JAYA TIASA
(3751-V)

No. 1-9, Pusat Suria Permata
Lorong Upper Lanang 10A
96000 Sibu, Sarawak

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JAYA TIASA HOLDINGS BERHAD (3751-V)

ANNUAL REPORT 2006

JAYA TIASA
(3751-V)

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Gen (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid
Independent Non-Executive Chairman

Mr Tiong Chiong Hoo
Managing Director

Dr. Tiong Ik King
Non-Independent Non-Executive Director

Dr. Haji Wan Alshagaf Bin Tuanku Esim
Independent Non-Executive Director

Mr John Leong Chung Loong
Independent Non-Executive Director

Mdm Tiong Choon
Non-Independent Non-Executive Director

Mr Tiong Chiong Hee
Non-Independent Non-Executive Director

COMPANY SECRETARY
Ngu Ung Huong
MAICSA 7010077

AUDITORS
Ernst & Young
Chartered Accountants

SHARE REGISTRAR
Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi Purpose, Capital Square
No.8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia
Tel : 03-2721 2222 Fax : 03-2721 2530/2721 2531

STOCK EXCHANGE LISTING
Bursa Malaysia Securities Berhad - Main Board

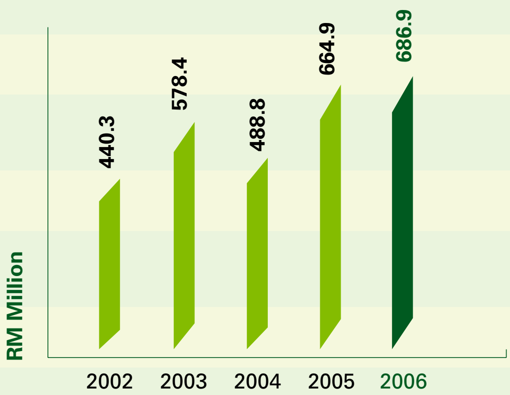
PRINCIPAL BANKERS
AmBank Berhad
DBS Bank Ltd
RHB Bank Berhad

REGISTERED OFFICE
No.1-9, Pusat Suria Permata, Lorong Upper Lanang 10A, 96000 Sibu, Sarawak
Tel : 084-213255 Fax : 084-213855 E-mail: inquiry@jayatiasa.net

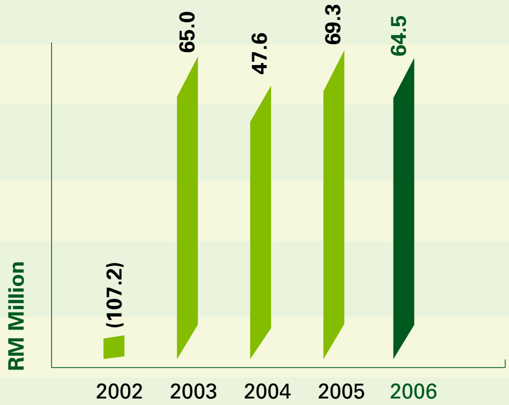
WEBSITE ADDRESS
www.jayatiasa.net

5-YEAR FINANCIAL HIGHLIGHTS

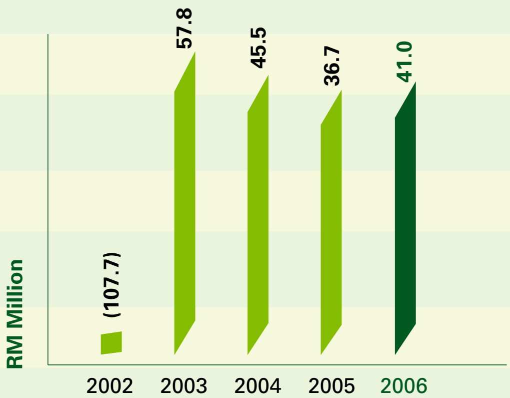
Turnover



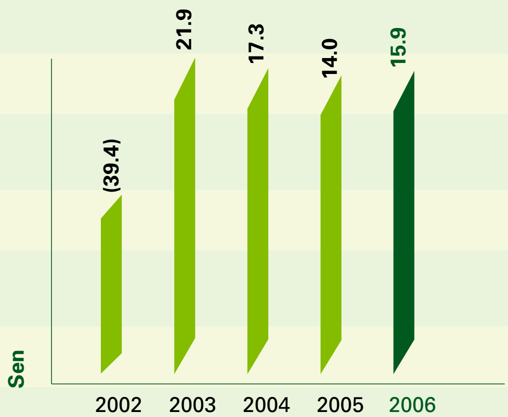
Profit / (Loss) Before Tax



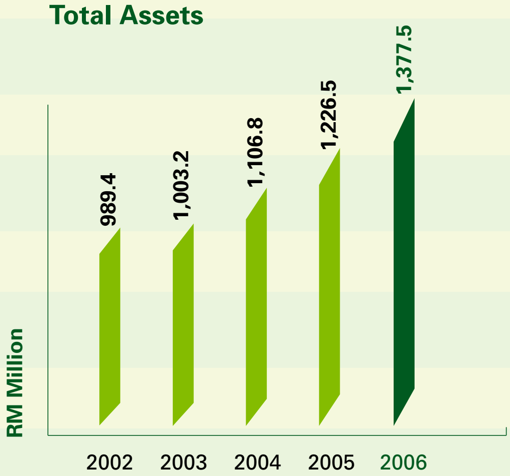
Profit / (Loss) After Tax



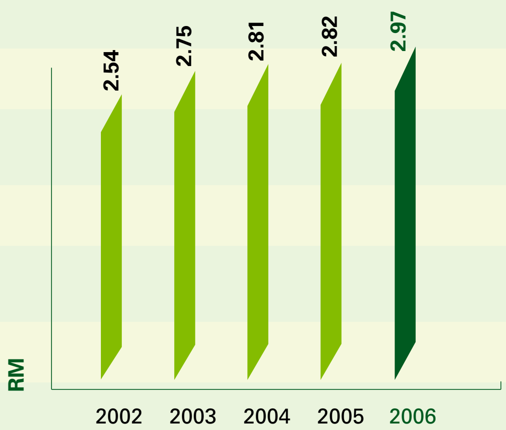
Net Earnings / (Loss) Per Share



Total Assets



Net Tangible Assets Per Share



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Sixth Annual General Meeting of the Company will be held at the Auditorium, Ground Floor, No.62, Lorong Upper Lanang 10A, 96000 Sibu, Sarawak on Thursday, 28 September 2006 at 11.45 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 April 2006 together with the Reports of the Directors and Auditors thereon. — Resolution 1

2. To declare a first and final dividend of 3% less tax for the financial year ended 30 April 2006. — Resolution 2

3. To re-elect the following Directors who retire by rotation pursuant to Article 78 of the Company's Articles of Association: -
   i. Gen (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid — Resolution 3
   ii. Mr Tiong Chiong Hoo — Resolution 4
   iii. Dr Haji Wan Alshagaf Bin Tuanku Esim — Resolution 5

4. To approve the payment of Directors' fees for the financial year ended 30 April 2006. — Resolution 6

5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. — Resolution 7

AS SPECIAL BUSINESS

6. To consider and if thought fit, pass the following Ordinary Resolution:- — Resolution 8
   Authority for Directors to Allot and Issue Shares

   "**THAT** subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued capital of the Company at the time of issue and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

7. To consider and if thought fit, pass the following Ordinary Resolution:- — Resolution 9
   Proposed Shareholders' Mandate for Recurrent Related Party Transaction

   "THAT subject to the Companies Act, 1965, the Memorandum and Articles of Association of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into all arrangements and/or transactions involving the interests of Directors, major shareholders or persons connected with the Directors and/or major shareholders of the Company and/or its subsidiary companies ("Related Parties") as specified in Section 2.2 of the Circular to Shareholders dated 6 September 2006 provided that such arrangements and/or transactions are:-

   (i) recurrent transactions of a revenue or trading nature;
   (ii) necessary for the day-to-day operations; and
   (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders

   (the "Mandate");

   And that the Mandate, unless revoked or varied by the Company in a general meeting, shall continue in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act);

   And further that the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Mandate."

8. To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT the first and final dividend of 3% less tax for the financial year ended 30 April 2006, if approved at the Forty-Sixth Annual General Meeting, will be paid on 23 November 2006 to Depositors whose names appear in the Record of Depositors on 3 November 2006.

A Depositor shall qualify for entitlement only in respect of:-

a) Securities deposited into the Depositor's securities account before 12.30 p.m. on 1 November 2006 in respect of securities exempted from mandatory deposit;

b) Securities transferred into the Depositor's securities account before 4.00 p.m. on 3 November 2006 in respect of transfers; and

c) Securities bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board
JAYA TIASA HOLDINGS BERHAD

NGU UNG HUONG (MAICSA 7010077)
Company Secretary

Sibu, Sarawak
6 September 2006

NOTES ON APPOINTMENT OF PROXY

1. A member of the Company entitled to attend and vote at the meeting is also entitled to appoint one or more proxies in his/her stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

2. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

3. The instrument appointing a proxy must be deposited at the Company's Registered Office at No.1-9, Pusat Suria Permata, Lorong Upper Lanang 10A, 96000 Sibu, Sarawak not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.

4. If the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of its attorney.

EXPLANATORY NOTES ON SPECIAL BUSINESS

(a) Authority for Directors to Allot and Issue Shares

The Proposed Ordinary Resolution No. 8 if passed, will give the Directors of the Company authority to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued capital of the Company for such purposes as the Directors consider would be in the interest of the Company, without having to convene a general meeting. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.

(b) Shareholders' Mandate for Recurrent Related Party Transaction

The Proposed Ordinary Resolution No. 9 if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions involving the interests of Related Parties, which are of a revenue or trading nature necessary for the Group's day-to-day operations and the transactions being carried out are in the ordinary course of business on terms not to the detriment of the minority shareholders of the Company.

STATEMENT ACCOMPANYING
NOTICE OF ANNUAL GENERAL MEETING

1. Forty-Sixth Annual General Meeting

Date: 28 September 2006

Time: 11.45 a.m.

Venue: Auditorium, Ground Floor,
No.62, Lorong Upper Lanang 10A
96000 Sibu, Sarawak

2. The Directors standing for re-election are:-

(a) Gen (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid

(b) Mr Tiong Chiong Hoo

(c) Dr. Haji Wan Alshagaf Bin Tuanku Esim

- The profiles of the above directors are set out on pages 8 and 9.
- Their shareholdings, if any, in the Company are set out in the Analysis of Shareholdings on page 101. None of the directors holds any shares in the subsidiaries of the Company.
- Their attendance at Board meetings can be found in the Statement on Corporate Governance on page 21.

Forest Concessions

Area : 1,760,535 acres

Location: Sarawak, Malaysia

Main Species: Meranti, Kapor, Keruing, Selangan Batu, Jelutong, Melapi, Mersawa, Nyatoh, Arau, Penyau and Bindang.

Oil Palm Development

Area : 83,480 hectares

Location: Sarawak, Malaysia

Reforestation

Area : 71,797 hectares

Location: Sarawak, Malaysia

Annual Production Capacity

	Jaya Tiasa Plywood Sdn Bhd	Rimbunan Hijau Plywood Sdn Bhd	Jaya Tiasa Timber Products Sdn Bhd	Total
Plywood (cubic metre)	180,000	120,000	60,000	360,000
Rotary Veneer (cubic metre)	324,000	-	-	324,000
Sawntimber (cubic metre)	98,400	-	9,600	108,000
Blockboard (cubic metre)	-	12,000	-	12,000
Film-Overlay Plywood (cubic metre)	-	6,000	-	6,000
Sliced-Veneer (square metre)	-	-	6,000,000	6,000,000

DIRECTORS' PROFILES

GEN (RTD) TAN SRI ABDUL RAHMAN BIN ABDUL HAMID
Independent Non-Executive Chairman

Gen (Rtd) Tan Sri Abdul Rahman bin Abdul Hamid, aged 68, was appointed to the Board on 27 March 1995. He serves as Chairman of the Board and the Audit Committee.

He is a graduate of the Royal Military College, Malaysia and Army Staff College, Camberlay, United Kingdom. From 1958 to 1994, he served in various capacities and appointments in the Malaysian Armed Forces. He was the Chief of the Malaysian Army and Defence Force between 1992 and 1994 and was the Acting Governor of Penang in 1994.

Presently, he is the Chairman of DVM Technology Bhd, an ICT company listed on MESDAQ and AXA Affin Life Insurance Berhad, a joint-venture company of Lembaga Tabung Angkatan Tentera. He is also the Chairman and Director of a few other multinational and private companies incorporated in Malaysia.

He has no family relationship with any Director and/or major shareholder of the Company.

MR TIONG CHIONG HOO
Group Managing Director

Mr Tiong Chiong Hoo, aged 46, was appointed Executive Director on 27 March 1995 and subsequently re-designated as Managing Director on 26 April 1995. He is the Chairman of the Risk Management Committee and a member of the Audit Committee.

He holds a Bachelor of Law and a Bachelor of Economics degrees from Monash University, Australia and is a registered barrister. He has more than twenty-two (22) years of experience in the timber industry.

He is the son of Tan Sri Datuk Tiong Hiew King, a major shareholder of the Company. His uncle Dr Tiong Ik King, sister Mdm Tiong Choon and cousin brother Mr Tiong Chiong Hee are also members of the Board.

DR TIONG IK KING
Non-Independent Non-Executive Director

Dr Tiong Ik King, aged 56, joined the Board on 27 March 1995. He is a member of the Remuneration Committee and the Nomination Committee.

He graduated with a degree in M.B.B.S from the National University of Singapore in 1975 and subsequently obtained his M.R.C.P. from the Royal College of Physicians, UK in 1977. He joined Rimbunan Hijau Group in 1982 where he oversees the operations which include newspaper publishing in Malaysia and overseas, information technology, timber harvesting, timber processing, tree plantation and oil palm plantation. Other Malaysian public companies in which he is a Director are EON Capital Berhad and Sin Chew Media Corporation Bhd.

He is the brother of Tan Sri Datuk Tiong Hiew King, a major shareholder of the Company. His nephews, Mr Tiong Chiong Hoo and Mr Tiong Chiong Hee and his niece Mdm Tiong Choon are also members of the Board.

DR. HAJI WAN ALSHAGAF BIN TUANKU ESIM
Independent Non-Executive Director

Dr. Haji Wan Alshagaf bin Tuanku Esim, aged 61, joined the Board on 10 March 1999. He serves as the Chairman of the Nomination Committee and is a member of the Audit Committee and Remuneration Committee.

He holds a PhD in Business Administration & Management from University of Newcastle, USA. He had held various senior positions in Sarawak Economic Development Corporation from 1972 till 1992 and was a member of Public Service Commission from 1992 to 1998. He was the first President of Persatuan Alumni Universiti Teknologi Mara Sarawak ("MITSA").

Currently, he serves as the Vice-President of Persatuan Pesara Kerajaan Negeri Sarawak and Patron of Executive Committee of Arr-Rahmah Mosque at RPR Batu Kawa, Kuching. He is also active in social activities.

He has no family relationship with any Director and/or major shareholder of the Company.

DIRECTORS' PROFILES

MR JOHN LEONG CHUNG LOONG
Independent Non-Executive Director

Mr John Leong Chung Loong, aged 59, was appointed to the Board on 28 March 2002. He serves as the Chairman of the Remuneration Committee and is a member of the Audit Committee and Nomination Committee.

He holds a Bachelor of Economics degree majoring in Accounting from Sydney University, NSW, Australia. He is an Approved Company Auditor and a member of several professional bodies, including the Australian Society of Certified Practising Accountants, Australian Institute of Taxation (Fellow), Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants and Malaysian Institute of Taxation (Associate). He started his career as an Accountant in Tractors Malaysia Berhad, Sandakan Branch in 1972 and left in 1973 to join John Liaw & Co as an audit manager. He was a Partner of Liaw, Leong, Wong & Co from 1986 to 1997 and a Partner of Ernst & Young from 1997 to 2001.

He has no family relationship with any Director and/or major shareholder of the Company.

Mdm Tiong Choon, aged 37, was appointed to the Board on 3 May 1999.

She graduated with a Bachelor of Economics Degree from Monash University, Australia in 1990. She has been with Rimbunan Hijau Group since 1991 and served in various managerial and senior positions.

She is the daughter of Tan Sri Datuk Tiong Hiew King, a major shareholder of the Company. Her uncle Dr Tiong Ik King, brother Mr Tiong Chiong Hoo and cousin brother Mr Tiong Chiong Hee are also members of the Board.

MDM TIONG CHOON
Non-Independent Non-Executive Director

MR TIONG CHIONG HEE

Non-Independent Non-Executive Director

Mr Tiong Chiong Hee, aged 33, was appointed to the Board on 14 May 1999.

Upon graduation with a Bachelor of Commerce Degree from University of Melbourne, Australia in 1995, he joined Rimbunan Hijau Group and served in a senior position for 2 years. He is the Managing Director of Mafrica Corporation Sdn Bhd, a company with operations in logging (both in Malaysia and overseas), oil palm plantations and aquaculture prawn farming since 1997.

He is the nephew of Tan Sri Datuk Tiong Hiew King, a major shareholder of the Company. His uncle Dr Tiong Ik King, cousin brother Mr Tiong Chiong Hoo and cousin sister Mdm Tiong Choon are also members of the Board.

