

Jaycorp Berhad

(Company Number : 459789-X)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO-DATE	PRECEDING YEAR CORRESPONDING PERIOD
	01/02/2008 - 30/04/2008 RM'000	01/02/2007 - 30/04/2007 RM'000	01/08/2007 - 30/04/2008 RM'000	01/08/2006 - 30/04/2007 RM'000
Continuing Operations				
Revenue	56,579	81,634	214,748	210,977
Operating profit	4,501	6,090	13,541	11,852
Interest income	184	100	429	358
Finance Costs	(412)	(649)	(1,739)	(1,726)
Profit before taxation	4,273	5,541	12,231	10,484
Tax expense	(691)	(1,323)	(2,634)	(2,893)
Profit for the period	3,582	4,218	9,597	7,591
Attributable to :				
Equity holders of the parent	2,864	3,485	9,253	7,680
Minority interest	718	733	344	(89)
	3,582	4,218	9,597	7,591
Earning / (loss) per ordinary share (sen)				
(a) Basic	2.16	2.59	6.98	5.71
(b) Fully diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2007)

Jaycorp Berhad
(Company Number : 459789-X)

Condensed consolidated balance sheet
As at 30 April 2008
(The figures have not been audited)

	30-Apr-08	(Audited)
	RM'000	31-Jul-07
		RM'000
		(Restated)
ASSETS		
Property, plant and equipment	61,410	64,356
Prepaid lease payments	3,041	3,076
Investment Properties	3,733	3,803
Goodwill	712	712
Other investments	12	12
Deferred tax assets	2,295	2,295
	<u>71,203</u>	<u>74,254</u>
CURRENT ASSETS		
Inventories	43,725	50,456
Trade receivables	26,516	30,736
Other receivables	10,088	19,312
Deposits, cash and bank balances	22,242	16,459
	<u>102,571</u>	<u>116,963</u>
TOTAL ASSETS	<u>173,774</u>	<u>191,217</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	68,625	68,625
Share premium	930	930
Treasury Shares	(3,617)	(1,999)
Translation Reserves	(702)	(431)
Retained profit	45,076	39,732
	<u>110,312</u>	<u>106,857</u>
Minority interest	8,568	8,485
Total equity	<u>118,880</u>	<u>115,342</u>
Non-current liabilities		
Borrowings	20,392	20,286
Deferred tax liabilities	1,156	1,156
	<u>21,548</u>	<u>21,442</u>
Current liabilities		
Borrowings	8,505	25,375
Trade payables	14,197	19,825
Other payables	10,644	9,233
	<u>33,346</u>	<u>54,433</u>
TOTAL LIABILITIES	<u>54,894</u>	<u>75,875</u>
TOTAL EQUITY AND LIABILITIES	<u>173,774</u>	<u>191,217</u>
NET ASSETS PER SHARE	0.83	0.79

Note : Net assets shall exclude MI

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2007)

Jaycorp Berhad
(Company Number : 459789-X)

Condensed consolidated statement of changes in equity
For The Period Ended 30 April 2008
(The figures have not been audited)

	Attributable to Equity Holders of the Parent						Minority Interest RM'000	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Treasury Shares RM'000	Translation Reserves RM'000	Retained profits RM'000	Total RM'000		
At 1 August 2006	68,625	930	(1,252)	(119)	29,138	97,322	2,078	99,400
Effect of adopting FRS 3	-	-	-	-	2,315	2,315	-	2,315
At 1 August 2006 (Restated)	68,625	930	(1,252)	(119)	31,453	99,637	2,078	101,715
Foreign exchange	-	-	-	(676)	-	(676)	-	(676)
Share buyback	-	-	(651)	-	-	(651)	-	(651)
Less : Dividend	-	-	-	-	(3,883)	(3,883)	-	(3,883)
MI upon acquisition	-	-	-	-	-	-	5,904	5,904
Net profit for the Period	-	-	-	-	7,680	7,680	(89)	7,591
At 30 April 2007	68,625	930	(1,903)	(795)	35,250	102,107	7,893	110,000
At 1 August 2007	68,625	930	(1,999)	(431)	39,732	106,857	8,485	115,342
Foreign exchange	-	-	-	(271)	-	(271)	(261)	(532)
Share buyback	-	-	(1,618)	-	-	(1,618)	-	(1,618)
Less : Dividend	-	-	-	-	(3,909)	(3,909)	-	(3,909)
Net profit for the Period	-	-	-	-	9,253	9,253	344	9,597
At 30 April 2008	68,625	930	(3,617)	(702)	45,076	110,312	8,568	118,880

(The Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2007)

Jaycorp Berhad
(Company Number : 459789-X)
Condensed Consolidated Cash Flow Statements
For The Period Ended 30 April 2008
(The figures have not been audited)

