

2010

JAYA



TIASA

(3751-V)

Annual Report

CORPORATE VISION

To be Malaysia's leading producer of renewable and sustainable quality wood and oil palm based products.

CORPORATE MISSION

To create a strong, viable corporate entity, a first choice employer, continuously improving by harnessing our resources of people, processes and technology contributing to the nation's development .

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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

Dato' Sri Dr. Tiong Ik King
Non-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

Datuk Talib Bin Haji Jamal
Independent Non-Executive Director

COMPANY SECRETARY

Ngu Ung Huong
MAICSA 7010077

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

www.jayatiasa.net

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya, Selangor

Tel : 03-7841 8000
Fax : 03-7841 8008

AUDITORS

Ernst & Young
Chartered Accountants
Room 300-303, 3rd Floor
Wisma Bukit Mata Kuching
Jalan Tunku Abdul Rahman
93100 Kuching

Tel : 082-243233
Fax : 082-421287

PRINCIPAL BANKERS

AmBank Berhad
DBS Bank Ltd
RHB Bank Berhad
CIMB Bank Berhad
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market - Bursa Malaysia
Securities Berhad
Stock Name: JTIASA
Stock Code: 4383



5-YEAR FINANCIAL HIGHLIGHTS

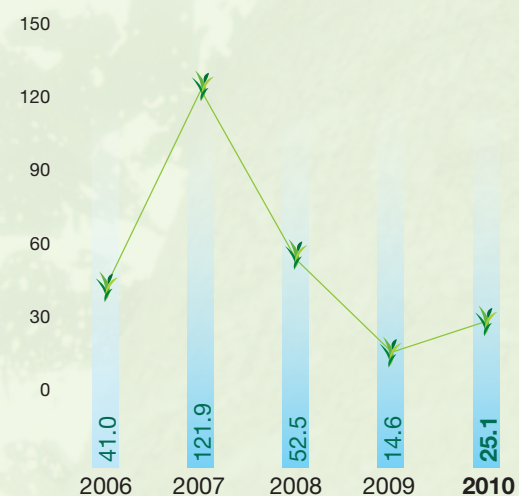
Turnover (RM million)



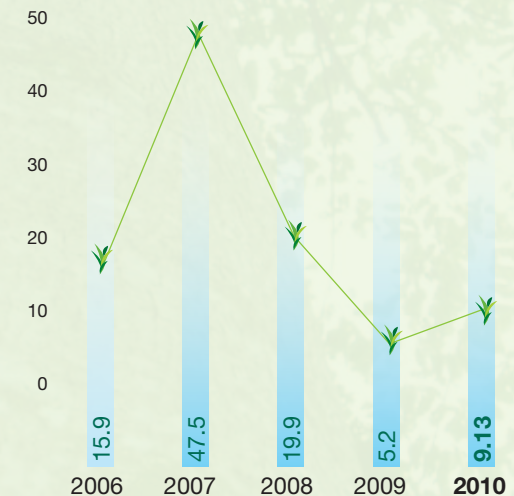
Profit Before Tax (RM million)



Profit After Tax (RM million)



Net Earnings Per Share (Sen)



Total Assets (RM million)



Net Tangible Assets Per Share (RM)



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fiftieth Annual General Meeting of the Company will be held at the Auditorium, Ground Floor, No.62, Lorong Upper Lanang 10A, 96000 Sibul, Sarawak on Wednesday, 29 September 2010 at 9.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 April 2010 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To declare a first and final dividend of 2% less tax for the financial year ended 30 April 2010. **(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. Ms Wong Lee Yun **(Resolution 3)**
 - ii. Datuk Talib Bin Haji Jamal **(Resolution 4)**
4. To consider and if thought fit, pass the following resolution:- **(Resolution 5)**

"THAT Gen (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting."
5. To approve the payment of Directors' fees for the financial year ended 30 April 2010. **(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) Proposed Renewal of Authority for the Company to Purchase its Own Shares ("Proposed Share Buy-Back") **(Resolution 8)**

"THAT subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and any other relevant 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 2010 of RM282 million and RM51.4 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 authority be and is hereby given to the Directors to decide in their absolute discretion to either retain the ordinary shares purchased by the Company pursuant to the Proposed Share Buy-Back as treasury shares subsequently to be distributed as share dividends or resold on Bursa Malaysia, or to cancel the shares so purchased, or a combination of both AND FURTHER THAT the Directors be and are hereby authorised to act and to take all steps and do all things as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full power to assent to any conditions, modifications, variations and amendments as may be imposed by the relevant authorities."



