

Company No: 419232-K

TA ANN HOLDINGS BERHAD
(Incorporated in Malaysia)

Condensed consolidated statement of financial position
As at 31 March 2022 - unaudited

	Note	31 March 2022 RM'000	31 December 2021 RM'000
Assets			
Property, plant and equipment		737,409	734,102
Right-of-use assets		196,521	197,165
Bearer plants		521,824	519,918
Biological assets		124,806	124,960
Investment in associates		274,108	266,878
Deferred tax assets		26,462	27,054
Goodwill		79,665	79,665
Other intangible assets		6,334	7,200
Total non-current assets		1,967,129	1,956,942
Inventories		141,316	131,223
Biological assets		167,638	129,942
Trade and other receivables	14	75,457	67,468
Current tax assets		54	199
Other investment	23	1,050	1,050
Cash and cash equivalents		432,149	454,945
Total current assets		817,664	784,827
Total assets		2,784,793	2,741,769
Financed by:			
Capital and reserves			
Share capital		444,844	444,844
Treasury shares		(10,417)	(10,417)
Foreign exchange translation reserve		15,002	12,399
Retained earnings		1,249,491	1,166,894
Total equity attributable to owners of the Company		1,698,920	1,613,720
Non-controlling interests		179,264	162,750
Total equity		1,878,184	1,776,470
Liabilities			
Deferred tax liabilities		228,862	217,510
Deferred income		26,419	26,049
Borrowings	27	133,850	147,094
Employee benefits		40,026	37,951
Lease liabilities		1,842	1,933
Total non-current liabilities		430,999	430,537
Trade and other payables		194,367	251,361
Lease liabilities		8,012	8,012
Deferred income		2,541	2,446
Borrowings	27	234,413	231,058
Employee benefits		3,056	3,667
Current tax liabilities		33,221	38,218
Total current liabilities		475,610	534,762
Total liabilities		906,609	965,299
Total equity and liabilities		2,784,793	2,741,769
Net assets per share (RM)		3.82	3.63

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 31 March 2022 - unaudited

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter Ended 31 March 2022 RM'000	Preceding Year Corresponding Quarter Ended 31 March 2021 RM'000	Current Year Ended 31 March 2022 RM'000	Preceding Year Corresponding Period Ended 31 March 2021 RM'000
Revenue	9	487,754	340,621	487,754	340,621
Cost of sales		(347,915)	(270,944)	(347,915)	(270,944)
Gross profit		139,839	69,677	139,839	69,677
Finance income		1,235	898	1,235	898
Other operating income		5,074	3,560	5,074	3,560
Unrealised gain in foreign exchange		-	123	-	123
Distribution costs		(35,122)	(20,752)	(35,122)	(20,752)
Administrative expenses		(9,365)	(9,122)	(9,365)	(9,122)
Other expenses		(1,240)	(1,476)	(1,240)	(1,476)
Profit from operations		100,421	42,908	100,421	42,908
Finance costs		(2,918)	(3,712)	(2,918)	(3,712)
Share of profit of equity-accounted investee, net of tax		17,316	8,366	17,316	8,366
Profit before tax	9	114,819	47,562	114,819	47,562
Tax expense	21	(22,218)	(10,837)	(22,218)	(10,837)
Profit after tax		92,601	36,725	92,601	36,725
Change in fair value of biological assets		28,533	11,108	28,533	11,108
Profit after change in fair value of biological assets		121,134	47,833	121,134	47,833
Other comprehensive income, net of tax					
Item that is or may be reclassified subsequently to profit or loss					
Foreign exchange translation differences for foreign operations		2,603	(280)	2,603	(280)
Other comprehensive income for the period, net of tax		2,603	(280)	2,603	(280)
Total comprehensive income for the period		123,737	47,553	123,737	47,553
Profit attributable to:					
Owners of the Company		104,620	40,975	104,620	40,975
Non-controlling interests		16,514	6,858	16,514	6,858
Profit after change in fair value of biological assets		121,134	47,833	121,134	47,833
Total comprehensive income attributable to:					
Owners of the Company		107,223	40,695	107,223	40,695
Non-controlling interests		16,514	6,858	16,514	6,858
Total comprehensive income for the period		123,737	47,553	123,737	47,553
Earnings per share attributable to owners of the Company :					
Basic/Diluted earnings per ordinary share (sen)	31	23.75	9.30	23.75	9.30

