ANNUAL REPORT
2007

JAYA TIASA
(3751-V)

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Dato' Sri 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

Mdm Tiong Choon
Non-Independent Non-Executive Director

Mr Tiong Chiong Hee
Non-Independent Non-Executive Director

Mr John Leong Chung Loong
Independent Non-Executive Director

Ms Wong Lee Yun
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

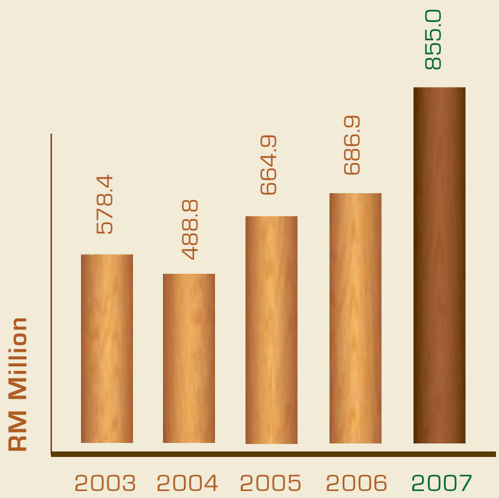
No.1-9, Pusat Suria Permata, Lorong Upper Lanang 10A, 96000 Sibu, Sarawak
Tel : 084-213255 Fax : 084-213855 E-mail: inquiry@jayatiasa.net

WEBSITE ADDRESS

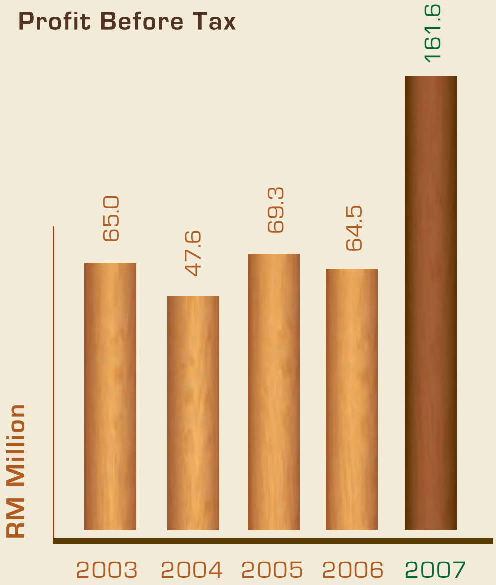
www.jayatiasa.net

5-YEAR FINANCIAL HIGHLIGHTS

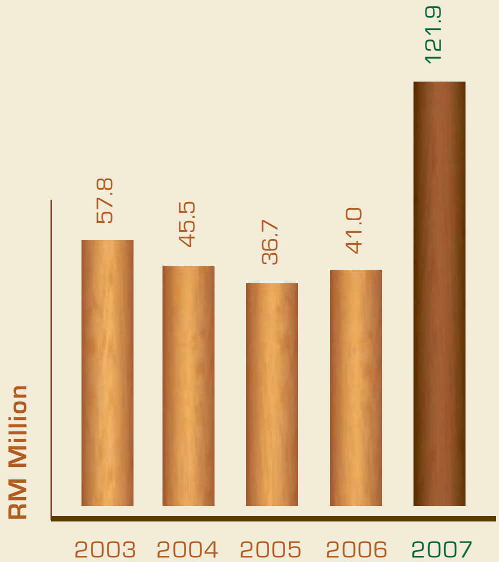
Turnover



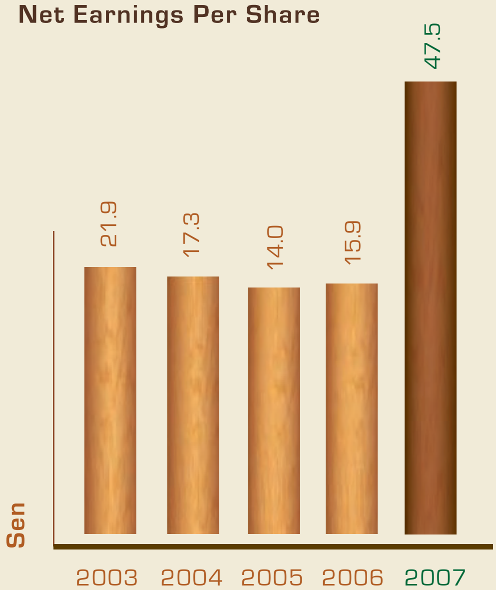
Profit Before Tax



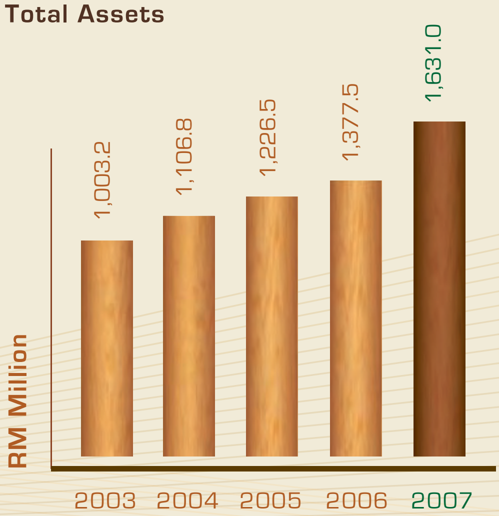
Profit After Tax



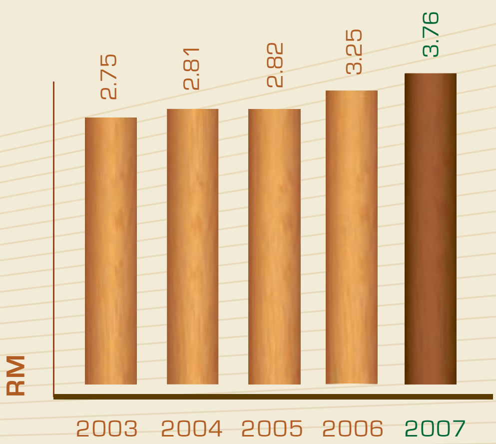
Net Earnings Per Share



Total Assets



Net Tangible Assets Per Share



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Seventh 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, 27 September 2007 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 2007 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 2007. — 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. Dr. Tiong Ik King — Resolution 3
   ii. Mdm Tiong Choon — Resolution 4

4. To re-elect Ms Wong Lee Yun who retires pursuant to Article 82 of the Company's Articles of Association. — Resolution 5

5. To approve the payment of Directors' fees for the financial year ended 30 April 2007. — Resolution 6

6. 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

7. To consider and if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS

(i) Authority for Directors to Allot and Issue Shares — Resolution 8

"THAT subject 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."

(ii) Proposed Authority for the Company to Purchase its Own Shares — Resolution 9

"THAT subject to the Companies Act, 1965 ("Act"), the Articles of Association of the Company, the regulations and guidelines issued from time to time by Bursa Malaysia Securities Berhad ("Bursa Securities") or any other regulatory authorities, the Directors be and are hereby authorised to utilise an amount not exceeding the total audited share premium and retained profits of the Company as at 30 April 2007 of RM322.7 million and

(ii) Proposed Authority for the Company to Purchase its Own Shares (Cont'd)

RM19.9 million respectively to purchase such number of ordinary shares of the Company provided that the ordinary shares so purchased shall [in aggregate with the treasury shares as defined under section 67A of the Act then still held by the Company] not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being;

AND THAT such authority shall commence upon the passing of this resolution until the conclusion of the next Annual General Meeting of the Company unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting;

AND THAT the Directors may cancel the ordinary shares so purchased or to retain same as treasury shares and may distribute the treasury shares as share dividend or may resell same in a manner they deem fit and expedient as prescribed by the Act and the applicable regulations and guidelines of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT authority be and is hereby given to the Directors to take all such steps to implement, finalise and to give effect to the aforesaid transactions with full power to assent to any conditions modifications variations and amendments as may be imposed by the relevant authorities and to do all such acts and things and upon such terms and conditions as the Directors may in their discretion deem fit and expedient in the best interest of the Company in accordance with the aforesaid Act, regulations and guidelines."

(iii) Proposed Shareholders' Mandate for Recurrent Related Party Transaction — Resolution 10

"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 recurrent related party transactions of a revenue or trading nature as set out in Section 2.2 of Part B of the Circular to Shareholders dated 5 September 2007 with specific classes of Related Parties which are necessary for the day-to-day operations and in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders AND THAT such mandate shall commence upon the passing of this resolution and continue to be in force until:

a) the conclusion of the next Annual General Meeting of the Company;
b) the expiration of the period within which the next Annual General Meeting after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
c) revoked or varied by an ordinary resolution passed by the shareholders at a general meeting,

whichever is the earliest.

And further that the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give full effect to the transactions authorised by this resolution."

SPECIAL RESOLUTION

(iv) Proposed Amendments to the Articles of Association of the Company — Resolution 11

"THAT the amendments to the Articles of Association of the Company as set out in the Annexure to Part C of the Circular to Shareholders dated 5 September 2007 be and are hereby approved."

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 ANNUAL GENERAL MEETING

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 2007, if approved at the Forty-Seventh Annual General Meeting, will be paid on 19 October 2007 to Depositors whose names appear in the Record of Depositors on 3 October 2007.

NOTICE IS FURTHER GIVEN THAT the Share Dividend of one (1) Treasury Share for every twenty (20) ordinary shares of the Company held by the Depositors whose names appear in the Record of Depositors on 3 October 2007 will be credited to the Depositors' Securities Account on 19 October 2007.

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 October 2007 in respect of securities exempted from mandatory deposit;

b) Securities transferred into the Depositor's securities account before 4.00 p.m. on 3 October 2007 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 Securities.

By Order of the Board
JAYA TIASA HOLDINGS BERHAD

NGU UNG HUONG (MAICSA 7010077)
Company Secretary

Sibu, Sarawak
5 September 2007

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. If the proxy form is executed by an attorney, supporting documents has to be produced on the day of the Annual General Meeting for verification by the Company Secretary.

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) Proposed Authority for the Company to Purchase its Own Shares

The Proposed Ordinary Resolution No. 9 if passed, will authorize the Company to purchase up to 10% of the issued and paid-up share capital of the Company through Bursa Malaysia Securities Berhad.

c) Shareholders' Mandate for Recurrent Related Party Transaction

The Proposed Ordinary Resolution No.10 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.

d) Amendments to the Articles of Association of the Company

The Proposed Special Resolution No.11 if passed, will update the Articles of Association of the Company to ensure continued compliance with the Listing Requirements of Bursa Malaysia Securities Berhad.

STATEMENT ACCOMPANYING
NOTICE OF ANNUAL GENERAL MEETING

1. The Directors standing for re-election at the Forty-Seventh Annual General Meeting are:

   a) Dr. Tiong Ik King
   b) Mdm Tiong Choon
   c) Ms Wong Lee Yun

2. The profiles of the Directors who are standing for re-election are set out on pages 12 and 13.

3. Their shareholdings, if any, in the Company are set out in the Analysis of Shareholdings on page 108. None of the Directors holds any shares in the subsidiaries of the Company.

Forest Concessions

Gross Area	:	713,211 hectares (1,760,535 acres)
Extraction Quota	:	92,200m^3 monthly
Main Species	:	Meranti, Kapor, Keruing, Selangan Batu, Jelutong, Melapi, Mersawa, Nyatoh, Arau, Penyau and Bindang.

Oil Palm Plantation

Total Land Area	:	83,480 hectares
Plantable Area	:	69,055 hectares
Planted Area*	:	24,525 hectares
Matured Area*	:	2,788 hectares

Reforestation

Total Land Area	:	71,797 hectares
Plantable Area*	:	41,684 hectares
Planted Area*	:	5,245 hectares

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

Note: *As at 31 July 2007

BOARD OF DIRECTORS

Dr Tiong Ik King

Dr Haji Wan Alshagaf
Bin Tuanku Esim

Mr Tiong Chiong Hee

Mr John Leong Chung Loong

Gen (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid

Ms Wong Lee Yun

Mdm Tiong Choon

Dato' Sri Tiong Chiong Hoo

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 69, 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.

DATO' SRI TIONG CHIONG HOO
Group Managing Director

Dato' Sri Tiong Chiong Hoo, aged 47, 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-three (23) 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 57, 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, Dato' Sri 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 62, 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 is the Patron of the 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.

MDM TIONG CHOON
Non-Independent Non-Executive Director

Mdm Tiong Choon, aged 38, 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 Dato' Sri Tiong Chiong Hoo and cousin brother Mr Tiong Chiong Hee are also members of the Board.

MR TIONG CHIONG HEE
Non-Independent Non-Executive Director

Mr Tiong Chiong Hee, aged 34, 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 Dato' Sri Tiong Chiong Hoo and cousin sister Mdm Tiong Choon are also members of the Board.

MR JOHN LEONG CHUNG LOONG
Independent Non-Executive Director

Mr John Leong Chung Loong, aged 60, 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, 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.

MS WONG LEE YUN
Independent Non-Executive Director

Ms Wong Lee Yun, aged 54, was appointed to the Board on 21 June 2007.

She is a Certified Public Accountant by profession.

She has extensive experience in investment banking, Finance and Strategic Planning for large investment projects, as well as acquisition of strategic businesses. She was a Corporate Finance Manager at Permata Chartered Merchant Bank and Vice President at Chase Manhattan Bank. From 1991 to 1996, she was the Director of Finance and Strategy for the Renong Group of Companies. She became the Chief Executive of Jaya Tiasa Holdings Berhad from 1997 to 2000. She holds directorship in several private limited companies.

Currently, she also serves on the Board of Sin Chew Media Corporation Berhad as an Independent Non-Executive Director.

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

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 Malaysians.

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 2007.

The financial year under review started off on a positive note. The momentum of the upward trend of the timber prices achieved in the previous financial year was largely maintained as the Group was ushered into the financial year under review. The continued strengthening of the timber prices was a result of an increasing demand from major timber consuming countries, such as India, China, Japan and Middle East, and tight log supply condition worldwide. There were also some favourable developments on the macroeconomic front with crude oil price receding from its record high in the previous financial year and Ringgit Malaysia stabilizing against the US Dollar.