NOTICE OF ANNUAL GENERAL MEETING

(ii) Proposed Shareholders' Mandate for Recurrent Related Party Transaction

(Resolution 9)

"THAT approval be and is hereby given to the Company and/or its subsidiary companies to enter into any of the 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 7 September 2010 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 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 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

(iii) Proposed Amendment to the Articles of Association of the Company

(Resolution 10)

THAT the Company's Articles of Association be amended by deleting the existing Article 128 in its entirety and replaced by the following new Article 128:

Existing Article 128

Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last known address of the holder or to such person and to such address as the holder may in writing direct, or through a crediting of funds into a nominated bank account of such Member or person entitled thereto and the receipt by the person whose name at the date of the declaration of the dividend appears on the Register of Members or the Record of Depositors as the owner of any share, shall be a good discharge by the Company for all payments made in respect of such share. Every such cheque or warrant or fund shall be sent or credited at the risk of the person entitled to the money represented thereby.

New Article 128

"Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the member or, if several persons are entitled in consequence of the death or bankruptcy of the holder, to any one (1) of such persons and to such address as such persons may in writing direct or by directly crediting the dividend entitlement, interest or other money payable in cash into such member's or person's bank account as provided to the Central Depository from time to time. Every such cheque or warrant or funds for crediting into the bank account of the member or person entitled thereto shall be made payable to the order of the member or person entitled thereto and the payment of any such cheque or warrant or direct crediting of funds into the bank account shall be a good discharge by the Company in respect of the money represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged or that there is discrepancy in the details of the bank account(s) given by the member or person entitled thereto. Every such cheque or warrant or funds shall be sent or credited at the risk of the person entitled to the money thereby represented. Where the members or persons entitled thereto have provided to the Central Depository the relevant contact details for the purpose of electronic notification, the Company shall notify them electronically once the Company has paid the cash dividends out of its accounts."

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 2% less tax for the financial year ended 30 April 2010, if approved at the Fiftieth Annual General Meeting, will be paid on 24 November 2010 to Depositors whose names appear in the Record of Depositors on 10 November 2010.

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 8 November 2010 in respect of securities exempted from mandatory deposit;
- b) Securities transferred into the Depositor's securities account before 4.00 p.m. on 10 November 2010 in respect of transfers; and
- c) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board
JAYA TIASA HOLDINGS BERHAD

NGU UNG HUONG (MAICSA 7010077)
Company Secretary

Sibu, Sarawak
7 September 2010

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) Proposed Renewal of Authority for the Company to Purchase its Own Shares

The Proposed Ordinary Resolution No. 8 if passed, will authorise the Company to purchase up to 10% of the issued and paid-up share capital of the Company through Bursa Malaysia Securities Berhad.

- (b) Proposed Shareholders' Mandate for Recurrent Related Party Transaction

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

- (c) Proposed Amendment to the Articles of Association of the Company

The Proposed Special Resolution No. 10 is to amend the Company's Articles of Association in line with the Listing Requirements of Bursa Malaysia in relation to eDividend.

- (d) Please refer to the Circular to Shareholders dated 7 September 2010 which is circulated together with this Annual Report for further information on the Proposed Share Buy-Back and the Proposed Shareholders' Mandate for Recurrent Related Party Transaction.



KEY INFORMATION

Forest Concessions

Gross Area : 713,211 hectares (1,760,535 acres)
 Extraction Quota : 94,500m³ monthly
 Main Species : Meranti, Kapor, Keruing, Selangan Batu, Jelutong, Melapi, Mersawa, Nyatoh, Arau, Penyau, Bindang and MLH (mixed light hardwood).

Oil Palm Plantation

Total Land Area : 83,480 hectares
 Plantable Area : 69,055 hectares
 Planted Area* : 52,877 hectares
 Matured Area* : 25,058 hectares

Reforestation

Total Land Area : 235,859 hectares
 Plantable Area : 141,308 hectares
 Planted Area* : 30,063 hectares

Annual Production Capacity

Timber Products

	Jaya Tiasa Plywood Sdn Bhd	Rimbunan Hijau Plywood Sdn Bhd	Jaya Tiasa Timber Products Sdn Bhd	Total Annual Production Capacity
Plywood (cubic metre)	180,000	120,000	120,000	420,000 m ³
Rotary Veneer (cubic metre)	324,000	-	-	324,000 m ³
Sawntimber (cubic metre)	98,400	-	14,400	112,800 m ³
Blockboard (cubic metre)	-	12,000	-	12,000 m ³
Film-Overlay Plywood (cubic metre)	-	6,000	-	6,000 m ³
Sliced-Veneer (square metre)	-	-	6,000,000	6,000,000 m ²

Crude Palm Oil (JT Oil Palm Development Sdn Bhd)
 (metric tonnes)

270,000 mt

Note: * As at 31 July 2010



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 71, was appointed to the Board on 27 March 1995. He serves as chairman of the Board and the Audit Committee.

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

Presently, he is the Chairman of DVM Technology Bhd, an ICT company listed on the ACE Market 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.

