

**JAYA TIASA HOLDINGS BHD ( 3751-V )**  
**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 OCTOBER 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 financial year-to-date, 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 OCTOBER 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 year-to-date ended 31 October 2009 is as follows:

	Revenue	Profit /(Loss) Before Taxation
	RM’000	RM’000
Timber products	229,891	1,053
Oil palm plantation	44,781	7,928
Reforestation and others	2,023	(2,242)
	<u>346,694</u>	<u>6,740</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 31/10/09 RM’000	As at 30/04/09 RM’000
Approved and contracted for	5,507	5,099
	<u>5,507</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 quarter ended 31 October 2009, the Group's revenue was lower than that reported in the corresponding quarter by 24% to RM180.4million from RM238.7million.

Pre-tax profit for the quarter has also reduced by 40% to RM4.6million from RM7.7million achieved in the corresponding period of the previous financial year.

The decline in revenue and pre-tax profit were due to:

- 31% lower proceeds from logs sales with the decline in sales volume as well as drop in average selling price; and
- 44% lower proceeds from plywood sales as a result of reduction in both the volume and average selling price.

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

For the financial year-to-date, Group's revenue fell by 22% to RM346.7million from RM444.9million reported in the preceding year's corresponding period.

Pre-tax profit also dropped by 62% to RM6.7million as compared with RM17.7million recorded in the previous year.

The reduction in both the revenue and pre-tax profit were caused by 28% lower proceeds from logs and 31% lower proceeds in plywood sales with the decline in sales volume and average selling prices.

**15 Comparison of Results with Preceding Quarter**

When comparing with the preceding quarter, the Group's revenue for current quarter has improved by 8% to RM180.4 million from RM166.3 million. Pre-tax profit soared by 119% to RM4.6 million from RM 2.1million registered in the immediate preceding quarter.

Improvement in revenue was contributed by 20% increase in sales of logs and 14% increase in the sales of fresh fruit bunches (FFB) which was partially offset by the 23% reduction in the sales of plywood, whereas better pre-tax profit was due to 7% higher profit contribution from logs and 29% higher profit contribution from oil palm division.

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**16 Commentary on Prospects**

The outlook for the timber industry continues to be challenging although there are some signs of recovery of the global economy.

However, for the oil palm division, higher production volume & better yields of fresh fruit bunches (“FFB”) couple with the operation of palm oil mill is expected to contribute to the Group’s profitability in the coming months.

In order to remain competitive, the wood division will strengthen its current measures to improve recovery rate and to maintain the standard of its high-quality plywood products. The Group will step up its efforts to ensure operational efficiency and effectiveness and to intensify its marketing strategy in exploring new opportunities for greater market access.

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 comprise:-

	Current Quarter RM’000	Cumulative Year-to-date RM’000
Current taxation	(1,085)	-
Deferred taxation	2,217	2,488
	<u>1,132</u>	<u>2,488</u>

The effective tax rate of the Group for the financial year-to-date is higher than the statutory tax rate. This is due to additional provision of deferred tax liabilities in certain subsidiaries.

**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.

**20 Quoted Securities**

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

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**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 31/10/09 RM'000	As at 30/04/09 RM'000
Secured borrowings:		
Short term	23,831	29,076
Long term	20,271	12,725
	<u>44,102</u>	<u>41,801</u>
Unsecured borrowings:		
Short term	270,036	259,321
Long term	489,166	478,222
	<u>759,202</u>	<u>737,543</u>
	<u>803,304</u>	<u>779,344</u>
 Borrowings denominated in foreign currency:		
	USD'000	RM'000 Equivalent
United States Dollars	12,750	43,197
	<u>12,750</u>	<u>43,197</u>

**23 Off Balance Sheet Financial Instruments**

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

**24 Material litigation**

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

**25 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.

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**26 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)	3,235	3,920
Weighted average number of Ordinary shares in issue ( '000 )	266,987	266,987
Basic earnings per share (Sen)	1.21	1.47

(b) Diluted EPS

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**27 Authorization for issue**

The Board of Directors in accordance with a resolution of the directors has authorized the quarterly report for issue on 17 December 2009.