None of the Directors has:

- Any conviction for offences within the past 10 years other than traffic offences.
- Entered into any transaction whether directly or indirectly which has a conflict of interest with the Company.

All the Directors of the Company are Malaysian.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, it is my great pleasure to present to you the Annual Report and Audited Financial Statements of Jaya Tiasa Holdings Berhad for the financial year ended 30 April 2006.

The financial year under review saw the timber prices further firmed up, riding on the sustainable demands from major timber consuming countries, especially China and India, and tight log supply condition. However, the positive impact of the firmer timber prices was largely eroded by the increasing operational costs contributed by the persistently high crude oil price. The crude oil price hit its new record high again during the financial year under review, driven by high demand, political unrests in some major crude oil producing countries and hurricane disruptions to the US production in the Gulf of Mexico.

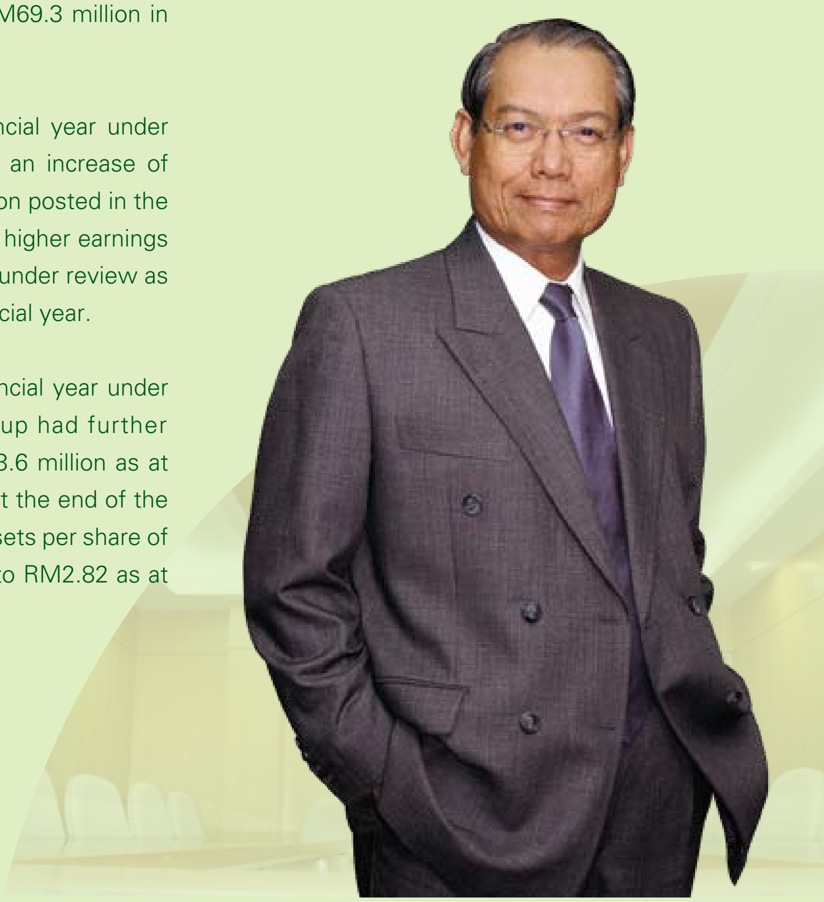
The financial year under review also witnessed Bank Negara Malaysia abandoning its 8-year old pegged exchange regime and moving to a managed float. The move reintroduced the foreign exchange factor into play on the earnings of the timber export business in Malaysia. The Ringgit Malaysia had since appreciated by about 4% by the end of the financial year under review.

FINANCIAL PERFORMANCE

Against this challenging backdrop, the Group managed to chalk up a revenue of RM686.9 million for the financial year under review, representing an increase of RM22.0 million or 3.3% from RM664.9 million recorded in the previous financial year. However, profit before tax declined by RM4.8 million or 7.0% to RM64.5 million from RM69.3 million in the previous financial year.

Profit after tax of the Group for the financial year under review was RM41.0 million, representing an increase of RM4.3 million or 11.7% from RM36.7 million posted in the previous financial year. This translated into higher earnings per share of 15.9 sen for the financial year under review as compared to 14.0 sen in the previous financial year.

With the profitability achieved for the financial year under review, shareholders' funds of the Group had further increased to RM906.7 million from RM873.6 million as at the end of the previous financial year. As at the end of the financial year under review, net tangible assets per share of the Group stood at RM2.97 as compared to RM2.82 as at the end of the previous financial year.



OPERATIONS REVIEW

Plywood

The plywood division contributed about 46% to the total revenue of the Group for the financial year under review. Although the share of contribution to the total revenue had declined from 52% as recorded in the previous year, the plywood division continued to remain as the top earner of the Group.

The average selling price of plywood achieved for the financial year under review remained largely unchanged but the export volume had decreased marginally by 4% as compared to that of the previous financial year. USA remained as the major export market, making up 53% of the Group's total plywood export value, followed by Korea and Middle East, which contributed 28% and 12%, respectively. Despite the increasingly intense competition, the Group remained to be the preferred supplier in its leading market building on the strengths of the Group's consistency in product quality, reliability in supply and timeliness in delivery.

During the financial year under review, the Group had made further investments in new machinery to improve the utilization of resources and increase the production capacity. The new machinery acquired also enhanced the Group's capability to peel smaller diameter logs. Various measures were also undertaken to improve operational efficiency to counter the rising costs of production.

The Group's continuing effort on the certification front had seen another project come into fruition during the financial year under review. On 5 January 2006, Factory No.2 of Jaya Tiasa Plywood Sdn Bhd, a wholly owned subsidiary of the Group, was awarded JAS Certification by Japan Plywood Inspection Corporation for its low formaldehyde plywood for general use, concrete forming plywood and low formaldehyde concrete forming plywood. This certification not only endorses the quality of the products of the Group but also enables the Group to position itself better to penetrate the Japanese market.

CHAIRMAN'S STATEMENT

Logging

For the financial year under review, the average selling price and the total sales volume for the round logs of the Group had increased by about 6% and 17%, respectively, as compared to that of the previous financial year. Riding on the higher export volume and improved average selling prices of round logs, the logging division's share of contribution to the total revenue of the Group had increased from 36% to 42% for the financial year under review.

Japan, though continued to remain as the leading market for the round logs export of the Group for the financial year under review, had seen its share of contribution decline to 32% from 39% achieved in the previous financial year. India, however, had overtaken Taiwan as the second largest round logs export market of the Group, making up 29% of the total round logs export of the Group as compared to 22% in the previous financial year. Taiwan took up 27% of the round logs export of the Group as compared to 31% in the previous financial year. Stiff competition from softwood and relocation of timber manufacturing bases to other countries where costs are more competitive are among the main factors contributing to the decline in the Group's round logs export to the traditional markets such as Japan and Taiwan. Instead, emerging economies, in particular India, has become an increasingly important market for the round logs export of the Group due to its booming economy, especially with the robust activities in its construction sector. China, despite its impressive economic growth, remains as an insignificant export market for the Group's round logs due to stiff competition from Russian softwood and tropical logs from alternative sources.

Oil Palm Plantation

The oil palm division had also achieved some significant milestones during the financial year under review. Planting at Simalau Plantation was completed in October 2005 with a total area of 4,855 hectares being planted. 885 hectares of earlier plantings at Simalau Plantation had also come into maturity with 10,924 tons of fresh fruit bunches (FFB) being harvested during the financial year under review, which correspondingly made a maiden contribution of RM2,632,065 to the earnings of the Group.

Although more than 12,000 hectares of the Group's total land bank of 83,480 hectares have been planted, the total matured area of the Group remains relatively small at this juncture. Another 1,892 hectares of the planted area is expected to mature in the current financial year. Development works and planting are still ongoing and are currently progressing at an encouraging pace with a total of 7 plantations under concurrent development.

In view of the strategic importance of the oil palm division to the group's future growth, it is envisaged that more than 50,000 hectares will be developed and planted over the next five years. The positive outlook of the palm oil industry augurs well for the group's diversification into oil palm plantations.

CHAIRMAN'S STATEMENT

Reforestation

The strategic importance of the reforestation division to the sustainable long-term growth of the Group cannot be over-emphasized as it will ensure a continuous supply of raw materials to the Group's timber manufacturing operations in the long run.

During the financial year under review, tree planting at the sites of the Licenses For Planted Forest (LPF) of the Group had been progressing smoothly. As at the end of the financial year under review, more than 1.9 million seedlings had been planted over a total area of about 12,000 hectares of forestland in the LPF of the Group. The main species being planted were Kelampayan and Eucalyptus. It is anticipated that the planted forest in the LPF of the Group will have a rotation period of 12 to 15 years to be commercially viable for industrial usage.

Seedling production at the nurseries was also progressing satisfactorily. There was a stock of 506,360 seedlings as at the end of the financial year under review. The stock of seedlings comprises such main species as Anthocephalus chinensis, Paraserainthes falcataria, Neonauclea bernardoi and E. deglupta. The available seedling stock is expected to be sufficient to meet the immediate need of the reforestation activities of the Group.

OTHER DEVELOPMENTS

On 15th August 2005, the Group, via its holding company, acquired two ordinary shares of RM1.00 each representing 100% of the total issued and paid-up share capital of JT Oil Palm Development Sdn. Bhd. (JTOP) for a total cash consideration of RM2. JTOP has not commenced operations yet but its intended principal activities are development of oil palm plantations and its related activities.

DIVIDEND

The Board of Directors has recommended a final dividend of 3% less income tax of 28% for the financial year ended 30 April 2006.

OUTLOOK

Surging crude oil prices and rising interest rates continue to cast the cloud of uncertainty over the global economic outlook. The recent escalating political conflicts in the Middle East, which sent the crude oil price to its new record high again, had caused a further crippling effect on the global economy already grappling with its choppy growth path. Although the crude oil price has since relented somewhat and the Federal Reserve of the US has also signaled its softening position on the possible future interest rate hike, the era of high crude oil price and high interest rate is expected to stay into the foreseeable near future.

Amidst this challenging global economic environment, emerging economies such as China and India will continue to be the main driving forces behind the growth of the world economy. The robust economic growth with heavy infrastructural development in these emerging economies has largely accounted for the huge demand for commodities, including logs and timber based products, in the global market. This strong demand, coupled with the tighter log supply condition in the major log producing countries resulting mainly from stricter enforcement on illegal logging, are expected to provide a firm footing for the timber prices. In view of this, the prospect of the timber industry in the foreseeable near future, though challenging, is envisaged to remain promising.

Moving forward, the Group remains committed to its three-pronged strategy, i.e. improving operational efficiency, securing continuous and sustainable supply of raw materials through reforestation and diversifying into oil palm plantations. This strategy, while ensuring the continued and sustainable profitability of the existing timber based operations, will see the Group developing a new core business in the oil palm plantation, which is expected to be the engine for future growth of the Group. The significant development activities and capital expenditure currently undertaken by the Group in the oil palm plantation will ensure that this new core business will become the major contributor to the earnings of the Group in time to come.

APPRECIATION

On behalf of the Board of Directors, I wish to express our sincere appreciation to the management and staff of the Group for their contribution and commitment. I would also like to thank our customers, bankers, business associates and shareholders of the Group for their continuous and strong support. The Board would also like to record its gratitude to the relevant authorities and members of the community for their invaluable assistance and advice.

Gen (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid
Chairman
23 August 2006

CORPORATE STRUCTURE

JAYA TIASA HOLDINGS BERHAD

- 100% - Jaya Tiasa Plywood Sdn Bhd
- 100% - Jaya Tiasa Timber Products Sdn Bhd
- 100% - Rimbunan Hijau Plywood Sdn Bhd
- 100% - Jaras Sdn Bhd
- 70% - Sericahaya Sdn Bhd
- 70% - Curiah Sdn Bhd
- 100% - Jaya Tiasa Forest Plantation Sdn Bhd
- 100% - Multi Greenview Sdn Bhd
- 100% - Guanaco Sdn Bhd
- 100% - Maujaya Sdn Bhd
- 100% - Maxiwealth Holdings Sdn Bhd
- 100% - Mantan Sdn Bhd
- 100% - Simalau Plantation Sdn Bhd
- 100% - Hariyama Sdn Bhd
- 100% - Eastern Eden Sdn Bhd
- 100% - Poh Zhen Sdn Bhd
- 100% - Erajaya Synergy Sdn Bhd
- 100% - JT Oil Palm Development Sdn Bhd

- 100% - Jaya Tiasa Aviation Sdn Bhd
- 40% - Mafrica Trading Sdn Bhd
- 100% - Hak Jaya Sdn Bhd
- 100% - Kunari Timber Sdn Bhd
- 100% - Eastern Timber Ltd
- 100% - Jaya Tiasa R&D Sdn Bhd
- 100% - Borneo Biotechnology Sdn Bhd
- 100% - Jaya Tiasa Aquaculture Sdn Bhd

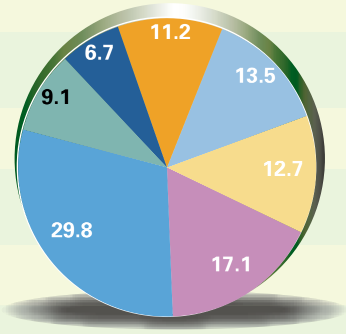
- 100% - Eastern Green Company Inc.
- 100% - Atlantic Evergreen Holdings
  - 100% - Western Timber Resources Limited
- 100% - Pacific Timber Holdings Limited
  - 66% - Selvaplac Verde Ltda
- 100% - Atlantic Timber Holdings Limited (34% of Selvaplac Verde Ltda)

Timber Operations | Oil Palm Operations | Helicopter Chartering Services | Heli-Logging | Marketing & Trading | Research & Development | Aquaculture | Foreign Subsidiaries

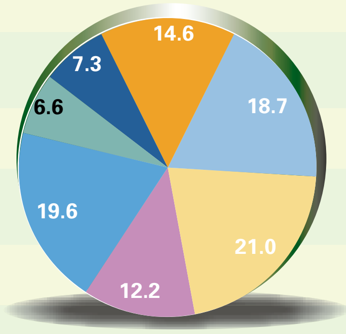
EXPORT MARKET

USA	KOREA	TAIWAN	JAPAN	INDIA	CHINA	OTHERS

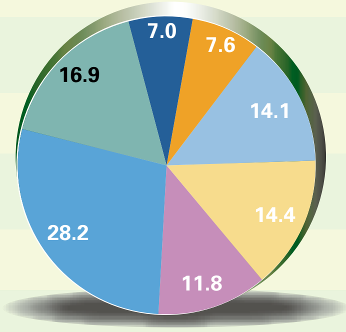
SALES VALUE 2006 (%)



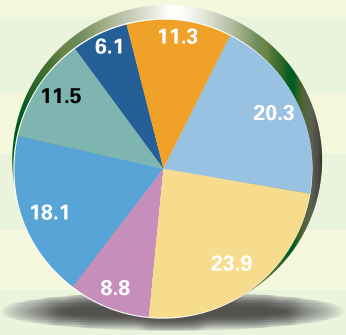
SALES VOLUME 2006 (%)



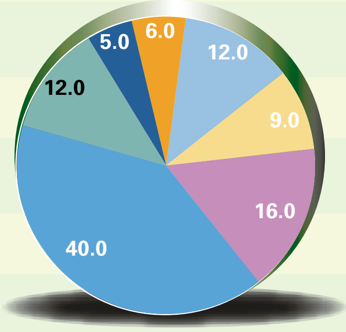
SALES VALUE 2005 (%)



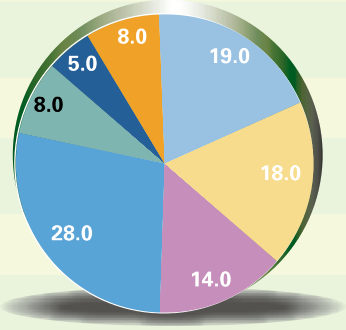
SALES VOLUME 2005 (%)



SALES VALUE 2004 (%)



SALES VOLUME 2004 (%)



PERCENTAGE OF EXPORT SALES

YEAR ENDED	LOGS	PLYWOOD	VENEER	OTHERS	
30 April 2006	**38.6%**	**56.2%**	**3.3%**	**1.9%**	**100%**
30 April 2005	34.7%	59.5%	4.0%	1.8%	100%
30 April 2004	29.2%	64.3%	4.0%	2.5%	100%

STATEMENT ON CORPORATE GOVERNANCE

The Finance Committee on Corporate Governance had on March 2000 issued the Malaysian Code on Corporate Governance ("the Code") which sets out principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework.

The Board of Directors of Jaya Tiasa Holdings Berhad ("JTH" or "the Company") is committed to ensuring that the highest standards of corporate governance is practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of JTH.

The Board is pleased to make a disclosure to shareholders on the manner in which it has applied the principles of good governance and the extent to which it has complied with the best practices set out in the Code.

BOARD OF DIRECTORS

The Board retains effective control of the Group and is responsible for the Group's overall corporate governance, strategic direction, annual budget, business performance and operations, succession planning, risk management, investor relations, internal control and management information systems.

Board Balance

The Board currently has seven (7) members. Six (6) are Non-Executive Directors (including the Chairman) and one (1) is an Executive Director. Three (3) of the seven (7) Directors are Independent Directors as defined under the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities Listing Requirements).