Tan Sri 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 49, 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.

Dato' Sri is a businessman with extensive experience in timber and plantation industries. As Group Managing Director, he actively oversees the operations of the Group. He holds a Bachelor of Law and a Bachelor of Economics degrees from Monash University, Australia and is a registered barrister.

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



DIRECTORS' PROFILES



DATO' SRI DR TIONG IK KING

Non-Independent Non-Executive Director

Dato' Sri Dr Tiong Ik King, aged 60, joined the Board on 27 March 1995. He is a member of the Remuneration Committee and the Nomination Committee.

Dato' Sri Dr Tiong has extensive experience in many industries including media and publishing, information technology, timber, plantation and manufacturing industries. 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.

Currently, he also serves on the Board of EON Capital Berhad and Media Chinese International Limited.

Dato' Sri Dr Tiong is the brother of Tan Sri Datuk Sir 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.



MDM TIONG CHOON

Non-Independent Non-Executive Director

Mdm Tiong Choon, aged 41, was appointed to the Board on 3 May 1999.

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

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



DIRECTORS' PROFILES



MR TIONG CHIONG HEE

Non-Independent Non-Executive Director

Mr Tiong Chiong Hee, aged 36, was appointed to the Board on 14 May 1999.

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 holds a Bachelor of Commerce Degree from University of Melbourne, Australia.

He is the nephew of Tan Sri Datuk Sir Tiong Hiew King, a major shareholder of the Company. His uncle Dato' Sri 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 63, 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 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 holds a Bachelor of Economics degree majoring in Accounting from Sydney University, NSW, Australia.

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



DIRECTORS' PROFILES



MS WONG LEE YUN

Independent Non-Executive Director

Ms Wong Lee Yun, aged 57, was appointed to the Board on 21 June 2007. She is a member of the Audit Committee.

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 Renong Group of Companies. She became the Chief Executive of Jaya Tiasa Holdings Berhad from 1997 to 2000. She was also a Director of Sin Chew Media Corporation Bhd from 2004 to early 2008 and remains Adviser to Sin Chew Media Corporation Bhd.

Currently, she is a Shareholder cum Executive Director of MyBiz Solution Sdn Bhd, a company providing Total Spend Management solutions to major corporations in Malaysia. In addition, she holds directorship in several private limited companies.

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



DATUK TALIB BIN HAJI JAMAL

Independent Non-Executive Director

Datuk Talib Bin Haji Jamal, aged 58, was appointed to the Board on 12 November 2007. He is the Chairman of the Nomination Committee and is a member of the Audit Committee and Remuneration Committee.

Datuk Talib has served in various senior capacities and positions in the Police Diraja Malaysia for more than 30 years. He was the Commissioner of Police, Sarawak from 2004 until his retirement in November 2007. He was the Director of Police Cooperatives for 10 years and the Director of Bank Kerjasama Rakyat for 2 years.

Datuk Talib holds a Master of Science in Mechanical Engineering from Cranfield Institute of Technology, England, United Kingdom.

Datuk Talib 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



Dear Valued Shareholders,

On behalf of the Board of Directors of Jaya Tiasa Holdings Berhad, I am honoured and pleased to present to you the Annual Report and Audited Financial Statements of the Group for the financial year ended 30 April 2010.



The global economy and the financial markets had suffered one of the worst downturns, with the first half of 2009 being particularly challenging. In a short amount of time, much business and personal wealth eroded, affecting the earnings and credit availability of both advanced and developing economies. Unemployment soared, which caused asset prices to collapse and sales came to a near standstill worldwide. However, towards the second half of the year, the depressed market sentiment in the earlier part of 2009 began to abate as initial signs of a recovery took hold. Central banks as well as Governments worldwide had reacted promptly with unprecedented stimulus programs that enabled the avoidance of a full-blown financial meltdown and helped stabilise economic activity.

The worldwide economic crisis played a major role on dampening key commodity prices in 2009, including timber. The operating environment for the timber industry in financial year 2010 ("FY2010") proved to be challenging as demand stayed soft due to the adverse economic climate, in particular the reduction in housing demand and new housing starts in the United States ("US") and Japan. Although positive signs of a recovery could be seen in the second half of the financial year, the various stimulus packages had limited positive impact on the timber industry and operating conditions remained difficult. According to the Malaysian Timber Industry Board, export values for Malaysia timber and timber based products for 2009 declined to RM19.4 billion, compared with RM22.8 billion in 2008, as demand was negatively affected by the global financial crisis. The weak demand continued to exert a significant influence over the Group's timber markets in FY2010.