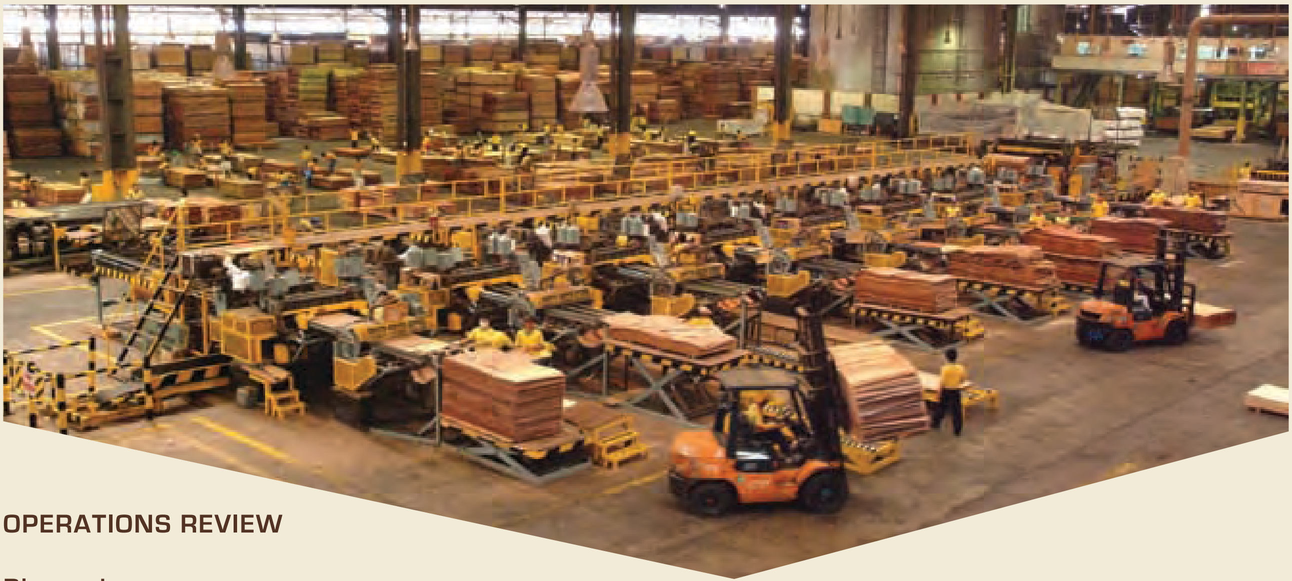
The performance of the Group peaked during the third quarter of the financial year under review as the timber prices climbed further on the back of stronger demand from major timber importing countries. However, the heavy purchases had resulted in an overstocked position. This coupled with the seasonal factors such as the festive holidays and the winter period in the Northern Hemisphere had weighed down on the demand. As a result, timber prices went through a consolidation phase in the fourth quarter of the financial year under review. In addition, the same quarter also witnessed the US Dollar further weakening against the Ringgit Malaysia. Despite these less than favourable factors, by and large, the financial year under review saw the Group reaping a bumper year.

FINANCIAL PERFORMANCE

Against this backdrop, the Group charted a record revenue and profit before tax for the financial year under review. The revenue of the Group increased by RM168.1 million or 24.5% to RM855.0 million from RM686.9 million recorded in the previous financial year, whereas profit before tax increased by RM97.1 million or 150.5% to RM161.6 million from RM64.5 million in the previous financial year.

Profit after tax of the Group for the financial year under review also surged to RM121.9 million, representing an increase of RM81.0 million or 198.0% from RM40.9 million posted in the previous financial year. This translated into higher earnings per share of 47.5 sen for the financial year under review as compared to 15.9 sen in the previous financial year.

With the significantly improved profitability, shareholders' funds of the Group as at the end of the financial year under review had further increased to RM1,023.3 million from RM906.7 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 RM3.76 as compared to RM3.25 as at the end of the previous financial year.



OPERATIONS REVIEW

Plywood

Plywood division continued to remain as the top earner of the Group, contributing about 55% to the total revenue of the Group for the financial year under review as compared to the 47% in the previous year. The increase in the share of contribution of the plywood division was attributed to the higher selling price and sales volume achieved during the financial year under review. The average selling price of plywood achieved for the financial year under review improved by 31% while its export volume increased by 19% as compared to that of the previous financial year.

The USA, though continued to remain as the leading market for the plywood export of the Group for the financial year under review, had seen its share of contribution declined to 35% from 52% achieved in the previous financial year. Middle East, however, had overtaken Korea as the second largest plywood export market of the Group, making up 24% of the total plywood export of the Group as compared to the 12% in the previous financial year. Korea took up only 17% of the plywood export of the Group as compared to the 28% in the previous financial year.

The reduced reliance on the USA market and the successful expansion of plywood export to countries such as Middle East and Japan reflect the success of the Group's market diversification strategy. The Group currently exports to more than ten countries and has one of the most diversified plywood export sales markets among the timber companies in Malaysia. It is worth mentioning that during the financial year under review, the Group had seen its plywood export to Japan increased to 16% of the total plywood export of the Group from the 2% in the previous financial year. This is also a direct result of the Japanese Agriculture Standard ("JAS") certification obtained by Factory No.2 of Jaya Tiasa Plywood Sdn Bhd, a wholly owned subsidiary of the Group, in the financial year prior to the financial year under review.

The Group will continue its effort on the certification front in order to position itself better to penetrate the market where certification is required. During the financial year under review, another certification project of the Group had come into fruition. On 31 May 2006, another wholly owned subsidiary of the Group, Rimbunan Hijau Plywood Sdn Bhd, was awarded CE Marking Certification by BM Trada Certification Ltd for its phenol-formaldehyde bonded hardwood plywood for use in the construction industries as structural plywood in both internal and external conditions. The certification signifies the conformity with the EU Constructive Product Directive and thus, enables Rimbunan Hijau Plywood Sdn Bhd to sell its plywood to the markets in the European Union.

During the financial year under review, the plywood division's performance was also boosted by the Group's strategic emphasis on sales of higher margin products and the Group's investments in machinery upgrading, which resulted in enhanced operational efficiency as wood veneer production was increased from each log. The Group will continue to make necessary investments to improve the utilization of resources and increase the production capacity. To this end, the Group has acquired some new machinery, the installation of which is expected to be ready by the end of the first half of the current financial year. The new machinery installed is expected to increase the plywood production capacity by at least 5,000m^3 per month from the current capacity of 30,000m^3 per month.

Logging

For the financial year under review, the average selling price and the total sale volume for the round logs of the Group had increased by about 9% and 13%, respectively, as compared to that of the previous financial year. Despite the higher export volume and improved average selling price of round logs, the logging division's share of contribution to the total revenue of the Group had decreased from 42% to 36% for the financial year under review. This is due mainly to the fact that increases in the sales volume and average selling price of plywood far outstripped that of round logs during the financial year under review.

Japan continued to remain as the largest export market for the round logs of the Group for the financial year under review, making up 31% of the Group's total round log export value, followed by India and Taiwan, which contributed 28% and 24%, respectively.

Traditional markets such as Japan and Taiwan, though continue to be listed among the top three log export markets for the Group, have posed some challenges to the Group due to the stiff competition from softwood and tropical logs from alternative sources. The prevailing trend of relocating timber-manufacturing bases to other countries where costs are more competitive had also contributed to the decline in round log import in these more developed markets. Nevertheless, emerging markets, in particular India and China, have featured more prominently as important export destinations of the Group as a result of their booming economies, especially with the robust activities in the construction sector.

Oil Palm Plantation

Although the contribution of the oil palm division to the total revenue of the Group still remained relatively insignificant, revenue from the sales of fresh fruit bunches (FFB) for the financial year under review had increased by 280.8% to RM9.9 million from RM2.6 million as recorded in the previous financial year as a result of an increase in FFB harvest and average selling price of FFB. FFB harvested during the financial year under review was 31,864 tonnes, representing an increase of 191.8% from 10,919 tonnes in the previous financial year. These FFB also fetched a higher average selling price of RM312 per tonne as compared to the RM242 per tonne in the previous financial year.

Development and planting work at all the plantation estates of the Group had been progressing as expected. The financial year under review saw the total planted area of the Group increased to 22,445 hectares as compared to 11,092 hectares as of the end of the previous financial year. Planting is expected to be sustained at a pace of more than 10,000 hectares per annum, which will see the existing land bank of 83,480 hectares to be fully planted in about 4 years time. Of the total planted area, an additional area of 1,903 hectares of earlier plantings at Simalau Plantation had come into maturity, which made the total matured area stood at 2,788 hectares as at the end of the financial year under review. The enlarged matured area had translated into higher FFB harvest and correspondingly, higher revenue from FFB sales. It is anticipated that the total matured area will increase to 4,195 hectares for the current financial year. As more planted area come into maturity in time to come, oil palm division is expected to contribute significantly to the earnings of the Group.

Reforestation

During the financial year under review, another 1,200 hectares of forestland in the Licenses For Planted Forest (LPF) sites of the Group had been developed with a corresponding 183,315 seedlings being planted. The main species being planted were fast growing species such as *Anthocephalus chinensis* (Kelampayan) and *Eucalyptus deglupta* (Kamarere). The progress of the tree planting during the financial year under review could have been more satisfactory if not for the challenges posed by geographical location, weather and terrain condition at some of the LPF sites of the Group. It is expected that the planting will accelerate as we move further up the learning curve and more contractors and manpower are engaged.

The progress of seedling production at the nurseries of the Group had been satisfactory. As at the end of the financial year under review, the stock of seedlings at the nurseries totaled 506,360 seedlings, comprising such main species as *Anthocephalus chinensis, Eucalyptus deglupta, Paraserainthes falcataria* and *Neonauclea Bernard*. The available seedling stock is expected to be sufficient to meet the immediate need of the reforestation activities of the Group.

At this juncture, the reforestation division is not expected to make any significant contribution to the earnings of the Group as the planted forest in the LPF sites of the Group have a rotation period of 12 to 15 years to be commercially viable for industrial usage. However, the reforestation division is of strategic importance to the sustainable long-term growth of the Group as it will ensure a continuous supply of raw materials to the Group's timber manufacturing operations in the long run.

CHANGE IN BOARDROOM

On 21 June 2007, Ms Sandra Wong Lee Yun, the Chief Executive of Jaya Tiasa Holdings Berhad from 1997 to 2000, was appointed to the Board. On behalf of the Board of Directors, I would like to take this opportunity to welcome her to the Board.

DIVIDEND

The Board of Directors has recommended a final dividend of 3% less income tax of 27% for the financial year under review. To further reward the shareholders for their loyalty and support, the Board of Directors has also declared a share dividend distribution on the basis of 1 treasury share for every 20 existing ordinary shares. Although the distribution represents a small fraction of the earnings of the Group for the financial year under review, the Board of Directors believes that the distribution ratio is appropriate in view of the funding requirements of the Group's investments in oil palm development and reforestation projects. The greater returns expected from these investments will eventually translate into higher earnings per share, greater capital appreciation and better dividends payout for the shareholders. As such, the Board of Directors believes that the shareholders will be rewarded handsomely in time to come.

OUTLOOK

Subsequent to the end of the financial year under review, timber prices, especially that of plywood, have softened due primarily to the lower than expected housing start in Japan and the overstocked position in major timber importing countries. The slowdown of the housing market in the USA had also weighed down on the demand for timber products. However, the softening of timber prices is expected to be temporary as the overstocked position in the major importing countries will be cleared off eventually. Although the housing start in Japan correlates closely with that of the USA, it remains more stable and resilient and is expected to pick up with the recovery of Japan's economy.

The long-term prospect of the timber prices is expected to remain positive as continued tight log supply and firm demand for timber products from emerging economies such as India and China are expected to drive the timber prices steadily higher. In addition, the recent increase by the Russian Government of export taxes from 6.5% to 20% on the softwood log export from Russia is also expected to have a positive impact on the hardwood timber prices. If the Russian Government further increases the export duty to 25% in April 2008 and 80% in January 2009 as scheduled, this will definitely put a further upward pressure on the global price of logs given the sheer magnitude of the export tax increase and Russia's large share of the global log market. This will augur well for the tropical log and plywood prices.

OUTLOOK (CONT'D)

On the macroeconomic front, the visibility of the global economic outlook continues to be clouded by the surging crude oil prices and the rising concern over the well being of the world largest economy, i.e. the USA. The renewed political unrest in Nigeria and the production cuts by OPEC have revived the concern over the possible disruption to the supply of crude oil. This coupled with the robust demand for crude oil resulting from the strong economic growth particularly in the emerging economies such as China and India had once again driven the crude oil price above $77 per barrel recently. The unrelentingly high crude oil price will continue to exert an inflationary pressure on the global economy. With the USA, which is plagued by sub-prime housing mortgage and credit tightening problems, expected to post a modest growth, the emerging economies such as China and India are expected to take the lead to spearhead the growth of the global economy. On the home front, the continued weakening of the USD against the Ringgit Malaysia will have a direct impact on the earnings of the timber export business of the Group.

Amidst the challenging environment, the Group will strive to excel at its existing business operations while remains focused on the development of new core businesses in its pursuit of sustainable long-term growth. Core to the endeavours of the Group is the three-pronged strategy, which centers on improving operational efficiency, securing continuous and sustainable supply of raw material through reforestation and diversifying into oil palm plantation. This strategy will ensure that the Group is steered towards achieving its strategic goals and thus, creating more value for the shareholders.

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
17 August 2007

JAYA TIASA HOLDINGS BERHAD

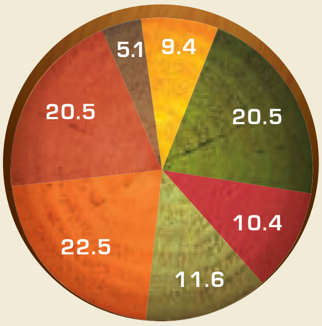
100% - Jaya Tiasa Plywood Sdn Bhd
100% - Jaya Tiasa Timber Products Sdn Bhd
100% - Rimbunan Hijau Plywood Sdn Bhd
100% - Jaras Sdn Bhd
70% - Sericahaya Sdn Bhd
70% - Curiah Sdn Bhd
100% - Jaya Tiasa Forest Plantation Sdn Bhd
100% - Guanaco Sdn Bhd
100% - Maujaya Sdn Bhd
100% - Maxiwealth Holdings Sdn 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% - Multi Greenview 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

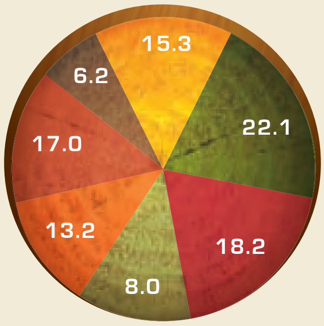
100% - Eastern Green Company Inc.
100% - Atlantic Evergreen Holdings
↓
100% - Western Timber Resources Limited
100% - Pacific Timber Holdings Limited
↓
66% - Selvaplac Verde Ltda ← 34%
100% - Atlantic Timber Holdings Limited

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

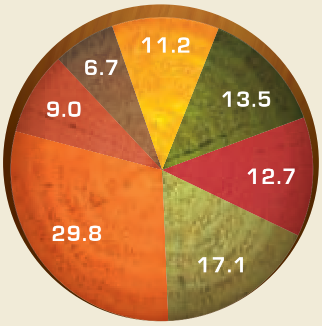
SALES VALUE 2007 (%)



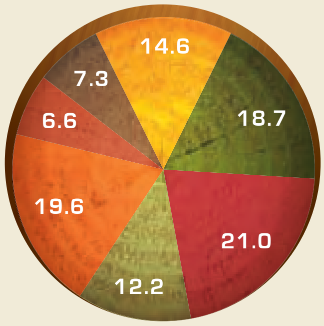
SALES VOLUME 2007 (%)



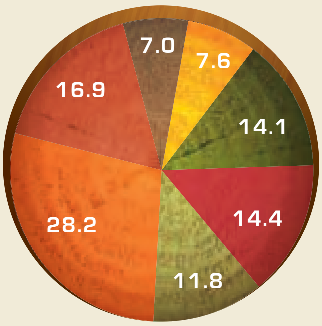
SALES VALUE 2006 (%)



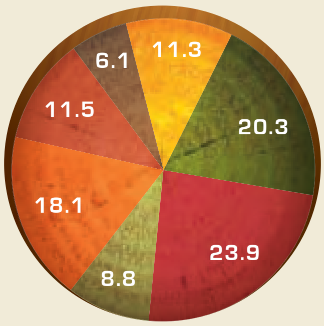
SALES VOLUME 2006 (%)



SALES VALUE 2005 (%)



SALES VOLUME 2005 (%)



PERCENTAGE OF EXPORT SALES

YEAR ENDED	LOGS	PLYWOOD	VENEER	OTHERS	
30 April 2007	**33.9%**	**64.3%**	**0.2%**	**1.6%**	**100%**
30 April 2006	38.6%	56.2%	3.3%	1.9%	100%
30 April 2005	34.7%	59.5%	4.0%	1.8%	100%

STATEMENT ON CORPORATE GOVERNANCE

The Malaysian Code on Corporate Governance ("Code") 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 eight (8) members. Seven (7) are Non-Executive Directors (including the Chairman) and one (1) is an Executive Director. Four (4) of the eight (8) 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 12 to 13.