The composition of the Board is well balanced and is in compliance with the independent directors criteria set out under the Bursa Securities Listing Requirements. The Directors with their wide experiences in both the public and private sectors and diverse academic background provide a collective range of skills, expertise and experience which is vital for the successful direction of the Group. A brief profile of each Director is presented on pages 8 to 11 .

There is a clear demarcation of responsibility between the Chairman and the Executive Director to ensure the balance of power and authority. The positions of the Chairman and the Managing Director are individually held by two persons. The Chairman is primarily responsible for ensuring Board effectiveness and conduct. The day-to-day responsibilities of overseeing the overall Group's financial and operational matters lie with the Executive Management under the direction of the Group Managing Director to ensure that the Group is managed in an efficient manner. The Managing Director is also responsible for the implementation of Board policies and decisions. Adequate support is in place to ensure continuity in the absence of key executives.

The presence of Independent Non-Executive Directors facilitates the exercise of independent evaluation in Board deliberations and decision-making, and thus provides check and balance in the Board.

The Board has identified Gen (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid as the Senior Independent Non-Executive Director to whom concerns of shareholders, management and others may be conveyed.

Board Meetings

The Board holds scheduled meetings regularly, with additional meetings to be convened as and when necessary. A total of five (5) Board of Directors Meetings were held in the financial year ended 30 April 2006.

Details of the attendance of each Directors are as follows: -

Name of Directors	Number of Meetings Attended
Gen (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid	5/5
Mr Tiong Chiong Hoo	5/5
Dr Tiong Ik King	4/5
Dr Haji Wan Alshagaf Bin Tuanku Esim	5/5
Mr John Leong Chung Loong	5/5
Mdm Tiong Choon	3/5
Mr Tiong Chiong Hee	3/5

Supply of Information

The Directors have unrestricted access to information pertaining to the Group's business and affairs to enable them to discharge their duties and responsibilities.

The agenda for each Board Meeting together with relevant board papers which include quarterly and annual financial statements, operational reports, annual business plan, corporate proposals, minutes of meetings as well as reports from Board Committee are forwarded to each Director for their perusal well in advance of the date of Board Meeting to facilitate informed decision making.

In addition, there is a schedule of matters reserved specifically for the Board's decision, including the approval of corporate plans and annual budgets, acquisitions and disposals of undertakings and properties of a substantial value, major investments and financial decisions.

Senior management staff may be invited to attend Board Meetings to furnish the Board with explanations and comments on the relevant agenda items tabled at the Board Meeting or to provide clarification on issue(s) that may be raised by any Director.

All the Directors have direct access to the advice and services of the Company Secretary whether as a full Board or in their individual capacity. The Directors also have the liberty to seek external professional advice if so required by them at the Company's expense.

BOARD COMMITTEES

The following Board Committees have been established to assist the Board in the execution of its duties and responsibilities. The functions and terms of reference of the committees as well as authority delegated by the Board to these Committees are clearly defined.

a. Audit Committee

The membership, terms of reference and summary of the Audit Committee and internal audit activities are presented on pages 26 to 29.

b. Nomination Committee

The Nomination Committee is made up entirely of Non-Executive Directors, of whom two-third (2/3) are independent.

b. Nomination Committee (cont'd)

The following Directors are members of the Nomination Committee:-

Chairman - Dr. Haji Wan Alshagaf Bin Tuanku Esim *(Independent Non-Executive Director)*

Members - Mr John Leong Chung Loong *(Independent Non-Executive Director)*
- Dr. Tiong Ik King *(Non-Independent Non-Executive Director)*

The key terms of reference of the Nomination Committee are: -

- to propose and identify new nominees for appointment to the Board of Directors.
- to recommend to the Board, Directors to fill the seats on Board Committees.
- to assess Directors on an on-going basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.
- to review annually the Board's mix of skills, experience and other qualities including core competencies which Non-Executive Directors should bring to the Board; and
- to recommend to the Board for continuation the service of Executive Director(s) and Non-Executive Director(s) who are due for retirement by rotation.

The Nomination Committee meets at least once a year.

c. Remuneration Committee

The Remuneration Committee is made up entirely of Non-Executive Directors, of whom two-third (2/3) are independent.

The following Directors are members of the Remuneration Committee:-

Chairman - Mr John Leong Chung Loong *(Independent Non-Executive Director)*

Members - Dr. Haji Wan Alshagaf Bin Tuanku Esim *(Independent Non-Executive Director)*
- Dr. Tiong Ik King *(Non-Independent Non-Executive Director)*

The key terms of reference of the Remuneration Committee are: -

- to recommend to the Board the framework, remuneration package and performance related pay schemes for Executive Director; and
- to review the Executive Director's scope of service contracts.

Remuneration packages of both Executive Directors and Non-Executive Directors are a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration.

The Remuneration Committee meets at least once a year.

d. Risk Management Committee

The Managing Director, Mr Tiong Chiong Hoo is the Chairman of the Risk Management Committee. He is authorized by the Board to appoint members to support him in his role in leading the management in the risk management activities. Currently, his team members are from the senior management.

The terms of reference of the Risk Management Committee are:-

- to establish a risk management framework and execute an annual risk assessment. The framework should provide a consistent approach to risk and facilitate an accurate perception of acceptable risk by all employees. The annual risk assessment will characterize the full range of corporate risk exposures, including risk impacts such as harm to employees and the public, environmental harm, and damage to corporate reputation;

d. Risk Management Committee (cont'd)

- as part of the annual business planning process, to review the defined risk/return parameters, risk appetite and risk management standards;
- to report annually to the Board of Directors on risk assessment results and report at least half-yearly to the Board on the risk management activities and the effectiveness of the risk management framework; and
- to formulate the annual risk assessment plan for Board approval.

The ultimate responsibility for ensuring an effective risk management framework/program is in place and is aligned with the business objectives of the Group, however, rests with the Board.

The Risk Management Committee holds bi-monthly meetings.

DIRECTORS' REMUNERATION

During the financial year ended 30 April 2006, the remuneration of the Executive Director and Non-Executive Directors are as follows:-

Directors' remuneration	Executive Director	Non-Executive Directors
	RM	RM
Fee(s)	33,000	214,000
Salary and Bonus (including EPF)	645,120	-
Allowance	-	48,000
Benefit-in-kinds	15,500	23,950
Total	693,620	285,950

Directors' remuneration	Executive Director	Non-Executive Directors
Below RM50, 000	-	5
RM100, 001 to RM150, 000	-	1
RM650, 001 to RM700, 000	1	-

The Board is of the view that the transparency and accountability aspects of Corporate Governance as applicable to Directors' Remuneration are appropriately served by the "Band Disclosure" made.

DIRECTORS' TRAINING

All the Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. As at 31 December 2005, all the Directors have accumulated the 72 CEP points as required under the provisions of Practice Note No. 15/2003 of the Bursa Securities Listing Requirements.

All the Directors are encouraged to continually attend education programmes and seminars to keep abreast with new developments in the business environment.

The training programmes and seminars attended by the Directors during the financial year are as follows: -

1. Off-Balance Sheet Items, Offshore Accounts & Derivatives: organised by International Business Consulting Sdn Bhd.

2. Accounting & Financial Management Modular Program: Module 5 - Understanding the Methods of Share & Business Valuation: organised by Bursatra Sdn Bhd.

DIRECTORS' TRAINING (CONT'D)

3. Finance for Non-Finance Directors: organised by Rating Agency Malaysia.

4. The Malaysian Private Debt Securities ("PDS") or Bond Market: organised by Rating Agency Malaysia.

5. Latest Trends in Audit Committees, Internal Audit, Detection & Prevention of Fraud & Credit Rating: organised by Rating Agency Malaysia.

RE-ELECTION OF DIRECTORS

The Articles of Association of the Company require all Directors, including the Managing Director, to retire from office and submit themselves for re-election at least once in three years in compliance with the Bursa Securities Listing Requirements.

Pursuant to Section 129(6) of the Companies Act, 1965, any Director over the age of seventy (70) is required to retire annually upon the conclusion of the Annual General Meeting. A resolution for his re-appointment would have to be passed by special resolution requiring a majority of three quarters of the votes of such members of the Company who are present and voting.

COMMUNICATION WITH SHAREHOLDERS

The Board continues to recognize the need for shareholders to be informed of all material business matters affecting the Group. The following different channels of communication are used to provide shareholders and stakeholders with information to fulfill transparency and accountability objectives:

- The Annual Report which includes details of the business, financial performance and other activities of the Group.

- The Company's general meetings which serve as a principal forum for dialogue with shareholders, whereby shareholders are at liberty to raise questions on the agenda items of the general meeting;

- Timely disclosures and announcements of material information and financial results to Bursa Malaysia Securities Berhad for release.

- Periodic dialogues with research analysts, fund managers and institutional investors which allow the Management to convey information about the Group's performance, corporate strategy and other matters affecting shareholders, stakeholders and the public generally. At the same time, it provides the Management an opportunity to directly address, explain or clarify issues that investors may have regarding the business, operations and prospects of the Group.

The Company endeavours to provide as much information as possible to its shareholders and stakeholders whilst ensuring adherence to prevailing regulatory and statutory requirements.

FINANCIAL REPORTING

In presenting the annual and quarterly financial statements to the shareholders, investors and Regulatory Authorities, the Directors aim to present a balanced and understandable assessment of the Group's financial position and prospects.

The Audit Committee assists the Board in ensuring accuracy, adequacy and quality of financial reporting of the Group and the Company.

The Statement of Responsibility by Directors in respect of the preparation of the annual audited financial statements of the Group and the Company is set out on page 32.

INTERNAL CONTROL

The Statement on Internal Control, which provides an overview of the state of Internal Control within the Group, is set out on pages 30 and 31.

RELATIONSHIP WITH THE AUDITORS

A transparent and appropriate relationship is maintained with the Company's auditors, both internal and external, through the Audit Committee. The Audit Committee has been explicitly accorded the power to communicate directly with both internal auditors and external auditors.

The Committee meets with the external auditors without the presence of the Executive Director and Management at least once a year.

This statement is made in accordance with a resolution of directors dated 23 August 2006.

AUDIT COMMITTEE REPORT

1. MEMBERSHIP

The Audit Committee comprises the following Directors:-

Gen (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid
Chairman - Independent Non-Executive Director

Mr Tiong Chiong Hoo
Member - Managing Director

Dr. Haji Wan Alshagaf Bin Tuanku Esim
Member - Independent Non-Executive Director

Mr John Leong Chung Loong
Member - Independent Non-Executive Director

2. TERMS OF REFERENCE

2.1 SIZE AND COMPOSITION

a. The Audit Committee shall be appointed by the Board of Directors from among their number and shall comprise of not less than three (3) members, a majority of whom must be independent directors.

b. At least one (1) member of the Committee:
   i. must be a member of the Malaysian Institute of Accountants (MIA); or
   ii. if he is not a member of MIA, he must have at least three (3) years working experience and;
   - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
   - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

c. No alternate director shall be appointed as member of the Audit Committee.

d. The members of the Audit Committee shall elect a chairman from among their number who shall be an independent director.

e. The term of office of each member shall be subject to review every three (3) years.

f. If a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

2.2 AUTHORITY AND RIGHTS

The Committee wherever necessary and reasonable for the performance of its duties, shall in accordance with the procedure determined by the Board and at the cost of the Company:-

a. have authority to investigate any matter within its Terms of Reference;

b. have the resources which are required to perform its duties;

c. have full and unrestricted access to any information relevant to its activities;

2.2 AUTHORITY AND RIGHTS (CONT'D)

d. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

e. be able to obtain external legal or other independent professional advice if it considers this necessary; and

f. be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

2.3 FUNCTIONS AND DUTIES

The Committee shall, amongst others, discharge the following functions:

a. to assess the adequacy and effectiveness of the systems of internal control and the efficiency of the Group's operations.

b. to review the following and report the same to the Board of Directors of the Company:-

  i. with the external auditors:-
  - the audit plan;
  - his evaluation of the system of internal controls;
  - his audit report;
  - the assistance given by the employees of the Company to the auditors;

  ii. the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;

  iii. the internal audit programme, processes, the results of the audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

  iv. the quarterly and annual financial statements, prior to the approval by the board of directors, focusing particularly on:-
  - changes in or implementation of major accounting policies and practices;
  - significant and unusual events;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements;

  v. any related party transactions and conflict of interest situations that may arise within the Company or Group; and

  vi. any letter of resignation from the external auditors of the Company;

c. to consider the appointment of external auditors, the audit fees and any questions of resignation or dismissal.

d. to promptly report to the Bursa Malaysia Securities Berhad on matters which result in a breach of Bursa Malaysia Securities Listing Requirements.

e. to submit to the Board on a periodic basis a Report on the summary of activities of the Audit Committee in the discharge of its functions and duties in respect of each financial quarter and the financial year.

AUDIT COMMITTEE REPORT

2.4 MEETINGS AND ATTENDANCE

a. The Audit Committee shall meet not less than four (4) times in a year. Additional meetings may be called at any time if so requested by any Committee member, management or the internal or external auditors.

b. A quorum shall consist of a majority of independent directors.

c. Other Directors and employees may attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

d. Procedures in relation to giving of notice, voting and proceedings of meeting of the Committee shall be governed by the relevant provisions contained in the Articles of Association of the Company.

e. The Company Secretary shall act as secretary of the Audit Committee.

f. The Audit Committee met five (5) times during the financial year. Details of the attendance of the members are as follows:

Members	**Attendance**
Gen (Rtd) Tan Sri Abdul Rahman bin Abdul Hamid	5/5
Mr Tiong Chiong Hoo	5/5
Dr Haji Wan Alshagaf bin Tuanku Esim	5/5
Mr John Leong Chung Loong	5/5

3. SUMMARY OF AUDIT COMMITTEE ACTIVITIES

The Audit Committee, in discharging its functions and duties in accordance with its Terms of Reference, had carried out the following activities during the financial year:-

a. Reviewing the quarterly financial results of the Company and the Group before recommending them for approval by the Board;

b. Reviewing the following with the external auditors:

   i. the annual audited financial statements of the Company and the Group prior to submission to the Board for approval;

   ii. the results of the annual audit and their audit report together with management's responses to the findings of the external auditors.

c. Reviewing and approving the scope of internal audit and the annual audit plan;

d. Reviewing the internal audit reports, audit recommendations made and management response to these recommendations. Where appropriate, the Committee has directed action to be taken by the management to rectify and improve the system of internal controls;

e. Reviewing the recurrent related party transactions ("RRPT") entered into by the Company and the Group to ensure that the established procedures for monitoring RRPT are adhered to; and

f. Meeting with the external auditors in the absence of the Executive Director and Management.

4. SUMMARY OF INTERNAL AUDIT ACTIVITIES

The Audit Committee is supported by an independent internal audit function. The Committee is aware that an independent internal audit function plays an essential role in assisting to provide the required assurance with regard to the effectiveness of the system of internal control.

The internal audit function is carried out by the Group's Internal Audit Department. It maintains at all times its impartiality, proficiency and due professional care by having its plans and reports under the direct purview of the Audit Committee.

During the financial year, the Group's Internal Audit Department undertook the audit review based on the annual audit plan that has been approved by the Audit Committee and carried out investigation and special review at the request of the management.

During the financial year, the main audit activities included: -

a) Reviewing and appraising the soundness, adequacy and application of accounting, financial, operational, IT and compliance controls, recommending improvement opportunities and promoting control awareness throughout the Group;

b) Ascertaining the extent of compliance with the Group applicable policies, procedures and statutory requirements;

c) Ascertaining the extent to which the Company's and Group's resources are accounted for and safeguarded from losses of all kinds;

d) Determining the reliability and usefulness of data and information generated for management reporting purposes;

e) Attending the bi-annual physical inventories of finished goods, raw materials and spare parts;

f) Reviewing the related party transactions that had arisen within the Company and the Group;

g) Performing follow-up audits on the implementation of audit recommendations and action plans agreed upon by management; and

h) Reviewing the risk management activities of the Group.

This Report is made in accordance with a resolution of the Board of Directors dated 23 August 2006.

STATEMENT ON INTERNAL CONTROL

Introduction

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal controls to safeguard shareholders' investments and the companies' assets. Paragraph 15.27(b) of the Bursa Securities Listing Requirements requires the board of directors of a listed company to produce a statement on the state of internal control of the listed company as a group in its Annual Report.

The Board is committed in maintaining a sound system of internal controls throughout the Group and is pleased to provide the following statement which outlines the nature and scope of internal control of the Group for the year under review.

Board's Responsibility

The Board has an overall responsibility for the Group's system of internal controls to safeguard shareholders' investments and the Group's assets.

The system of internal controls cover, inter alia, risk management and financial, operational, IT and compliance controls. It should be noted, however, that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. In pursuing the objectives, internal controls can only provide reasonable but not absolute assurance against material misstatement or losses.

Risk Management

Risk Management is firmly embedded in the Group's management system. The Group has adopted an effective and progressive risk management system to identify, analyze, appraise and monitor the ever-changing risks facing the Group and to take specific measures to mitigate the risks.