The development of the palm oil market generally parallels that of other commodities. In late-2008 and early-2009, crude palm oil ("CPO") prices faced downtrend pressure before rebounding to end the year on a more positive note. This was supported by positive sentiments on crude oil prices, aided by the tight supply of vegetable oils on the world markets and low domestic palm oil stocks. Demand has started to recover earlier than expected, causing the price for CPO to strengthen from its lower level of ±RM1,800 per tonne in the beginning of the year to the current level of ±RM2,500 per tonne. The Group's oil palm division continued to show steady growth in revenue. As the area of mature acreage of estates increased, the growth in fresh fruit bunches ("FFB") and CPO production coupled with favourable prices for CPO during the financial year enabled the division to post stable earnings.



CHAIRMAN'S STATEMENT

In spite of an uncertain economic landscape, the Group has demonstrated strength and resilience in its recovery process. During FY2010, we pressed ahead with our strategy to focus on increasing sales of products in the higher price segments with better margins. Our inventories were correspondingly adjusted to the lower levels of demand by cutting back and in some circumstances, temporarily suspending production. Manufacturing efficiency continued to improve with our efforts to contain costs. Furthermore, we made significant progress with oil palm and forest plantation development for sustainable growth. As demand for environmental friendly wood products is on the rise, our Green certification gave us a good base for capturing a considerable share of this market. These initiatives, together with the commitment and responsiveness of everyone in the Group helped us emerge from the testing period stronger and well positioned for the upturn.

FINANCIAL PERFORMANCE

Against the challenging economic backdrop, the Group's registered revenue of RM746 million, declined a marginal 1.4% compared to RM757 million in the previous financial year. The lower revenue was mainly due to an overall contraction in selling prices and sales volume for our timber products as a result of weak demand in most of our main markets. Although the average selling price in US dollar was higher for plywood in the second half, the full benefit was partially offset by the negative impact of a progressively stronger Ringgit.

Despite the lower revenue, profit before tax for the year grew significantly to RM40 million, which represented 75% improvement year on year. Net profit after tax improved by 72% to RM25 million from RM15 million posted in the preceding year. This translated into higher earnings per share of 9.13 sen as compared to 5.20 sen in the previous year. This improvement was attributed to a combination of stringent cost control measures which reduced operating costs and the downward revision in fuel prices. With profitability achieved for the financial year, shareholders' funds improved to RM1,104,037 million from RM1,077,411 million recorded last year. Net tangible assets per share stood at RM3.87.

DIVIDEND

The Board is pleased to recommend a final dividend of 2% per share less income tax of 25%, for the financial year ended 30 April 2010, subject to the approval of the shareholders at the forthcoming 50th Annual General Meeting to be convened on 29 September 2010.



REVIEW OF OPERATIONS

Plywood

The plywood division contributed 39% of the total Group's revenue. During the financial year under review, plywood sales continued to come under pressure as a result of reduced demand. Exports of plywood slipped 16% compared to the preceding financial year. However, the average plywood selling price increased by 1.8%. The slight improvement in the plywood selling price was mainly contributed by a gradual recovery in overall timber market conditions in the second half of the financial year.

Our major markets for the year, predominantly the US, Korea, the Middle East and Taiwan, accounted for approximately 76% of the Group's total plywood sales. Exports to Japan were significantly lower, and took up only 8% of the total exported plywood sales as compared to 19% recorded a year ago. Sales to Korea, however, rose to 22% from 16% in the previous financial year. Export to China also increased to 13% from 10% achieved in the prior financial year.

Demand for plywood products from Japan, the world's key timber market, continued to be depressed due to weak housing starts. In 2009, Japan housing starts plunged to a record low in the last 45 years as the economy struggled to recover from its worst recession in decades. The country's plywood import volumes from Malaysia in 2009 dropped by 24% year on year. Buyers were adopting a very cautious approach due to economic uncertainty. Despite the lower demand from the Japanese market, overall sales were mitigated by the success of the Group's diversification of its export base.



CHAIRMAN'S STATEMENT



Demand from Korea had been encouraging as its construction sector has recovered and shown steady growth. The Korean government's extensive plans to expand its infrastructure developments will provide a further boost to demand. Sales to China via Hong Kong had also improved due to the country's high demand for timber as a result of their massive infrastructure and housing construction programs, which have benefited from China's economic stimulus package.

In spite of a lacklustre economic environment, export to the US remained stable. During the year, the Group exported 23% of its total plywood export sales to the US. The Group managed to leverage on its strength for timely delivery and reliable supply of products that are certified with California Air Resources Board (CARB) certification.

Plywood: Outlook and Strategy

Looking forward, demand for plywood is expected to improve gradually in line with economic recovery, particularly in Asia. With its healthy economic expansion, the Asia Pacific region shows positive signs with regard to construction and infrastructure developments. Prices are expected to pick up as a result of restocking activities and a supply shortage.