Cumulative Quarters
9 months ended **9 months ended**
30/04/2008 **30/04/2007**
RM'000 **RM'000**

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	12,231	10,484
Adjustments for :-		
Depreciation and amortisation	4,459	4,666
Interest expenses	1,739	1,726
Interest income	(429)	(358)
Operating profit before working capital changes	18,000	16,518
Changes in working capital :-		
Net change in current assets	20,175	(9,279)
Net change in current liabilities	(4,217)	2,201
Income tax paid	(2,634)	(2,893)
Net cash flows from operating activities	31,324	6,547
Investing activities		
Investment in subsidiary, net of cash acquired	-	(7,168)
Investment written off	-	55
Placements of pledged deposits with licensed banks	(40)	-
Proceeds from sale of property, plant & equipment	921	134
Purchase of property, plant & equipment	(2,329)	(4,501)
Interest income	429	358
Net cash outflows from investing activities	(1,019)	(11,122)
Financing activities		
Dividend paid	(3,909)	(3,883)
Interest paid	(1,739)	(1,726)
(Repayment) / Increase in borrowings	(17,381)	11,925
Share buyback	(1,618)	(651)
Net cash (out)/inflows from financing activities	(24,647)	5,665
Net change in cash & cash equivalents	5,658	1,090
Effect of exchange rate fluctuations	(532)	(240)
Cash & cash equivalents at beginning of period	10,357	7,696
Cash & cash equivalents at end of period	15,483	8,546
Cash & cash equivalents at end of period comprise :		
Cash, Bank Balances and Deposits - General Accounts	22,242	17,188
Fixed deposits pledged with licensed bank	(4,100)	(4,332)
	18,142	12,856
Bank Overdrafts	(2,659)	(4,310)
Total Cash, Bank Balances and Deposits	15,483	8,546

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2007)

JAYCORP BERHAD (459789-X)
 NOTES TO QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FOR THE THIRD FINANCIAL QUARTER ENDED 30 APRIL 2008

A. EXPLANATION NOTES

A1. Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared under the same accounting policies and methods of computation as those used in the preparation of the most recent audited financial statements and comply with FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (" Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 July 2007. The explanatory notes attached to the interim financial statements 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 year ended 31 July 2007.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 July 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 August 2007.

FRS 117	Leases
FRS 124	Related Parties Disclosures

The adoption of FRS above does not have significant financial impact on the Group for the current quarter under review. The effect of the changes in accounting policies resulting from the adoption of the new FRS are as follows :-

a) FRS 117 : Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. A lease of land and building is apportioned into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. Prior to 1 August 2007, leasehold land was classified as property, plant and equipment and was stated at valuation less accumulated depreciation and impairment losses.

Upon the adoption of the revised FRS 117 at 1 August 2007, the unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively.

	Previously Stated RM'000	Adjustment FRS 117 RM'000	Restated RM'000
<u>At 31 July 2007</u>			
Property, Plant and Equipment	67,432	(3,076)	64,356
Prepaid lease payments	-	3,076	3,076

JAYCORP BERHAD (459789-X)
NOTES TO QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 APRIL 2008

A3. Qualified audit report

The auditors' report of the preceding annual financial statements was not qualified.

A4. Seasonal or cyclical factors

The principal business of the Group was not significantly affected by any significant seasonal or cyclical factors in the current quarter.

A5. Unusual items

Other than those disclosed in Notes A2 and A3, there were no unusual items affecting the Group for the financial period ended 31 July 2007

A6. Change in Estimates

There are no changes in the estimates of amounts reported in prior interim periods of the previous financial year that have a material effect on the results for the current quarter under review.

A7. Debts and equity securities

During the current quarter under review, the Company repurchased 1,742,300 ordinary shares of RM0.50 each at an average price of RM0.680 per ordinary share. Total number of ordinary shares purchased to date is 5,277,800.

A8. Dividend Paid

There were no dividends declared or paid by the Company during the current quarter.

A9. Segment Reporting

Segment reporting for the current quarter ended 30 April 2008

	Investment Holding RM'000	Furniture RM'000	Carton Boxes RM'000	Kiln-Drying RM'000	Others RM'000	Inter-Co Elimination RM'000	Total RM'000
Revenue							
External sales	-	50,230	4,199	2,095	55		56,579
Inter-Co sales	321	3,958	2,302	4,863	566	(12,010)	-
Total revenue	321	54,188	6,501	6,958	621	(12,010)	56,579
Results							
Segment result	(262)	2,683	500	1,295	285		4,501
Finance costs	(1)	(192)	(1)	(134)	(84)		(412)
Interest income	4	117	36	4	23		184
Profit/(loss) before tax	(259)	2,608	535	1,165	224		4,273

JAYCORP BERHAD (459789-X)
NOTES TO QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 APRIL 2008

A10. Valuation of Property, Plant and Equipment

Not applicable as the Group did not revalue its property, plant and equipment.