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 executive.

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 2007.

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
Dato' Sri Tiong Chiong Hoo	5/5
Dr Tiong Ik King	4/5
Dr Haji Wan Alshagaf Bin Tuanku Esim	5/5
Mdm Tiong Choon	5/5
Mr Tiong Chiong Hee	4/5
Mr John Leong Chung Loong	4/5
Ms Wong Lee Yun (Appointed on 21 June 2007)	Not applicable

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 28 to 31.

b. Nomination Committee

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

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 has met once during the financial year ended 30 April 2007.

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;
- to review the Executive Director's scope of service contracts; and
- to review the fees for Board members as well as Board Committee members.

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 has met once during the financial year ended 30 April 2007.

d. Risk Management Committee

The Managing Director, Dato' Sri 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;

- 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's 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

The objective of the Company's policy on Directors' remuneration is to attract and retain the Directors of the caliber needed to run the Group successfully. The Remuneration Committee recommends to the Board the framework of the executive Director's remuneration and the remuneration package for the executive Director. It is, nevertheless, the ultimate responsibility of the entire Board to approve the remuneration of the executive Director. In the case of non-executive Directors, the level of remuneration reflects the level of responsibilities undertaken by the particular non-executive Director concerned.

The Company reimburses reasonable expenses incurred by the Directors in the course of their duties as Directors.

During the financial year ended 30 April 2007, the remuneration of the Executive Director and Non-Executive Directors are as follows:

Directors' remuneration	Executive Director RM	Non-Executive Directors 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	-

DIRECTORS' REMUNERATION (CONT'D)

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. They are encouraged to attend other educational 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. Reconciling Shareholder Value with Customer Value: organised by Rating Agency Malaysia.
2. Elite Director's Academy 2007: organised by Smart Business Consulting.
3. 1st Interim Financial Reporting 2006: organised by Ernst & Young.
4. Fraud Examination-Detecting Fin Shenanigans: organised by CPA Australia.
5. Year 2007 Budget Proposals & Recent Tax Developments: organised by Ernst & Young Tax Consultants Sdn Bhd.
6. Public Rulings: organised by CPA Australia.
7. Audit Committee and the Internal Audit Function: organised by Bursatra Sdn Bhd.

APPOINTMENTS TO THE BOARD AND RE-ELECTION OF DIRECTORS

There is in place a formal and transparent procedure for the appointment of new Directors to the Board. The proposed appointment of new member(s) of the Board as well as the proposed re-appointment or re-election of Directors seeking re-appointment or re-election at the Annual General Meeting, are reviewed by the Nomination Committee. The Nomination Committee will thereafter submit its recommendation on the proposed appointment, re-appointment or re-election of Directors to the Board for approval.

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting after their appointment. Directors over seventy years of age are required to submit themselves for re-appointment by shareholders annually in accordance with Section 129(6) of the Companies Act 1965. In accordance with the Articles of Association, at least one-third of the remaining Directors are required to submit themselves for re-election by rotation at each Annual General Meeting.

SHAREHOLDERS COMMUNICATION AND INVESTOR RELATIONS

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group. The Company has an Investor Relations Unit which provides a platform for two-way communication between the Company and the shareholders, investors and the investment community, both in Malaysia and overseas. In addition to various announcements made during the year, the timely release of financial results on a quarterly basis provides shareholders with an overview of the Group's performance and operations.

The Company's Annual General Meeting serves as a principal forum for dialogue with shareholders, whereby shareholders are at liberty to raise questions on the agenda items of the meeting. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Members of the Board as well as the external auditors of the Company are present to answer questions raised at the meeting.

Regular press conference and an analysts' briefing are held after the quarterly financial results are released to Bursa Malaysia Securities Berhad, 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.

FINANCIAL REPORTING

In presenting the annual financial statements and quarterly announcement of results 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 34.

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 32 and 33.

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 17 August 2007.

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

Dato' Sri 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;

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; and
- 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.

2.3 FUNCTIONS AND DUTIES (CONT'D)

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.

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
Dato' Sri Tiong Chiong Hoo	5/5
Dr Haji Wan Alshagaf bin Tuanku Esim	5/5
Mr John Leong Chung Loong	4/5

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.

3. SUMMARY OF AUDIT COMMITTEE ACTIVITIES (CONT'D)

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 recognizes that an independent internal audit function plays an essential role in obtaining the reasonable assurance it requires, regarding the effectiveness of the system of internal control.

The internal audit function is carried out by the Group's Internal Audit Department. It provides independent assessment and objective assurance on the effectiveness of the system of internal control in key business activities within the Group. 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 audit review based on the annual audit plan which was approved by the Audit Committee and carried out special ad-hoc reviews at the request of the management.

The main audit activities during the financial year included the following:

a) Reviewing the soundness, adequacy and application of accounting, financial, operational, IT and compliance controls and promoting control awareness in the Group;

b) Ascertaining the extent of compliance with established 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) Reviewing related party transactions that had arisen within the Company and the Group;

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

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

This Report is made in accordance with a resolution of the Board of Directors dated 17 August 2007.

STATEMENT ON INTERNAL CONTROL

Introduction

The Bursa Malaysia Securities Berhad's Listing Requirements Paragraph 15.27 (b) requires the board of directors to make a statement in the Company's Annual Report about the state of its internal controls. The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investment and the Company's assets.

Accordingly, the Board is pleased to set out below the Statement on Internal Control that was prepared in accordance with Bursa Malaysia's Statement on Internal Control-Guidance for Directors of Public Listed Companies. The Board believes that the practice of good corporate governance is an important continuous process and not just a matter to be published for compliance purposes in the Annual Report.

Board's Responsibility

The Board recognizes that good corporate governance has its roots in sound internal controls and prudent risk management practices. The Boards affirms its overall responsibility for reviewing the adequacy and integrity of the Group's internal control systems and acknowledges its responsibility to ensure that significant risks in the Group are identified, assessed and managed with appropriate controls.

The internal control systems include, inter alia, risk management, financial, operational, information system as well as compliance with applicable laws, regulations, rules, directives and guidelines. The Board is informed of all control issues pertaining to internal controls and regulatory compliance. It is imperative to note that any system of internal control can only provide reasonable and not absolute assurance against material misstatement or losses.

Risk Management

Risk management is an integral part of the Group's business operations. Since the establishment of the Risk Management Policy and Terms of Reference of Risk Management Committee ("RMC") in September 2002, a Risk Management Framework has also been developed to promote effective risk management to mitigate significant risks that may impede the achievement of the Group's business objectives. The RMC, delegated with the responsibility of reviewing the effectiveness of risk management, continues to play a pivotal role in monitoring the risk management activities and reporting to the Board.

During the financial year under review, the Group reaffirmed its on-going process of risk management with the setting up of a Risk Management Department to ensure leadership, direction and coordination of the group-wide application of risk management. Re-training on risk management consciousness, risk assessment process and methodology were carried out. The group-wide risk assessment is conducted on an annual basis and includes re-evaluating significant risks occurring and control effectiveness as well as adopting appropriate activities or action plans to mitigate those risks to the desired level.

Reports on the risk profiles of the Group were presented to the RMC for monitoring and review and thereafter tabled to the Board for deliberation.

Identification of significant risks facing each business, potential impact and likelihood of those occurring, the control effectiveness and action plans to manage those risks will continuously be carried out throughout various functions in the Group.

Control Environment and Activities

The Board is committed to maintaining a strong control environment for the Group's business operations. The Group's control environment and activities comprise the following components:

- The Audit Committee comprises a majority of independent directors who have unimpeded access to both internal and external auditors. The activities of the Audit Committee include reviewing the results of the internal and external auditors' works and findings assist them in their evaluation of the control environment.
- The Group has established a proper defined organizational structure with clear reporting lines and formalized roles and responsibilities.
- Effective and comprehensive systems are in place to ensure that financial and operational information are periodically prepared and reported to the Board.
- The reporting and review of operational and financial performance for all the businesses of the Group are carried out during the Monthly Management Meeting.
- The Group budget is prepared annually and that monthly monitoring of actual results against budget, with major variances being followed up and management action taken, where necessary.
- Established management information systems with documented business processes, including change request to system programs and access to data files.
- Documented policies and procedures are in place and regularly updated to reflect changing conditions and ensure proper identification of accountabilities and compliance with internal controls.

Internal Audit Function

The Board recognizes that effective monitoring on a continuous basis is a vital component of a sound internal control system. In this respect, the Board through the Audit Committee regularly receives and reviews reports on internal control from internal audit function.

The internal audit function provides the Audit Committee with independent and objective reports on the adequacy and effectiveness of internal controls and procedures in the operating business units within the Group as well as the extent of compliance with the Group's existing policies and procedures, and compliance to applicable laws, regulations, directives and other enforced compliance requirements.

Risks were assessed and the annual audit plan was presented to the Audit Committee for approval. During the year, audits were performed in accordance with the annual audit plan covering operational, financial and compliance aspects. Ad-hoc reviews were also conducted on areas of management concern, as well as on any significant issues pertinent to the Group. Audit reports incorporating audit recommendations and responses from head of operational business units were forwarded to the management for necessary actions and presented to the Audit Committee and the Board at its quarterly meetings. Corrective actions undertaken were re-assessed at subsequent audits.

Board Review

The Board is of the view that there were no material losses incurred during the year under review as a result of weaknesses in internal control that would require disclosure in the Group's Annual Report. The Board continues to take necessary measures to strengthen the Group's internal control environment.

This Statement is made in accordance with a resolution of the Board of Directors dated 17 August 2007.

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 Financial Reporting Standards in Malaysia, the provisions of the Companies Act, 1965 and the Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the year ended 30 April 2007, 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 and applicable Financial Reporting Standards in Malaysia.

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 17 August 2007.

FINANCIAL STATEMENTS

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 2007.

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 17 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 tax	121,900	17,429
Attributable to:		
Equity holders of the Company	120,846	17,429
Minority interests	1,054	-
	121,900	17,429

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

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 the effects arising from changes in estimates where the estimated useful lives of certain motor vehicles were revised resulting in an increase in the Group's and the Company's profit for the year by RM7,038,682 and RM4,151,995, respectively, as disclosed in Note 2.4 to the financial statements.

Dividends

The amount of dividends paid by the Company since 30 April 2006 were as follows:

	RM'000
In respect of the financial year ended 30 April 2006 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 28 September 2006 and paid on 23 November 2006	5,492

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 30 April 2007, of 3% less 27% taxation, on 254,276,499 ordinary shares, amounting to a dividend payable of RM5,569,000 (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 earnings in the financial year ending 30 April 2008.

Subsequent event

On 20 June 2007, the Board of Directors declared a distribution of 1 treasury share for every 20 existing ordinary shares held.

The treasury shares distributed will not be entitled to the first and final dividend recommended above.

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
Dato' Sri Tiong Chiong Hoo	Managing Director
Dr. Tiong Ik King	
Dr. Haji Wan Alshagaf Bin Tuanku Esim	
Tiong Choon	
Tiong Chiong Hee	
John Leong Chung Loong	
Wong Lee Yun	(Appointed on 21 June 2007)

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 or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) 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 as disclosed in Note 32 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 2006 and 30 April 2007
The Company	
Direct interest:	
Dato' Sri 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.

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.

(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 dated 17 August 2007.

General (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid

Dato' Sri Tiong Chiong Hoo

Sibu, Malaysia
17 August 2007

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

We, **General (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid** and **Dato' Sri 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 42 to 103 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2007 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 dated 17 August 2007.

General (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid

Dato' Sri Tiong Chiong Hoo

Sibu, Malaysia
17 August 2007

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

I, **Dato' Sri 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 42 to 103 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 **Dato' Sri Tiong Chiong Hoo**
at Sibu in the State of Sarawak
on 17 August 2007

Dato' Sri 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 42 to 103. 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 Financial Reporting 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 2007 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: 17 August 2007

INCOME STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007

	Note	Group 2007 RM'000	Group 2006 RM'000 (Restated)	Company 2007 RM'000	Company 2006 RM'000
Revenue	3	855,005	686,852	358,481	331,398
Cost of sales	4	(617,095)	(559,134)	(312,086)	(291,508)
Gross profit		237,910	127,718	46,395	39,890
Other income	5	14,605	11,018	8,718	1,291
Selling expenses		(20,858)	(22,095)	-	-
Administrative expenses		(51,277)	(43,563)	(23,794)	(24,223)
Other expenses		(12,000)	(2,008)	-	-
Operating profit		168,380	71,070	31,319	16,958
Finance costs	6	(6,810)	(6,612)	(1,641)	(1,100)
Profit before tax	7	161,570	64,458	29,678	15,858
Income tax expense	10	(39,670)	(23,500)	(12,249)	(9,232)
Profit for the year		121,900	40,958	17,429	6,626
Attributable to:					
Equity holders of the Company		120,846	40,351	17,429	6,626
Minority interests		1,054	607	-	-
		121,900	40,958	17,429	6,626

Earnings per share attributable to equity holders of the Company (sen):

	Note	Group 2007	Group 2006
Basic, for profit for the year	11	47.5	15.9

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

BALANCE SHEETS
AS AT 30 APRIL 2007

	Note	Group 2007 RM'000	Group 2006 RM'000 (Restated)	Company 2007 RM'000	Company 2006 RM'000 (Restated)
ASSETS					
Non-current assets					
Property, plant and equipment	13	987,366	783,025	189,635	125,745
Investment properties	14	1,313	1,313	1,313	1,313
Goodwill on consolidation	15	73,505	85,505	-	-
Other intangible assets	16	140,710	157,344	125,576	140,433
Investments in subsidiaries	17	-	-	461,252	451,352
Investment in associate	18	-	-	-	-
Deferred tax assets	19	11,280	3,988	-	-
		1,214,174	1,031,175	777,776	718,843
Current assets					
Inventories	20	135,929	114,810	40,720	25,727
Trade and other receivables	21	231,965	194,674	27,146	11,995
Amount due from related companies	22	-	-	451,745	346,945
Cash and bank balances	23	48,971	36,846	11,681	12,634
		416,865	346,330	531,292	397,301
TOTAL ASSETS		1,631,039	1,377,505	1,309,068	1,116,144
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	24	282,529	282,529	282,529	282,529
Share premium	24	322,726	322,726	322,726	322,726
Treasury shares	24	(90,478)	(90,478)	(90,478)	(90,478)
Other reserves	25	3,670	2,431	3,684	3,684
Retained earnings	26	504,868	389,514	19,938	8,001
		1,023,315	906,722	538,399	526,462
Minority interests		5,815	4,761	-	-
Total equity		1,029,130	911,483	538,399	526,462

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

BALANCE SHEETS
AS AT 30 APRIL 2007

	Note	Group 2007 RM'000	Group 2006 RM'000 (Restated)	Company 2007 RM'000	Company 2006 RM'000 (Restated)
Non-current liabilities					
Borrowings	27	298,952	222,050	77,520	69,609
Deferred tax liabilities	19	19,426	13,861	10,949	7,636
		318,378	235,911	88,469	77,245
Current liabilities					
Borrowings	27	135,687	122,294	66,838	51,604
Trade and other payables	29	140,165	107,793	60,616	42,979
Amount due to related companies	22	-	-	553,932	417,854
Current tax liabilities		7,679	24	814	-
		283,531	230,111	682,200	512,437
Total liabilities		601,909	466,022	770,669	589,682
TOTAL EQUITY AND LIABILITIES		1,631,039	1,377,505	1,309,068	1,116,144

