

**JAYA TIASA HOLDINGS BHD ( 3751-V )**  
**QUARTERLY REPORT FOR THE OTHER PERIOD ENDED 30 JUNE 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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**Part A – Explanatory Notes Pursuant to FRS 134 ( Continued )**

**6 Debt and Equity Securities**

During the financial period-to-date, 36,500 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		
Jun 2011	1,000	RM 7.10	RM 7.10	RM 7.1527	RM 7,153
Nov 2011	34,500	5.72	6.01	5.9834	206,428
Dec 2011	1,000	6.82	6.82	6.8700	6,870
<b>Total</b>	<b>36,500</b>	<b>5.72</b>	<b>7.10</b>	<b>6.0398</b>	<b>220,451</b>

On 04 May 2012 the Company distributed 13,346,969 treasury shares as Share Dividend to entitled shareholders in the ratio of One (1) Treasury Share for every Twenty (20) existing Ordinary Shares. The average cost of RM3.21 each has been applied against the share premium account in accordance with section 67A of the Companies Act 1965.

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

As at 30 June 2012 the number of shares retained as treasury shares amounted to 2,233,988.

On 20 July 2012 the Company disposed of 2,233,988 treasury shares realizing a total amount of RM18,960,968.

**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 period-to-date ended 30 June 2012 is as follows:

	Revenue	Profit Before Taxation
	RM'000	RM'000
Logs	414,768	47,827
Wood Processing	425,938	44,342
Oil palm operations	360,442	159,508
Others & Admin expenses	1,016	(12,443)
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Consolidated total	1,202,164	239,234
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**Part A – Explanatory Notes Pursuant to FRS 134 ( Continued )**

**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.

**11 Changes in Composition of the Group**

There were no changes in the composition of the Group during the current quarter, 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 30/06/12 RM'000	As at 30/04/11 RM'000
Authorised and contracted for	79,487	15,530
Authorised but not contracted for	125,000	-
	<u>204,487</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 Previous Corresponding Period**

The Group registered a revenue of RM190.5 million for the quarter under review (June 2012), an increase of 13% from the RM168.7 million recorded in the previous corresponding period (June 2011). Pre-tax profit of RM18.0 million was 59% lower than that of RM43.8 million recorded in the corresponding period.

Better revenue was attributable to:

- Significant increase in logs and plywood sales volume by 120% and 91% respectively; and
- crude palm oil sales volume improved by 36%.

Whereas lower pre-tax profit was affected by:-

- 37% and 18% fall in logs and plywood average selling prices respectively; and
- 12% and 5% decrease in fresh fruit bunches (FFB) and crude palm oil (CPO) average selling prices respectively.

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

For the financial period-to-date, the Group's revenue of RM1,202.2 million was 16% higher than RM1,039.6 million reported in the preceding year corresponding period. Pre-tax profit decreased by 4% to RM239.2 million as compared with RM249.8 million recorded in the previous period.

The improvement in revenue was mainly due to:

- 41% growth in logs sales volume and 16% increase in plywood average selling price; and
- 17% and 49% improvement in FFB and CPO sales volume respectively.

The decrease in pre-tax Profit was mainly due to 14% fall in logs average selling price.

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

Current quarter under review consisted of two months while preceding quarter consisted of three months.

Average selling price for logs and plywood has increase by 6% and 1% respectively for the quarter under review compared to the immediate preceding quarter. Whereas both FFB and CPO average selling prices had reduced by 10% and 2% respectively.

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

**16 Commentary on Prospects**

The weakening of Indian Rupee and the delay of Japan's reconstruction efforts had affected the performance of our timber division. However, the prospect for the timber sector is expected to remain positive in view of the tight log supply condition and anticipated increase in demand for wood products from Japan's reconstruction efforts.

The outlook of the oil palm sector remains positive due to the prolonged dry season and El-Nino effect. For our oil palm division, increase in FFB production is expected to contribute positively to the Group's profitability with more palms entering their prime production age and additional planted estates reaching into maturity.

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

**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	5,402	26,279
Deferred taxation	439	26,215
	<u>5,841</u>	<u>52,494</u>

The cumulative effective tax rate of the Group is lower than the statutory tax rate mainly due to the tax credit of certain subsidiaries and the gain on disposal which does not attract tax. The current quarter tax rate for the Group is higher due to under provision of deferred tax expenses of certain subsidiaries in prior year.

**19 Quoted Securities**

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

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

**20 Corporate Proposals**

- I. Proposed placement of new ordinary shares of RM1.00 each in the Company, representing up to 15% of the issued and paid-up share capital of the Company (“PROPOSED PLACEMENT”); and
- II. Proposed bonus issue of new shares in the Company on the basis of 2 bonus shares for every 1 ordinary share held after the Proposed Placement (“PROPOSED BONUS ISSUE”)

The Proposed Placement has been completed with the listing of and quotation for 42,044,100 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad on 20 July 2012.

The Proposed Bonus Issue has been completed with the listing of and quotation for 649,145,198 Bonus Shares on the Main Market of Bursa Malaysia Securities Berhad on 8 August 2012.

**21 Borrowings and Debt Securities**

	As at 30/06/12 RM'000	As at 30/04/11 RM'000
Secured borrowings:		
Short term	30,933	17,694
Long term	32,137	28,162
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	63,070	45,856
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Unsecured borrowings:		
Short term	192,424	225,787
Long term	631,763	497,658
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	824,187	723,445
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	887,257	769,301
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Borrowings denominated in foreign currency:		RM'000
	USD'000	Equivalent
United States Dollars	21,611	68,659
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**22 Material litigation**

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

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

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

	As at 30/06/12 RM'000	As at 30/04/11 RM'000
Total retained profits of Jaya Tiasa Holdings Bhd and its subsidiaries		
- Realised	1,172,871	895,185
- Unrealised	<u>(72,780)</u>	<u>(45,543)</u>
	1,100,091	849,642
Less: Consolidation adjustments	(202,706)	(124,858)
	<u>897,385</u>	<u>724,784</u>
Total group retained profits as per consolidated accounts	<u>897,385</u>	<u>724,784</u>

**24 Dividend Payable**

The Board of Directors has recommended a first and final dividend of 5.15% less 25% tax (April 2011: 6% less 25% tax) in respect of the financial period ended 30 June 2012 for the shareholders' approval at the forthcoming annual general meeting. The entitlement and payment date will be decided and announced in due course.

**25 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)	11,867	184,614
Weighted average number of Ordinary shares in issue ( '000 )	280,295	268,870
Basic earnings per share (Sen)	4.23	68.66

(b) Diluted EPS

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**26 Authorization for issue**

The Board of Directors in accordance with a resolution of the directors has authorized the quarterly report for issue on 23rd of August 2012.