Total equity attributable to owners of the Company		1,540,129	1,446,560
Non-controlling interests		139,519	117,998
Total equity		1,679,648	1,564,558
Liabilities			
Deferred tax liabilities		213,071	200,066
Deferred income		28,055	29,154
Borrowings	27	184,781	223,540
Employee benefits		39,206	37,283
Lease liabilities		9,454	9,535
Total non-current liabilities		474,567	499,578
Trade and other payables		173,570	178,409
Lease liabilities		3,296	5,420
Deferred income		2,531	2,502
Borrowings	27	238,155	272,923
Employee benefits		7,844	7,936
Current tax liabilities		29,588	14,826
Total current liabilities		454,984	482,016
Total liabilities		929,551	981,594
Total equity and liabilities		2,609,199	2,546,152
Net assets per share (RM)		3.46	3.25

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2021 - unaudited

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter Ended 30 June 2021 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2020 RM'000	Current Year to date 30 June 2021 RM'000	Preceding Year Corresponding Period Ended 30 June 2020 RM'000
Revenue	9	455,344	248,704	795,965	501,305
Cost of sales		(324,283)	(200,731)	(595,227)	(400,055)
Gross profit		131,061	47,973	200,738	101,250
Finance income		882	502	1,780	982
Other operating income		2,929	2,647	6,489	4,004
Unrealised (loss) / gain in foreign exchange		(30)	(581)	93	(486)
Distribution costs		(26,875)	(15,603)	(47,627)	(31,138)
Administrative expenses		(12,157)	(13,254)	(21,279)	(22,875)
Other expenses		(1,581)	(1,463)	(3,057)	(4,809)
Profit from operations		94,229	20,221	137,137	46,928
Finance costs		(3,414)	(5,459)	(7,126)	(10,932)
Share of profit of equity-accounted investee, net of tax		13,126	5,751	21,492	5,079
Profit before tax	9	103,941	20,513	151,503	41,075
Tax expense	21	(23,141)	(6,216)	(33,978)	(12,637)
Profit after tax		80,800	14,297	117,525	28,438
Change in fair value of biological assets		9,600	3,232	20,708	342
Profit after change in fair value of biological assets		90,400	17,529	138,233	28,780
Item that is or may be reclassified subsequently to profit or loss					
Foreign exchange translation differences for foreign operations		760	13,563	480	4,163
Other comprehensive income for the period, net of tax		760	13,563	480	4,163
Total comprehensive income for the period		91,160	31,092	138,713	32,943
Profit attributable to:					
Owners of the Company		74,137	13,257	115,112	23,502
Non-controlling interests		16,263	4,272	23,121	5,278
Profit after change in fair value of biological assets		90,400	17,529	138,233	28,780
Total comprehensive income attributable to:					
Owners of the Company		74,897	26,820	115,592	27,665
Non-controlling interests		16,263	4,272	23,121	5,278
Total comprehensive income for the period		91,160	31,092	138,713	32,943
Earnings per share attributable to owners of the Company :					
Basic/Diluted earnings per ordinary share (sen)	31	16.83	3.01	26.13	5.34

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

Company No: 419232-K

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(Incorporated in Malaysia)

Condensed consolidated statement of changes in equity
For the period ended 30 June 2021 - 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 2021	444,844	(10,417)	14,098	998,035	1,446,560	117,998	1,564,558
Foreign exchange translation differences	-	-	480	-	480	-	480
Total other comprehensive income for the period	-	-	480	-	480	-	480
Profit after change in fair value of biological assets	-	-	-	115,112	115,112	23,121	138,233
Total comprehensive income for the period	-	-	480	115,112	115,592	23,121	138,713
<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	-	-	-	-	-	(1,600)	(1,600)
Total transactions with owners of the Company	-	-	-	(22,023)	(22,023)	(1,600)	(23,623)
At 30 June 2021	444,844	(10,417)	14,578	1,091,124	1,540,129	139,519	1,679,648
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	-	-	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
Total comprehensive income for the period	-	-	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)
Total transactions with owners of the Company	-	-	-	(22,023)	(22,023)	(600)	(22,623)
Changes in ownership of interests in subsidiaries	-	-	-	7,881	7,881	(10,763)	(2,882)
At 30 June 2020	444,844	(10,417)	9,709	1,018,367	1,462,503	93,848	1,556,351