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 2021 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 31 March 2022 - 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 2022	444,844	(10,417)	12,399	1,166,894	1,613,720	162,750	1,776,470
Foreign exchange translation differences	-	-	2,603	-	2,603	-	2,603
Total other comprehensive income for the period	-	-	2,603	-	2,603	-	2,603
Profit after change in fair value of biological assets	-	-	-	104,620	104,620	16,514	121,134
Total comprehensive income for the period	-	-	2,603	104,620	107,223	16,514	123,737
<i>Contributions by and distributions to owners of the Company</i>							
- Dividends to owners of the Company	-	-	-	(22,023)	(22,023)	-	(22,023)
Total transactions with owners of the Company	-	-	-	(22,023)	(22,023)	-	(22,023)
At 31 March 2022	444,844	(10,417)	15,002	1,249,491	1,698,920	179,264	1,878,184
At 1 January 2021	444,844	(10,417)	14,098	998,035	1,446,560	117,998	1,564,558
Foreign exchange translation differences	-	-	(280)	-	(280)	-	(280)
Total other comprehensive income for the period	-	-	(280)	-	(280)	-	(280)
Profit after change in fair value of biological assets	-	-	-	40,975	40,975	6,858	47,833
Total comprehensive income for the period	-	-	(280)	40,975	40,695	6,858	47,553
<i>Contributions by and distributions to owners of the Company</i>							
- Dividends to owners of the Company	-	-	-	(22,023)	(22,023)	-	(22,023)
Total transactions with owners of the Company	-	-	-	(22,023)	(22,023)	-	(22,023)
At 31 March 2021	444,844	(10,417)	13,818	1,016,987	1,465,232	124,856	1,590,088

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 2021 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 2022 - unaudited

	1 January 2022 to 31 March 2022 RM'000	1 January 2021 to 31 March 2021 RM'000
Cash flows from operating activities		
Profit before tax	114,819	47,562
<i>Adjustments for:</i>		
Amortisation of bearer plants	6,464	6,392
Depletion of biological assets	786	354
Amortisation of other intangible assets	866	896
Depreciation of property, plant and equipment	13,220	11,846
Depreciation of right-of-use assets	828	2,141
Deferred income recognised as income	(614)	(636)
Finance costs	2,918	3,712
Finance income	(1,235)	(898)
Gain on disposal of property, plant and equipment	(34)	(1,284)
Gain on disposal of quoted investments	(1,103)	-
Property, plant and equipment written off	48	14
Unrealised foreign exchange gain	-	(123)
Employee benefits	1,255	1,380
Share of profit of equity-accounted investee, net of tax	(17,316)	(8,366)
Operating profit before changes in working capital	<u>120,902</u>	<u>62,990</u>
Changes in working capital:		
Inventories	(9,117)	10,155
Trade and other receivables, prepayments and other assets	(16,376)	(14,768)
Trade and other payables	7,327	16,630
Cash generated from operations	<u>102,736</u>	<u>75,007</u>
Interest paid	(1,634)	(2,026)
Income tax paid	(24,020)	(8,302)
Employee benefits paid	(83)	(36)
Net cash from operating activities	<u>76,999</u>	<u>64,643</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(11,740)	(6,142)
Proceeds from disposal of property, plant and equipment	105	1,831
Proceeds from disposal of quoted investments	7,004	-
Addition to biological assets	(943)	(1,099)
Addition to bearer plants	(7,504)	(7,271)
Dividend received from associate	12,682	4,248
Interest received	1,235	898
Net cash generated from / (used in) investing activities	<u>839</u>	<u>(7,535)</u>
Cash flows from financing activities		
Dividends to owners of the Company	(88,092)	(44,046)
Repayment of borrowings/trade financing	(11,343)	(38,703)
Payment of lease liabilities	-	(1,148)
Hire purchase financing interest paid	(114)	(87)
Term loan interest/profit paid	(1,266)	(1,619)
Net cash used in financing activities	<u>(100,815)</u>	<u>(85,603)</u>
Net decrease in cash and cash equivalents	(22,977)	(28,495)
Effect of exchange rate fluctuations on cash held	181	214
Cash and cash equivalents at 1 January	<u>454,945</u>	<u>271,358</u>
Cash and cash equivalents at 31 March (Note 22)	<u>432,149</u>	<u>243,077</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 2021 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 2021. 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 2021. 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 2021 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 2021, except for the adoption of the following accounting standards, amendments and interpretations:

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018 – 2020)*

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 2021 in their report dated 05 April 2022.

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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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 2022, 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 5 sen per ordinary share for the financial year ended 31 December 2022, amounting to RM22,023,095 was declared on 28 February 2022 and paid on 05 April 2022 to depositors registered in the Record of Depositors at the close of business on 16 March 2022.

