

Company No: 419232-K

TA ANN HOLDINGS BERHAD
(Incorporated in Malaysia)

Condensed consolidated statement of financial position
As at 31 March 2024 - unaudited

	Note	31 March 2024	31 December 2023
		RM'000	RM'000
Assets			
Property, plant and equipment		684,978	691,635
Right-of-use assets		188,420	189,474
Bearer plants		538,100	539,276
Biological assets		112,190	110,438
Investment in associates		303,272	296,639
Deferred tax assets		8,211	8,304
Goodwill		79,665	79,664
Other intangible assets		5,360	5,564
Total non-current assets		1,920,196	1,920,994
Inventories		116,556	120,263
Biological assets		127,761	117,320
Trade and other receivables	14	80,704	70,539
Current tax assets		495	458
Cash and cash equivalents		440,426	499,930
Total current assets		765,942	808,510
Total assets		2,686,138	2,729,504
Financed by:			
Capital and reserves			
Share capital		444,844	444,844
Treasury shares		(10,417)	(10,417)
Foreign exchange translation reserve		12,951	13,267
Retained earnings		1,407,702	1,364,456
Total equity attributable to owners of the Company		1,855,080	1,812,150
Non-controlling interests		202,515	194,763
Total equity		2,057,595	2,006,913
Liabilities			
Deferred tax liabilities		230,933	227,387
Deferred income		20,712	21,725
Borrowings	25	17,536	18,667
Employee benefits		40,100	39,298
Lease liabilities		6,002	6,028
Total non-current liabilities		315,283	313,105
Trade and other payables		134,273	209,310
Lease liabilities		3,885	3,886
Deferred income		2,484	2,530
Borrowings	25	142,609	162,872
Employee benefits		2,068	2,503
Current tax liabilities		27,941	28,385
Total current liabilities		313,260	409,486
Total liabilities		628,543	722,591
Total equity and liabilities		2,686,138	2,729,504
Net assets per share (RM)		4.17	4.07

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024 - unaudited

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter Ended 31 March 2024 RM'000	Preceding Year Corresponding Quarter Ended 31 March 2023 RM'000	Current Year to date 31 March 2024 RM'000	Preceding Year Corresponding Period Ended 31 March 2023 RM'000
Revenue	9	352,414	350,653	352,414	350,653
Cost of sales		(271,819)	(270,720)	(271,819)	(270,720)
Gross profit		80,595	79,933	80,595	79,933
Finance income		2,432	2,123	2,432	2,123
Other operating income		3,307	3,388	3,307	3,388
Distribution costs		(19,881)	(19,329)	(19,881)	(19,329)
Administrative expenses		(10,644)	(8,818)	(10,644)	(8,818)
Other expenses		(3,997)	(3,684)	(3,997)	(3,684)
Profit from operations		51,812	53,613	51,812	53,613
Finance costs		(1,617)	(2,825)	(1,617)	(2,825)
Share of profit of equity-accounted investee, net of tax		6,634	5,012	6,634	5,012
Profit before tax	9	56,829	55,800	56,829	55,800
Tax expense	21	(14,231)	(12,971)	(14,231)	(12,971)
Profit after tax		42,598	42,829	42,598	42,829
Change in fair value of biological assets		8,400	700	8,400	700
Profit after change in fair value of biological assets		50,998	43,529	50,998	43,529
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		(316)	(273)	(316)	(273)
Other comprehensive income for the period, net of tax		(316)	(273)	(316)	(273)
Total comprehensive income for the period		50,682	43,256	50,682	43,256
Profit attributable to:					
Owners of the Company		43,246	39,270	43,246	39,270
Non-controlling interests		7,752	4,259	7,752	4,259
Profit after change in fair value of biological assets		50,998	43,529	50,998	43,529
Total comprehensive income attributable to:					
Owners of the Company		42,930	38,997	42,930	38,997
Non-controlling interests		7,752	4,259	7,752	4,259
Total comprehensive income for the period		50,682	43,256	50,682	43,256
Earnings per share attributable to owners of the Company :					
Basic/Diluted earnings per ordinary share (sen)	29	9.82	8.92	9.82	8.92

