

JAYA TIASA HOLDINGS BHD (3751-V)
QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 JANUARY 2010

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, 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, 2,000 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
Dec 2009	1,000	2.56	2.56	2.6037	2,604
Total	2,000	2.46	2.56	2.5538	5,108

As at 31 JANUARY 2010, the number of shares retained as treasury shares amounted to 15,542,457.

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 January 2010 is as follows:

	Revenue	Profit /(Loss) Before Taxation
	RM’000	RM’000
Timber products	494,232	14,751
Oil palm operations	60,061	13,996
Reforestation and others	2,087	(3,650)
	<u>556,380</u>	<u>25,097</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 31/01/10 RM’000	As at 30/04/09 RM’000
Approved and contracted for	5,035	5,099
	<u>5,035</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 3rd Quarter with Corresponding 3rd Quarter of the previous financial year

The Group reported a revenue of RM209.7million for the quarter under review, an increase of 24% from RM168.8million registered in the corresponding quarter of the previous financial year. Besides, the pre-tax profit for the current quarter improved greatly by over 10 times to RM18.4million from RM1.6million in the corresponding quarter of the previous financial year.

The significant improvements in revenue and pre-tax profit were mainly due to:

- higher proceeds from logs sales with 81% increase in sales volume;
- better margin of plywood sales as a result of 12% reduction in costs of production and 9% increase in average selling price; and
- 16% increase in sales volume and 64% higher in average selling price of fresh fruit bunches (FFB) of oil palm.

(b) Comparison of Year-to-date with Previous Year-to-date

For the financial year-to-date, the Group's revenue of RM556.4 million was 9% lower than RM613.7million reported in the previous corresponding period. However, pre-tax profit had increased by 30% to RM25.1million as compared with RM19.3million recorded a year ago.

The decrease in total revenue was caused by 24% reduction in plywood sales volume whereas higher pre-tax profit was mainly due to:

- 11% rise in logs sales volume with 18% reduction in the production cost of logs; and
- 19% increase in FFB sales volume.

15 Comparison of 3rd Quarter with Preceding 2nd Quarter

The Group's revenue for current quarter has improved by 16% to RM209.7million from RM180.4 million registered in the immediate preceding quarter. Pre-tax profit soared by 300% to RM18.4 million from RM4.6million reported in preceding 2nd quarter.

The remarkable increase in revenue and pre-tax profit were attributable to:

- rise in both sales volumes of logs and plywood of 54% and 14% respectively; and
- better margin of plywood sales due to lower production costs by 19%.

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16 Commentary on Prospects

Better prospect for timber products due to the gradual recovery of the global economy coupled with the increase in production of fresh fruit bunches (FFB) is expected to contribute positively to the Group's profitability in the coming months. The Group will constantly take prudent measures to rationalise operating costs and to improve productivity as well as efficiency across all its business divisions.

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	104	104
Deferred taxation	4,493	6,981
	<u>4,597</u>	<u>7,085</u>

Additional provision of deferred tax liabilities in certain subsidiaries has caused effective tax rate of the Group for the financial year-to-date higher than the statutory tax rate.

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.

21 Corporate Proposals

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

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22 Borrowings and Debt Securities

	As at 31/01/10 RM'000	As at 30/04/09 RM'000
Secured borrowings:		
Short term	19,141	29,076
Long term	17,548	12,725
	<u>36,689</u>	<u>41,801</u>
Unsecured borrowings:		
Short term	231,188	259,321
Long term	537,641	478,222
	<u>768,829</u>	<u>737,543</u>
	<u>805,518</u>	<u>779,344</u>
 Borrowings denominated in foreign currency:		
	USD'000	RM'000 Equivalent
United States Dollars	10,500	36,110
	<u>10,500</u>	<u>36,110</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)	13,671	17,591
Weighted average number of Ordinary shares in issue ('000)	266,986	266,987
Basic earnings per share (Sen)	5.12	6.59

(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 24 March 2010.