

JAYA TIASA HOLDINGS BHD (3751-V)
QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 JANUARY 2012

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, 35,500 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		
Nov 2011	34,500	RM 5.72	RM 6.01	RM 5.9834	RM 206,428
Dec 2011	1,000	6.82	6.82	6.8700	6,870
Total	35,500	5.72	6.82	6.0084	213,298

As at 31 January 2012, the number of shares retained as treasury shares amounted to 15,580,957.

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

7 Dividends Paid

A first and final dividend of 6% less 25% tax in respect of the financial year ended 30 April 2011 amounting to RM12,013,134 was paid on 25th November 2011.

8 Segmental Information

The segment information in respect of the Group's business segments for the year-to-date ended 31 January 2012 is as follows:

	Revenue	Profit Before Taxation
	RM'000	RM'000
Logs	233,184	41,449
Wood Processing	269,474	22,624
Oil palm operations	234,186	110,504
Others & Admin expenses	235	7,785
Consolidated total	737,079	182,362

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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11 Changes in Composition of the Group

On 28th December 2011, Jaya Tiasa Holdings Bhd's subsidiaries, namely Atlantic Timber Holdings Limited and Pacific Timber Holdings Limited had disposed of their collective equity interest of 100% in Selvaplac Verde Ltda (a company incorporated in Brazil) to Cezar Augusto Carrendo De Souza for a total cash consideration of Brazilian Real Two Million Only (R\$2,000,000) [equivalent to RM3,396,600]. The cash consideration was arrived at on a willing-buyer and willing-seller basis. The disposal was in line with the Group's intention to divest its Brazilian operation in view of continuing losses incurred and unclear prospect of recovery. The disposal did not have any adverse material effect on the earnings, net assets, share capital and substantial shareholders' shareholding of the Company.

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 31/01/12 RM'000	As at 30/04/11 RM'000
Approved and contracted for	56,704	15,530
	<u>56,704</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 January 2012, the Group reported a revenue of RM237.6 million, which is at the same level as that recorded in the corresponding period of the previous financial year. Pre-tax profit reduced by 15% to RM49.8 million from RM58.3 million previously.

The reduction of pre-tax profit was mainly due to:

- 22% fall in logs average selling price; and
- 19% and 16% decrease in fresh fruit bunches (FFB) and crude palm oil (CPO) average selling prices respectively.

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

For the financial year-to-date, Group's revenue grew by 20% to RM737.1 million from RM615.4 million reported in the preceding year corresponding period. Pre-tax profit soared by 41% to RM182.4 million as compared with RM129.5 million recorded in the previous year.

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

- 30% increase in plywood average selling price;
- 37% improvement in FFB sales volume with 10% rise in average selling price; and
- 66% growth in CPO sales volume with 6% improvement in average selling price.

15 Comparison of Profit before tax with Immediate Preceding Quarter

The Group's pre-tax profit reduced by 13% to RM49.8 million from RM57.3 million reported in the immediate preceding quarter.

The decline in pre-tax profit was mainly due to 23% decrease in the logs average selling prices and 31% reduction of FFB sales volume.

16 Commentary on Prospects

With the emergence of signs of stabilisation from the Eurozone and the United States, the global economy outlook has improved despite high debts levels persisting in the advance economies and rising oil prices.

The performance of the timber segment remains challenging due to the volatility of operating environment. However, the oil palm segment is expected to perform well and contribute significantly to the Group profitability on the back of strong CPO prices and higher FFB and CPO productions.

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	784	18,998
Deferred taxation	3,370	19,166
	<u>4,154</u>	<u>38,164</u>

The effective tax rate of the Group is lower than the statutory tax rate. This is due mainly to no tax effect on the gain on disposal of subsidiary.

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 31/01/12 RM'000	As at 30/04/11 RM'000
Secured borrowings:		
Short term	27,486	17,694
Long term	37,156	28,162
	<u>64,642</u>	<u>45,856</u>
Unsecured borrowings:		
Short term	228,146	225,787
Long term	602,348	497,658
	<u>830,494</u>	<u>723,445</u>
	<u>895,136</u>	<u>769,301</u>

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

Borrowings denominated in foreign currency:

	As at 31/01/12 USD'000	As at 31/01/12 RM'000 Equivalent
United States Dollars	19,190	65,210
	<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 31/01/12 RM'000	As at 30/04/11 RM'000
Total retained profits of Jaya Tiasa Holdings Bhd and its subsidiaries		
- Realised	1,064,498	895,185
- Unrealised	<u>(65,150)</u>	<u>(45,543)</u>
	999,348	849,642
Less: Consolidation adjustments	(143,984)	(124,858)
	<u> </u>	<u> </u>
Total group retained profits as per consolidated accounts	<u>855,364</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)	45,516	142,593
Weighted average number of Ordinary shares in issue ('000)	266,971	266,971
Basic earnings per share (Sen)	17.05	53.41

(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 22nd of March 2012.