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 2023 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 2024 - 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 2024	444,844	(10,417)	13,267	1,364,456	1,812,150	194,763	2,006,913
Foreign exchange translation differences	-	-	(316)	-	(316)	-	(316)
Total other comprehensive income for the period	-	-	(316)	-	(316)	-	(316)
Profit after change in fair value of biological assets	-	-	-	43,246	43,246	7,752	50,998
Total comprehensive income for the period	-	-	(316)	43,246	42,930	7,752	50,682
At 31 March 2024	444,844	(10,417)	12,951	1,407,702	1,855,080	202,515	2,057,595
At 1 January 2023	444,844	(10,417)	12,178	1,311,185	1,757,790	191,049	1,948,839
Foreign exchange translation differences	-	-	(273)	-	(273)	-	(273)
Total other comprehensive income for the period	-	-	(273)	-	(273)	-	(273)
Profit after change in fair value of biological assets	-	-	-	39,270	39,270	4,259	43,529
Total comprehensive income for the period	-	-	(273)	39,270	38,997	4,259	43,256
At 31 March 2023	444,844	(10,417)	11,905	1,350,455	1,796,787	195,308	1,992,095

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

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TA ANN HOLDINGS BERHAD
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Condensed consolidated statement of cash flows
For the period ended 31 March 2024 - unaudited

	1 January 2024 to 31 March 2024 RM'000	1 January 2023 to 31 March 2023 RM'000
Cash flows from operating activities		
Profit before tax	56,829	55,800
<i>Adjustments for:</i>		
Amortisation of bearer plants	7,661	7,384
Depletion of biological assets	346	369
Amortisation of other intangible assets	203	199
Depreciation of property, plant and equipment	11,998	12,337
Depreciation of right-of-use assets	1,054	1,158
Deferred income recognised as income	(628)	(607)
Finance costs	1,617	2,825
Finance income	(2,432)	(2,123)
Loss / (gain) on disposal of property, plant and equipment	12	(62)
Property, plant and equipment written off	154	16
Employee benefits	1,085	1,148
Share of profit of equity-accounted investee, net of tax	(6,634)	(5,012)
Operating profit before changes in working capital	<u>71,265</u>	<u>73,432</u>
 Changes in working capital:		
Inventories	4,090	(15,713)
Trade and other receivables, prepayments and other assets	(14,183)	10,794
Trade and other payables	(8,822)	(29,280)
Cash generated from operations	<u>52,350</u>	<u>39,233</u>
Interest paid	(1,004)	(1,655)
Income tax paid	(14,505)	(24,098)
Employee benefits paid	(317)	(142)
Net cash from operating activities	<u>36,524</u>	<u>13,338</u>
 Cash flows from investing activities		
Acquisition of property, plant and equipment	(4,094)	(5,034)
Proceeds from disposal of property, plant and equipment	508	86
Addition to biological assets	(1,549)	(1,681)
Addition to bearer plants	(5,664)	(7,207)
Dividend received from associate	4,103	8,205
Interest received	2,432	2,123
Placement of fixed deposit with original maturities more than 3 months	(40,478)	-
Net cash used in investing activities	<u>(44,742)</u>	<u>(3,508)</u>
 Cash flows from financing activities		
Dividends to owners of the Company	(66,069)	(44,046)
Dividends to non-controlling interests	-	(4,500)
Repayment of borrowings/trade financing	(25,039)	(17,537)
Hire purchase financing interest paid	(92)	(128)
Term loan interest/profit paid	(498)	(1,041)
Net cash used in financing activities	<u>(91,698)</u>	<u>(67,252)</u>
 Net decrease in cash and cash equivalents	(99,916)	(57,422)
Effect of exchange rate fluctuations on cash held	(65)	(40)
Cash and cash equivalents at 1 January	486,387	524,706
Cash and cash equivalents at 31 March (Note 22)	<u>386,406</u>	<u>467,244</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 2023 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 2023. 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 2023. 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 2023 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 2023, except for the adoption of the following accounting standards, amendments and interpretations:

- Amendments to MFRS 16, *Lease – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statement – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures-Supplier Finance Arrangements*

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 2023 in their report dated 04 April 2024.

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 2024, the number of ordinary shares repurchased in an earlier period and retained as treasury shares is 4,382,000 shares.

8 Dividend

A second interim single-tier ordinary dividend of 15 sen per ordinary share for the financial year ended 31 December 2023 amounting to RM66,069,285 was declared on 28 November 2023 and paid on 22 January 2024 to depositors registered in the Record of Depositors at the close of business on 3 January 2024.