Risk Management Committee (RMC) continues to review and monitor risks facing the Group. RMC provides periodic updates to the Audit Committee on the Group's Risk Profiling status. During the Annual Risk Assessment, key risk events identified are discussed and highlighted together with the appropriate measures, effort and control. This has resulted in various improvements and mitigations carried out to reduce the likelihood of certain risk events occurring.

The Group continues to incorporate prudent risk management practices within its business processes and activities. The Group will continue to conduct periodic review of its business processes and activities to assess the effectiveness of its risk management practices. The Group will continue to conduct relevant risk management training or workshops for employees to ensure better understanding and commitment of risk management processes.

Control Environment and Activities

The Board is committed to maintaining a strong control environment for the proper conduct of the Group's business operations. The internal controls entrenched in the Group's business operations are as follows:

- An organizational structure with formally defined lines of responsibility and delegation of authority is in place. Accordingly, management at various levels of administration and operation will function under the policies and procedures established by the Group.

- There is a comprehensive system of financial and operational reporting to the Board.

- The reporting and review of operational and financial performance for all the businesses of the Group are discussed at the Monthly Management Meetings which is attended by key personnel from various functional departments.

Control Environment and Activities (Cont'd)

- Monthly monitoring of actual results against budget, with major variances being followed up and management action taken, where necessary.

- Policies and procedures are documented, reviewed on a regular basis and continued improvements are made as necessary.

Internal Audit Function

The internal audit function maintains its impartiality, proficiency and due professional care by having its plans and reports directly under the purview of the Audit Committee.

Internal audits are undertaken to provide independent assessments of the Group's internal control systems, in anticipating potential risks exposures over certain business processes and in controlling the proper conduct of business within the Group. The internal audit function reviews the internal controls of various activities of the Group's businesses based on the annual audit plan approved by the Audit Committee.

Reviews covering financial, operational, IT as well as compliance assurance are conducted regularly and systematically across all the functional units within the Group's operations. Internal audit findings are discussed at management level and actions are agreed in response to audit recommendations. The reports on the same are also presented to the Audit Committee for review. The management is responsible for ensuring that appropriate corrective actions are taken within the required time frame.

Board Review

The Board believes that the development of the system of internal controls is an on-going process and continues to take steps to improve the internal control system to strengthen the Group's control environment. During the year under review, no material weaknesses have been identified which would result in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

This Statement is made in accordance with a resolution of the Board of Directors dated 23 August 2006.

DIRECTORS' RESPONSIBILITY STATEMENT
ON ANNUAL AUDITED FINANCIAL STATEMENTS

In preparing the annual financial statements of the Group and the Company, the Directors are responsible for ensuring that these financial statements have been prepared to give a true and fair view of the financial position of the Group and the Company at the end of the financial year and the results and cash flows of the Group and the Company are in accordance with the requirements of the applicable MASB Approved Accounting Standards in Malaysia, the provisions of the Companies Act, 1965 and the Bursa Malaysia Securities Listing Requirements.

In preparing the financial statements for the year ended 30 April 2006, the Directors have:

a) applied the appropriate and relevant accounting policies on a consistent basis;

b) made judgments and estimates that are reasonable and prudent;

c) prepared the annual audited financial statements on a going concern basis; and

d) ensured that proper accounting records are kept which disclose with reasonable accuracy, the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have overall responsibilities for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 23 August 2006.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2006.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision of management services, extraction and sale of logs.

The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit after taxation	40,958	6,626
Minority interests	(607)	-
Net profit for the year	40,351	6,626

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the Statements of Changes in Equity.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than those disclosed in the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 30 April 2005 were as follows:

	RM'000
In respect of the financial year ended 30 April 2005 as reported in the directors' report of that year:	
A first and final dividend of 3% less 28% taxation, on 254,276,499 ordinary shares, declared on 29 September 2005 and paid on 23 November 2005	5,493

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 30 April 2006, of 3% less 28%, on 254,276,499 ordinary shares, amounting to a dividend payable of RM5,492,372 (2.2 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profit in the financial year ending 30 April 2007.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

General (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid	Chairman
Tiong Chiong Hoo	Managing Director
Dr. Tiong Ik King	
Dr. Haji Wan Alshagaf Bin Tuanku Esim	
John Leong Chung Loong	
Tiong Choon	
Tiong Chiong Hee	

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors shown in Note 7 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for those benefits which may be deemed to have arisen by virtue of those contracts, agreements and transactions (either as a supplier, agent or contractor) in respect of trading and other services, entered into in the ordinary course of business between the Company and its subsidiaries and companies in which certain directors are deemed to have a substantial financial interest as disclosed in Note 33 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each 1 May 2005 and 30 April 2006
Direct interest:	
Tiong Chiong Hoo	1,013,889
Dr. Tiong Ik King	103,339

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

SHARE BUY-BACKS

During the financial year, the Company repurchased a total of 1,730,600 (2005: 2,695,000) of its issued ordinary shares from the open market for a total cost of RM4,164,614 (2005: RM9,796,199). The average cost paid for the shares repurchased during the year was RM2.41 (2005: RM3.64) per share. There were no repurchases of any shares subsequent to the balance sheet date and up to the date of this report.

The above purchases were financed from the Company's internal funds. The shares repurchased are held as treasury shares in accordance with Section 67A of the Companies Act, 1965. At the date of this report, the issued and paid up capital of the Company comprises 282,528,499 ordinary shares of RM1 each, of which 28,252,000 shares are held as treasury shares.

MOVEMENTS ON SHARE BUY-BACKS

	Number of shares	Total cost RM'000	Average price per share RM
At 1 May 2005	26,521,400	86,314	3.25
Repurchased during the year ended 30 April 2006	1,730,600	4,164	2.41
At 30 April 2006	28,252,000	90,478	3.20

The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the share buy-backs plan can be applied in the best interests of the Company and its shareholders.

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

OTHER STATUTORY INFORMATION (CONTD.)

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors

General (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid

Tiong Chiong Hoo

Sibu, Malaysia
Date:

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **General (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid** and **Tiong Chiong Hoo**, being two of the directors of **Jaya Tiasa Holdings Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 40 to 95 are drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2006 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors

General (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid

Tiong Chiong Hoo

Sibu, Malaysia
Date:

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Tiong Chiong Hoo**, being the Director primarily responsible for the financial management of **Jaya Tiasa Holdings Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 40 to 95 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed **Tiong Chiong Hoo**
at Sibu in the State of Sarawak
on

Tiong Chiong Hoo

Before me,

Belinda Hii Tai King
Commissioner for Oaths (Q 064)
Sibu, Malaysia

REPORT OF THE AUDITORS
TO THE MEMBERS OF JAYA TIASA HOLDINGS BERHAD
(INCORPORATED IN MALAYSIA)

We have audited the financial statements set out on pages 40 to 95. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We have conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:

   (i) the financial position of the Group and of the Company as at 30 April 2006 and of the results and the cash flows of the Group and of the Company for the year then ended; and

   (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

ERNST & YOUNG
AF: 0039
Chartered Accountants

YONG VOON KAR
1769/04/08 (J/PH)
Partner

Kuching, Malaysia
Date:

INCOME STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2006

	Note	Group		Company	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Revenue	3	686,852	664,935	331,398	287,512
Cost of sales		(559,134)	(522,561)	(291,508)	(259,849)
Gross profit		127,718	142,374	39,890	27,663
Other operating income		11,018	14,529	1,291	10,941
Selling expenses		(22,095)	(19,871)	-	-
Administrative expenses		(43,563)	(38,142)	(24,223)	(22,989)
Other operating expenses		(2,008)	(17,577)	-	-
Profit from operations		71,070	81,313	16,958	15,615
Finance costs	4	(6,612)	(11,972)	(1,100)	(488)
Profit before taxation	5	64,458	69,341	15,858	15,127
Taxation	8	(23,500)	(32,633)	(9,232)	(6,396)
Profit after taxation		40,958	36,708	6,626	8,731
Minority interests		(607)	(590)	-	-
Net profit for the year		40,351	36,118	6,626	8,731
Earnings per share (sen)	9	15.9	14.0		
Net dividends per ordinary share in respect of the year (sen)	10	2.2	2.2	2.2	2.2

The accompanying notes form an integral part of the financial statements.

		Group		Company	
	Note	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Non-current assets					
Property, plant and equipment	11	718,799	553,734	127,489	105,509
Investment properties	12	1,313	-	1,313	-
Investment in subsidiaries	13	-	-	451,352	436,462
Investment in associate	14	-	-	-	-
Rights in timber licences	15	155,538	171,817	138,689	153,200
Goodwill on consolidation	16	151,537	151,537	-	-
Deferred tax assets	17	3,988	9,503	-	-
Current assets					
Inventories	18	114,810	106,289	25,727	18,053
Trade receivables	19	168,221	138,429	8,181	15,696
Other receivables	20	26,453	51,021	3,814	7,517
Amount due from related companies	21	-	-	346,945	310,201
Fixed deposits with licensed banks	22	4,224	4,992	-	-
Cash and bank balances		32,622	39,167	12,634	12,294
		346,330	339,898	397,301	363,761
Current liabilities					
Amount due to related companies	21	-	-	417,854	410,993
Borrowings	23	122,294	135,497	51,604	51,129
Trade payables	25	97,053	102,071	41,348	52,512
Other payables	26	10,740	17,429	1,631	3,310
Tax payable		24	87	-	-
		230,111	255,084	512,437	517,944
Net current assets/(liabilities)		116,219	84,814	(115,136)	(154,183)
		1,147,394	971,405	603,707	540,988

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS
AS AT 30 APRIL 2006

	Note	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
Financed by:					
Share capital	27	282,529	282,529	282,529	282,529
Treasury shares	28	(90,478)	(86,314)	(90,478)	(86,314)
Reserves	29	714,671	677,392	334,411	333,278
Shareholders' equity		906,722	873,607	526,462	529,493
Minority interests		4,761	4,153	-	-
Non-current liabilities					
Deferred tax liabilities	17	13,861	13,426	7,636	7,764
Borrowings	23	222,050	80,219	69,609	3,731
		235,911	93,645	77,245	11,495
		1,147,394	971,405	603,707	540,988

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2006

		← Non-Distributable			→ ← Distributable	→	
	Note	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Exchange reserve RM'000	Other reserves RM'000	Retained profit RM'000	Total RM'000
Group								
At 1 May 2004		282,529	(76,517)	322,726	(26,956)	3,684	327,819	833,285
Net profit for the year		-	-	-	-	-	36,118	36,118
Purchase of treasury shares	28	-	(9,797)	-	-	-	-	(9,797)
Dividends for the year ended 2004		-	-	-	-	-	(9,281)	(9,281)
Arising from translation of foreign subsidiaries		-	-	-	3,699	-	-	3,699
Arising from disposal of a foreign subsidiary		-	-	-	19,583	-	-	19,583
At 30 April 2005		282,529	(86,314)	322,726	(3,674)	3,684	354,656	873,607

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2006

			← Non-Distributable		→	← Distributable →		
	Note	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Exchange reserve RM'000	Other reserves RM'000	Retained profit RM'000	Total RM'000
Group (contd.)								
At 1 May 2005		282,529	(86,314)	322,726	(3,674)	3,684	354,656	873,607
Net profit for the year		-	-	-	-	-	40,351	40,351
Purchase of treasury shares	28	-	(4,164)	-	-	-	-	(4,164)
Dividends for the year ended 2005	10	-	-	-	-	-	(5,493)	(5,493)
Arising from translation of foreign subsidiaries		-	-	-	2,421	-	-	2,421
At 30 April 2006		282,529	(90,478)	322,726	(1,253)	3,684	389,514	906,722

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2006

	Note	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Other reserve RM'000	Retained profit RM'000	Total RM'000
			← Non-Distributable	→	← Distributable	→	
Company							
At 1 May 2004		282,529	(76,517)	322,726	3,684	7,418	539,840
Net profit for the year		-	-	-	-	8,731	8,731
Purchase of treasury shares	28	-	(9,797)	-	-	-	(9,797)
Dividends for the year ended 2004		-	-	-	-	(9,281)	(9,281)
At 30 April 2005		282,529	(86,314)	322,726	3,684	6,868	529,493
At 1 May 2005		282,529	(86,314)	322,726	3,684	6,868	529,493
Net profit for the year		-	-	-	-	6,626	6,626
Purchase of treasury shares	28	-	(4,164)	-	-	-	(4,164)
Dividends for the year ended 2005	10	-	-	-	-	(5,493)	(5,493)
At 30 April 2006		282,529	(90,478)	322,726	3,684	8,001	526,462

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2006

	Note	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
Cash flows from operating activities					
Profit before taxation		64,458	69,341	15,858	15,127
Adjustments for:					
Amortisation of timber rights		16,279	16,279	14,511	14,511
Bad debts written off		-	12	-	-
Depreciation		50,531	50,077	15,754	13,247
Interest expense		4,794	10,617	899	267
Impairment of property, plant and equipment		2,000	-	-	-
Loss on disposal of property, plant and equipment		553	115	-	112
Loss on disposal of a subsidiary		-	16,577	-	-
Provision for doubtful debts		2,091	-	841	-
Property, plant and equipment written off		13	918	4	-
Dividend income from a subsidiary		-	-	-	(8,000)
Gain on disposal of property, plant and equipment		(6,791)	(836)	(49)	-
Interest income		(37)	(38)	-	-
Operating profit before working capital changes		133,891	163,062	47,818	35,264
(Increase)/decrease in inventories		(7,881)	(6,387)	(7,674)	5,953
(Increase)/decrease in receivables		(5,357)	(4,026)	8,351	(9,307)
(Decrease)/increase in payables		(11,707)	39,874	(12,844)	26,634
Increase in amount due from related companies		-	-	(15,821)	(23,921)
Cash generated from operations		108,946	192,523	19,830	34,623
Interest received		37	38	-	-
Interest paid		(4,794)	(10,617)	(899)	(267)
Tax (paid)/refunded		(19,571)	(2,123)	(7,333)	5,351
Net cash generated from operating activities		84,618	179,821	11,598	39,707

	Note	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
Cash flows from investing activities					
Net cash outflow on acquisition of subsidiaries	30(i)(c)	-	(39,096)	-	(39,113)
Proceeds from disposal of a subsidiary	30(ii)(c)	-	7,020	-	-
Purchase of additional shares in subsidiaries		-	-	(14,890)	(190)
Repurchase of own shares		(4,164)	(9,797)	(4,164)	(9,797)
Purchase of property, plant and equipment (excluding depreciation charge capitalised)	11	(228,258)	(116,512)	(53,153)	(26,575)
Proceeds from disposal of property, plant and equipment		40,888	1,214	23,856	1,045
Purchase of investment properties		(1,313)	-	(1,313)	-
Net cash used in investing activities		(192,847)	(157,171)	(49,664)	(74,630)
Cash flows from financing activities					
Dividends paid		(5,493)	(9,281)	(5,493)	(9,281)
Repayment of hire purchase payables		(19,018)	(15,762)	(5,602)	(810)
(Repayment of)/net proceeds from bankers' acceptances		(28,266)	30,125	(32,700)	49,200
Net proceeds from/(repayment of) term loans		137,830	(23,000)	56,430	-
Proceeds from revolving credit		18,893	-	18,893	-
Net cash generated from/(used in) financing activities		103,946	(17,918)	31,528	39,109
Net (decrease)/increase in cash and cash equivalents		(4,283)	4,732	(6,538)	4,186
Effects of exchange rate changes		1,154	1,814	-	-
Cash and cash equivalents at the beginning of the year		17,457	10,911	12,141	7,955
Cash and cash equivalents at the end of the year	31	14,328	17,457	5,603	12,141

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2006

1. CORPORATE INFORMATION

The principal activities of the Company are investment holding, provision of management services, extraction and sale of logs. The principal activities of the subsidiaries are set out in Note 13 to the financial statements. There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office is located at No. 1 - 9, Pusat Suria Permata, Lorong Upper Lanang 10A, 96000 Sibu, Sarawak, Malaysia.

The financial statements of the Group and of the Company are expressed in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on

2. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless as otherwise indicated in the significant accounting policies, and comply with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia.

(B) BASIS OF CONSOLIDATION

(i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Where the subsidiaries are consolidated using the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the financial year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of the subsidiaries are measured at their fair values at the date of acquisition. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

Acquisition of subsidiaries that meets the conditions of a merger are accounted for using the merger method. Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. In the consolidated financial statements, the cost of the merger is cancelled with the nominal values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(B) BASIS OF CONSOLIDATION (CONTD.)

(i) Subsidiaries (contd.)

Intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences.

Minority interests in the consolidated balance sheet consist of the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree as at acquisition date and the minorities' share of movements in the acquiree's equity since then. Minority interests are separately disclosed in the financial statements.

(ii) Associates

Associates are those entities in which the Group exercises significant influence but not control, through participation in the financial and operating policy decisions of the entities.

Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associates. Under the equity method of accounting, the Group's share of profits less losses of associates during the financial year is included in the consolidated income statement. The Group's interest in associates is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless costs cannot be recovered.

(C) GOODWILL

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition.

Goodwill is stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(n). Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet while goodwill arising on the acquisition of associates is included within the carrying amount of investment in associates. No amortisation is provided on goodwill on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(D) INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The Company's investments in subsidiaries and associates are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(n).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

(E) RIGHTS IN TIMBER LICENCES

Rights in timber licences are stated at cost and are amortised on a straight-line basis over the remaining tenure of the respective licence periods.