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2007

		Attributable to equity holders of the Company							
		Non-Distributable				Distributable			
	Note	Share capital (Note 24) RM'000	Share premium (Note 24) RM'000	Treasury shares (Note 24) RM'000	Other reserves (Note 25) RM'000	Retained earnings (Note 26) RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
Group									
At 1 May 2005		282,529	322,726	(86,314)	10	354,656	873,607	4,154	877,761
Foreign currency translation		-	-	-	2,421	-	2,421	-	2,421
Profit for the year		-	-	-	-	40,351	40,351	607	40,958
Purchase of treasury shares		-	-	(4,164)	-	-	(4,164)	-	(4,164)
Dividends	12	-	-	-	-	(5,493)	(5,493)	-	(5,493)
At 30 April 2006		282,529	322,726	(90,478)	2,431	389,514	906,722	4,761	911,483
Foreign currency translation		-	-	-	1,239	-	1,239	-	1,239
Profit for the year		-	-	-	-	120,846	120,846	1,054	121,900
Dividends	12	-	-	-	-	(5,492)	(5,492)	-	(5,492)
At 30 April 2007		282,529	322,726	(90,478)	3,670	504,868	1,023,315	5,815	1,029,130

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2007

		Non-Distributable				Distributable	
	Note	Share capital (Note 24) RM'000	Share premium (Note 24) RM'000	Treasury shares (Note 24) RM'000	Other reserves (Note 25) RM'000	Retained earnings (Note 26) RM'000	Total equity RM'000
Company							
At 1 May 2005		282,529	322,726	(86,314)	3,684	6,868	529,493
Profit for the year		-	-	-	-	6,626	6,626
Purchase of treasury shares		-	-	(4,164)	-	-	(4,164)
Dividends	12	-	-	-	-	(5,493)	(5,493)
At 30 April 2006		282,529	322,726	(90,478)	3,684	8,001	526,462
Profit for the year		-	-	-	-	17,429	17,429
Dividends	12	-	-	-	-	(5,492)	(5,492)
At 30 April 2007		282,529	322,726	(90,478)	3,684	19,938	538,399

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

	Note	Group 2007 RM'000	Group 2006 RM'000 (Restated)	Company 2007 RM'000	Company 2006 RM'000 (Restated)
Cash flows from operating activities					
Profit before tax		161,570	64,458	29,678	15,858
Adjustments for:					
Amortisation of other intangible assets	7	16,635	16,635	14,857	14,857
Depreciation of property, plant and equipment	7	50,988	50,175	15,774	15,408
Interest expense	7	5,077	5,063	1,324	899
Impairment of property, plant and equipment	7	-	2,000	-	-
Impairment of goodwill	7	12,000	-	-	-
Loss on disposal of property, plant and equipment	7	261	553	203	-
Provision for doubtful debts	7	89	2,091	-	841
Property, plant and equipment written off	7	5	13	1	4
Gain on disposal of property, plant and equipment	7	(273)	(6,791)	-	(49)
Interest income	7	(57)	(37)	-	-
Net unrealised foreign exchange gain		(3,976)	-	(6,663)	-
Operating profit before working capital changes		242,319	134,160	55,174	47,818
Increase in inventories		(20,831)	(7,881)	(14,993)	(7,674)
(Increase)/decrease in receivables		(51,874)	(5,357)	(16,290)	8,351
Increase/(decrease) in payables		32,372	(11,707)	17,637	(12,844)
Increase in amount due to/(from) related companies		-	-	31,278	(15,821)
Cash generated from operations		201,986	109,215	72,806	19,830
Interest received		57	37	-	-
Interest paid		(5,077)	(5,063)	(1,324)	(899)
Taxes paid, net of refund		(21,935)	(19,571)	(6,983)	(7,333)
Net cash generated from operating activities		175,031	84,618	64,499	11,598

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007

	Note	Group 2007 RM'000	Group 2006 RM'000 (Restated)	Company 2007 RM'000	Company 2006 RM'000 (Restated)
Cash flows from investing activities					
Purchase of additional shares in subsidiaries	17	-	-	(9,900)	(14,890)
Repurchase of own shares		-	(4,164)	-	(4,164)
Purchase of property, plant and equipment (excluding depreciation charge capitalised)	13	(216,562)	(228,258)	(43,079)	(53,126)
Purchase of other intangible assets		(1)	-	-	(27)
Proceeds from disposal of property, plant and equipment		7,351	40,888	1,397	23,856
Purchase of investment properties		-	(1,313)	-	(1,313)
Net cash used in investing activities		(209,212)	(192,847)	(51,582)	(49,664)
Cash flows from financing activities					
Dividends paid	12	(5,492)	(5,493)	(5,492)	(5,493)
Repayment of hire purchase payables		(20,188)	(19,018)	(12,744)	(5,602)
Net (repayment of)/proceeds from bankers' acceptances		(4,363)	(28,266)	1,500	(32,700)
Net proceeds from term loans		66,079	137,830	-	56,430
Net proceeds from revolving credit		5,574	18,893	-	18,893
Net cash generated from/(used in) financing activities		41,610	103,946	(16,736)	31,528
Net increase/(decrease) in cash and cash equivalents		7,429	(4,283)	(3,819)	(6,538)
Effects of exchange rate changes		1,519	1,154	-	-
Cash and cash equivalents at the beginning of the year		14,328	17,457	5,603	12,141
Cash and cash equivalents at the end of the year	23	23,276	14,328	1,784	5,603

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

1. CORPORATE INFORMATION

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

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 17 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 financial statements were authorised for issue by the Board of directors in accordance with a resolution of the directors on 17 August 2007.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised Financial Reporting Standards ("FRSs") which are mandatory for financial periods beginning on or after 1 January 2006 as described fully in Note 2.3.

The financial statements of the Group and of the Company have also been prepared on a historical cost basis, except as disclosed in the significant accounting policies.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (CONT'D)

(a) Subsidiaries and basis of consolidation (Cont'd)

(ii) Basis of consolidation (Cont'd)

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Acquisitions of subsidiaries which meet the criteria for merger are accounted for using merger accounting principles. When the merger method is used, the cost of investment in the Company's books is recorded at cost which is the fair value of shares at the date of the exchange and the difference between the carrying value of the investment and the fair value of shares acquired is treated as merger reserve or merger deficit. The results of the companies being merged are included as if the merger had been effected throughout the current and previous financial years.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (Cont'd)

(b) Associates (Cont'd)

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

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) Intangible assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) 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. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(f).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (Cont'd)

(c) Intangible assets (Cont'd)

(iii) Computer software

Computer software acquired separately is measured on initial recognition at cost. Following initial recognition, computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful life of computer software is amortised on a straight-line basis over the estimated economic useful life of ten years and assessed for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method for the computer software are reviewed at least at each balance sheet date.

(d) Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land is depreciated 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:

Factories, buildings and quarters	2% to 10%
Aircraft, watercrafts, motor vehicles, plant and machinery	5% to 20%
Roads and bridges	10%
Office renovation, furniture, fittings and equipment	10%

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.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (Cont'd)

(d) Property, plant and equipment, and depreciation (Cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(e) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses consistent with the accounting policies for property, plant and equipment as stated in Note 2.2(d).

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

(f) Impairment of non-financial assets

The carrying amounts of assets, other than investment properties, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (Cont'd)

(f) Impairment of non-financial assets (Cont'd)

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

(g) Inventories and work-in-progress

Plywood, sawn timber, veneer, blockboard and log stocks are valued at the lower of average cost of production and net realisable value. 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.

General stores are valued at cost based on a weighted average basis.

Seeds are valued at the lower of cost and net realisable value based on a weighted average basis.

Cost of finished goods and work-in-progress include the cost of raw materials, direct labour, an appropriate proportion of fixed and variable factory overheads and all costs attributable to nursery and tree planting expenditure that can be allocated on a reasonable basis to such activities.

(h) Financial instruments

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

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

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

(ii) 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 (CONT'D)

2.2 Summary of significant accounting policies (Cont'd)

(h) Financial Instruments (Cont'd)

(iii) 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.

(iv) Interest-bearing loans and borrowings

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

(v) Equity instruments

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

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(i) Leases

(i) Classification

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

(ii) Finance leases - the Group as lessee

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. Any initial direct costs are also added to the carrying amount of such assets.

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 in the profit or loss 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 in accordance with that for depreciable property, plant and equipment as described in Note 2.2(d).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (Cont'd)

(i) Leases (Cont'd)

(iii) Operating leases - the Group as lessee

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

(j) Borrowing costs

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 in profit or loss in the period in which they are incurred.

(k) 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. 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 as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly 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 the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(l) 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 Company, except where they relate to immature plantation areas, these expenses are capitalised under plantation development expenditure.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (Cont'd)

(l) Employee benefits (Cont'd)

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred or capitalised as plantation development expenditure or capital work-in-progress as appropriate. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Company foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

(m) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (Cont'd)

(m) Foreign currencies (Cont'd)

(ii) Foreign currency transactions (Cont'd)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

(n) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised net of sales taxes and discounts upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of consideration due, associated costs or the possible return of goods.

(ii) Revenue from services

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

(iii) Interest and rental income

Revenue is recognised on an accrual basis unless collectibility is in doubt.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (Cont'd)

(n) Revenue recognition (Cont'd)

(iv) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(v) Management fees

Management fees are recognised when services are rendered.

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs

On 1 May 2006, the Group and the Company adopted the following FRSs mandatory for financial periods beginning on or after 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

At the date of authorisation of these financial statements the Group and the Company have not adopted the following FRSs, amendments and revisions to FRSs and Interpretations which have effective dates as follows:

FRSs, Amendments and Revisions to FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 117: Leases	1 October 2006
FRS 124: Related Party Transactions	1 October 2006
FRS 6: Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendment to FRS 119_{2004}: Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs (Cont'd)

FRSs, Amendments and Revisions to FRSs and Interpretations	Effective for financial periods beginning on or after
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 129_{2004} Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007
FRS 139: Financial Instruments - Recognition and Measurement	Effective date deferred
Revised FRS 107: Cash Flows Statements	1 July 2007
Revised FRS 111: Construction Contracts	1 July 2007
Revised FRS 112: Income Taxes	1 July 2007
Revised FRS 118: Revenue	1 July 2007
Revised FRS 119: Employee Benefits	1 July 2007
Revised FRS 120: Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
Revised FRS 126: Accounting and Reporting By Retirement Benefit Plans	1 July 2007
Revised FRS 129: Financial Reporting in Hyperinflationary Economies	1 July 2007
Revised FRS 134: Interim Financial Reporting	1 July 2007
Revised FRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 July 2007

The adoption of FRS 6, Amendment to FRSs 119_{2004} and 121, Revised FRSs 107, 111, 112, 118, 119, 120, 126, 129, 134 and 137, IC Interpretations 1, 2, 5, 6, 7 and 8 are not expected to have any significant effects on the financial statements of the Group and of the Company for the years ending 30 April 2008 and 2009.

The principal changes in accounting policies and their effects resulting from the adoption of the other new and revised FRSs are discussed below:

(a) FRS 138: Intangible Assets - Computer Software

With the adoption of FRS 138 on 1 May 2006, the Group and the Company reclassified computer software, previously classified under property, plant and equipment, that meets the identifiability criterion of an intangible asset as part of intangible assets.

The change in presentation has been applied retrospectively and as disclosed in Note 2.3(f), certain comparatives have been restated. The effects on the balance sheets as at 30 April 2007 are set out in Note 2.3(e). There were no effects on the consolidated income statement for the years ended 30 April 2006 and 2007.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs (Cont'd)

(b) FRS 101: Presentation of Financial Statements

Prior to 1 May 2006, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and equity. Upon the adoption of the revised FRS 101, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the year. A similar requirement is also applicable to the statement of changes in equity. The revised FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the year, showing separately the amounts attributable to equity holders of the Company and to minority interests.

Prior to 1 May 2006, the Group's share of taxation of associates accounted for using the equity method was included as part of the Group's income tax expense in the consolidated income statement. Upon the adoption of the revised FRS 101, the share of taxation of associates accounted for using the equity method is now included in the respective share of profit or loss reported in the consolidated income statement before arriving at the Group's profit or loss before tax.

These changes in presentation have been applied retrospectively and as disclosed in Note 2.3(f), certain comparatives have been restated. The effects on the consolidated balance sheet as at 30 April 2007 are set out in Note 2.3(e). These changes in presentation have no impact on the Company's financial statements.

(c) FRS 140: Investment Property

In accordance with FRS 140, investment properties can be valued either using cost or fair value method. The Group and the Company have recognised investment properties using the cost method.

(d) FRS 3: Business Combinations

The acquirer shall recognise the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities on the acquisition date.

The Group has applied the said standard restrospectively and the changes in presentation of the consolidated balance sheets are set out in Notes 2.3(e) and (f).

(e) Summary of effects of adopting new and revised FRSs on the current year's financial statements

The following provides estimates of the extent to which each of the line items in the balance sheets for the year ended 30 April 2007 is higher or lower than it would have been had the previous policy been applied in the current year:

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs (Cont'd)

(e) Summary of effects of adopting new and revised FRSs on the current year's financial statements (Cont'd)

Effects on balance sheets as at 30 April 2007

	Increase/(decrease)			
	Group			Company
	FRS 138	FRS 101	FRS 3	FRS 138
Description of change	Note 2.3(a)	Note 2.3(b)	Note 2.3(d)	Note 2.3(a)
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	(1,451)	-	66,032	(1,398)
Goodwill on consolidation	-	-	(66,032)	-
Other intangible assets	140,710	-	-	125,576
Rights in timber licences	(139,259)	-	-	(124,178)
Total equity	-	5,815	-	-

(f) Restatement of comparatives

The following comparative amounts have been restated as a result of adopting the new and revised FRSs:

		Increase/(decrease)			
	Previously	FRS 138	FRS 101	FRS 3	
Description of change	stated	Note 2.3(a)	Note 2.3(b)	Note 2.3(d)	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000
At 30 April 2006					
Group					
Property, plant and equipment	718,799	(1,806)	-	66,032	783,025
Goodwill on consolidation	151,537	-	-	(66,032)	85,505
Other intangible assets	-	157,344	-	-	157,344
Rights in timber licences	155,538	(155,538)	-	-	-
Total equity	906,722	-	4,761	-	911,483
Company					
Property, plant and equipment	127,489	(1,744)	-	-	125,745
Other intangible assets	-	140,433	-	-	140,433
Rights in timber licences	138,689	(138,689)	-	-	-

2.4 Changes in estimates

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group and the Company revised the estimated useful lives of certain motor vehicles from ten to fifteen years with effect from 1 May 2006. The revisions were accounted for prospectively as a change in accounting estimate and as a result, the depreciation charges of the Group and of the Company for the current financial year have been reduced as follows:

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Changes in estimates (Cont'd)

	Group RM'000	Company RM'000
Recognised in profit or loss	7,039	4,152
Capitalised in plantation development expenditure	1,123	-
Capitalised in work-in-progress	99	-
	8,261	4,152