The Board of Directors has declared first interim single-tier ordinary dividend for the financial year ending 31 December 2024 of 15 sen per ordinary share (corresponding period in Year 2023: 10 sen) to be paid on 2 July 2024 to depositors whose names appear in the Record of Depositors on 12 June 2024.

A depositor shall qualify for entitlement only in respect of:

- (a) Securities transferred into Depositor's Securities Account before 4:00 p.m. on 12 June 2024 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			
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Timber products	59,830	66,504	4,528	16,887
Oil palm	292,480	283,562	52,277	38,605
Others	104	587	24	308
	352,414	350,653	56,829	55,800

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 2024 RM'000	As At 31 December 2023 RM'000
Current assets		
Trade receivables	54,348	42,876
Other receivables	2,577	6,848
Deposits	3,491	3,400
Prepayments		
-Plant and machinery	4,809	4,735
-Others	15,479	12,680
	<u>80,704</u>	<u>70,539</u>

15 Capital Commitments

	As At 31 March 2024 RM'000
Property, plant and equipment	
- Contracted but not provided for	<u>9,308</u>

16 Review of Performance

For the quarter under review, the Group reported a revenue of RM352.41 million which is at par with revenue of RM350.65 million recorded in the corresponding quarter in 2023. Correspondingly, the Group's profit before tax stood at RM56.83 million for the quarter under review as compared to RM55.80 million of the corresponding quarter in 2023.

The marginal variation in performance was mainly due to lower sales volume from the timber sector but was offset by the improvement in sales in palm kernel shell ("PKS") segment.

The Group had recognised a gain of RM8.40 million from the changes in the fair value of the biological assets during the current quarter under review as compared to a gain of RM0.70 million in the preceding corresponding quarter.

17 Variation of Results compared to the Preceding Quarter

The Group recorded a revenue and profit before tax of RM352.41 million and RM56.83 million respectively in the quarter under review as compared to RM455.68 million and RM83.29 million respectively in the preceding quarter.

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Notes to the interim financial report

The performance was mainly attributed to the lower sales volume for the crude palm oil (“CPO”), fresh fruit bunches (“FFB”) and plywood product by 32%, 35% and 32% respectively despite the higher average selling price for CPO and FFB by 8% and 11% respectively.

18 Prospects for the Current Financial Year

The global economic outlook is expected to be uncertain throughout 2024 in view of the on-going escalation of the geopolitical conflicts. The Group anticipates the market to stabilise after the US presidential election.

During the review period, the plywood demand sentiment remained weak due to the depreciation of Japanese yen while a better outlook for the Group’s timber section with higher production volume supported by stable market demand. The focus of the Group’s plantation sector remains at achieving higher yield growth through strong and focused management.

In addition, the Group continues its exploration for new opportunities to create further growth in profitability and shareholder returns.

Barring any unforeseen circumstances, the Board of Directors anticipates to achieve a satisfactory performance for 2024.

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 3 months ended 31 March		Cumulative Quarter Period ended 31 March	
	2024 RM’000	2023 RM’000	2024 RM’000	2023 RM’000
Profit after change in fair value of biological assets is arrived at after crediting/(charging):				
Finance income	2,432	2,123	2,432	2,123
Finance costs	(1,617)	(2,825)	(1,617)	(2,825)
Depreciation and amortisation	(21,262)	(21,447)	(21,262)	(21,447)
(Loss) / Gain on disposal of property, plant and equipment	(12)	62	(12)	62
Property, plant and equipment written off	(154)	(16)	(154)	(16)
Foreign exchange gain				
- realised	1,765	2,434	1,765	2,434

Save as disclosed above, the other items required to be disclosed under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