(F) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(n).

Freehold land is not amortised. Leasehold land is amortised over the period of the respective leases which range from 25 years to 99 years.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Factory, buildings and quarters	4 to 10%
Aircraft, watercraft, motor vehicles, plant and machinery	10 to 20%
Roads and bridges	10 to 20%
Office renovation, furniture, fittings and equipment	10 to 50%

Plantation development expenditure, consisting of land clearing and upkeep of immature oil palms incurred during the pre-maturity period (pre-cropping costs) is capitalised under plantation development expenditure. Upon maturity, all subsequent maintenance expenditure is charged to revenue and the capitalised pre-cropping costs is amortised on a straight-line basis over 25 years, the expected useful life of oil palms. Oil palms are considered mature 36 months after the month of planting.

Capital work-in-progress is not depreciated until the property, plant and equipment is fully completed and brought into use.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(G) INVENTORIES

Plywood, sawn timber, veneer and blockboard inventories are stated at the lower of average cost of production and net realisable value. Logs stock are valued at the lower of average cost of production and net realisable value. General stores and seeds are valued at cost based on a weighted average basis. In arriving at net realisable value, due allowance is made for all damaged, obsolete and slow-moving items.

Cost of finished goods and work-in-progress include the cost of raw materials, direct labour and an appropriate proportion of fixed and variable factory overheads.

Net realisable value is the estimated selling price in the ordinary course of business less all estimated costs of completion and the estimated costs necessary to make the sale.

(H) CASH AND CASH EQUIVALENTS

For the purposes of the Cash Flow Statements, cash and cash equivalents include cash on hand and at bank and short-term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(I) LEASES

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are classified as operating leases.

(i) Finance leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2(f).

(ii) Operating leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(J) INCOME TAX

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is recognised in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(K) EMPLOYEE BENEFITS

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group, except where they relate to nursery and tree planting expenditure or immature plantation areas, these expenses are capitalised under work-in-progress and plantation development expenditure, respectively.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund (EPF). Such contributions are recognised as an expense in the income statement as incurred or capitalised as work-in-progress or plantation development expenditure, as appropriate.

(L) REVENUE RECOGNITION

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Sale of goods

Revenue relating to sale of goods is recognised net of sales taxes and discounts upon the transfer of risks and rewards.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(L) REVENUE RECOGNITION (CONTD.)

(ii) Interest and rental income

Revenue is recognised as the interest and rental accrue unless collectibility is in doubt.

(iii) Dividend income

Revenue is recognised when the right to receive payment is established.

(iv) Revenue from services

Revenue from services rendered is recognised net of service taxes and discounts as and when the services are performed.

(M) FOREIGN CURRENCIES

(i) Foreign currency transactions

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange rate differences are taken to the income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These exchange differences are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement.

(ii) Foreign entities

Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are recognised in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Company and translated at the exchange rate ruling at the date of the transaction.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(M) FOREIGN CURRENCIES (CONTD.)

The principal exchange rates used for each respective unit of foreign currency ruling at the balance sheet date are as follows:

	2006 RM	2005 RM
Brazilian Real	1.742	1.502
Danish Krone	0.614	0.659
Euro	4.556	4.905
Japanese Yen	0.032	0.036
Singapore Dollar	2.300	2.307
Swiss Franc	2.921	3.188
United States Dollar	3.636	3.800

(N) IMPAIRMENT OF ASSETS

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. An impairment loss is recognised as an expense in the income statement immediately.

(O) INVESTMENT PROPERTIES

Investment properties consist of investments in land and buildings that are not substantially occupied for use by, or in the operations of, the Group.

Investment properties are treated as long-term investments and are stated at cost.

Upon the disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

(P) FINANCIAL INSTRUMENTS

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

(i) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(P) FINANCIAL INSTRUMENTS (CONTD.)

(ii) Payables

Payables are stated at cost, which is the fair value of the consideration to be paid in the future for goods and services received.

(iii) Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received.

Borrowing costs directly attributable to plantation development expenditure are capitalised as part of the cost of those assets until such time as the assets are ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(iv) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

When issued shares of the Company are repurchased, the consideration paid including any attributable transaction costs is presented as a change in equity. Repurchased shares are either held as treasury shares, cancelled or a combination of both, at the discretion of the Board and are accounted for by the cost method. Should such shares be cancelled, their nominal amounts are eliminated, and the differences between their cost and nominal amounts will be taken to reserves as appropriate. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the income statement on the sale, re-issuance or cancellation of treasury shares.

3. REVENUE

Revenue of the Group comprises services supplied or provided net of service tax, discounts and commissions, invoiced sale value of goods sold net of discounts and claims and interest income.

Revenue of the Company comprises invoiced value of goods sold net of discounts and claims.

The significant categories of revenue recognised during the year are as follows:

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Sale of timber and related products	683,300	664,277	331,398	287,512
Sale of fresh fruit bunches	2,632	-	-	-
Chartering services income	868	334	-	-
Others	52	324	-	-
	686,852	664,935	331,398	287,512

4. FINANCE COSTS

	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
Bankers' acceptances interest	745	1,844	-	-
Bank interest	3,604	2,589	605	260
Bill interest	9	2	-	-
Overdue interest	-	2	-	-
Hire purchase interest	2,020	1,562	294	7
Loan interest	6,687	5,276	-	-
	13,065	11,275	899	267
Less: Amount capitalised in qualifying assets: Plantation development expenditure (Note 11)	(8,271)	(658)	-	-
Interest expense (Note 5)	4,794	10,617	899	267
Bank charges	1,138	815	52	87
Commitment fee	680	540	149	134
	6,612	11,972	1,100	488

5. PROFIT BEFORE TAXATION

	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
Profit before taxation is stated after charging:				
Amortisation of timber rights	16,279	16,279	14,511	14,511
Auditors' remuneration				
Statutory audit				
- current year	157	154	40	40
- underprovision in prior year	1	1	-	-
Other services	104	121	104	121
Bad debts written off	-	12	-	-
Depreciation (Note 11)	50,531	50,077	15,754	13,247
Hiring charges	9,332	1,807	10,885	3,998
Impairment of property, plant and equipment	2,000	-	-	-
Interest expense (Note 4)	4,794	10,617	899	267
Loss on disposal of property, plant and equipment	553	115	-	112
Loss on disposal of a subsidiary	-	16,577	-	-
Management fee	129	120	7	-
Non-Executive Directors' remuneration (Note 7)	358	475	262	262
Preliminary and pre-operating expenses written off	1	-	-	-
Provision for doubtful debts	2,091	-	841	-
Property, plant and equipment written off	13	918	4	-
Realised foreign exchange loss	1,550	13	609	-
Rental expense	698	1,471	306	305
Staff costs (Note 6)	51,250	47,861	9,938	9,028
and after crediting:				
Dividend income from a subsidiary	-	-	-	8,000
Gain on disposal of property, plant and equipment	6,791	836	49	-
Interest income	37	38	-	-
Realised foreign exchange gain	988	59	11	2
Rental income	2,629	4,499	557	2,128

6. STAFF COSTS

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Salaries, wages, allowances and bonus	49,715	45,997	8,775	7,991
Provident fund contributions	2,883	2,664	1,020	917
Social security organisation contributions	315	255	93	71
Other staff related expenses	129	49	50	49
Total staff costs (including Executive Director)	53,042	48,965	9,938	9,028
Less: Amount capitalised in qualifying assets:				
Plantation development expenditure (Note 11)	(745)	(331)	-	-
Work-in-progress (Note 18)	(1,047)	(773)	-	-
	51,250	47,861	9,938	9,028

	2006	2005	2006	2005
Number of employees at the end of the year (including Executive Director)	4,389	4,319	287	287

Included in staff costs of the Group and of the Company is the Executive Director's remuneration amounting to RM678,120 (2005: RM570,600) as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

The aggregate remuneration of the directors of the Group and of the Company categorised into appropriate components are as follows:

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Directors of the Company				
Executive:				
Fees	33	33	33	33
Salaries and other emoluments	501	426	501	426
Bonus	144	112	144	112
Benefits-in-kind	16	16	16	16
	694	587	694	587
Non-Executive:				
Fees	214	214	214	214
Other emoluments	48	48	48	48
Benefits-in-kind	24	24	24	24
	286	286	286	286
	980	873	980	873
Directors of subsidiaries				
Non-Executive:				
Fees	96	213	-	-
Total	1,076	1,086	980	873
Analysis excluding benefits-in-kind:				
Total Executive Director's remuneration (Note 6)	678	571	678	571
Total Non-Executive Directors' remuneration (Note 5)	358	475	262	262
Total Directors' remuneration excluding benefits-in-kind	1,036	1,046	940	833

7. DIRECTORS' REMUNERATION (CONTD.)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2006	2005
Executive:		
RM500,001 - RM600,000	-	1
RM600,001 - RM700,00	1	-
Non-Executive:		
Below RM50,000	5	5
RM100,001 - RM150,000	1	1

8. TAXATION

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Income tax:				
Based on profit for the year	17,857	15,187	9,497	4,835
(Over)/under provided in prior years	(307)	3,748	(137)	-
	17,550	18,935	9,360	4,835
Deferred tax (Note 17):				
Relating to origination and reversal of temporary differences	7,832	13,639	(159)	1,665
(Over)/under provided in prior years	(1,882)	59	31	(104)
	5,950	13,698	(128)	1,561
	23,500	32,633	9,232	6,396

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2005: 28%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

8. TAXATION (CONTD.)

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Profit before taxation	64,458	69,341	15,858	15,127
Taxation at Malaysian statutory tax rate of 28% (2005: 28%)	18,048	19,415	4,440	4,236
Effect of income subject to tax rate of 20% (2005: 20%)	(120)	(120)	-	-
Effect of income not subject to tax	(170)	(1)	-	(2,240)
Effect of expenses not deductible for tax purposes	8,663	11,243	4,898	4,504
Effect of utilisation of previously unabsorbed capital allowances, reinvestment allowances and unrecognised tax losses	(13,513)	(3,876)	-	-
Deferred tax assets not recognised in respect of unabsorbed capital allowances and tax losses	12,781	2,165	-	-
(Over)/under provision of deferred tax in prior years	(1,882)	59	31	(104)
(Over)/under provision of tax expense in prior years	(307)	3,748	(137)	-
Tax expense for the year	23,500	32,633	9,232	6,396
Tax savings during the financial year arising from:				
Utilisation of current year's tax losses	5	648	-	-
Utilisation of previously unrecognised tax losses	5,295	10,891	-	2,418

9. EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	Group	
	2006	**2005**
Net profit for the year (RM'000)	40,351	36,118
Weighted average number of ordinary shares in issue ('000)	254,306	257,300
Earnings per share (sen)	15.9	14.0

10. DIVIDENDS

	Group/Company			
	Amount		Net Dividends per Ordinary Share	
	2006	**2005**	**2006**	**2005**
	RM'000	**RM'000**	**sen**	**sen**
Final				
3% less 28% taxation on 256,007,099 ordinary shares	-	5,530	-	2.2
3% less 28% taxation on 254,276,499 ordinary shares	5,493	-	2.2	-
Adjustment for overprovision of prior year's final dividend arising from the share buy-backs	-	(37)	-	-
	5,493	5,493	2.2	2.2

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 30 April 2006, of 3% less 28%, on 254,276,499 ordinary shares, amounting to a dividend payable of RM5,492,372 (2.2 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profit in the financial year ending 30 April 2007.

11. PROPERTY, PLANT AND EQUIPMENT

	Land, factory, buildings and quarters RM'000	Aircraft, watercraft, motor vehicles, plant and machinery RM'000	Roads and bridges RM'000	Office renovation, furniture, fittings and equipment RM'000	Plantation development expenditure RM'000	Capital work-in-progress RM'000	Total RM'000
Group							
Cost							
At 1 May 2005	198,996	539,688	132,035	28,789	100,077	53,893	1,053,478
Exchange translation	985	18	-	11	-	348	1,362
At 1 May 2005 (restated)	199,981	539,706	132,035	28,800	100,077	54,241	1,054,840
Additions	887	76,917	24,589	2,087	105,650	43,744	253,874
Disposals/written off	(1,311)	(29,912)	-	(765)	-	(23,510)	(55,498)
Reclassification	4,004	17,094	-	428	-	(21,526)	-
At 30 April 2006	203,561	603,805	156,624	30,550	205,727	52,949	1,253,216
Accumulated depreciation and impairment losses							
Charged to income statement (Note 5)	8,098	29,976	9,570	2,433	-	-	50,077
Capitalised in plantation development expenditure	275	30	-	-	-	-	305
Capitalised in work-in-progress (Note 18)	1	42	1	105	-	-	149
Depreciation charge for 2005	8,374	30,048	9,571	2,538	-	-	50,531

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Land, factory, buildings and quarters RM'000	Aircraft, watercraft, motor vehicles, plant and machinery RM'000	Roads and bridges RM'000	Office renovation, furniture, fittings and equipment RM'000	Plantation development expenditure RM'000	Capital work-in-progress RM'000	Total RM'000
Group (contd.)							
Accumulated depreciation and impairment losses (contd.)							
At 1 May 2005	79,246	379,122	27,923	13,453	-	-	499,744
Exchange translation	81	8	-	6	-	-	95
At 1 May 2005 (restated)	79,327	379,130	27,923	13,459	-	-	499,839
Depreciation charge for the year:	7,840	29,423	11,515	2,647	1,988	-	53,413
Charged to income statement (Note 5)	7,462	28,834	11,515	2,526	194	-	50,531
Capitalised in plantation development expenditure	376	73	-	-	1,794	-	2,243
Capitalised in work-in-progress (Note 18)	2	516	-	121	-	-	639
Impairment loss for the year (Note 5)	500	-	-	-	-	1,500	2,000
Disposals/written off	(601)	(20,116)	-	(118)	-	-	(20,835)
At 30 April 2006	87,066	388,437	39,438	15,988	1,988	1,500	534,417

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Land, factory, buildings and quarters RM'000	Aircraft, watercraft, motor vehicles, plant and machinery RM'000	Roads and bridges RM'000	Office renovation, furniture, fittings and equipment RM'000	Plantation development expenditure RM'000	Capital work-in-progress RM'000	Total RM'000
Group (contd.)							
Accumulated depreciation and impairment losses (contd.)							
Analysed as:							
Accumulated depreciation	86,566	388,437	39,438	14,431	1,988	-	530,860
Accumulated impairment losses	500	-	-	1,557	-	1,500	3,557
	87,066	388,437	39,438	15,988	1,988	1,500	534,417
Net book value							
At 30 April 2006	116,495	215,368	117,186	14,562	203,739	51,449	718,799
At 30 April 2005	119,750	160,566	104,112	15,336	100,077	53,893	553,734
Details at 1 May 2004							
Cost	177,378	501,483	104,472	30,588	45,341	58,876	918,138
Accumulated depreciation	73,144	330,525	41,054	10,350	-	-	455,073
Accumulated impairment losses	-	-	-	1,557	-	-	1,557

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Land, factory, buildings and quarters RM'000	Watercraft, motor vehicles, plant and machinery RM'000	Roads and bridges RM'000	Office renovation, furniture, fittings and equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Company						
Cost						
At 1 May 2005	9,957	54,008	63,666	17,373	8,919	153,923
Additions	36	18,708	18,903	712	23,186	61,545
Disposals	-	(1,175)	-	(699)	(22,816)	(24,690)
At 30 April 2006	9,993	71,541	82,569	17,386	9,289	190,778
Accumulated depreciation						
Depreciation charge for 2005 (Note 5)	360	5,361	5,808	1,718	-	13,247
At 1 May 2005	1,021	26,137	14,808	6,448	-	48,414
Charge for the year (Note 5)	448	6,459	7,130	1,717	-	15,754
Disposals	-	(802)	-	(77)	-	(879)
At 30 April 2006	1,469	31,794	21,938	8,088	-	63,289
Net book value						
At 30 April 2006	8,524	39,747	60,631	9,298	9,289	127,489
At 30 April 2005	8,936	27,871	48,858	10,925	8,919	105,509
Details at 1 May 2004						
Cost	4,356	52,264	46,741	16,989	8,217	128,567
Accumulated depreciation	661	20,821	9,000	4,747	-	35,229

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Land, factory, buildings and quarters stated at cost, comprise:

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Freehold land	2,467	2,308	623	623
Long leasehold land	29,251	29,197	-	-
Short leasehold land	36	-	36	-
Factory, buildings and quarters	171,807	167,491	9,334	9,334
	203,561	198,996	9,993	9,957

Included in property, plant and equipment of the Group and of the Company are assets acquired under hire purchase arrangements with a net book value of RM26,096,134 (2005: RM47,678,670) and RM8,677,111 (2005: Nil), respectively.