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	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Sale of timber and related products	843,527	683,300	358,481	331,398
Sale of fresh fruit bunches	9,913	2,632	-	-
Chartering services income	1,559	868	-	-
Others	6	52	-	-
	855,005	686,852	358,481	331,398

4. COST OF SALES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Cost of inventories sold	578,800	534,900	312,086	291,508
Cost of services rendered	38,295	24,234	-	-
	617,095	559,134	312,086	291,508

5. OTHER INCOME

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Commission income	761	-	634	-
Freight and handling income	534	344	-	-
Foreign exchange gain - realised	998	-	7	11
- unrealised	6,663	-	6,663	-
Gain on disposal of property, plant and equipment	273	6,791	-	49
Interest income (Note 7)	57	37	-	-
Power supply income	1,287	1,161	-	-
Rental income	2,830	2,629	1,159	557
Others	1,202	56	255	674
	14,605	11,018	8,718	1,291

6. FINANCE COSTS

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Interest expense on:				
Bills	6	9	-	-
Hire purchase	2,193	1,859	916	294
Term loans	14,461	6,847	-	-
Bankers' acceptances	483	704	5	-
Overdrafts	4,067	3,651	403	605
Total interest expense	21,210	13,070	1,324	899
Less: Interest expense capitalised in plantation development expenditure (Note 13)	(16,133)	(8,007)	-	-
Net interest expense (Note 7)	5,077	5,063	1,324	899
Bank charges	1,335	1,148	186	52
Commitment fee	692	680	131	149
	7,104	6,891	1,641	1,100
Less: Bank charges capitalised in plantation development expenditure	(294)	(279)	-	-
	6,810	6,612	1,641	1,100

7. PROFIT BEFORE TAX

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
The following amounts have been included in arriving at profit before tax:				
Amortisation of other intangible assets (Note 16)	16,635	16,635	14,857	14,857
Auditors' remuneration	324	262	144	144
Statutory audit - current year	220	157	40	40
- underprovision in prior year	-	1	-	-
Other services	104	104	104	104
Depreciation of property, plant and equipment (Note 13)	50,988	50,175	15,774	15,408
Employee benefits expense (Note 8)	51,239	51,250	10,897	9,938
Foreign exchange loss - realised	9,256	1,550	-	609
- unrealised	2,687	-	-	-
Gain on disposal of property, plant and equipment	(273)	(6,791)	-	(49)
Hiring charges	4,827	9,332	4,043	10,885
Impairment of goodwill (Note 15)	12,000	-	-	-
Impairment of property, plant and equipment (Note 13)	-	2,000	-	-
Interest expense (Note 6)	5,077	5,063	1,324	899
Interest income (Note 5)	(57)	(37)	-	-
Loss on disposal of property, plant and equipment	261	553	203	-
Management fees	141	129	21	7
Non-executive directors' remuneration (Note 9)	358	358	262	262
Preliminary and pre-operating expenses written off	-	1	-	-
Provision for doubtful debts	89	2,091	-	841
Property, plant and equipment written off	5	13	1	4
Rental expenses	1,474	698	341	306
Rental income	(2,830)	(2,629)	(1,159)	(557)

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Salaries, wages, allowances and bonus	48,892	49,715	9,630	8,775
Social security contributions	1,348	315	100	93
Contributions to defined contribution plan	2,015	2,883	1,111	1,020
Other benefits	1,150	129	56	50
Total employee benefits expenses (including executive director)	53,405	53,042	10,897	9,938
Less: Employee benefits expense capitalised in:				
Plantation development expenditure (Note 13)	(1,595)	(745)	-	-
Work-in-progress (Note 20)	(571)	(1,047)	-	-
	51,239	51,250	10,897	9,938

Included in employee benefits expense of the Group and of the Company is an executive director's remuneration amounting to RM678,120 (2006: RM678,120) as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Executive director's remuneration (Note 8):				
Fees	33	33	33	33
Other emoluments	645	645	645	645
	678	678	678	678
Non-executive directors' remuneration (Note 7):				
Fees	310	310	214	214
Other emoluments	48	48	48	48
	358	358	262	262
Total directors' remuneration	1,036	1,036	940	940
Estimated money value of benefits-in-kind	40	40	40	40
Total directors' remuneration including benefits-in-kind	1,076	1,076	980	980

9. DIRECTORS' REMUNERATION (CONT'D)

The details of remuneration receivable by directors of the company and its subsidiaries during the year are as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Executive:				
Salary and other emoluments	576	576	576	576
Fees	33	33	33	33
Defined contribution plan	69	69	69	69
Benefits-in-kind	16	16	16	16
	694	694	694	694
Non-Executive:				
Salaries and other emoluments	48	48	48	48
Fees	310	310	214	214
Benefits-in-kind	24	24	24	24
	382	382	286	286
	1,076	1,076	980	980

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	
	2007	2006
Executive director:		
RM650,001 - RM700,000	1	1
Non-executive directors:		
Below RM50,000	5	5
RM50,001 - RM100,000	1	1

10. INCOME TAX EXPENSE

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Current income tax:				
Based on profit for the year	41,497	17,857	8,896	9,497
(Over)/under provision in prior years	(100)	(307)	40	(137)
	41,397	17,550	8,936	9,360
Deferred tax (Note 19):				
Relating to origination and reversal of temporary differences	5,714	7,832	3,909	(159)
Relating to changes in tax rates	(1,134)	-	(697)	-
(Over)/under provision in prior years	(6,307)	(1,882)	101	31
	(1,727)	5,950	3,313	(128)
Total income tax expense	39,670	23,500	12,249	9,232

10. INCOME TAX EXPENSE (CONT'D)

Domestic current income tax is calculated at the statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 26% from the current year's rate of 27%, effective year of assessment 2008. The computation of deferred tax as at 30 April 2007 has reflected these changes.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to profit before tax 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	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Profit before tax	161,570	64,458	29,678	15,858
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	43,624	18,048	8,013	4,440
Income subject to lower tax rate of 20% (2006: 20%)	(140)	(120)	-	-
Deferred tax recognised at different tax rates	(1,134)	-	(697)	-
Income not subject to tax	(152)	(170)	-	-
Expenses not deductible for tax purposes	7,062	8,663	4,792	4,898
Utilisation of previously unabsorbed capital allowances, reinvestment allowances and unrecognised tax losses	(5,178)	(13,513)	-	-
Deferred tax assets not recognised in respect of current year's unabsorbed capital allowances and tax losses	1,429	12,781	-	-
(Over)/under provision of deferred tax in prior years	(5,741)	(1,882)	101	31
(Over)/under provision of tax expense in prior years	(100)	(307)	40	(137)
Income tax expense for the year	39,670	23,500	12,249	9,232
Tax savings during the financial year arising from:				
Utilisation of current year tax losses	5	5	-	-
Utilisation of previously unrecognised tax losses	2,973	10,990	-	-

11. EARNINGS PER SHARE

Basis earnings per share amount is calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	Group	
	2007	2006
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	120,846	40,351
Weighted average number of ordinary shares in issue ('000)	254,276	254,306
Basic earnings per share (sen)	47.5	15.9

12. DIVIDENDS

	Dividends in respect of year			Net dividends recognised in year	
	2007 RM'000	2006 RM'000	2005 RM'000	2007 RM'000	2006 RM'000
Recognised during the year:					
First and final dividend for 2005: 3% less 28% taxation, on 256,007,009 ordinary shares (2.2 sen per ordinary share)	-	-	5,530	-	5,530
Adjustment for overprovision of prior year's final dividend arising from the share buy-backs	-	-	-	-	(37)
First and final dividend for 2006: 3% less 28% taxation, on 254,276,499 ordinary shares (2.2 sen per ordinary share)	-	5,492	-	5,492	-
Proposed for approval at AGM (not recognised as at 30 April):					
First and final dividend for 2007: 3% less 27% taxation, on 254,276,499 ordinary shares (2.2 sen per ordinary share)	5,569	-	-	-	-
	5,569	5,492	5,530	5,492	5,493

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 30 April 2007, of 3% less 27% taxation, on 254,276,499 ordinary shares, amounting to a dividend payable of RM5,569,000 (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 earnings in the financial year ending 30 April 2008.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Leasehold land RM'000	Factories, 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									
At 30 April 2007									
Cost									
At 1 May 2006									
As previously stated	2,467	29,287	171,807	603,805	156,624	30,550	205,727	52,949	1,253,216
Effects of adopting FRS 3	-	66,032	-	-	-	-	-	-	66,032
Effects of adopting FRS 138	-	-	-	-	-	(3,578)	-	-	(3,578)
At 1 May 2006 (restated)	2,467	95,319	171,807	603,805	156,624	26,972	205,727	52,949	1,315,670
Additions	40	-	1,514	80,474	8,526	2,003	134,700	38,496	265,753
Adjustments	-	-	-	-	-	-	-	(2,119)	(2,119)
Disposals/written off	-	-	(196)	(3,468)	-	(303)	(28)	(3,018)	(7,013)
Reclassification	-	-	862	9,135	1,403	178	-	(11,578)	-
Exchange differences	(36)	-	(189)	(4)	-	(8)	-	(78)	(315)
At 30 April 2007	2,471	95,319	173,798	689,942	166,553	28,842	340,399	74,652	1,571,976

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)	Freehold land RM'000	Leasehold land RM'000	Factories, 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
At 30 April 2007									
Accumulated depreciation and impairment									
At 1 May 2006									
As previously stated	-	1,910	85,156	388,437	39,438	15,988	1,988	1,500	534,417
Effects of adopting FRS 138	-	-	-	-	-	(1,772)	-	-	(1,772)
At 1 May 2006 (restated)	-	1,910	85,156	388,437	39,438	14,216	1,988	1,500	532,645
Depreciation charge for the year:	-	483	7,508	28,647	13,739	2,378	1,033	-	53,788
Recognised in profit or loss (Note 7)	-	126	7,496	26,329	13,739	2,265	1,033	-	50,988
Capitalised in plantation development expenditure	-	357	-	2,153	-	2	-	-	2,512
Capitalised in work-in progress (Note 20)	-	-	12	165	-	111	-	-	288

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Leasehold land RM'000	Factories, 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 (Cont'd)									
At 30 April 2007									
Accumulated depreciation and impairment (Cont'd)									
Disposals/written off	-	-	(169)	(1,490)	-	(129)	-	-	(1,788)
Exchange differences	-	-	(26)	(3)	-	(6)	-	-	(35)
At 30 April 2007	-	2,393	92,469	415,591	53,177	16,459	3,021	1,500	584,610
Analysed as:									
Accumulated depreciation	-	2,393	91,969	415,591	53,177	14,902	3,021	-	581,053
Accumulated impairment losses	-	-	500	-	-	1,557	-	1,500	3,557
	-	2,393	92,469	415,591	53,177	16,459	3,021	1,500	584,610
Net carrying amount	2,471	92,926	81,329	274,351	113,376	12,383	337,378	73,152	987,366

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land RM'000	Leasehold land RM'000	Factories, 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
At 30 April 2006									
Cost									
At 1 May 2005									
As previously stated	2,308	29,197	167,491	539,688	132,035	28,789	100,077	53,893	1,053,478
Effects of adopting FRS 3	-	66,032	-	-	-	-	-	-	66,032
Effects of adopting FRS 138	-	-	-	-	-	(3,550)	-	-	(3,550)
At 1 May 2005 (restated)	2,308	95,229	167,491	539,688	132,035	25,239	100,077	53,893	1,115,960
Additions	-	90	797	76,917	24,589	2,059	105,650	43,744	253,846
Disposals/written off	-	-	(1,311)	(29,912)	-	(765)	-	(23,510)	(55,498)
Reclassification	-	-	4,004	17,094	-	428	-	(21,526)	-
Exchange differences	159	-	826	18	-	11	-	348	1,362
At 30 April 2006	2,467	95,319	171,807	603,805	156,624	26,972	205,727	52,949	1,315,670

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Leasehold land RM'000	Factories, 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 (Cont'd)									
At 30 April 2006									
Accumulated depreciation and impairment									
At 1 May 2005									
As previously stated	-	1,428	77,818	379,122	27,923	13,453	-	-	499,744
Effects of adopting FRS 138	-	-	-	-	-	(1,416)	-	-	(1,416)
A t 1 May 2005 (restated)	-	1,428	77,818	379,122	27,923	12,037	-	-	498,328
Depreciation charge for the year:	-	482	7,358	29,423	11,515	2,291	1,988	-	53,057
Recognised in profit or loss (Note 7)	-	106	7,356	28,834	11,515	2,170	194	-	50,175
Capitalised in plantation development expenditure	-	376	-	73	-	-	1,794	-	2,243
Capitalised in work-inprogress (Note 20)	-	-	2	516	-	121	-	-	639

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Leasehold land RM'000	Factories, 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 (Cont'd)									
At 30 April 2006									
Accumulated depreciation and impairment (CONT'D.)									
Disposals/written off	-	-	(601)	(20,116)	-	(118)	-	-	(20,835)
Impairment loss recognised in profit or loss (Note 7)	-	-	500	-	-	-	-	1,500	2,000
Exchange differences	-	-	81	8	-	6	-	-	95
At 30 April 2006	-	1,910	85,156	388,437	39,438	14,216	1,988	1,500	532,645
Analysed as:									
Accumulated depreciation	-	1,910	84,656	388,437	39,438	12,659	1,988	-	529,088
Accumulated impairment losses	-	-	500	-	-	1,557	-	1,500	3,557
	-	1,910	85,156	388,437	39,438	14,216	1,988	1,500	532,645
Net carrying amount	2,467	93,409	86,651	215,368	117,186	12,756	203,739	51,449	783,025

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Freehold land RM'000	Leasehold land RM'000	Factories, 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	Capital work-in progress RM'000	Total RM'000
At 30 April 2007								
Cost								
At 1 May 2006								
As previously stated	623	36	9,334	71,541	82,569	17,386	9,289	190,778
Effects of adopting FRS 138	-	-	-	-	-	(3,466)	-	(3,466)
At 1 May 2006 (restated)	623	36	9,334	71,541	82,569	13,920	9,289	187,312
Additions	-	-	890	55,364	7,028	614	17,369	81,265
Disposals	-	-	-	(1,321)	-	(174)	(608)	(2,103)
At 30 April 2007	623	36	10,224	125,584	89,597	14,360	26,050	266,474
Accumulated depreciation								
At 1 May 2006								
As previously stated	-	1	1,468	31,794	21,938	8,088	-	63,289
Effects of adopting FRS 138	-	-	-	-	-	(1,722)	-	(1,722
At 1 May 2006 (restated)	-	1	1,468	31,794	21,938	6,366	-	61,567
Depreciation charge for the year (Note 7)	-	1	457	5,078	8,842	1,396	-	15,774
Disposals	-	-	-	(414)	-	(88)	-	(502)
At 30 April 2007	-	2	1,925	36,458	30,780	7,674	-	76,839
Net carrying amount	623	34	8,299	89,126	58,817	6,686	26,050	189,635

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Freehold land RM'000	Leasehold land RM'000	Factories, 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	Capital work-in progress RM'000	Total RM'000
At 30 April 2006								
Cost								
At 1 May 2005								
As previously stated	623	-	9,334	54,008	63,666	17,373	8,919	153,923
Effects of adopting FRS 138	-	-	-	-	(3,439)	-	(3,439)	
At 1 May 2005 (restated)	623	-	9,334	54,008	63,666	13,934	8,919	150,484
Additions	-	36	-	18,708	18,903	685	23,186	61,518
Disposals	-	-	-	(1,175)	-	(699)	(22,816)	(24,690)
At 30 April 2006	623	36	9,334	71,541	82,569	13,920	9,289	187,312
Accumulated depreciation								
At 1 May 2005								
As previously stated	-	-	1,021	26,137	14,808	6,448	-	48,414
Effects of adopting FRS 138	-	-	-	-	-	(1,376)	-	(1,376)
At 1 May 2005 (restated)	-	-	1,021	26,137	14,808	5,072	-	47,038
Depreciation charge for the year (Note 7)	-	1	447	6,459	7,130	1,371	-	15,408
Disposals	-	-	-	(802)	-	(77)	-	(879)
At 30 April 2006	-	1	1,468	31,794	21,938	6,366	-	61,567
Net carrying amount	623	35	7,866	39,747	60,631	7,554	9,289	125,745

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Leasehold land stated at cost, comprise:

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Long leasehold land	29,251	29,251	-	-
Short leasehold land	36	36	36	36
	29,287	29,287	36	36

(b) During the financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM265,753,000 (2006: RM253,846,000) and RM81,265,000 (2006: RM61,518,000) of which RM46,679,000 (2006: RM23,373,000) and RM38,186,000 (2006: RM8,392,000), respectively, were acquired by means of hire purchase arrangements. Net carrying amounts of property, plant and equipment held under hire purchase arrangements are as follows:

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Motor vehicles	67,107	26,096	50,096	8,677

Details of the terms and conditions of the hire purchase and finance lease arrangements are disclosed in Note 28.