21 Tax Expense

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

	Individual Quarter 3 months ended 31 March		Cumulative Quarter Period ended 31 March	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Income tax expense				
continuing operations	14,231	12,971	14,231	12,971
Share of tax of equity-accounted associates	2,095	1,583	2,095	1,583
Total taxation	16,326	14,554	16,326	14,554
Current tax expense				
- Current year	14,024	12,069	14,024	12,069
Deferred tax expense				
- Current year	207	902	207	902
Share of tax of equity-accounted associates	2,095	1,583	2,095	1,583
Total tax expense	16,326	14,554	16,326	14,554
Reconciliation of tax expense				
Profit after change in fair value of biological assets	50,998	43,529	50,998	43,529
Change in fair value of biological assets	(8,400)	(700)	(8,400)	(700)
Total tax expense	16,326	14,554	16,326	14,554
Profit excluding tax	58,924	57,383	58,924	57,383
Tax calculated using Malaysian tax rate of 24% (2022: 24%)				
- Prima facie income tax expense	14,142	13,772	14,142	13,772
- Non-deductible expenses	1,588	1,024	1,588	1,024
- Tax exempt income	(132)	(242)	(132)	(242)
- Movements in unrecognized deferred tax assets	728	-	728	-
Tax expense for the period	16,326	14,554	16,326	14,554

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Notes to the interim financial report

22 Cash and Cash Equivalents

Cash and cash equivalents comprise the following amounts:

	As at 31 March 2024 RM'000	As at 31 March 2023 RM'000
Cash in hand	68	134
Cash at banks	347,342	371,559
Short-term deposits		
- Tenures of less than 3 months	38,996	95,551
- Tenures of more than 3 months	54,020	-
	<u>440,426</u>	<u>467,244</u>

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	As at 31 March 2024 RM'000	As at 31 March 2023 RM'000
Cash and bank balances	440,426	467,244
Less: Short-term deposits with tenures of more than 3 months	(54,020)	-
Cash and cash equivalents	<u>386,406</u>	<u>467,244</u>

23 Unquoted Investment and Properties

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

24 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

25 Group Borrowings and Debt Securities

Total Group borrowings as at 31 March 2024 were as follows: -

		As at 31 March 2024
		RM'000
<u>Current</u>		
<i>Denominated in Ringgit Malaysia</i>		
Unsecured -	Bankers' acceptances/ Export credit refinancing/Invoice financing	8,690
	Revolving credits	90,000
	Term loans	
	- Islamic	11,400
Secured -	Hire purchase financing	6,018
	Term loans	26,501
		<hr/>
		142,609
<u>Non-current</u>		
<i>Denominated in Ringgit Malaysia</i>		
Secured -	Hire purchase financing	4,827
	Term loans	12,709
		<hr/>
		17,536
		<hr/>
Total		160,145

26 Material Litigation

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

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Notes to the interim financial report

27 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 28), during the current financial period:

	Period ended 31 March	
	2024	2023
	RM'000	RM'000
Transactions with associates		
Purchase of fresh fruit bunches	8,117	7,199
Purchase of palm kernel shell	516	1,380
Sales of logs and timber products	(68)	(11)
Contract income	(7)	(479)
Transactions with companies connected to certain Directors of the Company and its subsidiaries		
Contract fees and fuel surcharge	5,181	3,747
Handling fees, transportation & freight charges	4,483	4,751
Insurance premium	729	759
Purchase of fresh fruit bunches	40,136	51,617
Rental of premises paid	-	2
Purchase of spare parts, fertiliser & consumables	2,677	2,881
Security charges	21	21
Computer hardware & software development fees	896	943
Purchase of diesel and lubricants	6,923	8,498
Purchase of palm kernel shell	853	1,392
Hire of property, plant and equipment	18	18
Sales of logs and timber products	(1,343)	(2,182)
Sales of fresh fruit bunches	(15,408)	(14,092)
Income from rental of premises	(23)	(23)
Handling fee received	(658)	(584)
Transport subsidised	(246)	(262)
	=====	=====

28 Key Management Personnel Compensation

Compensations to key management personnel are as follows:

	Period ended 31 March	
	2024	2023
	RM'000	RM'000
Directors		
- Fees	267	267
- Remunerations	3,005	1,003
	<u>3,272</u>	<u>1,270</u>
Other key management personnel		
- Fees	27	27
- Remunerations	605	613
	<u>632</u>	<u>640</u>
Total	<u>3,904</u>	<u>1,910</u>

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Notes to the interim financial report

29 Earnings Per Share

	3 months ended 31 March 2024	Period ended 31 March 2024
(a) Basic		
Net profit attributable to ordinary owners of the Company ('000)	<u>RM 43,246</u>	<u>RM 43,246</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>9.82</u>	<u>9.82</u>
(b) Diluted	<u>9.82</u>	<u>9.82</u>

30 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 2024.

31 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 27 May 2024.