

JAYA TIASA HOLDINGS BHD (3751-V)
QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

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 June 2014. 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 June 2014.

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 June 2014 except for the adoption of new FRSSs, amendments and IC interpretations which are relevant to the Group for the financial year beginning 1 July 2014:-

- Amendments to FRS 10, FRS 12 and FRS 127, Investment Entities
- Amendments to FRS 132, Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 136, Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 139, Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21, Levies
- Amendments to FRS 2, FRS 3, FRS 8, FRS 13, FRS 116, FRS 124 and FRS 138 (Annual Improvements to FRSSs 2010-2012 Cycle)
- Amendments to FRS 1, FRS 3, FRS 13 and FRS 140 (Annual Improvements to FRSSs 2011-2013 Cycle)
- Amendments to FRS 119, Defined Benefits Plans: Employee contributions

2 Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 30 June 2014 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.

JAYA TIASA HOLDINGS BHD (3751-V)
QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

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

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 quarter, 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		
Aug 2014	1,000	RM 2.14	RM 2.14	RM 2.1837	RM 2,183.65

On 30 September 2014, the number of shares retained as treasury shares amounted to 5,723,000.

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

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 period-to-date ended 30 September 2014 is as follows:

	Quarter ended 30 September 2014		Quarter ended 30 September 2013	
	Revenue	Profit/(Loss) Before Taxation	Revenue	Profit/(Loss) Before Taxation
	RM'000	RM'000	RM'000	RM'000
Logs	78,737	28,382	73,092	15,910
Wood processing	86,512	2,067	94,549	11,436
Oil palm operations	96,450	14,176	77,761	9,577
Others & Admin expenses	165	(12,146)	66	(10,915)
Consolidated total	<u>261,864</u>	<u>32,479</u>	<u>245,468</u>	<u>26,008</u>

JAYA TIASA HOLDINGS BHD (3751-V)
QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

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 June 2014.

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 September 2014 RM'000	As at 30 June 2014 RM'000
Authorised and contracted for	59,260	68,693

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

For the quarter ended 30 September 2014, the Group reported a revenue of RM261.8 million, an increase of 6.7% from RM245.4 million recorded in the previous corresponding quarter. Pre-tax profit of RM32.5 million attained in current period was 24.9% more than the same period last year.

Higher revenue and pre-tax profit were resulted from:-

- 47% and 52% increase in CPO and veneer sales volume respectively; and
- 6% improvement in log selling price.

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

Comparison of cumulative results is not presented as this is the first quarter for the financial year ending 30 June 2015.

15 Comparison of Profit Before Tax with Immediate Preceding Quarter

The Group's pre-tax profit for the current quarter has improved by 101.9% to RM32.5 million as compared with RM16.1 million reported in the preceding quarter.

Increase of pre-tax profit was mainly contributed by:-

- rise in CPO and plywood sales volume of 42% and 23% respectively; and
- lower FFB and veneer production cost as a result of 50% and 34% increase in production volume respectively.

16 Commentary on Prospects

With the monsoon season approaching, the selling prices for timber products are expected to remain firm in view of the tight log supply condition and the anticipated stable demand for wood products.

The increase in Malaysia's biodiesel mandate of 5% to 7% in November 2014 coupled with current low palm oil output season should provide stability on the CPO prices.

Higher FFB yield from our increasing matured trees both in terms of palm age profile and matured area are expected to contribute positively to the group performance.

The Board will continue to take vigilant measures to safeguard the Group's operational efficiency and production yield in the current global economic conditions.

JAYA TIASA HOLDINGS BHD (3751-V)
QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

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

17 Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes on the variation of actual profit after tax and non-controlling interest, and shortfall in profit guarantee are not applicable.

18 Profit for the Period

Included in the profit before tax are the following items:

	Current quarter		Cumulative quarter	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Amortisation	3,600	4,173	3,600	4,173
Bad debts written off	-	11	-	11
Depreciation	20,667	17,220	20,667	17,220
Interest expenses	7,060	5,076	7,060	5,076
Impairment of financial assets	1,700	2,670	1,700	2,670
Loss on disposal of property, plant and equipment	707	1,762	707	1,762
Net unrealised foreign exchange loss	643	95	643	95
Interest income	(347)	(875)	(347)	(875)
Gain on disposal of property, plant and equipment	(5)	(99)	(5)	(99)

19 Taxation

Taxation comprise:-

	Current quarter		Cumulative quarter	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Current taxation	9,524	2,608	9,524	2,608
Deferred taxation	(866)	3,926	(866)	3,926
	<u>8,658</u>	<u>6,534</u>	<u>8,658</u>	<u>6,534</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.

JAYA TIASA HOLDINGS BHD (3751-V)
QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

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

20 Quoted Securities

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

21 Corporate Proposals

- (a) There were no corporate proposals announced or pending completion as at the date of this quarterly report.
 (b) Status of Utilisation of Proceed Raised from Corporate Proposal

As at the end of the quarter under review, the proceeds from the placement of new ordinary shares have been utilised as follows:-

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Deviation RM'000	%	Remark
Repayment of bank borrowings	110,000	106,200	within 6 months	3,800	3	
Construction of palm oil mills	235,000	175,000	within 24 months	60,000	26	
Working capital/ acquisitions	6,716	-	within 24 months	6,716	100	
Expenses in relation to the placement	6,500	5,948	within 3 months	552	8	
Short-term investment	-	52,404		(52,404)	-	(1)
	<u>358,216</u>	<u>339,552</u>		<u>18,664</u>		(2)

Remark:-

- (1) Short term money market placement.
 (2) Deviation is due to the difference between the actual and the estimated issue price of the placement share of 7.28%.

JAYA TIASA HOLDINGS BHD (3751-V)
QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

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

22 Borrowings and Debt Securities

	As at 30 September 2014 RM'000	As at 30 June 2014 RM'000
Secured borrowings:		
Short term	8,470	10,200
Long term	6,677	5,801
	<u>15,147</u>	<u>16,001</u>
Unsecured borrowings:		
Short term	578,666	502,417
Long term	291,337	311,554
	<u>870,003</u>	<u>813,971</u>
	<u>885,150</u>	<u>829,972</u>
Borrowings denominated in foreign currency:		
	USD'000	RM'000 Equivalent
United States Dollars	<u>21,611</u>	<u>66,379</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 30 September 2014 RM'000	As at 30 June 2014 RM'000
Total retained profits of Jaya Tiasa Holdings Bhd and its subsidiaries		
- Realised	1,071,985	1,025,559
- Unrealised	(95,328)	(84,234)
	<u>976,657</u>	<u>941,325</u>
Less: Consolidation adjustments	(158,437)	(146,632)
Total group retained profits as per consolidated accounts	<u>818,220</u>	<u>794,693</u>

JAYA TIASA HOLDINGS BHD (3751-V)
QUARTERLY REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

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

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.

26 Earnings per share (EPS) - Basic

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 Quarter	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Net profit attributable to the equity holders of the Company (RM'000)	23,527	19,103	23,527	19,103
Weighted average number of Ordinary shares in issue ('000)	967,995	967,995	967,995	967,995
Basic earnings per share (Sen)	2.43	1.97	2.43	1.97

27 Authorization for issue

The Board of Directors in accordance with a resolution of the directors has authorized the quarterly report for issue on 27th of November 2014.