Despite this optimism, the Group is maintaining a conservative strategic approach in an increasingly competitive global environment, taking into account the scarcity of resources, the volatility of foreign exchange rates and rising costs due to the hike in freight charges. These are among the many challenges facing the industry. The Group will strengthen its current measures to maintain and enhance its competitive edge in the global marketplace. These include harnessing its existing production technology towards improving operational efficiency and product quality, and producing value-added products for niche markets to enhance margins. We will continue to be flexible in the deployment of our resources and be

vigilant in maintaining cost discipline. In order to increase the appeal of our products and promote responsible environmental management, we will endeavour to obtain other timber certification in addition to the existing ones to meet the rising demand for certified timber products.

Logging

The logging division recorded revenue of RM320 million, 8.4% lower than RM350 million recorded in the previous financial year. The decrease in revenue for the division was mainly due to the decrease in the average selling price, which was attributed to weak demand.

For the financial year under review, the Group exported 460,753 m3 of logs which was 6% lower than the prior year. Average log export price declined by 4% compared to the preceding financial year.

Log production was reduced by 4% principally due to the prolonged and unpredictable rain pattern which hampered timber harvesting activities. The dry spell in the last quarter of the financial year also affected output. The key markets for log export this year were India (50%), followed by Taiwan (19%), China (13%) and Japan (9%).

India remained our largest market for the round logs export of the Group, with an increase in sales, from 46% achieved in the previous financial year to 50% this year. The economic situation in India is rebounding faster than forecasted by virtue of strong domestic demand. Its rapidly developing construction sector and the rising prosperity of middle-class Indians will continue to boost demand for timber and wood-based products. Furthermore, the country has to depend heavily on imports to meet its demand for timber as the commercial cultivation of timber is restricted by the government. For these reasons, India will remain a significant export market for the Group.

During the financial year, log sales to China overtook Japan, to become the third largest market for the Group's exports of round logs. China's demand for wood remains high due to a continued housing boom and the tightening



CHAIRMAN'S STATEMENT

of hardwood inventories in the country, which have spurred demand for the replenishment of supplies. In addition, China's log importers have been diverting their supplies from Russia as Russia's prices have more than doubled over the past three years due to rising tariffs and transportation costs. These factors will support China's position as a robust timber market in the foreseeable future thus compensating for Japan's weak demand.

Logging: Outlook and Strategy

Demand and prices for tropical logs are expected to increase in line with economic recovery and supply constraint. In particular, the demand for logs from China and India is expected to remain strong, driven by their growing need for affordable timber for building and renovation.

To maximise our margins, the Division will closely monitor the cost of production. Increased attention will also be given to logistical planning to ensure that logs extracted are delivered within the shortest time frame possible to preserve their freshness and maintain their quality for premium prices. Logs production and distribution will be monitored to improve efficiency in supply chain.

Oil Palm

Despite the gloomy global economic scenario, demand for palm oil continued to be resilient. CPO price in FY2010 held well, supported by improving external environment, although they did retreat from the record highs of the previous year. The oil palm division's earnings continue to grow as a result of higher production of FFB boosted by improving yield and increase in maturing areas. The division registered revenue of RM77 million and pre-tax profit of RM18 million in FY2010, up 79% and 100% respectively from FY2009.

As at 30 April 2010, the Group has a total planted area of 50,424 hectares ("ha"), an increase of approximately 16% compared to previous year, of which about 29% or 14,772 ha are matured. Overall growth of the palms is satisfactory. Production of FFB grew by 81% to 180,684



metric tonnes due to an increase in mature area from 7,595 ha in FY2009 to 14,772 ha in FY2010. We expect crop output to grow at a sustainable pace as more palms are reaching production age.

The Group's first CPO mill in Pulau Brait, Sarawak commenced its operation in June 2009. It has a capacity of processing 45-metric tonne of FFB per hour and is expandable to 90-metric tonne to support higher crop levels from the surrounding plantations owned by the Group. During the financial year under review, the mill operated at approximately 37% of its capacity.

Oil Palm: Outlook and Strategy

Over the coming year, CPO prices will be influenced by an array of factors. These include the global production and consumption rates of vegetable oil, biodiesel usage, crude oil prices and macro-economic conditions. We are optimistic about the long term prospects for the palm oil industry, particularly as it remains competitive against other vegetable oils because of its high yield and the strong growth in consumption worldwide.

Going forward, our operational focus continues to be planning and implementing initiatives to improve oil yields and the strengthening of oil extraction rates through various measures. Greater discipline will be applied to cost management in order to ensure acceptable margins as both fertiliser prices and labour costs are anticipated to increase substantially. As part of continuing efforts to enhance operating efficiency at the estate level and to reduce dependence on labour, the Group will carry out improvements in infrastructure so as to enable successful mechanisation in the area of crop evacuation, fertiliser application and weed control. Attention is also given to the integration of inorganic and organic fertilisers that can promote high palm oil yields in a sustainable way as the price of inorganic fertilisers has risen to excessive levels. We are confident that the committed and responsible execution of these strategies will position the Group in line for sustainable growth.