The Board of Directors has declared second interim single-tier ordinary dividend for the financial year ending 31 December 2022 of 10 sen per ordinary share (corresponding period in Year 2021: Nil) to be paid on 24 June 2022 to depositors whose names appear in the Record of Depositors on 07 June 2022.

A depositor shall qualify for entitlement only in respect of:

- (a) Securities transferred into Depositor's Securities Account before 4:00 p.m. on 07 June 2022 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.

9 Segmental Reporting

	Revenue from external customers		Profit before tax	
	Period ended 31 March			
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Timber products	98,173	69,416	22,300	4,432
Oil palm	389,478	271,057	92,398	42,920
Reforestation	60	98	20	73
Property development	43	50	101	137
	487,754	340,621	114,819	47,562

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.

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Notes to the interim financial report

12 Changes in Composition of the Group

There were no changes in the composition of the Group during the financial quarter under review.

13 Contingent Liabilities or Assets

There were no material changes in the contingent liabilities or assets since the last annual reporting date.

14 Trade and Other Receivables

	As At 31 March 2022 RM'000	As At 31 December 2021 RM'000
Current assets		
Trade receivables	60,193	41,574
Other receivables	2,668	11,448
Deposits	4,126	4,031
Prepayments		
-Plant and machinery	1,535	2,584
-Others	6,935	7,831
	<u>75,457</u>	<u>67,468</u>

15 Capital Commitments

	As At 31 March 2022 RM'000
Property, plant and equipment	
- Contracted but not provided for	<u>3,221</u>

16. Review of Performance

For the quarter under review, the Group reported a revenue of RM487.75 million as compared to RM340.62 million recorded in the corresponding quarter in 2021. The Group's profit before tax and its net profit were at RM114.82 million and RM121.13 million respectively for the quarter under review as compared to profit of RM47.56 million and RM47.83 million for the corresponding quarter in 2021.

Higher profit achieved was attributed to higher average selling prices achieved for Crude Palm Oil ('CPO'), Fresh Fruit Bunches ('FFB') and plywood product by 50%, 61% and 44% respectively.

The Group had recognized a gain of RM28.53 million from the changes in the fair value of the biological assets during the current quarter under review as compared to a gain of RM11.11 million in the preceding corresponding quarter.

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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 RM487.75 million and RM114.82 million respectively in the quarter under review as compared to RM611.53 million and RM187.89 million respectively in the preceding quarter.

1Q22 was entering into the low crop season which had driven lower CPO and FFB sales volume by 35% respectively despite higher CPO and FFB average selling prices by 11% and 18% respectively.

18 Current Year Prospects

Given the limited supply and stringent environmental control over logs harvesting, coupled with the gradual recovery of economy following the easing of the border restrictions in most countries, the tropical timber pricing momentum will remain positively strong.

For 2Q22, the Group is having a mini peak in FFB production. With the global shortfall of Veg Oil supply caused by the war in Eastern Europe as well as the environmental change, we anticipate 2022 to achieve another year of good profitable results.

Barring any unforeseen circumstances, the Board of Directors anticipates a satisfactory financial performance for the financial year 2022.

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		Period ended	
	31 March		31 March	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit after change in fair value of biological assets is arrived at after crediting/(charging):				
Finance income	1,235	898	1,235	898
Finance costs	(2,918)	(3,712)	(2,918)	(3,712)
Depreciation and amortisation	(22,164)	(21,629)	(22,164)	(21,629)
Gain on disposal of quoted investments	1,103	-	1,103	-
Gain on disposal of property, plant and equipment	34	1,284	34	1,284
Property, plant and equipment written off	(48)	(14)	(48)	(14)
Foreign exchange gain				
- realised	1,689	1,610	1,689	1,610
- unrealised	-	123	-	123