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 2020 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 30 June 2021 - unaudited

	1 January 2021 to 30 June 2021 RM'000	1 January 2020 to 30 June 2020 RM'000
Cash flows from operating activities		
Profit before tax	151,503	41,075
<i>Adjustments for:</i>		
Amortisation of bearer plants	12,545	12,745
Depletion of biological assets	879	643
Amortisation of other intangible assets	1,792	1,208
Depreciation of property, plant and equipment	22,913	28,858
Depreciation of right-of-use assets	2,701	3,802
Deferred income recognised as income	(1,277)	(1,128)
Finance costs	7,126	10,932
Finance income	(1,780)	(982)
Gain on disposal of property, plant and equipment	(1,011)	(105)
Property, plant and equipment written off	138	275
Unrealised foreign exchange (gain) / loss	(93)	486
Employee benefits	2,590	2,535
Share of profit of equity-accounted investee, net of tax	(21,492)	(5,079)
Operating profit before changes in working capital	<u>176,534</u>	<u>95,265</u>
Changes in working capital:		
Inventories	9,008	13,705
Trade and other receivables, prepayments and other assets	(3,644)	15,559
Trade and other payables	38,887	(17,430)
Cash generated from operations	<u>220,784</u>	<u>107,099</u>
Interest paid	(3,887)	(6,451)
Income tax paid	(12,131)	(7,639)
Employee benefits paid	(760)	(495)
Net cash from operating activities	<u>204,006</u>	<u>92,514</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(12,306)	(8,928)
Proceeds from disposal of property, plant and equipment	2,211	401
Proceeds from shares issued to non-controlling interests	-	1,350
Addition to biological assets	(1,284)	(2,682)
Addition to bearer plants	(17,042)	(12,758)
Dividend received from associate	4,248	-
Interest received	1,780	982
Acquisition of non-controlling interests	-	(4,232)
Net cash used in investing activities	<u>(22,393)</u>	<u>(25,867)</u>
Cash flows from financing activities		
Dividends to owners of the Company	(66,069)	(22,023)
Dividends to non-controlling interests	(1,600)	(600)
Repayment of borrowings/trade financing	(75,548)	(10,526)
Payment of lease liabilities	(2,175)	(3,738)
Hire purchase financing interest paid	(167)	(119)
Term loan interest/profit paid	(3,180)	(4,776)
Net cash used in financing activities	<u>(148,739)</u>	<u>(41,782)</u>
Net increase in cash and cash equivalents	32,874	24,865
Effect of exchange rate fluctuations on cash held	58	190
Cash and cash equivalents at 1 January	<u>271,358</u>	<u>109,979</u>
Cash and cash equivalents at 30 June (Note 22)	<u>304,290</u>	<u>135,034</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 2020 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 2020. 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 2020. 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 2020 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 2020, except for the adoption of the following accounting standards, amendments and interpretations:

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contract* and MFRS 16, *Leases – Interest Rate Benchmark Reform - Phase 2*

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 2020 in their report dated 26 April 2021.

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 30 June 2021, the number of ordinary shares repurchased in an earlier period and retained as treasury shares is 4,382,000 shares.

8 Dividend

A first interim single-tier ordinary dividend of 10 sen per ordinary share for the financial year ended 31 December 2021, amounting to RM44,046,190 was declared on 09 July 2021 and paid on 16 August 2021 to depositors registered in the Record of Depositors at the close of business on 27 July 2021.

No dividend has been proposed by the Directors for the financial quarter under review (corresponding period in Year 2020: Nil).

9 Segmental Reporting

	Revenue from external customers		Profit before tax	
	6 months ended 30 June			
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Timber products	147,395	151,665	10,473	279
Oil palm	648,316	349,453	140,664	40,745
Reforestation	164	113	128	-
Property development	90	74	238	51
	795,965	501,305	151,503	41,075

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 30 June 2021 RM'000	As At 31 December 2020 RM'000
Current assets		
Trade receivables	48,473	44,248
Other receivables	1,209	6,842
Deposits	4,454	4,593
Prepayments		
-Plant and machinery	1,487	649
-Others	9,429	9,307
Other advances	1	1
	<u>65,053</u>	<u>65,640</u>

15 Capital Commitments

	As At 30 June 2021 RM'000
Property, plant and equipment	
- Contracted but not provided for	<u>94</u>

16. Review of Performance

- (a) For the quarter under review, the Group reported a revenue of RM455.34 million as compared to RM248.70 million recorded in the corresponding quarter in 2020. The Group's profit before tax and its net profit were at RM103.94 million and RM90.40 million respectively for the quarter under review as compared to RM20.51 million and RM17.53 million for the corresponding quarter in 2020.

