

**QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2017 - unaudited**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>31/03/2017</b>	<b>31/03/2016</b>	<b>31/03/2017</b>	<b>31/03/2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	268,459	229,413	741,357	777,374
Cost of sales	(185,753)	(195,725)	(530,905)	(583,475)
<b>Gross profit</b>	82,706	33,688	210,452	193,899
Other income	3,169	3,505	11,296	12,747
Selling and distribution costs	(13,754)	(15,125)	(41,066)	(54,379)
Administrative expenses	(17,123)	(14,097)	(44,384)	(48,428)
Finance costs	(14,966)	(15,565)	(44,012)	(43,571)
<b>Profit/(loss) before taxation</b>	40,032	(7,594)	92,286	60,268
Income tax expense	(11,114)	549	(25,765)	(14,953)
<b>Profit/(loss) net of tax</b>	28,918	(7,045)	66,521	45,315
<b>Other comprehensive income:</b>				
Foreign currency translation	-	-	5	-
Net changes on available-for-sale financial assets				
- (Loss)/gain on fair value changes	(700)	8,643	(700)	8,643
<b>Other comprehensive income, net of tax</b>	(700)	8,643	(695)	8,643
<b>Total comprehensive income for the year</b>	<b>28,218</b>	<b>1,598</b>	<b>65,826</b>	<b>53,958</b>
Profit/(loss) attributable to:				
Owner of the parent	27,954	(7,733)	64,689	43,131
Non-controlling interests	964	688	1,832	2,184
	<b>28,918</b>	<b>(7,045)</b>	<b>66,521</b>	<b>45,315</b>
<b>Total comprehensive income attributable to:</b>				
Owner of the parent	27,254	910	63,994	51,774
Non-controlling interests	964	688	1,832	2,184
	<b>28,218</b>	<b>1,598</b>	<b>65,826</b>	<b>53,958</b>
Basic earnings per share attributable to owners of the parent (Sen)	2.89	(0.80)	6.68	4.46

The unaudited condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to this quarterly report.

QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2017 - unaudited

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	UNAUDITED AS AT 31/03/2017 RM'000	AUDITED AS AT 30/06/2016 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	1,182,836	1,182,202
Biological assets	1,626,009	1,594,721
Land use rights	41	45
Goodwill on consolidation	62,337	62,337
Other intangible assets	587	553
Investment securities	75,000	75,700
Deferred tax assets	28,410	21,192
	<u>2,975,220</u>	<u>2,936,750</u>
<b>Current Assets</b>		
Inventories	153,328	137,311
Trade and other receivables	64,871	66,932
Other current assets	10,413	7,963
Income tax receivable	22,312	4,433
Derivative assets	-	2,705
Cash and bank balances	31,833	58,914
	<u>282,757</u>	<u>278,258</u>
<b>TOTAL ASSETS</b>	<u><u>3,257,977</u></u>	<u><u>3,215,008</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current Liabilities</b>		
Interest bearing loans and borrowings	411,690	507,958
Trade and other payables	144,115	184,634
Income tax payable	16,467	13,873
Derivative liabilities	1,574	-
	<u>573,846</u>	<u>706,465</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Interest bearing loans and borrowings	658,484	564,818
Deferred tax liabilities	149,275	120,592
	<u>807,759</u>	<u>685,410</u>
<b>Total Liabilities</b>	<u>1,381,605</u>	<u>1,391,875</u>
<b>Net assets</b>	<u>1,876,372</u>	<u>1,823,133</u>
<b>Equity Attributable to owners of the parent</b>		
Share capital	973,718	973,718
Treasury shares	(13,687)	(13,684)
Reserves	905,635	854,225
	<u>1,865,666</u>	<u>1,814,259</u>
<b>Non-controlling interests</b>	10,706	8,874
<b>Total Equity</b>	<u>1,876,372</u>	<u>1,823,133</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>3,257,977</u></u>	<u><u>3,215,008</u></u>
Net assets per share attributable to equity holders (RM)	1.93	1.87
Number of ordinary shares net of treasury shares	967,991	967,993

The unaudited condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached.

QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2017 - unaudited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent							Equity, Total RM'000
	Non-Distributable				Distributable		Non- controlling interest RM'000	
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserves RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000		
<b>Opening balance at 01 July 2016</b>	973,718	(13,684)	(6,449)	4,384	856,290	1,814,259	8,874	1,823,133
Profit for the year	-	-	-	-	64,689	64,689	1,832	66,521
Other comprehensive income	-	-	5	(700)	-	(695)	-	(695)
Total comprehensive income	-	-	5	(700)	64,689	63,994	1,832	65,826
<b>Transactions with owners</b>								
Dividends on ordinary shares	-	-	-	-	(12,584)	(12,584)	-	(12,584)
Purchase of treasury shares	-	(3)	-	-	-	(3)	-	(3)
<b>Total Transactions with owners</b>	-	(3)	-	-	(12,584)	(12,587)	-	(12,587)
<b>At 31 March 2017</b>	<u>973,718</u>	<u>(13,687)</u>	<u>(6,444)</u>	<u>3,684</u>	<u>908,395</u>	<u>1,865,666</u>	<u>10,706</u>	<u>1,876,372</u>
<b>Opening balance at 01 July 2015</b>	973,718	(13,683)	(6,458)	3,684	811,808	1,769,069	6,041	1,775,110
Profit for the year	-	-	-	-	43,131	43,131	2,184	45,315
Other comprehensive income	-	-	-	8,643	-	8,643	-	8,643
Total comprehensive income	-	-	-	8,643	43,131	51,774	2,184	53,958
<b>Transactions with owners</b>								
Dividends on ordinary shares	-	-	-	-	(9,680)	(9,680)	-	(9,680)
Purchase of treasury shares	-	(1)	-	-	-	(1)	-	(1)
<b>Total Transactions with owners</b>	-	(1)	-	-	(9,680)	(9,681)	-	(9,681)
<b>At 31 March 2016</b>	<u>973,718</u>	<u>(13,684)</u>	<u>(6,458)</u>	<u>12,327</u>	<u>845,259</u>	<u>1,811,162</u>	<u>8,225</u>	<u>1,819,387</u>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to this quarterly report.

QUARTERLY REPORT FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2017 - unaudited

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Current</b>	<b>Corresponding</b>
	<b>9 months ended</b>	<b>9 months ended</b>
	<b>31/03/2017</b>	<b>31/03/2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	92,286	60,268
Adjustments for:		
Depreciation and amortisation	77,248	70,738
Dividend income from investment securities	-	(2)
Fair value loss on derivative assets	4,279	-
Impairment of trade and other receivables	2,979	9,000
Interest expenses	42,141	41,490
Interest income	(136)	(39)
Net loss on disposal of property, plant and equipment	978	177
Net unrealised foreign exchange loss	1,779	717
<b>Operating cash flows before working capital changes</b>	<b>221,554</b>	<b>182,349</b>
Net change in current assets	(20,633)	36,337
Net change in current liabilities	(40,512)	(46,311)
<b>Cash flows from operations</b>	<b>160,409</b>	<b>172,375</b>
Interest received	136	39
Interest paid	(44,734)	(41,516)
Income taxes paid, net of refund	(17,813)	(20,728)
<b>Net cash flows from operating activities</b>	<b>97,998</b>	<b>110,170</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(75,796)	(77,400)
Plantation development expenditure incurred	(29,830)	(29,154)
Purchase of other intangible assets	(110)	-
Purchase of investment securities	-	(70,000)
Proceeds from disposal of investment securities	-	7
Dividend income of investment securities	-	2
Proceeds from disposal of property, plant and equipment	13,605	1,221
<b>Net cash flows used in investing activities</b>	<b>(92,131)</b>	<b>(175,324)</b>
<b>Cash Flows from Financing Activities</b>		
Dividend paid	(12,584)	(9,680)
Purchase of treasury shares	(3)	(1)
Net proceeds of revolving credit and bankers' acceptances	3,839	41,313
Repayments of hire purchase creditors	(22,017)	(17,437)
Repayments of term loans	(34,776)	(15,301)
Proceeds from term loans	106,900	118,702
<b>Net cash flows from financing activities</b>	<b>41,359</b>	<b>117,596</b>
<b>Net change in cash and cash equivalent</b>	<b>47,226</b>	<b>52,442</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(79,151)</b>	<b>(103,310)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>(31,925)</b>	<b>(50,868)</b>
Cash and bank balances	31,833	53,264
Bank overdrafts	(63,758)	(104,132)
	<b>(31,925)</b>	<b>(50,868)</b>

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to this quarterly report.

