

**JAYA TIASA HOLDINGS BHD ( 3751-V )**  
**QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 31 JULY 2009**

**Part A – Explanatory Notes Pursuant to FRS 134**

**1 Basis of preparation**

The quarterly report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The quarterly report should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 April 2009. These explanatory notes attached to the quarterly report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2009.

The significant accounting policies adopted in the quarterly report are consistent with those adopted in the Group’s audited financial statements for the financial year ended 30 April 2009.

**2 Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements for the year ended 30 April 2009 was not qualified.

**3 Seasonal and Cyclical Factors**

Save for the weather conditions which may affect our operations at our logging areas, our principal business operations have not been significantly affected by any seasonal and cyclical factors.

**4 Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial year-to-date.

**5 Changes in estimates**

There were no changes in estimates of amounts reported in prior quarters which have a material impact on the current quarterly report.

**6 Debt and Equity Securities**

During the quarter, 1,000 shares of RM 1.00 each were purchased and retained as treasury shares. The monthly breakdown of shares bought back is as follows:

Month	No of shares purchased	Purchase price per share		Average price per share paid	Total consideration paid
		Lowest	Highest		
Jun 2009	1,000	RM 2.46	RM 2.46	RM 2.5037	RM 2,504

As at 31 July 2009, the number of shares retained as treasury shares amounted to 15,541,457.

Apart from the above, there were no other issuances and repayments of debt and equity securities for the current quarter and financial year-to-date.

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**7 Dividends Paid**

There were no dividends paid during the current quarter and financial year-to-date.

**8 Segmental Information**

The segment information in respect of the Group’s business segments for the period ended 31 July 2009 is as follows:

	Revenue	Profit Before Taxation
	RM’000	RM’000
Timber products	148,383	(923)
Oil palm plantation	17,037	3,919
Reforestation and others	858	(850)
	<u>166,278</u>	<u>2,146</u>

**9 Carrying Amount of Revalued Assets**

The Group did not carry out any valuations on its property, plant and equipment during the current quarter and financial year-to-date. The carrying value of property, plant and equipment is based on the valuation incorporated in the annual financial statements for the year ended 30 April 2009.

**10 Subsequent Events**

No material events have arisen during the interval between the end of the current quarter and the date of this announcement that have not been reflected in the current quarterly report.

**11 Changes in Composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial year-to-date, which were previously not announced.

**12 Contingent Liabilities and Contingent Assets**

There are no contingent liabilities or assets as at the end of the current quarter and financial year-to-date.

**13 Capital Commitments**

The amount of commitments for the purchase of property, plant and equipment not provided for in the quarterly report is as follows:

	As at 31/07/09 RM’000	As at 30/04/09 RM’000
Approved and contracted for	6,243	5,099
	<u>6,243</u>	<u>5,099</u>

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**Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**14 Review of Performance**

**(a) Comparison of Results with Corresponding Quarter of the previous financial year**

For the current quarter under review, the Group's revenue was lower than that reported in the corresponding quarter by 19% to RM166.3million from RM206.2million.

Pre-tax profit for the Group has also reduced by 78% to RM2.1million from RM9.9million achieved in the corresponding period of the previous financial year.

The reductions in operating income were mainly due to:

- Lower proceeds from logs sales by 25% with the decline in sales volume as well as drop in average selling price; and
- Lower proceeds from plywood sales by 16% with reduction in both the volume and average selling price.

**(a) Comparison of Results with Previous Period**

Comparison of cumulative results is not presented as this is the first quarter for the financial year ending 30 April 2010.

**15 Comparison of Results with Preceding Quarter**

When compared with the preceding quarter, the Group's revenue for current quarter was down by 11% from RM186.7 million to RM166.3 million. The reduction in revenue was mainly because of a drop by 38% in the volume of logs sold. However revenue from the sales of plywood has improved by 18% with 10% and 8% increase in volume and average selling price respectively. The sales of FFB have increased by 89% as compared with that in the preceding quarter.

The negative effect of the falling revenue of logs was more than offset by the improvement in both plywood and FFB sales resulting in the Group reporting an improvement in pre-tax profit to RM2.1 million from RM 0.4 million registered in the immediate preceding quarter.

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**16 Commentary on Prospects**

Although the present downturn of the global economy has shown some signs of recovery, the challenges faced by the timber industry are expected to continue in the forthcoming months.

In order to remain competitive, the Group will continue to focus on strategies of sustaining growth by strengthening its marketing effort in exploring new opportunities for greater market access. The wood division will continue to focus on measures to improve its operational productivity and efficiency and to produce value added products for the diversified markets.

Higher yield of fresh fruit bunches (FFB) is expected from the increase in matured areas and the age profile of the palms. The Group is also expected to benefit gradually with the completion of its crude palm oil mill from the synergy of integrating the supply and process of its FFB.

Barring any unforeseen circumstances, the Board is confident of delivering a satisfactory performance for the current financial year.

**17 Profit Forecast or Profit Guarantee**

The disclosure requirements for explanatory notes on the variation of actual profit after tax and minority interest, and shortfall in profit guarantee are not applicable.

**18 Taxation**

Taxation comprises:-

	Current Quarter RM'000	Cumulative Year-to-date RM'000
Current taxation	1,085	1,085
Deferred taxation	271	271
Over provision in prior year	-	-
	<u>1,356</u>	<u>1,356</u>

The effective tax rate for the Group for the quarter under review is higher than the statutory tax rate. This is due mainly to the tax losses in certain subsidiaries not available for set off against profitable subsidiaries within the Group and certain expenses not allowable for tax deduction.

**19 Sales of Unquoted Investments and Properties**

There were no profits or losses from sale of unquoted investments and properties for the current quarter and financial year-to-date.

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**20 Quoted Securities**

There was no purchase or disposal of quoted securities during the current quarter and financial year-to-date.

**21 Corporate Proposals**

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

**22 Borrowings and Debt Securities**

	As at 31/07/09 RM'000	As at 30/04/09 RM'000
Secured borrowings:		
Short term	27,524	29,076
Long term	17,413	12,725
	<u>44,937</u>	<u>41,801</u>
Unsecured borrowings:		
Short term	281,760	259,321
Long term	479,843	478,222
	<u>761,603</u>	<u>737,543</u>
	<u>806,540</u>	<u>779,344</u>

**23 Borrowings and Debt Securities (Continued)**

	USD'000	RM'000 Equivalent
Borrowings denominated in foreign currency:		
United States Dollars	12,750	44,753
	<u>12,750</u>	<u>44,753</u>

**24 Off Balance Sheet Financial Instruments**

There are no financial instruments with off balance sheet risk as at the date of this announcement.

**25 Material litigation**

There is no pending material litigation as at the date of this announcement.

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**26 Dividend Payable**

- (a) No interim dividend has been declared by the Board of Directors for the current quarter (previous corresponding period: Nil).
- (b) Total dividends – Not applicable.

**27 Earnings per share (EPS)**

(a) Basic EPS

Basic earnings per share is calculated by dividing the net profit of the period over the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company.

	Current Quarter	Cumulative Year-to-date
Net profit attributable to the equity holders of the Company (RM'000)	684	684
Weighted average number of Ordinary shares in issue ( '000 )	266,987	266,987
Basic earnings per share (Sen)	0.26	0.26

(b) Diluted EPS

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**28 Authorization for issue**

The Board of Directors in accordance with a resolution of the directors has authorized the quarterly report for issue on 30 September 2009.