The strong performance result was attributed to higher average selling prices for Crude Palm Oil ('CPO') and Fresh Fruit Bunches ('FFB') which increased by 84% and 100% respectively compared to the preceding corresponding quarter.

The Group had recognized a profit from the changes in the fair value of the biological assets amounting to RM9.60 million during the current quarter under review as compared to a gain of RM3.23 million in the preceding corresponding quarter.

- (b) For the first half year of 2021, the Group's revenue and net profit were RM795.97 million and RM138.23 million, compared to RM501.31 million and RM28.78 million of the corresponding period in year 2020.

Higher average CPO and FFB selling prices by 65% and 75% respectively compared to the corresponding period in year 2020 contributed positively to the surge in revenue and profit.

The Group has recognised a gain from the changes in the fair value of the biological assets amounting to RM20.71 million during the current period under review as compared to a gain of RM0.34 million in the preceding corresponding period.

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Notes to the interim financial report

17 Variation of Results compared to the Preceding Quarter

Group revenue and profit before tax stood at RM455.34 million and RM103.94 million respectively in the quarter under review as compared to RM340.62 million and RM47.56 million respectively in the preceding quarter.

Revenue and profit increased on the back of higher sales volumes achieved for CPO and FFB by 31% and 17% respectively at the favorable average selling prices of CPO and FFB which went up by 10% and 9% respectively.

18 Current Year Prospects

Timber performance for 2Q21 recovered to a notable profit compared to the losses incurred in the corresponding period of the preceding year. Increasing demand in timber products due to higher overseas construction activities, as well as its demand for the Group's sustainability certified forest resources, these positive factors secure and strengthen the Group's competitive market position.

The Group's plantation business has profited from the strong palm oil prices during the quarter under review. CPO prices are anticipated to sustain at the current levels primarily due to the current shortage of workforce as a direct result of the on-going pandemic which concurrently met with the world's climatic change that had been affecting the crops production despite of the approaching peak crop season. Nevertheless, the Group remains focus on yield improvement, cost management and operation efficiency so as to achieve the optimum production. As such, the oil palm division will continue to be the Group's prime revenue and profit earner.

The Group's employees have almost completed vaccination in compliance with the Government's Covid 19 vaccination program. The Group will continue its strict adherence to the standard operating procedures to ensure the health and safety of our workers for sustainable operation.

The implementation of sustainable production management in both oil palm estates and timber areas has now become the standard operating practice. The Group is looking into ESG (Environmental, Social & Governance) as part of Group's corporate strategy development.

Barring from any unforeseen circumstances, the Board of Directors anticipates a better-than-expected 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 30 June		Cumulative Quarter 6 months ended 30 June	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit after change in fair value of biological assets is arrived at after crediting/(charging):				
Finance income	882	502	1,780	982
Finance costs	(3,414)	(5,459)	(7,126)	(10,932)
Depreciation and amortisation	(19,201)	(23,980)	(40,830)	(47,256)
(Loss) / gain on disposal of property, plant and equipment	(273)	(99)	1,011	105
Property, plant and equipment written off	(124)	-	(138)	(275)
Foreign exchange gain / (loss)				
- realised	1,537	1,319	3,147	2,520
- unrealised	(30)	(581)	93	(486)

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.

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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	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Income tax expense continuing operations	23,141	6,216	33,978	12,637
Share of tax of equity-accounted associates	4,145	1,816	6,787	1,604
Total taxation	27,286	8,032	40,765	14,241
Current tax expense - Current year	17,340	4,777	27,380	10,406
Deferred tax expense - Current year	5,801	1,439	6,598	2,231
Share of tax of equity-accounted associates	4,145	1,816	6,787	1,604
Total tax expense	27,286	8,032	40,765	14,241
Reconciliation of tax expense				
Profit after change in fair value of biological assets	90,400	17,529	138,233	28,780
Change in fair value of biological assets	(9,600)	(3,232)	(20,708)	(342)
Total tax expense	27,286	8,032	40,765	14,241
Profit excluding tax	108,086	22,329	158,290	42,679
Tax calculated using Malaysian tax rate of 24% (2020: 24%)				
- Prima facie income tax expense	25,941	5,359	37,990	10,243
- Non-deductible expenses	678	1,960	2,108	2,839
- Movements in unrecognised deferred tax assets	667	713	667	1,159
Tax expense for the period	27,286	8,032	40,765	14,241