CHAIRMAN'S STATEMENT



Reforestation

As at 30 April 2010, the Group has planted 29,924 ha of forest plantation. During the financial year, the progress of tree planting and maintenance works were carried out according to our planned work schedules. The development of seedling production at the nurseries had also been satisfactory, with seedlings stocks totalling 455,660 seedlings to sufficiently meet the need of field planting. The Group's forest plantation comprises mainly of fast growing and high yielding species such as *Eucalyptus Deglupta* (Kamarere), *Eucalyptus Pellita* and *Kelampayan*.

Planting performance as at end of FY2010 is as follows:

LPF	Project	Gross Area (Ha)	Plantable Area (Ha)	Planted to-date (Ha)	% Planted
LPF 0023	MERIRAI BALUI	55,887	34,271	8,993	26
LPF 0024	BAHAU LINAU	108,144	61,878	9,560	15
LPF 0028	GUANACO MAUJAYA	71,828	45,159	11,371	25
	TOTAL	235,859	141,308	29,924	21

Reforestation: Outlook and Strategy

Pressure from international environmental groups against the felling of natural forests has increased over the years. This has placed plantation wood in a promising position. The forest division is not expected to contribute to earnings in the short term, given that the planted forest has a gestation period of 12 to 15 years before it can be ready for commercial harvesting. This is an investment for the future viability of the Group in keeping with the world's move towards conservation of natural forests. In the coming year, the challenge of the Group is to further improve productivity in this division. This will be achieved by improvising silvicultural practices and placing greater emphasis on stringent quality control over new plantings and its maintenance so as to improve the survival rate and optimum growth of planted trees.



CHAIRMAN'S STATEMENT

GOING FORWARD

As we progress into 2010, leading economic data and indicators suggest that the world economy is moving towards recovery although the pace of global recovery is expected to be gradual and uneven.

In line with the improvements in the economic outlook, the market environment for the timber industry is expected to be favourable moving forward. Demand for timber is expected to improve, especially in the Asia Pacific region. This optimism is based on the encouraging GDP growth of China and India. The continuous timber consumption for infrastructure development and construction activities in these two countries, coupled with the restocking of inventories in leading export markets are strong indications that demand will remain firm. The Group is confident of the long term prospect of the timber industry as the market for timber products remains intact.

The overall fundamentals of the oil palm industry remains bullish arising from a continuing strong demand for palm products from emerging markets like China, India, Indonesia and Pakistan. Palm oil prices are forecasted to remain stable in 2010 buoyed by an increase in demand for vegetable oils amid continually improving global economic conditions. As the production of FFB and CPO are at the early stage of their growth cycle, contribution from this segment should continue to be on the uptrend for many years to come.



While the near term outlook appears to be positive, considerable uncertainties remain given the risks associated with growing market anxiety over the possibility of sovereign debt default in Europe, signs of uncertainties in the US economic recovery and concerns over excessive asset price inflation in emerging markets in Asia. While challenges lie ahead as we enter FY2011, the Group has exhibited enduring strength and will continue to closely monitor market developments, assess the risks in all operational and financial matters, and implement measures to mitigate any possible negative impact. We will continue to execute our strategy and grow the business to provide substantial returns for shareholders over the long term.

IN APPRECIATION

On behalf of the Board, I wish to thank our valued shareholders, customers, business associates, the regulatory authorities, financiers and members of the community for their loyalty and support throughout FY2010. I would like to extend my appreciation to my fellow Board members for their invaluable advice and contributions. My special thanks go out to our employees and managers of the Group for their tremendous commitment throughout these tough economic times. I look forward to your continued support as we progress ahead to achieve greater growth and success.

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

24 August 2010



CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility (CSR) has always been a vital part of Jaya Tiasa's business strategy and operations. We are committed to the objective of long-term sustainable development. Throughout the year, we continued demonstrating our accountability towards ethical corporate conduct, supporting communities, protecting our environment to the greatest extent and ensuring that safety standards are of the highest level. We focus our CSR initiatives under four main themes of Environment, Workplace, Community and Marketplace.

ENVIRONMENT

As our business activities are closely related to natural resources, from forestry practices to plantation and manufacturing operations, we have a system in place to ensure all operations reach the highest environmental standards and are committed towards sustainability. Any significant impact of our operations on the environment is identified and minimised.

We progress towards sustainable forest management

In line with our efforts to reduce the impact of harvesting operations on the environment, we implement Reduce Impact Logging (RIL) techniques throughout the life cycle of the operations in order to reduce soil disturbance, minimise damage to residual stands and effects on wildlife.