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 31 March		Cumulative Quarter Period ended 31 March	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Income tax expense				
continuing operations	22,218	10,837	22,218	10,837
Share of tax of equity-accounted associates	5,468	2,642	5,468	2,642
Total taxation	<u>27,686</u>	<u>13,479</u>	<u>27,686</u>	<u>13,479</u>
Current tax expense				
- Current year	19,168	10,040	19,168	10,040
Deferred tax expense				
- Current year	3,050	797	3,050	797
Share of tax of equity-accounted associates	5,468	2,642	5,468	2,642
Total tax expense	<u><u>27,686</u></u>	<u><u>13,479</u></u>	<u><u>27,686</u></u>	<u><u>13,479</u></u>
Reconciliation of tax expense				
Profit after change in fair value of biological assets	121,134	47,833	121,134	47,833
Change in fair value of biological assets	(28,533)	(11,108)	(28,533)	(11,108)
Total tax expense	<u>27,686</u>	<u>13,479</u>	<u>27,686</u>	<u>13,479</u>
Profit excluding tax	<u>120,287</u>	<u>50,204</u>	<u>120,287</u>	<u>50,204</u>
Tax calculated using Malaysian tax rate of 24% (2021: 24%)				
- Prima facie income tax expense	28,869	12,049	28,869	12,049
- Non-deductible expenses	1,372	1,430	1,372	1,430
- Tax exempt income	(455)	-	(455)	-
- Movements in unrecognized deferred tax assets	(2,100)	-	(2,100)	-
Tax expense for the period	<u>27,686</u>	<u>13,479</u>	<u>27,686</u>	<u>13,479</u>

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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 March 2022 RM'000	As at 31 March 2021 RM'000
Cash in hand	132	130
Cash at banks	406,375	226,453
Fixed deposits with original maturities not exceeding three months	25,642	16,494
	<u>432,149</u>	<u>243,077</u>

23 Other Investment

	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000
Fixed deposits with original maturities exceeding three months	1,050	1,050

24 Unquoted Investment and Properties

There were no sale of unquoted investments and properties during the financial quarter under review.

25 Quoted Investments

Total disposals of quoted securities for the current quarter and financial period ended 31 Mar 2022 are as follows:

	RM'000
Sales consideration	7,004
Purchase consideration	(5,901)
Gain on disposal	<u>1,103</u>

26 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

27 Group Borrowings and Debt Securities

Total Group borrowings as at 31 March 2022 were as follows: -

		As at 31 March 2022
		RM'000
<u>Current</u>		
<i>Denominated in Ringgit Malaysia</i>		
Unsecured -	Bankers' acceptances/ Export credit refinancing	13,558
	Revolving credits	135,000
	Term loans	
	- Islamic	22,620
Secured -	Hire purchase financing	4,473
	Revolving credits	26,000
	Term loans	32,762
		<hr/>
		234,413
<u>Non-current</u>		
<i>Denominated in Ringgit Malaysia</i>		
Unsecured -	Term loans	
	- Islamic	35,620
Secured -	Hire purchase financing	4,892
	Revolving credits	26,000
	Term loans	67,338
		<hr/>
		133,850
		<hr/>
Total		368,263

28 Material Litigation

There were no material litigations as at the date of this announcement.

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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:

	Period ended 31 March	
	2022	2021
	RM'000	RM'000
Transactions with associates		
Purchase of fresh fruit bunches	11,900	6,846
Purchase of palm kernel shell	61	186
Sales of fresh fruit bunches	(975)	(1,233)
Sales of logs and timber products	(12)	(83)
Contract income	(135)	(491)
Transactions with companies connected to certain Directors of the Company and its subsidiaries		
Contract fees and fuel surcharge	4,750	4,767
Handling fees, transportation & freight charges	4,549	5,032
Insurance premium	813	657
Purchase of fresh fruit bunches	69,435	65,197
Rental of premises paid	2	55
Purchase of spare parts, fertiliser & consumables	2,950	1,743
Purchase of logs and timber products	904	854
Security charges	73	16
Computer hardware & software development fees	1,313	845
Purchase of diesel and lubricants	7,902	4,758
Purchase of palm kernel shell	579	-
Hire of property, plant and equipment	12	-
Sales of logs and timber products	(1,094)	(1,249)
Sales of fresh fruit bunches	(25,640)	(16,219)
Income from rental of premises	(20)	(23)
Handling fee received	(621)	(627)
Transport subsidised	(268)	(325)
	=====	=====

30 Key Management Personnel Compensation

Compensations to key management personnel are as follows:

	Period ended 31 March	
	2022	2021
	RM'000	RM'000
Directors		
- Fees	267	169
- Remunerations	977	1,017
	<u>1,244</u>	<u>1,186</u>
Other key management personnel		
- Fees	27	27
- Remunerations	629	645
	<u>656</u>	<u>672</u>
Total	<u>1,900</u>	<u>1,858</u>

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Notes to the interim financial report

31 Earnings Per Share

	3 months ended 31 March 2022	Period ended 31 March 2022
(a) Basic		
Net profit attributable to ordinary owners of the Company ('000)	<u>RM 104,620</u>	<u>RM 104,620</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>23.75</u>	<u>23.75</u>
(b) Diluted	<u>23.75</u>	<u>23.75</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 31 March 2022.

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 23 May 2022.