**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 2016. 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 2016.

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 2016. At the date of authorization of these interim financial statements, the Group has not adopted the following accounting standards that have been issued by the Malaysian Accounting Standards Board (“MASB”). The Group intend to adopt these amendments/standards, if applicable, when they become effective.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 9 Financial Instruments	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution Assets between an Investor and Its Associate or Joint Venture	Deferred

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

The auditors’ report on the financial statements for the year ended 30 June 2016 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 period-to-date.

**JAYA TIASA HOLDINGS BHD ( 3751-V )**  
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**Part A – Explanatory Notes Pursuant to FRS 134**

**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 period, 2,000 shares 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		
		RM	RM	RM	RM
Aug 2016	1,000	1.27	1.27	1.3148	1,314.81
Feb 2017	1,000	1.27	1.27	1.3148	1,314.81
Total	2,000	1.27	1.27	1.3148	2,629.62

On 31 March 2017, the number of shares retained as treasury shares amounted to 5,727,000.

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 single-tier dividend of 1.3 sen per ordinary share in respect of the financial year ended 30 June 2016 amounting to RM12,583,895 was paid on 16<sup>th</sup> December 2016.

**8 Segmental Information**

The segment information in respect of the Group's business segments for the period-to-date ended 31 March 2017 is as follows:

	Period ended 31 March 2017		Period ended 31 March 2016	
	Revenue	Profit/(Loss) Before Taxation	Revenue	Profit/(Loss) Before Taxation
	RM'000	RM'000	RM'000	RM'000
Logs	169,654	33,248	226,709	92,495
Wood processing	159,146	(16,978)	277,440	18,779
Oil palm	412,400	89,145	272,775	(34,562)
Others	157	4,139	450	722
Group admin and overhead	-	(17,268)	-	(17,166)
Consolidated total	<u>741,357</u>	<u>92,286</u>	<u>777,374</u>	<u>60,268</u>

**Part A – Explanatory Notes Pursuant to FRS 134**

**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 period-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 2016.

**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 31 March 2017 RM'000	As at 30 June 2016 RM'000
Authorised and contracted for	24,435	39,415

**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 Quarter**

For the quarter ended 31 March 2017, the Group reported a revenue of RM268.5 million, an increase of 17% from RM229.4 million recorded in the previous corresponding quarter. The Group's pre-tax profit for the current quarter improved significantly to RM40.0 million from a loss of RM7.6 million reported in the same period last year. The better result was mainly contributed by oil palm division arising from:-

- 31% increase in CPO sales volume with 35% increase in average selling price; and
- 28% reduction in FFB unit production cost as a result of 33% increase in production volume.

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

For the financial period-to-date, the Group's revenue of RM741.4 million was 5% lower than RM777.4 million reported in the previous corresponding period. Lower revenue was mainly due to:-

- reduction in log and plywood sales volume by 16% and 30% as a result of 35% and 27% decrease in production volume respectively; and
- 11% decrease in average selling prices for both log and plywood.

The pre-tax profit improved by 53% to RM92.3 million as compared with RM60.3 million attained in the same period last year. Higher pre-tax profit was mainly contributed from:-

- 40% and 30% increase in FFB and CPO average selling price; and
- 12% increase in FFB production volume leading to 5% reduction in production cost.