We promote renewable energy

The Group has always been conscientious of the environment. Since 1996, it has erected biomass power plants that convert wood waste into fuel for use in our mills as a source of renewable energy. This effectively allows us to maximise the value of our wood resources at all our mills and processing plants whilst minimising waste produce for a cleaner environment. The energy generated by our biomass power plants supplies sufficient electricity for the consumption of our factories, offices and workers' quarters, hence lowering our reliance on fossil fuels.

We observe good agricultural practices

The Group's oil palm division continues to monitor procedures and systems to ensure that good agronomic practices are prevalent throughout the plantation. Several practices adopted by the Group include a zero burning technique in land clearing and good agricultural practices in water management, manuring and weeding. In controlling pests, our biological and Integrated Pest Management (IPM) practice which involves light traps and planting of beneficial plants, has vastly reduced dependency on the usage of chemical pesticides.

We recycle and reuse by-products

By-products from our palm oil mill such as Mesocarp fibre and palm kernel shells are utilised as feedstock for power generation in our palm oil mill. Empty fruit bunches (EFB) are recycled for application in the fields as mulch while palm oil mill effluents (POME) are biologically treated before it is discharged to the watercourse. Currently, we are planning for our first bio-organic fertiliser plant which will convert the waste by-products comprising mainly of EFB and POME into bio-organic fertilisers. In addition, by recycling and reusing these by-products, this plant also reduces the usage of inorganic fertilisers.



Children Of Methodist Children's Home
Receiving Gifts From Jaya Tiasa



Annual Dinner 2010

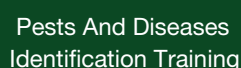
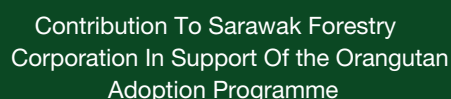


Caring For The Disabled



Visiting To Methodist
Children's Home





We make every effort to create a working environment that stimulates employee engagement and nurtures a high performing culture. Regular performance appraisals and evaluations are carried out to enable due rewards for high performers and promote motivation and performance upgrading for the rest. We review compensation and benefits on a regular basis to ensure that our remuneration packages are competitive in the marketplace. In addition to a fixed base salary, we offer both short-term and long-term incentives to further motivate staff at every level and the success of our approach is reflected in the low staff turnover rate.

CORPORATE SOCIAL RESPONSIBILITY

We promote work-life balance and healthy living

Our corporate mantra to be “an employer of choice” is evident in our drive to develop and maintain a balanced, healthy and conducive working environment for continuous learning and personal growth. Through the Group’s Sports and Recreation Club, we regularly organise recreational events and sports activities aimed at promoting rapport and fostering closer teamwork among employees as well as to encourage work-life balance and healthy living. These include educational trips to the Group’s operations, annual dinners, festive gatherings, jungle trekking, Qigong and sports competitions. To generate awareness on health issues among staff, the Group coordinates health talks with the assistance of health service providers for our employees. In addition, we invest in workforce welfare by providing quality environment and accompanying facilities, building of quarters, playgrounds as well as recreational and medical facilities, which cater to the estate and mill workers.

We are committed to Health and Safety at work

We are committed to enforcing workplace health and safety excellence not just for our employees but also for our customers and visitors. Our primary objective is to operate a safe workplace that is casualty-free. To achieve our goal, we are consistently improving safety standards at every level of the organisation. We provide regular safety training, ensure appropriate resources and support are accessible to maintain high standards of safety and cultivate a positive safety culture and awareness. To further support this, we have appointed trained and qualified safety officers who conduct frequent quality audits and safety checks at individual sites to ensure that all safety requirements and precautions are strictly observed.

COMMUNITY

We contribute to the needs of society

We at Jaya Tiasa have long been active in community development efforts. We support the needy and the less privileged through activities ranging from raising donations and sponsorship for the needy to providing hands-on assistance to charitable events, local community projects and social causes. In support of sports development, the Group provided financial assistance to help organisations carry out various sporting events. Our contribution this year also extended to “Special Olympics Sarawak” 2nd State Games for youth and athletes with intellectual disability in Sarawak. This worthy event gives opportunities to individuals with intellectual disabilities to improve physical fitness and develop greater self-confidence.

Jaya Tiasa’s contribution to needy communities is more than funding and supporting employee volunteerism. Our employees have lent their time and energy to support community organisations such as the autistic society, the kidney foundation, children’s homes and old folks’ home. This year, we also held an outing event for people with physical disabilities from a Care Centre Support Group. These community activities had a very encouraging impact as they served as a model for community participation, which has also provided healing and hopes, and created great camaraderie among the management team, employees and the communities. In addition to this area of focus, our blood donation drives are also conducted yearly to meet the continuous need for blood supplies at hospitals and blood banks.



