

**JAYA TIASA HOLDINGS BHD ( 3751-V )**  
**QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 31 OCTOBER 2011**

**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 2011. 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 2011.

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 2011 except for the adoption of new FRSSs, amendments and IC interpretations which are relevant to the Group for the financial year beginning 1 May 2011:-

FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statement (revised)
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
Amendments to FRSSs	Improvement to FRSSs (2010)

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

The auditors’ report on the financial statements for the year ended 30 April 2011 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.

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**6 Debt and Equity Securities**

During the period, 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 2011	1,000	RM 7.10	RM 7.10	RM 7.1527	RM 7,152.73

As at 31 October 2011, the number of shares retained as treasury shares amounted to 15,545,457.

Apart from the above, there were no other issuances and repayments of debt and equity securities for the period.

**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 2011 is as follows:

	Revenue	Profit /(Loss) Before Taxation
	RM'000	RM'000
Logs	157,406	46,201
Wood Processing	171,809	12,156
Oil palm operations	170,124	83,993
Others & Admin expenses	179	(9,761)
Consolidated total	<u>499,158</u>	<u>132,589</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 2011.

**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.

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**Part A – Explanatory Notes Pursuant to FRS 134 ( Continued )**

**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 significant changes in contingent liabilities or assets as at the end of the current quarter.

**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 31/10/11 RM'000	As at 30/04/11 RM'000
Approved and contracted for	10,256	15,530
	<u>10,865</u>	<u>15,530</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 2011, the Group posted a 25% increase in revenue to RM239.5 million from RM192.2 million recorded in the corresponding period of the previous financial year. Pre-tax profit rose by 39% to RM57.3 million from RM41.1 million previously.

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

- 33% increase in logs sales volume and 31% improvement in plywood average selling price;
- 32% growth in fresh fruit bunches (FFB) sales volume; and
- 39% improvement in crude palm oil (CPO) sales volume with 16% rise in average selling price.

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

For the financial year-to-date, Group's revenue grew by 32% to RM499.5 million from RM377.7 million reported in the preceding year corresponding period. Pre-tax profit soared by 86% to RM132.6 million as compared with RM71.2 million recorded in the previous year.

Better results in revenue and pre-tax profit were due to:

- 21% improvement in logs average selling price;
- 45% increase in FFB sales volume with 17% rise in average selling price; and
- 80% growth in CPO sales volume with 23% improvement in average selling price.

**15 Comparison of Profit before tax with Immediate Preceding Quarter**

The Group's pre-tax profit reduced by 24% to RM57.3 million from RM75.3 million reported in the immediate preceding quarter.

The decline in pre-tax profit was mainly due to 11%, 7% and 10% decrease in the average selling prices of logs, plywood and FFB respectively.

**16 Commentary on Prospects**

The global economic environment has become more uncertain with renewed concerns on sovereign debt crisis in Europe, subdued recoveries in other advanced economies and moderate growth in emerging and developing markets.

In view of the volatile operating environment, performance for the timber segment will be challenging. However, the oil palm segment remains bullish with higher FFB and CPO production volume contributing significantly to the Group profitability.

Barring any unforeseen circumstances, the Board believes that the performance for the current financial year will be satisfactory.

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**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	9,196	18,199
Deferred taxation	6,057	15,811
	<u>15,253</u>	<u>34,010</u>

The effective tax rate for the Group is higher than the statutory tax rate. This is mainly due to certain expenses not allowable for tax deduction.

**19 Quoted Securities**

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

**20 Corporate Proposals**

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

**21 Borrowings and Debt Securities**

	As at 31/10/11 RM'000	As at 30/04/11 RM'000
Secured borrowings:		
Short term	25,302	17,694
Long term	37,803	28,162
	<u>63,105</u>	<u>45,856</u>
Unsecured borrowings:		
Short term	216,330	225,787
Long term	540,795	497,658
	<u>757,125</u>	<u>723,445</u>
	<u>820,230</u>	<u>769,301</u>

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

Borrowings denominated in foreign currency:

	As at 31/10/11 USD'000	As at 31/10/11 RM'000 Equivalent
United States Dollars	22,940	68,560
	<u>          </u>	<u>          </u>

23 **Material litigation**

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

24 **Disclosure of Realised and Unrealised Profits or Losses**

	As at 31/10/11 RM'000	As at 30/04/11 RM'000
Total retained profits of Jaya Tiasa Holdings Bhd and its subsidiaries		
- Realised	1,010,667	895,185
- Unrealised	<u>(43,917)</u>	<u>(45,543)</u>
	966,750	849,642
Less: Consolidation adjustments	(144,889)	(124,858)
	<u>          </u>	<u>          </u>
Total group retained profits as per consolidated accounts	<u>821,861</u>	<u>724,784</u>

25 **Dividend Payable**

(a) No interim dividend has been declared by the Board of Directors for the period (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)	41,158	97,077
Weighted average number of Ordinary shares in issue ( '000 )	266,983	266,983
Basic earnings per share (Sen)	15.42	36.36

(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 21st of December 2011.