During the year, the Group and the Company acquired property, plant and equipment by the following means:

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cash	230,501	116,817	53,153	26,575
Hire purchase arrangements	23,373	15,237	8,392	-
	253,874	132,054	61,545	26,575

Included in the plantation development expenditure are the following expenses incurred and capitalised during the financial year:

	Group	
	2006 RM'000	2005 RM'000
Depreciation	2,243	305
Finance costs (Note 4)	8,271	658
Staff costs (Note 6)	745	331

12. INVESTMENT PROPERTIES

	Group/Company 2006 RM'000	Group/Company 2005 RM'000
At cost:		
Long leasehold properties	1,313	-

13. INVESTMENT IN SUBSIDIARIES

	Company 2006 RM'000	Company 2005 RM'000
Unquoted shares at cost	451,371	436,481
Accumulated impairment losses	(19)	(19)
	451,352	436,462

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Equity interest held (%) 2006	Equity interest held (%) 2005	Principal activities
Direct subsidiaries of the Company				
Rimbunan Hijau Plywood Sdn. Bhd.	Malaysia	100	100	Manufacturing and sale of sawn timber, blockboard and plywood
Jaya Tiasa Plywood Sdn. Bhd.	Malaysia	100	100	Manufacturing and sale of sawn timber, veneer, blockboard and plywood
Guanaco Sdn. Bhd.	Malaysia	100	100	Dormant
Hak Jaya Sdn. Bhd.	Malaysia	100	100	Marketing of timber logs
Maxiwealth Holdings Sdn. Bhd.	Malaysia	100	100	Dormant
Kunari Timber Sdn. Bhd.	Malaysia	100	100	Marketing of timber logs
Jaras Sdn. Bhd.	Malaysia	100	100	Extraction, purchase and sale of logs

13. INVESTMENT IN SUBSIDIARIES (CONTD.)

Name of subsidiaries	Country of incorporation	Equity interest held (%) 2006	Equity interest held (%) 2005	Principal activities
Direct subsidiaries of the Company (contd.)				
Maujaya Sdn. Bhd.	Malaysia	100	100	Dormant
Mantan Sdn. Bhd.	Malaysia	100	100	Dormant
Curiah Sdn. Bhd.	Malaysia	70	70	Extraction and sale of logs
Sericahaya Sdn. Bhd.	Malaysia	70	70	Extraction and sale of logs
Jaya Tiasa Forest Plantation Sdn. Bhd.	Malaysia	100	100	Development and maintenance of planted forests and forest plantation contractor
Jaya Tiasa Aviation Sdn. Bhd.	Malaysia	100	100	Provision of air transportation services
Eastern Timber Ltd.	Federal Territory of Labuan, Malaysia	100	100	Dormant
Eastern Green Company, Inc.	U.S.A.	100	100	Dormant
Borneo Biotechnology Sdn. Bhd.	Malaysia	100	100	Tissue culture, herbal farming and its related activities
Multi Greenview Sdn. Bhd.	Malaysia	100	100	Dormant
Erajaya Synergy Sdn. Bhd.	Malaysia	100	100	Timber operations, development of oil palm plantations and its related activities
Hariyama Sdn. Bhd.	Malaysia	100	100	Development of oil palm plantations and its related activities

13. INVESTMENT IN SUBSIDIARIES (CONTD.)

Name of subsidiaries	Country of incorporation	Equity interest held (%) 2006	2005	Principal activities
Direct subsidiaries of the Company (contd.)				
Jaya Tiasa Timber Products Sdn. Bhd.	Malaysia	100	100	Manufacturing and sale of sawn timber, plywood and veneer
Simalau Plantation Sdn. Bhd.	Malaysia	100	100	Development of oil palm plantations and its related activities
Jaya Tiasa Aquaculture Sdn. Bhd.	Malaysia	100	100	Dormant
Jaya Tiasa R&D Sdn. Bhd.	Malaysia	100	100	Research and development and sale of seeds
Poh Zhen Sdn. Bhd.	Malaysia	100	100	Timber operations, development of oil palm plantations and its related activities
Eastern Eden Sdn. Bhd.	Malaysia	100	100	Timber operations, development of oil palm plantations and its related activities
JT Oil Palm Development Sdn. Bhd.	Malaysia	100	-	Dormant
Atlantic Evergreen Holdings	Cayman Islands	100	100	Investment holding
Atlantic Timber Holdings Limited	Cayman Islands	100	100	Investment holding
Pacific Timber Holdings Limited	Cayman Islands	100	100	Investment holding
Subsidiary of Atlantic Evergreen Holdings				
Western Timber Resources Limited	Cayman Islands	100	100	Investment holding
Subsidiary of Pacific Timber Holdings Limited				
Selvaplac Verde Ltda. (i)	Brazil	66	66	Investment holding

(i) The remaining 34% is held by a fellow subsidiary, Atlantic Timber Holdings Limited.

14. INVESTMENT IN ASSOCIATE

	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
Unquoted shares at cost				
- ordinary shares	2,000	2,000	2,000	2,000
- redeemable non-cumulative preference shares	2,400	2,400	2,400	2,400
	4,400	4,400	4,400	4,400
Accumulated impairment losses	(2,400)	(2,400)	(4,400)	(4,400)
	2,000	2,000	-	-
Share of post-acquisition losses	(2,000)	(2,000)	-	-
	-	-	-	-

The Group's interest in the associate is analysed as follows:

	Group 2006 RM'000	Group 2005 RM'000
Group's share of net tangible assets	(335)	(335)
Premium on acquisition	335	335
	-	-

Details of the associate are as follows:

Name of associate	Financial year end	Equity interest held (%) 2006	Equity interest held (%) 2005	Principal activities
Mafrica Trading Sdn. Bhd.*	28.2.2006	40	40	General trading and heli-logging services

* Audited by a firm of auditors other than Ernst & Young.

15. RIGHTS IN TIMBER LICENCES

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
At cost	298,447	298,447	247,724	247,724
Provision for amortisation				
At 1 May 2005/2004	126,630	110,351	94,524	80,013
Amortisation during the year	16,279	16,279	14,511	14,511
At 30 April 2006/2005	142,909	126,630	109,035	94,524
	155,538	171,817	138,689	153,200

In 1998, the Company acquired nine timber licensee companies and the rights to two timber licences. Apart from one licence expiring in the year 2011, all the other licences will expire in the year 2015.

16. GOODWILL ON CONSOLIDATION

	Group	
	RM'000	RM'000
At cost		
At 1 May 2005/2004	151,537	105,184
Acquisition of subsidiaries (Note 30(i)(c))	-	39,147
Disposal of a subsidiary (Note 30(ii)(c))	-	7,206
At 30 April 2006/2005	151,537	151,537

17. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	RM'000	RM'000	RM'000	RM'000
At 1 May 2005/2004	(3,923)	9,775	(7,764)	(6,203)
Recognised in the income statement (Note 8)	(5,950)	(13,698)	128	(1,561)
At 30 April 2006/2005	(9,873)	(3,923)	(7,636)	(7,764)
Presented after appropriate offsetting as follows:				
Deferred tax assets	3,988	9,503	-	-
Deferred tax liabilities	(13,861)	(13,426)	(7,636)	(7,764)
	(9,873)	(3,923)	(7,636)	(7,764)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

	Tax losses and unabsorbed capital allowances	
	RM'000	RM'000
Deferred tax assets of the Group:		
At 1 May 2005/2004	9,503	18,105
Recognised in the income statement	(5,515)	(8,602)
At 30 April 2006/2005	3,988	9,503

	Accelerated capital allowances	
	RM'000	RM'000
Deferred tax liabilities of the Group:		
At 1 May 2005/2004	(13,426)	(8,330)
Recognised in the income statement	(435)	(5,096)
At 30 April 2006/2005	(13,861)	(13,426)

17. DEFERRED TAX ASSETS/(LIABILITIES) (CONTD.)

	Tax losses and unabsorbed capital allowances	
	RM'000	RM'000
Deferred tax assets of the Company:		
At 1 May 2005/2004	-	16,494
Recognised in the income statement	-	(16,494)
At 30 April 2006/2005	-	-

	Accelerated capital allowances	
	RM'000	RM'000
Deferred tax liabilities of the Company:		
At 1 May 2005/2004	(7,764)	(22,697)
Recognised in the income statement	128	14,933
At 30 April 2006/2005	(7,636)	(7,764)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2006	2005
	RM'000	RM'000
Unutilised tax losses	28,806	545,169
Unabsorbed capital allowances	44,233	89,987

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Group is subject to the provisions of the Income Tax Act, 1967.

18. INVENTORIES

	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
At cost:				
Blockboard/sawn timber	4,137	2,276	-	-
General stores	17,732	17,714	1,547	952
Logs	41,956	31,454	24,180	17,101
Plywood	23,703	22,460	-	-
Seeds	159	202	-	-
Veneer	14,987	24,803	-	-
Work-in-progress	9,847	7,144	-	-
	112,521	106,053	25,727	18,053
At net realisable value:				
Plywood	16	17	-	-
Sawn timber	291	84	-	-
Sliced veneer	370	-	-	-
Veneer	1,612	135	-	-
	2,289	236	-	-
Total	114,810	106,289	25,727	18,053

Included in work-in-progress are the following expenses incurred and capitalised during the financial year:

	Group 2006 RM'000	Group 2005 RM'000
Depreciation (Note 11)	639	149
Rental expense	-	5
Staff costs (Note 6)	1,047	773

19. TRADE RECEIVABLES

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Trade receivables	170,312	138,429	9,022	15,696
Provision for doubtful debts	(2,091)	-	(841)	-
	168,221	138,429	8,181	15,696

The Group and the Company's normal trade credit term is 30 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has significant exposure to certain receivables. However, the Board does not consider this to pose significant credit risk to the Group.

20. OTHER RECEIVABLES

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Sundry receivables	6,705	38,501	2,238	4,173
Deposits	3,093	346	32	17
Prepayments	3,349	826	405	162
Current tax assets	13,306	11,348	1,139	3,165
	26,453	51,021	3,814	7,517

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single receivable or to groups of receivables.

21. AMOUNT DUE FROM/(TO) RELATED COMPANIES

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Amount due from subsidiaries	-	-	387,185	350,441
Provision for doubtful debts	-	-	(40,240)	(40,240)
	-	-	346,945	310,201
Amount due from associate	2,600	2,600	2,600	2,600
Provision for doubtful debts	(2,600)	(2,600)	(2,600)	(2,600)
	-	-	-	-
	-	-	346,945	310,201
Amount due to subsidiaries	-	-	(417,854)	(410,993)

Included in amount due to subsidiaries is an unsecured advance amounting to RM115 million (2005: RM115 million) which bears interest at rates ranging from 4.70% to 5.30% (2005: 4.70% to 5.30%) per annum and has no fixed term of repayment.

The remaining amounts due from/(to) related companies are unsecured and have no fixed term of repayment. Loan interest amounting to RM4,092,529 (2005: RM4,262,073) has, however, been charged to its subsidiaries.

22. FIXED DEPOSITS WITH LICENSED BANKS

Fixed deposits amounting to RM1,292,312 (2005: RM1,255,111) have been pledged to bankers for banking facilities granted to certain subsidiaries.

The weighted average interest rate of fixed deposits at the balance sheet date was 3% (2005: 3%) per annum and the average maturity of deposits ranged from 90 to 365 (2005: 30 to 365) days.

23. BORROWINGS

	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
Short term borrowings				
Secured:				
Hire purchase payables (Note 24)	15,520	15,166	9,180	1,776
Unsecured:				
Bank overdrafts (Note 31)	22,518	26,702	7,031	153
Bankers' acceptances	42,363	70,629	16,500	49,200
Revolving credit	18,893	-	18,893	-
Term loan	23,000	23,000	-	-
	106,774	120,331	42,424	49,353
	122,294	135,497	51,604	51,129
Long term borrowings				
Secured:				
Hire purchase payables (Note 24)	15,220	11,219	13,179	3,731
Unsecured:				
Term loan	206,830	69,000	56,430	-
	222,050	80,219	69,609	3,731
Total borrowings				
Hire purchase payables (Note 24)	30,740	26,385	22,359	5,507
Bank overdrafts (Note 31)	22,518	26,702	7,031	153
Bankers' acceptances	42,363	70,629	16,500	49,200
Revolving credit	18,893	-	18,893	-
Term loan	229,830	92,000	56,430	-
	344,344	215,716	121,213	54,860

23. BORROWINGS (CONTD.)

The weighted average effective interest rates at the balance sheet date for borrowings, excluding hire purchase payables, were as follows:

	Group		Company	
	2006	2005	2006	2005
	%	%	%	%
Bank overdrafts	7.00 - 7.50	7.00 - 7.50	7.00 - 7.30	7.00 - 7.30
Bankers' acceptances	2.89 - 4.25	2.86 - 4.25	2.89 - 4.25	2.86 - 4.25
Revolving credit	5.94	-	5.94	-
Term loan	4.70 - 6.19	4.70 - 5.30	6.19	-

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Maturity of borrowings (excluding hire purchase payables)				
Within 1 year	106,774	120,331	42,424	49,353
More than 1 year and less than 2 years	-	23,000	-	-
More than 2 years and less than 5 years	84,322	46,000	33,822	-
More than 5 years	122,508	-	22,608	-
	313,604	189,331	98,854	49,353

24. HIRE PURCHASE PAYABLES

	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
Minimum hire purchase payments:				
Within 1 year	16,885	16,292	10,237	2,065
Later than 1 year and not later than 2 years	11,864	8,549	10,064	2,065
Later than 2 years and not later than 5 years	3,980	3,190	3,675	1,892
	32,729	28,031	23,976	6,022
Less: Future finance charges	(1,989)	(1,646)	(1,617)	(515)
Present value of hire purchase payables	30,740	26,385	22,359	5,507
Present value of hire purchase payables:				
Within 1 year	15,520	15,166	9,180	1,776
Later than 1 year and not later than 2 years	10,994	8,110	9,251	1,894
Later than 2 years and not later than 5 years	4,226	3,109	3,928	1,837
	30,740	26,385	22,359	5,507
Analysed as:				
Due within 12 months (Note 23)	15,520	15,166	9,180	1,776
Due after 12 months (Note 23)	15,220	11,219	13,179	3,731
	30,740	26,385	22,359	5,507

The hire purchase payables bore interest at the balance sheet date at rates ranging from 3% to 3.20% (2005: 3.20% to 4.20%) per annum.

25. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 180 days.

26. OTHER PAYABLES

	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
Sundry payables	8,441	13,064	1,464	3,043
Accruals	2,299	4,365	167	267
	10,740	17,429	1,631	3,310

27. SHARE CAPITAL

	Group/Company Number of Ordinary Shares of RM1 Each 2006 '000	2005 '000	Amount 2006 RM'000	2005 RM'000
Authorised	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid	282,529	282,529	282,529	282,529

Of the total 282,528,499 issued and fully paid ordinary shares, 28,252,000 (2005:26,521,400) are held as treasury shares by the Company. As at 30 April 2006, the number of outstanding shares in issue and fully paid is therefore 254,276,499 (2005: 256,007,099) ordinary shares of RM1 each.

28. TREASURY SHARES

This amount relates to the acquisition cost of treasury shares.

During the financial year, the Company repurchased a total of 1,730,600 (2005: 2,695,000) of its issued ordinary shares from the open market for a total cost of RM4,164,614 (2005: RM9,796,199). The average cost paid for the shares repurchased was RM2.41 (2005: RM3.64) per share. There were no repurchases of any shares subsequent to the balance sheet date and up to the date of this report.

The above purchases were financed from the Company's internal funds. The shares repurchased are held as treasury shares in accordance with Section 67A of the Companies Act, 1965. At the date of this report, the issued and paid up capital comprises 282,528,499 ordinary shares of RM1 each, of which 28,252,000 shares are held as treasury shares.

Movements on share buy-backs

	Group/Company Number of shares	Total cost RM'000	Average price per share RM
At 1 May 2005	26,521,400	86,314	3.25
Repurchased during the year ended 30 April 2006	1,730,600	4,164	2.41
At 30 April 2006	28,252,000	90,478	3.20

The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the share buy-backs plan can be applied in the best interests of the Company and its shareholders.

29. RESERVES

Movements in reserves are shown in the Statements of Changes in Equity.

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

As at 30 April 2006, the Company has tax exempt profit for distribution of approximately RM10 million (2005: RM10 million), subject to the agreement of the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax exempt income account to frank the payment of dividends out of its entire retained profit as at 30 April 2006.

30. ACQUISITION/DISPOSAL OF SUBSIDIARIES

(i) Acquisition of subsidiaries

On 15 August 2005, the Company completed the acquisition of the entire issued and paid-up share capital of JT Oil Palm Development Sdn. Bhd., a company incorporated in Malaysia.

On 6 January 2005, the Company completed the acquisition of the entire issued and paid-up share capital of Eastern Eden Sdn. Bhd. and Poh Zhen Sdn. Bhd., both companies incorporated in Malaysia.

(a) Consolidated Income Statement

The acquisitions had the following effect on the Group's financial results for the year:

	2006 RM'000	2005 RM'000
Administrative expenses	2	21
Net loss for the year	2	21

(b) Consolidated Balance Sheet

The acquisitions had the following effect on the financial position of the Group as at the end of the financial year:

	2006 RM'000	2005 RM'000
Property, plant and equipment	-	11,192
Other receivables	50	2
Other payables	(1)	(11,248)
Amount due to holding company	(51)	-
Group's share of net liabilities	(2)	(54)

30. ACQUISITION/DISPOSAL OF SUBSIDIARIES (CONTD.)

(i) Acquisition of subsidiaries (contd.)