22 Cash and Cash Equivalents

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

	As at 30 June 2021 RM'000	As at 30 June 2020 RM'000
Cash in hand	131	52
Cash at banks	266,663	133,892
Fixed deposits with original maturities not exceeding three months	37,496	1,090
	304,290	135,034

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Notes to the interim financial report

23 Other Investment

	As at 30 June 2021 RM'000	As at 31 December 2020 RM'000
Fixed deposits with original maturities exceeding three months	1,028	1,028

24 Unquoted Investment and Properties

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

25 Quoted Investments

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

26 Status of Corporate Proposal

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

27 Group Borrowings and Debt Securities

Total Group borrowings as at 30 June 2021 were as follows: -

	As at 30 June 2021 RM'000
<u>Current</u>	
<i>Denominated in Ringgit Malaysia</i>	
Unsecured -	
Bankers' acceptances/ Export credit refinancing	14,579
Revolving credits	140,000
Term loans	
- Islamic	21,970
Secured -	
Hire purchase financing	3,629
Revolving credits	26,000
Term loans	31,977
	<hr/> 238,155 <hr/>
<u>Non-current</u>	
<i>Denominated in Ringgit Malaysia</i>	
Unsecured -	
Term loans	
- Islamic	52,660
Secured -	
Hire purchase financing	3,306
Revolving credits	39,000
Term loans	89,815
	<hr/> 184,781 <hr/>
Total	<hr/> <hr/> 422,936 <hr/> <hr/>

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Notes to the interim financial report

28 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 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 granting leave 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. The case management was re-scheduled to 24 August 2021. During the case management hearing on 24 August 2021, the Court of Appeal fixed the next case management date on 13 October 2021, pending decision by the Federal Court on the NCR law.

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Notes to the interim financial report

29 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 30), during the current financial period:

	6 months ended 30 June	
	2021	2020
	RM'000	RM'000
Transactions with associates		
Purchase of fresh fruit bunches	23,455	9,581
Purchase of palm kernel shell	596	145
Sales of fresh fruit bunches	(1,233)	(1,221)
Sales of logs and timber products	(271)	(350)
Contract income	(491)	(338)
Transactions with companies connected to certain Directors of the Company and its subsidiaries		
Contract fees and fuel surcharge	9,661	9,019
Handling fees, transportation & freight charges	10,646	5,409
Insurance premium	1,295	1,157
Purchase of fresh fruit bunches	159,226	65,876
Rental of premises paid	9	3
Purchase of spare parts, fertiliser & consumables	4,286	2,936
Purchase of logs and timber products	1,632	2,218
Security charges	105	35
Computer hardware & software development fees	885	181
Purchase of diesel and lubricants	10,550	10,339
Purchase of palm kernel shell	1,084	-
Sales of logs and timber products	(1,983)	(2,262)
Sales of fresh fruit bunches	(36,709)	(21,762)
Sales of palm kernel shell and bunch ash	-	(334)
Income from rental of premises	(40)	(40)
Handling fee received	(1,321)	(1,249)
Transport subsidised	(626)	(682)
	=====	=====

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Notes to the interim financial report

30 Key Management Personnel Compensation

Compensations to key management personnel are as follows:

	6 months ended 30 June	
	2021 RM'000	2020 RM'000
Directors		
- Fees	755	755
- Remunerations	3,256	2,184
	<u>4,011</u>	<u>2,939</u>
Other key management personnel		
- Fees	54	54
- Remunerations	2,207	2,142
	<u>2,261</u>	<u>2,196</u>
Total	<u>6,272</u>	<u>5,135</u>

31 Earnings Per Share

	3 months ended 30 June 2021	6 months ended 30 June 2021
(a) Basic		
Net profit attributable to ordinary owners of the Company ('000)	<u>RM 74,137</u>	<u>RM 115,112</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>16.83</u>	<u>26.13</u>
(b) Diluted	<u>16.83</u>	<u>26.13</u>

32 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 2021.

33 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 30 August 2021.