(c) Included in the plantation development expenditure and capital work-in-progress are the following expenses incurred and capitalised during the financial year:

	Group 2007 RM'000	Group 2006 RM'000
Depreciation of property, plant and equipment	2,512	2,243
Employee benefits expenses (Note 8)	1,595	745
Interest expense (Note 6)	16,133	8,007

14. INVESTMENT PROPERTIES

	Group/Company	
	RM'000	RM'000
Cost		
At 1 May 2006/2005	1,313	-
Additions	-	1,313
At 30 April 2007/2006	1,313	1,313
Fair value		
At 30 April 2007/2006	2,555	2,555

15. GOODWILL ON CONSOLIDATION

	Group	
	RM'000	RM'000 (Restated)
Cost		
At 1 May 2006/2005	151,537	151,537
Less: Effects of adopting FRS 3	(66,032)	(66,032)
As restated	85,505	85,505
Less: Impairment of goodwill (Note 7)	(12,000)	-
At 30 April 2007/2006	73,505	85,505

The carrying amounts of goodwill allocated to the Group's cash-generating units ("CGU") are as follows:

	Group	
	2007 RM'000	2006 RM'000 (Restated)
Manufacturing	68,231	68,231
Others	5,274	17,274
	73,505	85,505

16. OTHER INTANGIBLE ASSETS

	Computer software RM'000	Rights in timber licences RM'000	Total RM'000
Group			
Cost			
At 1 May 2006	3,578	298,447	302,025
Additions	1	-	1
At 30 April 2007	3,579	298,447	302,026
Accumulated amortisation			
At 1 May 2006	1,772	142,909	144,681
Amortisation (Note 7)	356	16,279	16,635
At 30 April 2007	2,128	159,188	161,316
Net carrying amount			
At 30 April 2007	1,451	139,259	140,710
At 30 April 2006	1,806	155,538	157,344
Company			
Cost			
At 1 May 2006 and 30 April 2007	3,466	247,724	251,190
Accumulated amortisation			
At 1 May 2006	1,722	109,035	110,757
Amortisation (Note 7)	346	14,511	14,857
At 30 April 2007	2,068	123,546	125,614
Net carrying amount			
At 30 April 2007	1,398	124,178	125,576
At 30 April 2006	1,744	138,689	140,433

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.

17. INVESTMENT IN SUBSIDIARIES

	Company 2007 RM'000	Company 2006 RM'000
Unquoted shares at cost	461,271	451,371
Less: Accumulated impairment losses	(19)	(19)
	461,252	451,352

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2007 %	Proportion of ownership interest 2006 %
Held by the Company:				
Rimbunan Hijau Plywood Sdn. Bhd.	Malaysia	Manufacturing and sale of sawn timber, blockboard and plywood	100	100
Jaya Tiasa Plywood Sdn. Bhd.	Malaysia	Manufacturing and sale of sawn timber, veneer, blockboard and plywood	100	100
Guanaco Sdn. Bhd.	Malaysia	Dormant	100	100
Hak Jaya Sdn. Bhd.	Malaysia	Marketing of timber logs	100	100
Maxiwealth Holdings Sdn. Bhd.	Malaysia	Dormant	100	100
Kunari Timber Sdn. Bhd.	Malaysia	Marketing of timber logs	100	100
Jaras Sdn. Bhd.	Malaysia	Extraction, purchase and sale of logs	100	100
Maujaya Sdn. Bhd.	Malaysia	Dormant	100	100
Mantan Sdn. Bhd.	Malaysia	Dormant	100	100
Curiah Sdn. Bhd.	Malaysia	Extraction and sale of logs	100	100
Sericahaya Sdn. Bhd.	Malaysia	Extraction and sale of logs	100	100
Jaya Tiasa Forest Plantation Sdn. Bhd.	Malaysia	Development and maintenance of planted forests and forest plantation contractor	100	100
Jaya Tiasa Aviation Sdn. Bhd.	Malaysia	Provision of air transportation services	100	100
Eastern Timber Ltd.	Federal Territory of Labuan, Malaysia	Dormant	100	100
Eastern Green Company Inc.	U.S.A.	Dormant	100	100
Borneo Biotechnology Sdn. Bhd.	Malaysia	Tissue culture, herbal farming and its related activities	100	100
Multi Greenview Sdn. Bhd.	Malaysia	Dormant	100	100
Erajaya Synergy Sdn. Bhd.	Malaysia	Timber operations, development of oil palm plantations and its related activities	100	100
Hariyama Sdn. Bhd.	Malaysia	Development of oil palm plantations and its related activities	100	100

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2007 %	2006 %
Held by the Company (Cont'd):				
Jaya Tiasa Timber Products Sdn. Bhd.	Malaysia	Manufacturing and sale of sawn timber, plywood and veneer	100	100
Simalau Plantation Sdn. Bhd.	Malaysia	Development of oil palm plantations and its related activities	100	100
Jaya Tiasa Aquaculture Sdn. Bhd.	Malaysia	Dormant	100	100
Jaya Tiasa R&D Sdn. Bhd.	Malaysia	Research and development and sale of seeds	100	100
Poh Zhen Sdn. Bhd.	Malaysia	Timber operations, development of oil palm plantations and its related activities	100	100
Eastern Eden Sdn. Bhd.	Malaysia	Timber operations, development of oil palm plantations and its related activities	100	100
JT Oil Palm Development Sdn. Bhd.	Malaysia	Dormant	100	100
Atlantic Evergreen Holdings	Cayman Islands	Investment holding	100	100
Atlantic Timber Holdings Limited	Cayman Islands	Investment holding	100	100
Pacific Timber Holdings Limited	Cayman Islands	Investment holding	100	100
Subsidiary of Atlantic Evergreen Holdings:				
Western Timber Resources Limited	Cayman Islands	Investment holding	100	100
Subsidiary of Pacific Timber Holdings Limited:				
Selvaplac Verde Ltda. (i) *	Brazil	Investment holding	66	66

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

* Audited by a member firm of Ernst & Young Global in that country.

18. INVESTMENT IN ASSOCIATE

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Unquoted shares at cost	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
Less: Accumulated impairment losses	(2,400)	(2,400)	(4,400)	(4,400)
	2,000	2,000	-	-
Less: Share of post acquisition losses	(2,000)	(2,000)	-	-
	-	-	-	-

Details of the associate is as follows:

Name of associate	Country of incorporation	Principal activities	Proportion of ownership interest 2007 %	Proportion of ownership interest 2006 %
Mafrica Trading Sdn. Bhd.*	Malaysia	General trading and heli logging services	40	40

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

The summarised financial information of the associate are as follows:

	2007 RM'000	2006 RM'000
Assets and liabilities		
Current assets	11,448	24,352
Current liabilities	3,196	15,985
Results		
Revenue	1,660	49,766
(Loss)/profit for the year	(115)	3,340

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

	2007 RM'000	2006 RM'000
Group's share of net tangible assets	(335)	(335)
Premium on acquisition	335	335
	-	-

19. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	RM'000	RM'000	RM'000	RM'000
At 1 May 2006/2005	(9,873)	(3,923)	(7,636)	(7,764)
Recognised in income statement (Note 10)	(1,727)	(5,950)	(3,313)	128
At 30 April 2007/2006	(8,146)	(9,873)	(10,949)	(7,636)
Presented after appropriate offsetting as follows:				
Deferred tax assets	11,280	3,988	-	-
Deferred tax liabilities	(19,426)	(13,861)	(10,949)	(7,636)
	(8,146)	(9,873)	(10,949)	(7,636)

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

	Unused tax losses and unabsorbed capital allowances	
	RM'000	RM'000
Deferred tax assets of the Group:		
At 1 May 2006/2005	31,600	37,115
Recognised in income statement	29,188	(5,515)
At 30 April 2007/2006	60,788	31,600

	Property, plant and equipment	
	RM'000	RM'000
Deferred tax liabilities of the Group:		
At 1 May 2006/2005	(41,473)	(41,038)
Recognised in income statement	(27,461)	(435)
At 30 April 2007/2006	(68,934)	(41,473)

	Unused tax losses and unabsorbed capital allowances	
	RM'000	RM'000
Deferred tax assets of the Company:		
At 1 May 2006/2005	-	16,456
Recognised in income statement	-	(16,456)
At 30 April 2007/2006	-	-

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

	Property, plant and equipment	
	RM'000	RM'000
Deferred tax liabilities of the Company:		
At 1 May 2006/2005	(7,636)	(24,220)
Recognised in income statement	(3,313)	16,584
At 30 April 2007/2006	(10,949)	(7,636)

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

	Group	
	2007	2006
	RM'000	RM'000
Unused business losses	2,901	30,966
Unabsorbed capital allowances	11,747	44,455
Other deductible temporary differences	-	11,223

As at 30 April 2007, the deferred tax assets are not recognised as it is not probable that future taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised.

The availability of the unused tax losses, unabsorbed capital allowances and other deductible temporary differences for offsetting against future taxable profits of the respective subsidiaries is subject to the provisions of the Income Tax Act, 1967.

20. INVENTORIES

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Cost				
Blockboard/sawn timber	6,005	4,137	-	-
General stores	21,763	17,732	3,533	1,547
Logs	57,476	41,956	37,187	24,180
Plywood	31,745	23,703	-	-
Seeds	147	159	-	-
Veneer	9,862	14,987	-	-
Work-in-progress	8,217	9,847	-	-
	135,215	112,521	40,720	25,727
Net realisable value				
Plywood	16	16	-	-
Sawn timber	686	291	-	-
Sliced veneer	12	370	-	-
Veneer	-	1,612	-	-
	714	2,289	-	-
	135,929	114,810	40,720	25,727

20. INVENTORIES (CONT'D)

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

	Group	
	2007 RM'000	2006 RM'000
Depreciation of property, plant and equipment (Note 13)	288	639
Employee benefits expense (Note 8)	571	1,047

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade receivables				
Trade receivables	211,447	170,312	19,609	9,022
Less: Provision for doubtful debts	(2,180)	(2,091)	(841)	(841)
Trade receivables, net	209,267	168,221	18,768	8,181
Other receivables				
Deposits	4,492	3,093	59	32
Prepayments	2,404	3,349	402	405
Sundry receivables	14,303	6,705	7,917	2,238
Tax recoverable	1,499	13,306	-	1,139
	22,698	26,453	8,378	3,814
	231,965	194,674	27,146	11,995

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month. Other credit terms are assessed and approved on a case-by-case basis. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

Included in receivables of the Group and the Company is an amount of RM8,945,005 (2006: RM10,083,967) and RM3,825,347 (2006: RM2,337,544), respectively, due to companies in which certain directors have substantial interest.

Further details on related party transactions are disclosed in Note 32.

22. AMOUNTS DUE FROM/(TO) RELATED COMPANIES

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Amount due from subsidiaries	-	-	491,985	387,185
Less: Provision for doubtful debts	-	-	(40,240)	(40,240)
	-	-	451,745	346,945
Amount due from associate	2,600	2,600	2,600	2,600
Less: Provision for doubtful debts	(2,600)	(2,600)	(2,600)	(2,600)
	-	-	-	-
	-	-	451,745	346,945
Amount due to subsidiaries	-	-	(553,932)	(417,854)

Included in amount due to subsidiaries is an unsecured advance amounting to RM46 million (2006: RM115 million) and has no fixed term of repayment.

The remaining amounts due from/(to) related companies are unsecured and have no fixed term of repayment. Bank charges, bank and loan interest amounting to RM326,176, RM871,704 and RM9,575,028 (2006: RM292,603, RM831,772 and RM4,092,529), respectively, have however been charged to subsidiaries.

Further details on related party transactions are disclosed in Note 32.

Other information on financial risks of amounts due from/(to) subsidiaries are disclosed in Note 34.

23. CASH AND CASH EQUIVALENTS

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Cash on hand and at banks	47,638	32,622	11,681	12,634
Deposits with licensed banks	1,333	4,224	-	-
Cash and bank balances	48,971	36,846	11,681	12,634

The Group's deposits with licensed banks amounting to RM1,332,729 (2006: RM1,292,312) have been pledged to bankers as security for bankers' guarantees granted.

23. CASH AND CASH EQUIVALENTS (CONT'D)

Other information on financial risks of cash and cash equivalents are disclosed in Note 34.

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the balance sheet date:

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Cash and bank balances	48,971	36,846	11,681	12,634
Bank overdrafts (Note 27)	(25,695)	(22,518)	(9,897)	(7,031)
Total cash and cash equivalents	23,276	14,328	1,784	5,603

24. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of Ordinary Shares of RM1 each		Amount			
	Share capital (Issued and fully paid) '000	Treasury shares '000	Share capital (Issued and fully paid) RM'000	Share premium RM'000	Total share capital and share premium RM'000	Treasury shares RM'000
At 1 May 2005	282,529	(26,521)	282,529	322,726	605,255	(86,314)
Purchase of treasury shares	-	(1,731)	-	-	-	(4,164)
At 30 April 2006/2007	282,529	(28,252)	282,529	322,726	605,255	(90,478)

	Number of Ordinary Shares of RM1 each 2007 '000	Number of Ordinary Shares of RM1 each 2006 '000	Amount 2007 RM'000	Amount 2006 RM'000
Authorised				
At 1 May and 30 April	1,000,000	1,000,000	1,000,000	1,000,000

24. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (CONT'D)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to 1 vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Treasury shares

This amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance. There were no repurchase of its issued ordinary shares from the open market during the financial year.

Of the total 282,528,499 (2006: 282,528,499) issued and fully paid ordinary shares as at 30 April 2007, 28,252,000 (2006: 28,252,000) are held as treasury shares by the Company. As at 30 April 2007, the number of outstanding ordinary shares in issue after the set-off is therefore 254,276,499 (2006: 254,276,499) ordinary shares of RM1 each.

25. OTHER RESERVES

	Capital redemption reserve RM'000	Foreign currency translation reserve RM'000	Total RM'000
Group			
At 1 May 2005	3,684	(3,674)	10
Foreign currency translation:			
Foreign subsidiaries	-	2,421	2,421
At 30 April 2006	3,684	(1,253)	2,431
Foreign currency translation:			
Foreign subsidiaries	-	1,239	1,239
At 30 April 2007	3,684	(14)	3,670
Company			
At 30 April 2007/2006	3,684	-	3,684

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

26. RETAINED EARNINGS

As at 30 April 2007, the Company has tax exempt profits available for distribution of approximately RM10 million (2006: 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 earnings as at 30 April 2007.