(c) The fair values of the assets acquired and the liabilities assumed from the acquisition of the subsidiaries were as follows:

	15 August 2005 RM'000	6 January 2005 RM'000
Property, plant and equipment	-	10,280
Other receivables	-	2
Other payables	-	(10,333)
Cash and bank balances	-	17
Fair value of total net liabilities	-	(34)
Goodwill on consolidation (Note 16)	-	39,147
Total purchase consideration of the Company	-*	39,113
Less: Cash and cash equivalents of subsidiaries acquired	-	(17)
Net cash outflow to the Group	-	39,096

* RM2

(ii) Disposal of a subsidiary

On 12 January 2005, the Company's subsidiaries, Atlantic Timber Holdings Limited, Pacific Timber Holdings Limited and Selvaplac Verde Ltda., collectively disposed of their entire equity interest in Maginco Verde Ltda.

(a) Consolidated Income Statement

The disposal of subsidiary had the following effect on the Group's financial results for the year:

	2005 RM'000
Other operating income	166
Administrative expenses	(823)
Taxation	(18)
Net loss for the year	(675)

30. ACQUISITION/DISPOSAL OF SUBSIDIARIES (CONTD.)

(ii) Disposal of a subsidiary (contd.)

(b) Consolidated Balance Sheet

The disposal had the following effect on the financial position of the Group at the end of the financial year:

	2005 RM'000
Property, plant and equipment	49
Trade receivables	9,643
Other receivables	1,532
Other payables	(4)
Net assets disposed	11,220

(c) The fair value of net assets of the subsidiary disposed of was as follows:

Property, plant and equipment	49
Trade receivables	9,643
Other receivables	1,532
Other payables	(4)
Net assets disposed	11,220
Capital reserve on consolidation (Note 16)	(7,206)
Exchange reserve	19,583
	23,597
Proceeds from disposal	(7,020)
Loss on disposal to the Group	16,577
Proceeds from disposal	7,020
Less: Cash and cash equivalents of subsidiary disposed	-
Net cash inflow to the Group	7,020

31. CASH AND CASH EQUIVALENTS

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Fixed deposits with licensed banks	4,224	4,992	-	-
Cash and bank balances	32,622	39,167	12,634	12,294
Bank overdrafts (Note 23)	(22,518)	(26,702)	(7,031)	(153)
	14,328	17,457	5,603	12,141

32. SEGMENTAL REPORTING

The Group adopts business segment analysis as its primary reporting format and geographical segment as its secondary reporting format. The Group is organised into two major business segments:

(i) Logs trading - Extraction and sale of logs; and

(ii) Manufacturing - Manufacturing and trading of sawn timber, plywood, veneer, blockboard and laminated wood.

Other business segments include the provision of air transportation services, oil palm plantation, development and maintenance of planted forests and investment holding.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(a) Primary reporting format - business segments

	Logs trading RM'000	Manu-facturing RM'000	Others RM'000	Eliminations RM'000	Total RM'000
2006					
Revenue					
External revenue	288,643	374,393	23,816	-	686,852
Intersegment revenue	357,230	74,759	4,069	(436,058)	-
Total revenue	645,873	449,152	27,885	(436,058)	686,852

32. SEGMENTAL REPORTING (CONTD.)

(a) Primary reporting format - business segments (contd.)

	Logs trading RM'000	Manu-facturing RM'000	Others RM'000	Eliminations RM'000	Total RM'000
2006 (contd.)					
Results					
Profit from operations	31,124	48,867	7,117	(16,038)	71,070
Finance costs	(1,586)	(8,653)	(666)	4,293	(6,612)
Profit before taxation					64,458
Taxation					(23,500)
Profit after taxation					40,958
Minority interests					(607)
Net profit for the year					40,351
Assets					
Segment assets	243,875	456,397	354,219	2,633	1,057,124
Rights in timber licences	138,687	-	-	16,851	155,538
Goodwill on consolidation					151,537
Current tax assets	4,454	5,598	3,254	-	13,306
Consolidated total assets					1,377,505
Liabilities					
Segment liabilities	62,521	36,507	22,626	-	121,654
Borrowings	121,263	113,761	109,320	-	344,344
Tax payable	-	-	24	-	24
Consolidated total liabilities					466,022
Other information					
Capital expenditure	76,390	12,820	164,664	-	253,874
Depreciation of property, plant and equipment	20,607	23,726	9,080	-	53,413
Amortisation of timber rights	14,511	-	-	1,768	16,279

32. SEGMENTAL REPORTING (CONTD.)

(a) Primary reporting format - business segments (contd.)

	Logs trading RM'000	Manu-facturing RM'000	Others RM'000	Eliminations RM'000	Total RM'000
2005					
Revenue					
External revenue	157,187	493,687	14,061	-	664,935
Intersegment revenue	407,547	32	4,176	(411,755)	-
Total revenue	564,734	493,719	18,237	(411,755)	664,935
Results					
Profit/(loss) from operations	19,048	85,121	(43,594)	20,738	81,313
Finance costs	(623)	(9,299)	(2,050)	-	(11,972)
Profit before taxation					69,341
Taxation	(13,344)	(18,859)	(412)	(18)	(32,633)
Profit after taxation					36,708
Minority interests					(590)
Net profit for the year					36,118

32. SEGMENTAL REPORTING (CONTD.)

(a) Primary reporting format - business segments (contd.)

2005 (contd.)	Logs trading RM'000	Manu-facturing RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Assets					
Segment assets	198,682	463,015	225,410	4,680	891,787
Rights in timber licences	153,200	-	-	18,617	171,817
Goodwill on consolidation					151,537
Current tax assets	6,588	2,047	2,713	-	11,348
Consolidated total assets					1,226,489
Liabilities					
Segment liabilities	74,607	37,803	20,516	-	132,926
Borrowings	55,074	151,402	9,240	-	215,716
Tax payable	66	-	21	-	87
Consolidated total liabilities					348,729
Other information					
Capital expenditure	29,588	19,913	82,553	-	132,054
Depreciation of property, plant and equipment	17,187	27,016	5,206	1,122	50,531
Amortisation of timber rights	14,511	-	-	1,768	16,279

32. SEGMENTAL REPORTING (CONTD.)

(b) Secondary reporting format - geographical segments

Although the Group's two major business segments are managed on a worldwide basis, they operate in two principal geographical areas of the world. In Malaysia, its home country, the Group's areas of operation are principally logs trading and investment holding. Additionally, the Group's manufacturing activities are also conducted principally in Malaysia. Other operations in Malaysia include the provision of air transportation services, oil palm plantation, development and maintenance of planted forests and investment holding.

	Malaysia RM'000	Brazil RM'000	Others RM'000	Eliminations RM'000	Total RM'000
2006					
Revenue					
External revenue	686,852	-	-	-	686,852
Intersegment revenue	436,058	-	-	(436,058)	-
Total revenue	1,122,910	-	-	(436,058)	686,852
Assets					
Segment assets	1,190,616	15,260	609	19,483	1,225,968
Other information					
Capital expenditure	253,782	-	92	-	253,874
Depreciation of property, plant and equipment	53,088	322	3	-	53,413
Amortisation of timber rights	14,511	-	-	1,768	16,279

32. SEGMENTAL REPORTING (CONTD.)

(b) Secondary reporting format - geographical segments (contd.)

	Malaysia RM'000	Brazil RM'000	Others RM'000	Eliminations RM'000	Total RM'000
2005					
Revenue					
External revenue	664,935	-	-	-	664,935
Intersegment revenue	411,755	-	-	(411,755)	-
Total revenue	1,076,690	-	-	(411,755)	664,935
Assets					
Segment assets	1,036,365	14,524	763	23,300	1,074,952
Other information					
Capital expenditure	132,022	32	-	-	132,054
Depreciation of property, plant and equipment	49,147	258	4	1,122	50,531
Amortisation of timber rights	16,279	-	-	-	16,279

33. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group and Company are as follows:

(a) Transactions with subsidiaries:

	Company 2006 RM'000	Company 2005 RM'000
Income		
Sales	268,841	249,383
Expenditure		
Hiring charges	2,405	2,400
Purchases	4,004	7,420

33. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(b) Transactions with companies in which certain directors of the Company and their close family members have a substantial financial interest and/or are directors:

	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
(i) Sale of timber products:				
Subur Group*	6,887	-	6,887	-
Globular Sdn. Bhd.	18	-	-	-
Oriental Evermore Sdn. Bhd.	-	13	-	-
Perpuluhan Jaya Sdn. Bhd.	-	29	-	-
RH General Trading Sdn. Bhd.	97	47	-	-
Trans-Allied Sdn. Bhd.	-	55	-	-
(ii) Sale of power:				
Subur Group*	623	1,099	-	-
Perpuluhan Jaya Sdn. Bhd.	538	-	-	-
(iii) Sales of fresh fruit bunches:				
R.H. Plantation Sdn. Bhd.	2,632	247	-	-
(iv) Contract income - forest plantation:				
R.H. Forest Corporation Sdn. Bhd.	10,995	10,368	-	-
Rejang Height Sdn. Bhd.	574	-	-	-
(v) Rental of equipment:				
Taman Logging Sdn. Bhd.	521	2,082	521	2,082
(vi) Logpond facilities income:				
Subur Group*	835	631	467	399
Hubwood Sdn. Bhd.	63	-	62	-
(vii) Helicopter chartering:				
Subur Group*	538	205	-	-
Baram Trading Sdn. Bhd.	31	-	-	-
Hwahung Timber Enterprise Sdn. Bhd.	24	-	-	-
Mafrica Corporation Sdn. Bhd.	32	24	-	-
Nescaya Palma Sdn. Bhd.	16	-	-	-
R.H. Lundu Palm Oil Mill Sdn. Bhd.	22	27	-	-
R.H. Plantation Sdn. Bhd.	-	36	-	-
RH Forest Corporation Sdn. Bhd.	29	-	-	-
Rejang Height Sdn. Bhd.	95	-	-	-
Rimbunan Hijau Sdn. Bhd.	20	193	-	-
Wawoi Guavi Timber Pte. Ltd.	45	-	-	-
(viii) Office rental income:				
Oriental Evermore Sdn. Bhd.	18	18	18	18

33. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(b) Transactions with companies in which certain directors of the Company and their close family members have a substantial financial interest and/or are directors (contd.):

	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
Income (contd.)				
(ix) Commission income:				
Binamewah Sdn. Bhd.	74	23	59	8
Lukutan Enterprises Sdn. Bhd.	24	25	22	20
Perpuluhan Jaya Sdn. Bhd.	67	26	67	26
Rejang Height Sdn. Bhd.	227	-	227	-
Expenditure				
(i) Purchase of timber products:				
Subur Group*	53	46	-	-
Binamewah Sdn. Bhd.	7,551	7,012	-	-
Lukutan Enteprises Sdn. Bhd.	752	1,055	-	-
Perpuluhan Jaya Sdn. Bhd.	3,329	7	-	-
RH Forest Corporation Sdn. Bhd.	15,872	9,765	15,872	9,765
(ii) Purchase of raw materials:				
Petanak Enterprises Sdn. Bhd.	27,514	27,438	-	-
(iii) Contract fee for log harvesting:				
Hose Mountains Logging Sdn. Bhd.	9,363	16,837	-	-
Meli-Mujong Logging Sdn. Bhd.	16,856	15,102	712	-
Rimbunan Hijau Sdn. Bhd.	11,706	9,318	-	-
Taman Logging Sdn. Bhd.	26,988	30,815	26,988	30,815
Tiong Toh Siong & Sons Sdn. Bhd.	66,649	64,094	66,649	64,094
(iv) Purchase of spare parts, fuel and lubricants:				
Rimbunan Hijau General Trading Sdn. Bhd.	1,402	1,612	171	290
Tiong Toh Siong & Sons Sdn. Bhd.	11,732	-	7,684	-
Taman Logging Sdn. Bhd.	3,343	-	-	-
(v) Insurance charges:				
Evershine Agency Sdn. Bhd.	51	50	30	27
(vi) Purchase of air tickets:				
RH Tours and Travel Agency Sdn. Bhd.	493	327	352	222

33. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(b) Transactions with companies in which certain directors of the Company and their close family members have a substantial financial interest and/or are directors (contd.):

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Expenditure (contd.)				
(vii) Towage and freight charges:				
Empayar Semarak Sdn. Bhd.	8,077	7,368	2,010	1,511
Globular Sdn. Bhd.	5,648	4,668	4,019	3,318
Onward Shipping Sdn. Bhd.	1,246	2,199	-	-
Oriental Evermore Sdn. Bhd.	9,825	10,042	3,874	3,460
Syarikat Perkapalan C.H. Ling Sdn. Bhd.	781	6,123	-	-
Trans-Allied Sdn. Bhd.	2,500	1,586	776	355
Transport Resources Sdn. Bhd.	73	74	13	25
(viii) Construction:				
Moverstar (M) Sdn. Bhd.	2,036	3,768	370	-
(ix) Purchase of power:				
Subur Group*	30	39	30	39
(x) Hiring of equipment:				
Tiong Toh Siong & Sons Sdn. Bhd.	8,480	1,590	8,480	1,590
(xi) Logpond/office rental:				
Raya Abadi Sdn. Bhd.	36	21	36	21
Rimbunan Hijau Sdn. Bhd.	180	180	-	-
Tiong Toh Siong & Sons Sdn. Bhd.	204	204	180	180

* Subur Group includes Subur Tiasa Holdings Bhd. and its wholly-owned subsidiaries, namely, Subur Tiasa Plywood Sdn. Bhd., Subur Tiasa Forestry Sdn. Bhd., Homet Raya Sdn. Bhd., RH Timber Processing Industries Sdn. Bhd. and Trimogreen Sdn. Bhd.

The directors are of the opinion that the above transactions were entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

34. CONTINGENT LIABILITIES, UNSECURED

	Company 2006 RM'000	Company 2005 RM'000
Bankers' guarantees issued to third parties on behalf of subsidiaries	5,959	5,131
Corporate guarantees issued to bankers on behalf of subsidiaries	253,387	170,633
	259,346	175,764

35. CAPITAL COMMITMENTS

	Group 2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
Authorised capital expenditure not provided for in the financial statements:				
Approved and contracted for	3,866	979	3,866	979
Approved but not contracted for	1,300	-	-	-
	5,166	979	3,866	979

36. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, liquidity, credit and foreign exchange risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(b) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debts, as the Group had no substantial long-term interest-bearing assets as at 30 April 2006. The investments in financial assets are short term in nature and are not held for speculative purposes.

36. FINANCIAL INSTRUMENTS (CONTD.)

(c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

(d) Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group has significant exposure to certain individual customers or counterparties. However, this does not pose significant credit risk to the Group. The Group does not have any other major concentration of credit risk related to any financial instruments.

(e) Foreign exchange risk

The Group is exposed to currency risk in respect of its foreign investments in subsidiaries. These are, however, not significant.

(f) Fair value

The carrying amounts of short-term financial assets and liabilities approximate their fair value due to the relative short maturity term of these financial instruments.

37. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

	As restated RM	Adjustments RM	As previously stated RM
Group			
Cost of sales	522,561	3,279	519,282
Other operating income	14,529	4,262	10,267
Selling expenses	19,871	(3,624)	23,495
Administrative expenses	38,142	(550)	38,692
Finance costs	11,972	5,157	6,815

ADDITIONAL COMPLIANCE INFORMATION
(PURSUANT TO BURSA SECURITIES LISTING REQUIREMENTS)

1. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR)

There were no American Depository Receipt (ADR) or Global Depository Receipt (GDR) programmes sponsored by the Company during the financial year.

2. SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, directors or management by any relevant authority during the financial year.

3. VARIATION IN RESULTS

The results of the Group and the Company for the financial year did not differ by 10% or more from the unaudited results announced. There were no profit estimates, forecasts or projections issued by the Group during the financial year.

4. PROFIT GUARANTEES

There were no profit guarantees given by the Company and its subsidiaries during the financial year.

5. MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company or its subsidiaries which involve directors and major shareholders, either still subsisting at the end of the financial year ended 30 April 2006 or entered into since the end of the previous financial year.

6. REVALUATION POLICY

The Group did not adopt any revaluation policies on landed properties during the financial year.

7. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no fund raising corporate proposals during the financial year.

8. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities exercised during the financial year.

9. NON-AUDIT FEES

The non-audit fees paid to the external auditors by the Group and the Company for the financial year amounted to RM104,000.

10. SHARE BUY-BACKS

During the financial year, a total of 1,730,600 of the Company's own shares were purchased. The monthly breakdown of the shares bought back is set out below:-

MONTH	NO. OF SHARES	PRICE HIGHEST	PRICE LOWEST	AVERAGE COST	TOTAL COST
		RM	RM	RM	RM
MAY 2005	1,384,000	1.98	2.90	2.41	3,338,250
JUNE 2005	342,400	2.00	2.52	2.38	815,703
JULY 2005	4,200	2.51	2.52	2.54	10,661
	1,730,600				4,164,614

All the shares purchased are retained as treasury shares. As at 30 April 2006, a total of 28,252,000 shares were held as treasury shares. None of the treasury shares held were resold or cancelled during the financial year.

11. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Annual General Meeting held on 29 September 2005 the Company obtained a mandate from its shareholders for the Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day to day operations.