**15 Comparison of Profit Before Tax with Immediate Preceding Quarter**

The Group's pre-tax profit for the current quarter increased by 75% to RM40.0 million as compared with RM22.9 million reported in the preceding quarter. Better performance was mainly contributed by:-

- 71% and 34% increase in log and plywood sales volume respectively;
- 15% and 13% rise in FFB and CPO average selling price respectively; and
- lower CPO and PK production cost as a result of 13% and 23% higher production volume respectively.

**16 Commentary on Prospects**

The average prices of the timber products are expected to remain stable due to limited supply of log as a result of the ongoing forest certification and sustainable forest management project carried out by the Group. The performance of the timber division will be impacted by the higher timber premium imposed by State authorities resulting in higher cost of production though the impact will be partly mitigated by stable prices and strong USD.

For the oil palm division, FFB production is expected to trend higher as we are entering high crop season couple with more maturing palm age profile. We foresee growth in CPO output with the additional mill capacity utilization and improvement in OER.

The Group will continue emphasizing on improvement in operational efficiency and production yield to ensure satisfactory performance for the current financial year.



**JAYA TIASA HOLDINGS BHD ( 3751-V )**  
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**Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**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	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
Amortisation	84	89	248	675
Depreciation	25,471	23,874	77,000	70,063
Fair value (gain)/loss on derivative assets	(426)	-	4,279	-
Interest expenses	14,373	14,372	42,141	41,490
(Reversal of impairment)/ impairment of financial assets	(21)	3,000	2,979	9,000
Net loss/(gain) on disposal of property, plant and equipment	479	(15)	978	177
Net unrealised foreign exchange loss/(gain)	3,133	(1,596)	1,779	717
Interest income	(51)	(27)	(136)	(39)
Dividend income from investment securities	-	(2)	-	(2)

**19 Taxation**

Taxation comprise:-

	Current quarter		Cumulative quarter	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
Current taxation	(5,313)	(6,471)	4,298	12,128
Deferred taxation	16,427	5,922	21,467	2,825
	<u>11,114</u>	<u>(549)</u>	<u>25,765</u>	<u>14,953</u>

The effective tax rate for the Group is higher than the statutory tax rate of 24%. This is mainly due to certain expenses not allowable for tax deduction.

**JAYA TIASA HOLDINGS BHD ( 3751-V )**  
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**Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**20 Quoted Securities**

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

**21 Unquoted Securities**

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

**22 Borrowings and Debt Securities**

	As at 31 March 2017 RM'000	As at 30 June 2016 RM'000
Secured borrowings:		
Short term	25,595	24,922
Long term	<u>13,773</u>	<u>20,706</u>
	<u>39,368</u>	<u>45,628</u>
Unsecured borrowings:		
Short term	386,095	483,036
Long term	<u>644,711</u>	<u>544,112</u>
	<u>1,030,806</u>	<u>1,027,148</u>
	<u>1,070,174</u>	<u>1,072,776</u>
Borrowings denominated in foreign currency:		
	USD'000	RM'000 Equivalent
United States Dollars	<u>5,000</u>	<u>22,110</u>

**23 Material litigation**

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

**24 Dividend Payable**

No interim dividend has been declared by the Board of Directors for the current quarter (previous corresponding period: Nil).

**JAYA TIASA HOLDINGS BHD ( 3751-V )**  
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**Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

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

	As at 31 March 2017 RM'000	As at 30 June 2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	1,210,751	1,114,301
- Unrealised	(79,603)	(100,432)
	1,131,148	1,013,869
Less: Consolidation adjustments	(222,753)	(157,579)
	908,395	856,290

**26 Earnings per share (EPS)**

**i) 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 Quarter	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Net profit attributable to the equity holders of the Company (RM'000)	27,954	(7,733)	64,689	43,131
Weighted average number of ordinary shares in issue ('000)	967,991	967,993	967,991	967,993
Basic EPS (sen)	2.89	(0.80)	6.68	4.46

**ii) Diluted EPS**

There are no dilutive potential ordinary shares. As such, the dilutive earnings per share of the Group is equivalent to basic earnings per share.

**27 Authorization for issue**

The Board of Directors in accordance with a resolution of the directors has authorized the quarterly report for issue on 25<sup>th</sup> of May 2017.