27. BORROWINGS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Short term borrowings				
Secured:				
Hire purchase payables (Note 28)	26,253	15,520	21,776	9,180
Unsecured:				
Bank overdrafts (Note 23)	25,695	22,518	9,897	7,031
Bankers' acceptances	38,000	42,363	18,000	16,500
Revolving credit	5,574	-	-	-
Term loan	23,000	23,000	-	-
USD denominated revolving credit	17,165	18,893	17,165	18,893
	109,434	106,774	45,062	42,424
	135,687	122,294	66,838	51,604
Long term borrowings				
Secured:				
Hire purchase payables (Note 28)	30,978	15,220	26,025	13,179
Unsecured:				
Term loans	216,479	150,400	-	-
USD denominated term loan	51,495	56,430	51,495	56,430
	267,974	206,830	51,495	56,430
	298,952	222,050	77,520	69,609
Total borrowings				
Bank overdrafts (Note 23)	25,695	22,518	9,897	7,031
Bankers' acceptances	38,000	42,363	18,000	16,500
Revolving credit	5,574	-	-	-
Term loans	239,479	173,400	-	-
USD denominated revolving credit	17,165	18,893	17,165	18,893
USD denominated term loan	51,495	56,430	51,495	56,430
Hire purchase payables (Note 28)	57,231	30,740	47,801	22,359
	434,639	344,344	144,358	121,213

27. BORROWINGS (CONT'D)

Other information on financial risks of borrowings are disclosed in Note 34.

28. HIRE PURCHASE PAYABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Future minimum hire purchase payables:				
Not later than 1 year	28,841	16,885	23,951	10,237
Later than 1 year but not later than 2 years	20,958	11,864	17,561	10,064
Later than 2 years but not later than 5 years	11,475	3,980	9,682	3,675
Total future minimum hire purchase payables	61,274	32,729	51,194	23,976
Less: Future finance charges	(4,043)	(1,989)	(3,393)	(1,617)
Present value of hire purchase payables (Note 27)	57,231	30,740	47,801	22,359
Analysis of present value of hire purchase payables:				
Not later than 1 year	26,253	15,520	21,776	9,180
Later than 1 year but not later than 2 years	19,766	10,994	16,567	9,251
Later than 2 years but not later than 5 years	11,212	4,226	9,458	3,928
	57,231	30,740	47,801	22,359
Less: Amount due within 12 months (Note 27)	(26,253)	(15,520)	(21,776)	(9,180)
Amount due after 12 months (Note 27)	30,978	15,220	26,025	13,179

The Group has hire purchase contracts for various items of property, plant and equipment (Note 13(b)).

Hire purchase are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Other information on financial risks of hire purchase payables are disclosed in Note 34.

29. TRADE AND OTHER PAYABLES

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Trade payables	127,624	97,053	56,086	41,348
Other payables				
Sundry payables	5,999	8,441	2,061	1,212
Deposits received	105	5	105	5
Accruals	6,437	2,294	2,364	414
	12,541	10,740	4,530	1,631
	140,165	107,793	60,616	42,979

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 180 days.

Included in payables of the Group and the Company is an amount of RM18,176,191 (2006: RM18,014,299) and RM8,301,833 (2006: RM31,146,690), respectively, due to companies in which certain directors have substantial interest.

Further details on related party transactions are disclosed in Note 32.

30. CONTINGENT LIABILITIES

	Company 2007 RM'000	Company 2006 RM'000
Unsecured		
Bankers' guarantees issued to third parties on behalf of subsidiaries	4,311	5,959
Corporate guarantees issued to bankers on behalf of subsidiaries	299,699	253,387
	304,010	259,346

31. CAPITAL COMMITMENTS

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Capital expenditure:				
Approved and contracted for	7,027	3,866	1,698	3,866
Approved but not contracted for	3,843	1,300	-	-
	10,870	5,166	1,698	3,866

32. RELATED PARTY DISCLOSURES

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

(a) Transactions with related companies: *

	Company 2007 RM'000	Company 2006 RM'000
Income		
Sales	310,021	268,841
Expenditure		
Rental expenses	119	96
Hiring charges	2,453	2,405
Purchases	14,808	4,004

* Related companies are companies within the Jaya Tiasa Holdings Berhad group.

(b) Transactions with companies in which certain directors of the Company and or persons connected to them have a substantial financial interest and/or are directors:

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Income				
(i) Sale of timber products:				
Subur Group*	-	6,887	-	6,887
Moverstar (M) Sdn. Bhd.	10	-	-	-
Perpuluhan Jaya Sdn. Bhd.	915	-	915	-
R.H. General Trading Sdn. Bhd.	110	97	-	-
R.H. Selangau Palm Oil Sdn. Bhd.	25	-	-	-
(ii) Sale of power:				
Subur Group*	704	623	-	-
Perpuluhan Jaya Sdn. Bhd.	527	538	-	-
(iii) Sale of fresh fruit bunches:				
R.H. Plantation Sdn. Bhd.	9,913	2,632	-	-
(iv) Contract income - forest plantation:				
R.H. Forest Corporation Sdn. Bhd.	13,449	10,995	-	-
Rejang Height Sdn. Bhd.	-	574	-	-
(v) Rental of equipment:				
Taman Logging Sdn. Bhd.	-	521	-	521
(vi) Logpond facilities income:				
Subur Group*	942	835	17	467
Hubwood Sdn. Bhd.	55	63	55	62

32. RELATED PARTY DISCLOSURES (CONT'D)

(b) Transactions with companies in which certain directors of the Company and or persons connected to them have a substantial financial interest and/or are directors:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Income (Cont'd)				
(vii) Helicopter chartering:				
Subur Group*	839	538	-	-
Baram Trading Sdn. Bhd.	-	31	-	-
Hwahung Timber Enterprise Sdn. Bhd.	-	24	-	-
Mafrica Corporation Sdn. Bhd.	25	32	-	-
Nescaya Palma Sdn. Bhd.	-	16	-	-
PJP Pelita Lundu Plantation Sdn. Bhd.	52	-	-	-
R.H. Lundu Palm Oil Mill Sdn. Bhd.	-	22	-	-
R.H. Forest Corporation Sdn. Bhd.	64	29	-	-
Rejang Height Sdn. Bhd.	-	95	-	-
Rimbunan Hijau Sdn. Bhd.	377	20	-	-
Tumbuh Tiasa Enterprise Sdn. Bhd.	25	-	-	-
Tiong Toh Siong & Sons Sdn. Bhd.	22	-	-	-
Wawoi Guavi Timber Pte. Ltd.	-	45	-	-
(viii) Commission income:				
Binamewah Sdn. Bhd.	163	74	107	59
Lukutan Enterprises Sdn. Bhd.	-	24	-	22
Perpuluhan Jaya Sdn. Bhd.	17	67	17	67
Rejang Height Sdn. Bhd.	502	227	502	227
Seraju Holdings Sdn. Bhd.	80	-	9	-
Expenditure				
(i) Purchase of timber products:				
Subur Group*	101	53	-	-
Binamewah Sdn. Bhd.	5,256	7,551	-	-
Lukutan Enterprises Sdn. Bhd.	753	752	-	-
Perpuluhan Jaya Sdn. Bhd.	9,566	3,329	-	-
Rejang Height Sdn. Bhd.	1,109	-	-	-
R.H. Forest Corporation Sdn. Bhd.	17,684	15,872	17,684	15,872
(ii) Purchase of raw materials:				
Petanak Enterprises Sdn. Bhd.	34,743	27,514	-	-
(iii) Contract fee for log harvesting:				
Hose Mountains Logging Sdn. Bhd.	806	9,363	-	-
Meli-Mujong Logging Sdn. Bhd.	5,196	16,856	-	712
Rimbunan Hijau Sdn. Bhd.	2,898	11,706	-	-
Taman Logging Sdn. Bhd.	4,549	26,988	4,549	26,988
Tiong Toh Siong & Sons Sdn. Bhd.	19,282	66,649	19,282	66,649
(iv) Purchase of spare parts, fuel and lubricants:				
Rimbunan Hijau General Trading Sdn. Bhd.	1,658	1,402	267	171
Tiong Toh Siong & Sons Sdn. Bhd.	1,579	11,732	606	7,684
Taman Logging Sdn. Bhd.	938	3,343	213	62

32. RELATED PARTY DISCLOSURES (CONT'D)

(b) Transactions with companies in which certain directors of the Company and or persons connected to them have a substantial financial interest and/or are directors:

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Expenditure (Cont'd)				
(v) Insurance charges:				
Evershine Agency Sdn. Bhd.	29	51	22	30
(vi) Purchase of air tickets:				
R.H. Tours and Travel Agency Sdn. Bhd.	332	493	206	352
(vii) Towage and freight charges:				
Onward Shipping Sdn. Bhd.	-	1,246	-	-
Syarikat Perkapalan C. H. Ling Sdn. Bhd.	-	781	-	-
Transport Resources Sdn. Bhd.	35	73	17	13
(viii) Construction:				
Moverstar (M) Sdn. Bhd.	893	2,036	85	370
(ix) Purchase of power:				
Subur Group*	38	30	38	30
(x) Hiring of equipment:				
Tiong Toh Siong & Sons Sdn. Bhd.	1,590	8,480	1,590	8,480
(xi) Logpond/office rental:				
Raya Abadi Sdn. Bhd.	36	36	36	36
Rimbunan Hijau Sdn. Bhd.	45	180	-	-
Tiong Toh Siong & Sons Sdn. Bhd.	180	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.

Information regarding outstanding balances arising from related party transactions as at 30 April 2007 are disclosed in Note 21, 22 and 29.

33. SEGMENTAL REPORTING

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services to different markets.

(b) Business segments

The Group comprises the following major business segments:

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

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

(iii) Oil palm plantations - development of oil palm plantations and its related activities.

Other operations of the Group mainly comprise the provision of air transportation services, development and maintenance of planted forests and investment holding.

(c) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's three business segments operate in two main geographical areas:

(i) Malaysia - the operations in this area are principally extraction, manufacturing and trading of logs, sawn timber, plywood, veneer, blockboard and laminated wood and investment holding.

(ii) Brazil - the operations in this area is principally investment holding.

(d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

33. SEGMENTAL REPORTING (CONT'D)

Business segments

The following provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Logs trading RM'000	Manu-facturing RM'000	Oil palm plantations RM'000	Others RM'000	Eliminations RM'000	Total RM'000
30 April 2007						
Revenue						
Sales to external customers	308,899	510,028	9,913	26,165	-	855,005
Inter-segment sales	429,892	80,742	-	4,198	(514,832)	-
Total revenue	738,791	590,770	9,913	30,363	(514,832)	855,005
Results						
Segment results	50,497	133,256	3,289	(16,906)	(1,756)	168,380
Finance costs	(2,298)	(7,505)	(34)	(7)	3,034	(6,810)
Profit before tax						161,570
Income tax expense						(39,670)
Profit for the year						121,900
Assets						
Segment assets	918,714	630,020	80,989	249,104	(247,788)	1,631,039
Liabilities						
Segment liabilities	247,270	117,075	4,811	232,753	-	601,909
Other segment information						
Capital expenditure	100,637	9,933	153,648	1,536	-	265,754
Depreciation of property, plant and equipment	24,756	22,795	1,198	5,039	-	53,788
Amortisation of other intangible assets	14,858	7	2	-	1,768	16,635

33. SEGMENTAL REPORTING (CONT'D)

Business segments (Cont'd)

	Logs trading RM'000	Manu-facturing RM'000	Oil palm plantations RM'000	Others RM'000	Eliminations RM'000	Total RM'000
30 April 2006						
Revenue						
Sales to external customers	286,011	374,393	2,632	23,816	-	686,852
Inter-segment sales	357,230	74,759	-	4,069	(436,058)	-
Total revenue	643,241	449,152	2,632	27,885	(436,058)	686,852
Results						
Segment results	31,100	48,867	24	7,117	(16,038)	71,070
Finance costs	(1,557)	(8,653)	(29)	(666)	4,293	(6,612)
Profit before tax						64,458
Income tax expense						(23,500)
Profit for the year						40,958
Assets						
Segment assets	538,553	461,995	142,905	214,568	19,484	1,377,505
Liabilities						
Segment liabilities	183,783	150,268	127,241	4,730	-	466,022
Other segment information						
Capital expenditure	76,390	12,820	127,373	37,291	-	253,874
Depreciation of property, plant and equipment	23,268	23,726	-	6,063	-	53,057
Amortisation of other intangible assets	14,867	-	-	-	1,768	16,635
Impairment of property, plant and equipment	2,000	-	-	-	-	2,000

33. SEGMENTAL REPORTING (CONT'D)

Geographical segments

The following provides an analysis of the Group's revenue by geographical segment:

	Malaysia RM'000	Brazil RM'000	Other countries RM'000	Eliminations RM'000	Total RM'000
30 April 2007					
Revenue					
Sales to external customers	855,005	-	-	-	855,005
Inter-segment sales	514,832	-	-	(514,832)	-
Total revenue	1,369,837	-	-	(514,832)	855,005
Assets					
Segment assets	1,876,207	1,848	772	(247,788)	1,631,039
Other segment information					
Capital expenditure	265,754	-	-	-	265,754
Depreciation of property, plant and equipment	53,784	-	4	-	53,788
Amortisation of other intangible assets	14,867	-	-	1,768	16,635
30 April 2006					
Revenue					
Sales to external customers	686,852	-	-	-	686,852
Inter-segment sales	436,058	-	-	(436,058)	-
Total revenue	1,122,910	-	-	(436,058)	686,852
Assets					
Segment assets	1,342,152	15,260	609	19,484	1,377,505
Other segment information					
Capital expenditure	253,782	-	92	-	253,874
Depreciation of property, plant and equipment	52,732	322	3	-	53,057
Amortisation of other intangible assets	14,867	-	-	1,768	16,635
Impairment of property, plant and equipment	-	2,000	-	-	2,000

34. 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 risk, foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the financial year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

The following sets out the carrying amounts, the weighted average effective interest rates (WAEIR) as at the balance sheet date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	WAEIR %	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	Total RM'000
At 30 April 2007						
Group						
Fixed rate						
Hire purchase payables (Note 28)	5.91	(26,253)	(19,766)	(11,212)	-	(57,231)
Term loan (Note 27)	5.85	(5,000)	(7,575)	(50,700)	(84,300)	(147,575)
Floating rate						
Deposits with financial institutions (Note 23)	3.10	1,333	-	-	-	1,333
Bank overdrafts (Note 27)	7.79	(25,695)	-	-	-	(25,695)
Bankers' acceptances (Note 27)	4.25	(38,000)	-	-	-	(38,000)
Revolving credit (Note 27)	6.32	(22,739)	-	-	-	(22,739)
Term loans (Note 27)	5.15	(18,000)	(18,000)	(75,920)	(31,479)	(143,399)

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Interest rate risk (Cont'd)

	WAEIR %	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	Total RM'000
At 30 April 2006						
Group						
Fixed rate						
Hire purchase payables (Note 28)	5.96	(15,520)	(10,994)	(4,226)	-	(30,740)
Term loans (Note 27)	5.85	(5,000)	(5,000)	(29,700)	(79,700)	(119,400)
Floating rate						
Deposits with financial institutions (Note 23)	3.00	4,224	-	-	-	4,224
Bank overdrafts (Note 27)	7.00	(22,518)	-	-	-	(22,518)
Bankers' acceptances (Note 27)	3.30	(42,363)	-	-	-	(42,363)
Revolving credit (Note 27)	3.30	(18,893)	-	-	-	(18,893)
Term loans (Note 27)	5.08	(18,000)	(18,000)	(51,822)	(22,608)	(110,430)
At 30 April 2007						
Company						
Fixed rate						
Hire purchase payables (Note 28)	5.78	(21,776)	(16,567)	(9,458)	-	(47,801)
Floating rate						
Amount due from subsidiaries (Note 22)	7.13	451,745	-	-	-	451,745
Amount due to subsidiaries (Note 22)	0.73	(553,932)	-	-	-	(553,932)
Bank overdrafts (Note 27)	7.79	(9,897)	-	-	-	(9,897)
Bankers' acceptances (Note 27)	3.81	(18,000)	-	-	-	(18,000)
Revolving credit (Note 27)	6.61	(17,165)	-	-	-	(17,165)
Term loans (Note 27)	6.86	-	(2,575)	(48,920)	-	(51,495)
At 30 April 2006						
Fixed rate						
Hire purchase payables (Note 28)	5.84	(9,180)	(9,251)	(3,928)	-	(22,359)
Floating rate						
Amount due from subsidiaries (Note 22)	3.29	346,945	-	-	-	346,945
Amount due to subsidiaries (Note 22)	1.55	(417,854)	-	-	-	(417,854)
Bank overdrafts (Note 27)	7.00	(7,031)	-	-	-	(7,031)
Bankers' acceptances (Note 27)	3.96	(16,500)	-	-	-	(16,500)
Revolving credit (Note 27)	5.94	(18,893)	-	-	-	(18,893)
Term loans (Note 27)	6.19	-	-	(33,822)	(22,608)	(56,430)

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Interest rate risk (Cont'd)

Interest on financial instruments subject to floating interest rates is repriced at intervals of less than 12 months. Interest on financial instrument at fixed rates are fixed until the maturity of the instruments except for certain term loans which are subject to floating interest rates of 1% above the banks' cost of funds for the years ending 2014, 2015 and 2016. The other instruments of the Group that are not shown above are not subject to interest rate risk.