The aggregate value of the recurrent related party transactions conducted pursuant to the mandate by the Company and/or its subsidiaries with related parties during the financial year are as follows: -

Nature of Transactions entered into by the Company and/or its subsidiary(ies)	Related Parties	Relationship[1] of Related Parties with the Company	Amount Transacted RM'000
Contract fee paid to Related Parties for the harvesting of logs	Tiong Toh Siong & Sons Sdn Bhd	1 (a)	66,649
	Taman Logging Sdn Bhd	1 (b)	26,988
	Hose Mountains Logging Sdn Bhd	1 (b)	9,363
	Meli-Mujong Logging Sdn Bhd	1 (b)	16,856
	Rimbunan Hijau Sdn Bhd	1 (b)	11,706
Contract fee received from Related Party for extraction of logs	RH Forest Corporation Sdn Bhd	1 (b)	10,995
Purchase of logs from Related Parties	RH Forest Corporation Sdn Bhd	1 (b)	15,872
	Binamewah Sdn Bhd	1 (b)	7,551
	Perpuluhan Jaya Sdn Bhd	1 (b)	3,329

11. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (CONTD.)

Nature of Transactions entered into by the Company and/or its subsidiary(ies)	Related Parties	Relationship[1] of Related Parties with the Company	Amount Transacted RM'000
Towage and freight charges paid to Related Parties	Oriental Group[2] Onward Shipping Sdn Bhd	1 (b) 1 (b)	26,031 1,246
Purchase of raw materials (glue) from Related Party	Petanak Enterprises Sdn Bhd	1 (b)	27,514
Contract fee paid to Related Party for the construction of building and infrastructure works	Moverstar (M) Sdn Bhd	1 (b)	2,036
Purchase of spare parts, fuel and lubricants from Related Party	Rimbunan Hijau General Trading Sdn Bhd Tiong Toh Siong & Sons Sdn Bhd Taman Logging Sdn Bhd	1 (b) 1 (a) 1 (b)	1,402 11,732 3,343
Sale of logs to Related Party	Subur Group[3]	1 (b)	6,887
Equipment rental paid to Related Party	Tiong Toh Siong & Sons Sdn Bhd	1 (a)	8,480
		Total	**257,980**

Notes:

1. Relationship of Related Party with JTH

   (a) A wholly-owned subsidiary of the major shareholder, Tiong Toh Siong Holdings Sdn Bhd.

   (b) A company in which director(s) and/or major shareholder(s) and/or person(s) connected have substantial interests.

2. Oriental Group includes Oriental Evermore Sdn Bhd and its wholly owned subsidiaries, namely, Empayar Semarak Sdn Bhd, Trans-Allied Sdn Bhd and Globular Sdn Bhd.

3. Subur Group includes Subur Tiasa Holdings Bhd and its wholly owned subsidiaries, namely, Subur Tiasa Plywood Sdn Bhd, Subur Tiasa Forestry Sdn Bhd, Homet Raya Sdn Bhd, R.H. Timber Processing Industries Sdn Bhd and Trimogreen Sdn Bhd.

ANALYSIS OF SHAREHOLDINGS
AS AT 8 AUGUST 2006

Authorised share capital	:	RM1,000,000,000
Issued and fully paid-up share capital	:	RM282,528,499
Class of share	:	Ordinary share of RM1-00 each
Voting Rights	:	1 vote per ordinary share held

Distribution of shareholdings	No. of Holders	%	No. of Holdings	%
1 - 99	61	2.70	2,275	0.00
100 - 1000	914	40.50	837,867	0.33
1001 - 10000	1,027	45.50	4,115,929	1.62
10001 - 100000	180	7.98	5,655,979	2.22
100001 – 12713823 (less than 5% of issued shares)	70	3.10	119,459,936	46.98
12713824 (5% and above of issued shares)	5	0.22	124,204,513	48.85
TOTAL	**2,257**	**100.00**	**254,276,499***	**100.00**

* Excluding a total of 28,252,000 shares bought-back by the Company and retained as treasury shares.

TOP 30 SHAREHOLDERS

No.	Name	Shareholdings	%
1	Tiong Toh Siong Holdings Sdn Bhd	42,279,302	16.63
2	HSBC Nominees (Asing) Sdn Bhd HSBC SG Ltd for Genine Chain Limited	31,762,711	12.49
3	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Amanas Sdn Bhd	19,162,500	7.54
4	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Asanas Sdn Bhd	18,000,000	7.08
5	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tiong Toh Siong Holdings Sdn Bhd	13,000,000	5.11
6	Employees Provident Fund Board	12,256,800	4.82
7	DB (Malaysia) Nominee (Asing) Sdn Bhd Gold Palace Profits Limited	11,849,026	4.66
8	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Asanas Sdn Bhd	8,412,500	3.31
9	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Nustinas Sdn Bhd	8,212,500	3.23
10	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Insan Anggun Sdn Bhd	8,212,500	3.23
11	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tiong Toh Siong Holdings Sdn Bhd	7,250,000	2.85
12	DB (Malaysia) Nominee (Asing) Sdn Bhd Double Universal Limited	6,169,342	2.43

ANALYSIS OF SHAREHOLDINGS
AS AT 8 AUGUST 2006

TOP 30 SHAREHOLDERS (CONT'D)

No.	Name	Shareholdings	%
13	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad	5,603,780	2.20
14	Mayban Nominees (Asing) Sdn Bhd DBS Bank for Bloomswick Ltd	5,076,419	2.00
15	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tiong Thai King	3,668,759	1.44
16	CitiGroup Nominees (Asing) Sdn Bhd Exempt AN for UBS AG Singapore (Foreign)	3,347,304	1.32
17	Pertumbuhan Abadi Asia Sdn Bhd	3,171,100	1.25
18	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (JPMINTL BK Ltd)	2,992,333	1.18
19	Lembaga Tabung Haji	2,877,000	1.13
20	Mayban Nominees (Tempatan) Sdn Bhd DBS Bank for Tiong Hiew King	2,621,911	1.03
21	Tiong Toh Siong Enterprises Sdn Bhd	2,554,500	1.00
22	Zaman Pemimpin Sdn Bhd	2,060,900	0.81
23	Tiong Chiong Ong	1,204,189	0.47
24	CitiGroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Fund	1,128,700	0.44
25	Azerina Mohd Arip @ Gertie Chong Soke Hoon	1,030,000	0.41
26	HSBC Nominees (Asing) Sdn Bhd HSBCIT (S) Ltd for Numbley Assets Limited	1,000,000	0.39
27	Lembaga Amanah Kebajikan Darul Falah	1,000,000	0.39
28	Mayban Nominees (Tempatan) Sdn Bhd DBS Bank for Tiong Chiong Hoo	1,000,000	0.39
29	Roseate Garland Sdn Bhd	990,000	0.39
30	Ke-Zan Nominees (Tempatan) Sdn Bhd Kim Eng Securities Pte Ltd for Wong Lee Yun	955,000	0.38

SUBSTANTIAL SHAREHOLDERS

Name	Direct No. of Shares	%	Indirect No. of Shares		%
Tiong Toh Siong Holdings Sdn Bhd	62,529,302	24.59	285,276	(a)	0.11
Genine Chain Limited	31,762,711	12.49	26,412,500	(b)	10.39
Asanas Sdn Bhd	26,412,500	10.39			
Amanas Sdn Bhd	19,162,500	7.54			
Employees Provident Fund Board	13,308,700	5.23			
Double Universal Limited	6,169,342	2.43	35,587,500	(c)	14.00
Tan Sri Datuk Tiong Hiew King	2,682,212	1.05	68,924,178	(d)	27.11
Teck Sing Lik Enterprise Sdn Bhd	384,000	0.15	65,369,078	(e)	25.71
Ho Cheung Choi			58,175,211	(f)	22.88
Chang Meng			58,175,211	(f)	22.88
Ho Sau Ling, Ella			41,756,842	(g)	16.42
Tomoyuki Tatsuno			41,756,842	(g)	16.42

SUBSTANTIAL SHAREHOLDERS (CONT'D)

Notes: -

a. Deemed interested by virtue of its substantial shareholding in Tiong Toh Siong & Sons Sdn Bhd.
b. Deemed interested by virtue of its substantial shareholding in Asanas Sdn Bhd.
c. Deemed interested by virtue of its substantial shareholdings in Insan Anggun Sdn Bhd, Nustinas Sdn Bhd and Amanas Sdn Bhd.
d. Deemed interested by virtue of his substantial shareholdings in Teck Sing Lik Enterprise Sdn Bhd, Tiong Toh Siong Holdings Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd, Tiong Toh Siong & Sons Sdn Bhd and Pertumbuhan Abadi Asia Sdn Bhd.
e. Deemed interested by virtue of its substantial shareholdings in Tiong Toh Siong Holdings Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd and Tiong Toh Siong & Sons Sdn Bhd.
f. Deemed interested by virtue of their substantial shareholdings in Genine Chain Limited.
g. Deemed interested by virtue of their substantial shareholdings in Double Universal Limited.

DIRECTORS' SHAREHOLDINGS

Name	Direct No. of Shares	%	Indirect No. of Shares	%
Gen (Rtd) Tan Sri Abdul Rahman bin Abdul Hamid	-	-	-	-
Mr Tiong Chiong Hoo	1,013,889	0.40	-	-
Dr. Tiong Ik King	103,339	0.04	-	-
Dr. Haji Wan Alshagaf bin Tuanku Esim	-	-	-	-
Mr John Leong Chung Loong	-	-	-	-
Mdm Tiong Choon	-	-	-	-
Mr Tiong Chiong Hee	-	-	-	-

PROPERTIES OWNED BY THE GROUP

Malaysia

Description	Tenure	Existing use	Land Area	Approximate age of building	Net Book Value as at 30 April 2006 (RM'000)	Date of Acquisition
Tanjung Ensurai, Sibu						
Engkilo L.D. Blk 8 Lot 804	Leasehold land expiring on 05.09.2062	Factory, warehouse and staff quarter	112,256 sq metres	19 years	3,618	19 June 1996
Sibu O.T. 838	Leasehold land expiring on 31.12.2024					1 January 1997
Sibu Grant No. 2383	Leasehold land expiring on 31.12.2018					31 March 1993
Engkilo L.D. Blk 8 Lot 803	Leasehold land expiring on 05.09.2062	Factory, warehouse and staff quarter	157,746 sq metres	14 years	5,854	31 March 1993
Sibu O.T. 655 and 837	Leasehold land expiring on 31.12.2024					31 March 1993
Engkilo L.D. Blk 8 Lot 819	Leasehold land expiring on 31.12.2911	Vacant Agriculture land	8,966 sq metres	-	43	24 March 2004
Sibu O.T. 12262	Leasehold land expiring on 13.6.2027	Vacant Agriculture land	16,183 sq metres	-	201	26 July 2000
Putai, Kapit Concession land		Factory, warehouse and staff quarter		14 years	18,331	-
Upper Lanang Rd, Sibu						
Sibu Town District Blk 10 Lot 169	Leasehold land expiring on 01.03.2050	Detached residential house	832 sq metres	16 years	27	31 December 1990
Sibu Town District Blk 10 Lots 650 & 520 (Sub 120-132)	Pending issuance of Land Title	Building	103,943 sq metres	-	15,704	30 April 2005
Salim, Sibu						
Seduan L.D. Blk 16 Lot 1393	Leasehold land expiring on 31.12.2915	warehouse	19,981 sq metres	8 years	3,686	14 November 1995
Ulu Oya Raod, Sibu						
Seduan L.D. Blk 10 Lot 1161	Leasehold land expiring on 07.08.2054	semi-detached residential house	430.2 sq metres	10 years	187	19 October 1999
Tanjung Manis, Sarikei						
Sare L.D. Blk 3, Lot 25	Rented land expiring on 22.09.2052	Factory, warehouse and staff quarter	209,756 sq metres	8 years	35,472	-

Malaysia (contd.)

Description	Tenure	Existing use	Land Area	Approximate age of building	Net Book Value as at 30 April 2006 (RM'000)	Date of Acquisition
Tanjung Manis, Sarikei (contd.)						
Sare L.D. Blk 3, Lot 71, 86 and 87	Freehold land	Vacant Agriculture land	40,961 sq metres	-	307	19 January 1998
Sare L.D. Blk 3, Lot 138	Leasehold land expiring on 19.06.2062	Vacant Industrial land	15,699.50 sq metres	-	1,760	1 September 2002
Sare L.D. Blk 3, Lot 135, 136,137 and 52	Freehold land	Vacant Agriculture land	46,578 sq metres	-	379	1 September 2003
Sare L.D. Blk 3, Lot 53, 54, 56, 57, 58, 59, 60 and 61	Freehold land	Vacant Agriculture land	230,747 sq metres	-	623	14 November 1996
Sungei Terus, Niah, Miri						
Lot 161, Suai Land District	Provisional leasehold expiring on 6.12.2060	Oil Palm Estate	23,629,286 sq metres	-	1,728	30 April 2001
Lot 934, Niah Land District	Provisional leasehold expiring on 6.12.2060	Oil Palm Estate	26,369,203 sq metres	-	1,890	30 April 2001
Retus, Mukah						
Lot 1, Block 6 Retus Land District	Leasehold land expiring on 23.2.2063	Oil Palm Estate	72,331,816 sq metres	-	5,284	28 August 2003
Lot 9, Block 362 Oya-Dalat District	Leasehold land expiring on 23.2.2063	Oil Palm Estate	34,547,957 sq metres	-	2,518	28 August 2003
Pulau Bruit, Daro, Mukah						
Lot 265, Bruit Land District	Provisional leasehold expiring on 18.5.2064	Oil Palm Estate	100,002,946 sq metres	-	7,025	9 December 2004
Lot 266, Bruit Land District	Provisional leasehold expiring on 18.5.2064	Vacant Agriculture land	50,001,473 sq metres	-	3,517	9 December 2004
Sungai Pantak, Batang Igan, Sibu						
Lot 3418, Pasai-Siong Land District	Leasehold Land expiring on 31.12.2068	Vacant Agriculture land	33,791 sq metres	-	86	28 June 2004
Sungai Buloh, Oya						
Lot 113, Block 7 Oya-Dalat Land District	Leasehold Land expiring on 11.4.2036	Vacant Agriculture land	8,660 sq metres	-	35	12 August 2005

PROPERTIES OWNED BY THE GROUP

Brazil

Municipality/ State	Description	Tenure	Existing use	Land Area	Approximate age of building	Net Book Value as at 30 April 2006 (RM'000)	Date of Acquisition
Selvaplac Verde Ltda							
Moju, Para	M. 4199, F.99, L.2-AV	Freehold	Rural Land	1,160 hectares	-	48	1 July 1997
Portel, Para	M. 951, F.99, L.2	Freehold	Forest Land	7,090 hectares	-	1,023	1 July 1997
Icoaraci, Para	Ind. Plant (M.473, L2-AM)	Freehold	Factory Building	47,076 sq. metres	23	5,084	1 July 1997
Icoaraci, Para	M.236, F.236, L.2-GV M.47, F.47, L.2-GX	Freehold	Urban Land	106,323 sq. metres	-	761	1 July 1997

PROXY FORM

JAYA TIASA

JAYA TIASA HOLDINGS BERHAD
(Company No. 3751-V)
(Incorporated in Malaysia)

I / We ____ NRIC No. ________________
(FULL NAME IN BLOCK LETTERS)

of ____ Telephone No. ________________
being a member / members of **JAYA TIASA HOLDINGS BERHAD** hereby appoint *the Chairman of the Meeting,

or ____ NRIC No. ________________

**and/or ____ NRIC No. ________________
as my/our proxy/proxies to attend and vote for me/us and on my/our behalf at the Forty-Sixth Annual General Meeting of the Company to be held at the Auditorium, Ground Floor, No.62, Lorong Upper Lanang 10A, 96000 Sibu, Sarawak on Thursday, 28 September 2006 at 11.45 a.m. and at any adjournment thereof.

RESOLUTION		FOR	AGAINST
No.1	Adoption of the Audited Financial Statements for the financial year ended 30 April 2006 together with the Reports of the Directors and Auditors thereon.		
No.2	Declaration of a first and final dividend of 3% less tax for the financial year ended 30 April 2006.		
No.3	Re-election of Gen (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid.		
No.4	Re-election of Mr Tiong Chiong Hoo.		
No.5	Re-election of Dr Haji Wan Alshagaf Bin Tuanku Esim		
No.6	Approval of Directors' fees for the financial year ended 30 April 2006.		
No.7	Re-appointment of Auditors.		
No.8	Authority for the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
No.9	Proposed Shareholders' Mandate for Recurrent Related Party Transaction.		

The proportion of my/our holding to be represented by my/our proxies are as follows: -

	Number of shares
First proxy	
Second proxy	
Total	

Dated this ____________ day of ____________ 2006

____
Signature / Common Seal of Shareholder(s)

* If you do not wish to appoint the Chairman of the Meeting as your proxy/one of your proxies, please strike out the words "the Chairman of the Meeting" and insert the name(s) of the proxy/proxies you wish to appoint in the blank space provided.

** Please delete as applicable.

Notes

1. A member of the Company entitled to attend and vote at the meeting is also entitled to appoint one or more proxies in his/her stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
2. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. The instrument appointing a proxy must be deposited at the Company's Registered Office at No.1-9, Pusat Suria Permata, Lorong Upper Lanang 10A, 96000 Sibu, Sarawak not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.
4. If the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of its attorney.

The Secretary
JAYA TIASA HOLDINGS BERHAD
No.1-9, Pusat Suria Permata,
Lorong Upper Lanang 10A,
96000 Sibu, Sarawak,
Malaysia.