A11. Subsequent events

The Group does not have any material events subsequent to the end of the period.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period ended 30 April 2008.

A13. Changes in Contingent Liabilities or Contingent Assets

a. Contingent Liabilities

As of 30 April
2008
RM'000

Unsecured
Corporate guarantees in favour of bankers for
providing banking facilities to subsidiaries

87,530

b. Contingent Assets

There were no contingent assets since the last annual balance sheet date.

JAYCORP BERHAD (459789-X)
 NOTES TO QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FOR THE THIRD FINANCIAL QUARTER ENDED 30 APRIL 2008

SELECTED EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS:

B1. Review of Performance

The Group registered RM56.6 million in turnover for the quarter ended 30 April 2008 as compared to the turnover of RM81.6 million in the corresponding period last year. The turnover decreased by 30.64% whereas profit before taxation decreased by 22.92% from RM5.54 million to RM4.27 million, compared to the previous corresponding period.

The Group turnover and profitability decreased as compared to the previous year corresponding period because of reduced export to overseas in particular, US as a result of subprime mortgage issue. The nine month's profit after tax and minority interest increased by 20% as compared to the corresponding period last year.

Its furniture manufacturing activities contributes the majority of the Group's revenue.

B2. Quarterly analysis

The Group recorded revenue and profit before taxation of RM56.6 million and RM4.27 million respectively for current quarter compared to last quarter's revenue and profit before taxation of RM76.6 million and RM2.83 million respectively.

The current quarter result showed higher reported profit as a result of higher profit margin and the control of operating costs.

B3. Current Year Prospects

Generally, the furniture exporters are facing a very challenging year as a result of the slowdown in the world wide economy due to rising oil prices and other commodity prices. The Group is taking appropriate measures to secure the supply of rubber wood and control the cost of production. At the same time, other business opportunities will be explored.

B4. Profit Forecast

There is no profit forecast issued for the current financial year under review.

B5. Taxation (HIGHER THAN STATUTORY TAX RATE)

The tax charges comprise: -

	Current Quarter RM'000	Financial year-to-date RM'000
Income Tax		
– Current	691	2,634
• Company and Subsidiary Companies		
- Deferred Tax	-	-
	691	2,634

The Group's effective tax rate in the current quarter is lower than the statutory tax rate because of the utilization of tax losses brought forward by certain subsidiaries and tax pioneer status obtained by one of the subsidiary.

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 NOTES TO QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FOR THE THIRD FINANCIAL QUARTER ENDED 30 APRIL 2008

B6. Sale of Unquoted Investments / Properties

There were no sale of unquoted investments and properties for the financial period under review.

B7. Purchase or disposal of quoted securities

There were no purchase and disposal of quoted securities for the financial period under review.

B8. Corporate Proposals

There were no corporate proposals as at the date of this announcement.

B9. Group Borrowings and Debt Securities

The Group borrowings as at 30 April 2008 are shown as below:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings	8,505	-	8,505
Long Term Borrowings	20,392	-	20,392
	# 28,897	-	# 28,897

Out of RM28.9 million, RM6.9 million borrowings were denominated in USD currency.

B10. Off balance sheet financial instrument

As at the date of this report, the Group has the following foreign exchange contracts to sell forward USD with the licensed banks:

<u>Contract Amount (RM)</u>	<u>Contract Rate</u>	<u>Expiry Date</u>
9,930,173	3.1422 – 3.2300	May 2008
8,604,776	3.1450 – 3.2300	Jun 2008
1,104,705	3.1563	Jul 2008
1,591,250	3.1825	Sep 2008
1,591,750	3.1835	Oct 2008
1,592,250	3.1845	Nov 2008
1,592,750	3.1855	Dec 2008
1,593,250	3.1865	Jan 2009
<u>27,600,904</u>		

The contracts were entered to hedge the exports sales revenue denominated in US Dollars.

B11. Material Litigation

There were no material litigations pending as at the date of this announcement.

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NOTES TO QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 APRIL 2008

B12. Dividends

The directors do not recommend the payment of any dividend for the current financial period ended 30 April 2008.

B13. Basis Earnings Per Share (EPS)

	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Year To Date
Profit after tax and minority interest (RM'000)	2,864	3,485	9,253	7,680
Number of ordinary shares in issue ('000)	132,525	133,857	132,525	133,857
Basic EPS (sen)	2.16	2.60	6.98	5.74