(c) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk is primarily United States Dollars (USD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts.

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

Functional currency of Group	Net financial (liabilities)/assets held in non-functional currency United States Dollar RM'000	Others RM'000	Total RM'000
Ringgit Malaysia			
At 30 April 2007	(30,336)	(275)	(30,611)
At 30 April 2006	(15,769)	4	(15,765)

As at balance sheet date, the Group had entered into forward foreign exchange contracts with the following notional amount and maturity:

Group	Currency	Maturity within 1 year RM'000	Total notional amount RM'000
At 30 April 2007			
Forwards used to hedge receivables	USD	107,721	107,721
At 30 April 2006			
Forwards used to hedge receivables	USD	16,837	16,837

(d) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or 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.

34. FINANCIAL INSTRUMENTS (CONT'D)

(e) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group has significant exposure to certain customers or counterparties. However, this does not pose significant credit risk to the Group.

(f) Fair value

The carrying amounts of financial assets and liabilities of the Group and the Company at the balance sheet date approximated their fair values except for the following:

(i) Forward foreign exchange contracts

	Note	Group Carrying amount RM'000	Group Fair value RM'000	Company Carrying amount RM'000	Company Fair value RM'000
At 30 April 2007	34(c)	-	(157)	-	-
At 30 April 2006	34(c)	-	241	-	241

The fair value of a forward foreign exchange contract is the amount that would be payable or receivable on termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and forward exchange rate as at the balance sheet date applied to a contract of similar quantum and maturity profile.

(ii) Investment properties

	Group/Company Carrying amount RM'000	Group/Company Fair value RM'000
At 30 April 2007	1,313	2,555
At 30 April 2006	1,313	2,555

The fair value of the investment properties is estimated based on market prices at the balance sheet date.

35. SUBSEQUENT EVENT

On 20 June 2007, the Board of Directors declared a distribution of 1 treasury share for every 20 existing ordinary shares held.

The treasury shares distributed will not be entitled to the first and final dividend recommended in Note 12.

ADDITIONAL COMPLIANCE INFORMATION
(PURSUANT TO BURSA SECURITIES LISTING REQUIREMENTS)

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

The Company did not sponsored any American Depository Receipt (ADR) or Global Depository Receipt (GDR) programmes 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 audited 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 2007 or entered into since the end of the previous financial year.

6. REVALUATION POLICY

The Group did not adopt a policy of regular valuation on its landed properties. As at 30 April 2007, the Company did not carry out any valuation exercise on its landed properties.

7. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Not applicable as there were no fund raising corporate proposals during the financial year.

8. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company has not granted any options nor issued any warrants or convertible securities 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-BACK

The Company did not buy-back any of its own shares during the financial year.

As at the financial year ended 30 April 2007, 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.

The Company has declared a share dividend distribution on the basis of 1 treasury share for every 20 existing ordinary shares. Upon completion of the share dividend distribution, the Company intends to purchase further of its own shares from the market and will be seeking the shareholders' mandate for the purchase of up to 10% of its own shares at the forthcoming Annual General Meeting.

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

At the Annual General Meeting held on 28 September 2006 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 (JTH) and/or its subsidiary(ies)[1]	**Transacting Related Parties[2]**	**Amount Transacted RM'000**
Purchase of logs by JTH, JTP, JTTP and RHP from Related Parties	RH Forest Corporation Sdn Bhd Perpuluhan Jaya Sdn Bhd	17,684 9,566
Purchase of raw materials (glue) by JTP and JTTP from Related Party	Petanak Enterprises Sdn Bhd	34,743
Contract fee received by JTFP from Related Party for extraction of logs	RH Forest Corporation Sdn Bhd	13,449
Sale of fresh fruit bunches by SPSB to Related Party	R.H. Plantation Sdn Bhd	9,913
Supply of power by JTTP to Related Party	Perpuluhan Jaya Sdn Bhd	527
	Total	**85,882**

Note:

1. Name of subsidiaries of JTH:

   JTFP – Jaya Tiasa Forest Plantation Sdn Bhd

   JTP – Jaya Tiasa Plywood Sdn Bhd

   JTTP – Jaya Tiasa Timber Products Sdn Bhd

   RHP – Rimbunan Hijau Plywood Sdn Bhd

   SPSB – Simalau Plantation Sdn Bhd

2. Relationship of Transacting Related Parties with the Company

   The Related Parties are companies in which directors or major shareholders of JTH Group or person(s) connected with them have substantial interests.

ANALYSIS OF SHAREHOLDINGS
AS AT 9 AUGUST 2007

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 Shares Held	%
1 - 99	66	3.01	2,433	0.00
100 - 1000	833	38.04	744,691	0.29
1001 - 10000	941	42.97	3,893,095	1.53
10001 - 100000	253	11.55	8,344,981	3.28
100001 – 12713823 (less than 5% of issued shares)	92	4.20	117,086,786	46.05
12713824 (5% and above of issued shares)	5	0.23	124,204,513	48.85
TOTAL	**2,190**	**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	No. of Shares Held	%
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	CIMB Group 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	DB (Malaysia) Nominee (Asing) Sdn Bhd Gold Palace Profits Limited	11,849,026	4.66
7	Employees Provident Fund Board	8,413,200	3.31
8	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Asanas Sdn Bhd	8,412,500	3.31
9	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Nustinas Sdn Bhd	8,212,500	3.23
10	CIMB Group 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

TOP 30 SHAREHOLDERS (CONT'D)

No.	Name	No. of Shares Held	%
13	Mayban Nominees (Asing) Sdn Bhd DBS Bank for Bloomswick Ltd	5,076,419	2.00
14	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tiong Thai King	3,668,759	1.44
15	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association	3,562,333	1.40
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	Mayban Nominees (Tempatan) Sdn Bhd DBS Bank for Tiong Hiew King	2,621,911	1.03
19	Tiong Toh Siong Enterprises Sdn Bhd	2,554,500	1.00
20	CIMSEC Nominees (Asing) Sdn Bhd ING Asia Private Bank Ltd for Profit Centre Asset Management Limited	2,258,000	0.89
21	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad	2,149,100	0.85
22	Zaman Pemimpin Sdn Bhd	2,060,900	0.81
23	HSBC Nominees (Asing) Sdn Bhd Exempt AN for The HongKong and Shanghai Banking Corporation Limited	1,735,400	0.68
24	Lembaga Tabung Haji	1,394,600	0.55
25	Tiong Chiong Ong	1,204,189	0.47
26	CITIGROUP Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Fund	1,128,700	0.44
27	Azerina Mohd Arip @ Gertie Chong Soke Hoon	1,030,000	0.41
28	HSBC Nominees (Asing) Sdn Bhd HSBCIT (S) Ltd for Numbley Assets Limited	1,000,000	0.39
29	Lembaga Amanah Kebajikan Darul Falah	1,000,000	0.39
30	Mayban Nominees (Tempatan) Sdn Bhd DBS Bank for Tiong Chiong Hoo	1,000,000	0.39

ANALYSIS OF SHAREHOLDINGS
AS AT 9 AUGUST 2007

SUBSTANTIAL SHAREHOLDERS

Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
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	-	-
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

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

None of the Directos holds any shares in the subsidiaries of the Company.

PROPERTIES OWNED BY THE GROUP

Malaysia

Description	Tenure	Existing use	Land Area	Approximate age of building	Net Book Value as at 30 April 2007 (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	20 years	2,188	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	15 years	5,284	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	-	40	24 March 2004
Sibu O.T. 12262	Leasehold land expiring on 13.6.2027	Vacant Agriculture land	16,183 sq metres	-	192	26 July 2000
Putai, Kapit						
Concession land		Factory, warehouse and staff quarter		15 years	16,364	-
Upper Lanang Rd, Sibu						
Sibu Town District Blk 10 Lots 650 & 520 (Sub 120-132)	Pending issuance of Land Title	Building	103,943 sq metres	-	18,343	30 April 2005
Salim, Sibu						
Seduan L.D. Blk 16 Lot 1393	Leasehold land expiring on 31.12.2915	Warehouse	19,981 sq metres	9 years	2,488	14 November 1995
Ulu Oya Road, Sibu						
Seduan L.D. Blk 10 Lot 1161	Leasehold land expiring on 07.08.2054	Semi-detached residential house	430.2 sq metres	11 years	174	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	9 years	32,635	-
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	-	1,720	1 September 2002
Sare L.D. Blk 3, Lot 135, 136, 137 and 52	Freehold land	Vacant Agriculture land	46,578 sq metres	-	327	1 September 2003

PROPERTIES OWNED BY THE GROUP

Malaysia (Cont'd)

Description	Tenure	Existing use	Land Area	Approximate age of building	Net Book Value as at 30 April 2007 (RM'000)	Date of Acquisition
Tanjung Manis, Sarikei						
Sare L.D. Blk 3, Lot 53, 54, 56, 57, 58, 59, 60 and 61	Freehold land	Vacant Agriculture land	230,747 sq metres	-	622	14 November 1996
Sungei Terus, Niah, Miri						
Lot 161, Suai Land District	Provisional leasehold expiring on 6.12.2060	Oil Palm Estate Agriculture land	23,629,286 sq metres	-	1,697	30 April 2001
Lot 934, Niah Land District	Provisional leasehold expiring on 6.12.2060	Oil Palm Estate Agriculture land	26,369,203 sq metres	-	1,856	30 April 2001
Retus, Mukah						
Lot 1, Block 6 Retus Land District	Leasehold land expiring on 23.2.2063	Oil Palm Estate Agriculture land	72,331,816 sq metres	-	5,191	28 August 2003
Lot 9, Block 362 Oya-Dalat District	Leasehold land expiring on 23.2.2063	Oil Palm Estate Agriculture land	34,547,957 sq metres	-	2,474	28 August 2003
Pulau Bruit, Daro, Mukah						
Lot 265, Bruit Land District	Provisional leasehold expiring on 18.5.2064	Oil Palm Estate Agriculture land	100,002,946 sq metres	-	6,905	9 December 2004
Lot 266, Bruit Land District	Provisional leasehold expiring on 18.5.2064	Vacant Agriculture land	50,001,473 sq metres	-	3,457	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	-	84	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	-	34	12 August 2005
Kuching						
Lot 269, Salat L.D. Kasuma Resort Condo	Leasehold land	Unit 1901 & Unit 1902 Condominium	9,150 sq metres	1 year	1,313	10 September 2005

Brazil

Municipality/ State	Description	Tenure	Existing use	Land Area	Approximate age of building	Net Book Value as at 30 April 2007 (RM'000)	Date of Acquisition
Selvaplac Verde Ltda							
Moju, Para	M. 4199, F.99, L2-AV	Freehold	Rural Land	1,160 hectares	-	47	1 July 1997
Portel, Para	M. 951, F.99, L2	Freehold	Forest Land	7,090 hectares	-	991	1 July 1997
Icoaraci, Para	Ind. Plant (M.473, L2-AM)	Freehold	Factory Building	47,076 sq. metres	24	4,926	1 July 1997
Icoaraci, Para	M.236, F.236, L2-GV M.47, F.47, L2-GX	Freehold	Urban Land	106,323 sq. metres	-	737	1 July 1997

PROXY FORM

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-Seventh 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, 27 September 2007 at 11.45 a.m. and at any adjournment thereof.

	RESOLUTIONS	FOR	AGAINST
No.1	Adoption of the Audited Financial Statements for the financial year ended 30 April 2007 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 2007.		
No.3	Re-election of Dr. Tiong Ik King.		
No.4	Re-election of Mdm Tiong Choon.		
No.5	Re-election of Ms Wong Lee Yun		
No.6	Approval of Directors' Fees for the financial year ended 30 April 2007.		
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 Authority for the Company to purchase its own shares.		
No.10	Proposed Shareholders' Mandate for Recurrent Related Party Transaction.		
No.11	Proposed Amendments to the Articles of Association of the Company.		

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 ____________ 2007

____
Signature/Common Seal of Shareholder(s)

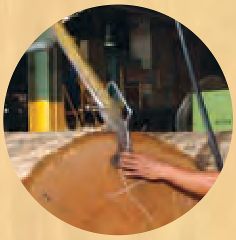
* If you do not wish to appoint the Chairman of the Meeting as your proxy/one of your proxies, please strike out the words "the Chairman of the Meeting" and insert the name(s) of the proxy/proxies you wish to appoint in the blank space provided.

** Please delete as applicable.

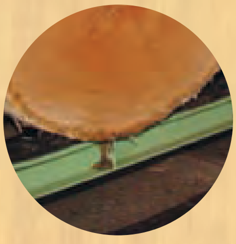
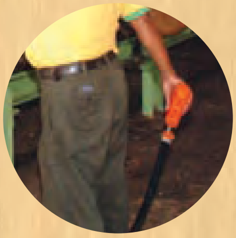
Notes

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 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. If the proxy form is executed by an attorney, supporting documents has to be produced on the day of the Annual General Meeting for verification by the Company Secretary.

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



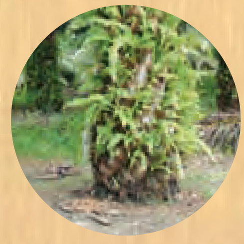









JAYA TIASA
(3751-V)

No. 1-9, Pusat Suria Permata
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