Blood Donation



Forklift Safety Training



Jungle Trekking



Sports Day

CORPORATE SOCIAL RESPONSIBILITY

We pledge support for local communities

The Group strongly believes that its business success can only be sustained when local communities grow and prosper together with the Group. We have established a symbiotic relationship with local communities and make every endeavour to bring about mutual benefits. We have been consistently rendering support by means of monetary terms and in-kind to ensure that the basic needs and expectations of surrounding communities are attended to. From offering job opportunities to providing necessities and infrastructure, we have contributed in a significant way to help raise the living standards of native communities. Our dedicated site management team takes responsibility for resolving the concerns of various local groups and also assists in improving their rural and remote livelihoods.

MARKETPLACE

Jaya Tiasa places great importance on high standards of quality in products and company conduct and is conscious of safeguarding environmental and social values. We are committed to cultivate the best practices in complying with all laws and regulations and uphold the highest Corporate Governance standards.

We provide environmentally responsible Products

It is Jaya Tiasa's ongoing policy to assure our products and our sources comply with all regulatory criteria and adhere strictly to sustainable forestry and plantation practices. We have established strong customer loyalty as we strive to ensure that our manufacturing products are of the highest quality that meets the stringent quality assurance and control, product safety standards and environmental requirements. A reflection of the Group's commitment towards this is manifested in its efforts to achieve green certification for its products which include:

• CE Marking

The CE marking certifies that our plywood product has met European Union health, safety, and environmental requirements, which ensure consumer safety. CE marking now provides product access to 27 countries with a population close to 500 million.

• Japanese Agricultural Standards (JAS) certification

The quality of our plywood product meets the specific standards requirements of JAS for use in Japan. The JAS issued by the Japanese Ministry of Agriculture, Forestry and Fisheries is based on the law concerning standardisation and proper labelling of Agricultural and Forestry products for acceptance into Japan.

• California Air Resources Board (CARB) certification

This certification verifies that our composite wood products (hardwood plywood) are in compliance with strict formaldehyde emission standards as stipulated in the California Code of Regulations.

• Wood Packaging Material Treatment Providers Certification

Our wood packaging material has been awarded the certification that aims to reduce the spread of timber pests associated with solid timber packing material. It is issued by the Sarawak Department of Agriculture Plant Protection and Quarantine Branch in accordance with International Standards for Phytosanitary Measures, Publication No. 15 (ISPM 15) standards.



CE Marking



Japanese Agricultural Standards (JAS) Certification

CORPORATE SOCIAL RESPONSIBILITY



California Air Resources Board (CARB)
Certification



Wood Packaging Material Treatment
Providers Certification

We are pleased to report that all of the above certifications are maintained during the financial year as we successfully passed the surveillance audits without finding of any non-conformity. The Group is committed to work towards continuous improvement in the quality of its products and services through implementation of feedback from our customers, suppliers and employees together with internal and external audits.

We uphold the highest principles of integrity

Our investor relations programme aims to establish and maintain open communications with shareholders and investors so as to provide timely information and assure the best possible transparency. We keep the investment communities well versed with our key business activities, strategies and performance through annual general meetings, analyst and press briefings and road shows. In addition, our website at www.jayatiassa.net provides the latest announcements, corporate news and wide range of information on the Group.

As we progress towards our long-term sustainability goals, we will continue to fulfil our corporate responsibilities in all our corporate, environmental and social endeavours. We are also committed to further enhance awareness of corporate responsibility across the Group.



CORPORATE STRUCTURE



JAYA TIASA HOLDINGS BERHAD

Malaysian Companies

Timber Operations

- 100% - Jaya Tiasa Plywood Sdn Bhd
- 100% - Jaya Tiasa Timber Products Sdn Bhd
- 100% - Rimbunan Hijau Plywood Sdn Bhd
- 100% - Jaras Sdn Bhd
- 88.9% - Sericahaya Sdn Bhd
- 88.9% - Curiah Sdn Bhd
- 100% - Jaya Tiasa Forest Plantation Sdn Bhd
- 100% - Guanaco Sdn Bhd
- 100% - Mantan Sdn Bhd

Oil Palm Operations

- 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% - Maujaya Sdn Bhd
- 100% - Maxiwealth Holdings Sdn Bhd
- 100% - Multi Greenview Sdn Bhd

Helicopter Chartering Services

- 100% - Jaya Tiasa Aviation Sdn Bhd

Marketing and Trading

- 100% - Hak Jaya Sdn Bhd
- 100% - Kunari Timber Sdn Bhd
- 100% - Eastern Timber Ltd
- 40% - Mafrica Trading Sdn Bhd

Research and Development

- 100% - Jaya Tiasa R&D Sdn Bhd

Offshore Companies

- 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



EXPORT MARKET

- Export Market
- Australia
- China
- European Union
- Hong Kong
- India
- Japan
- Korea
- Middle East
- Pakistan
- Papua New Guinea
- Singapore
- Taiwan
- Thailand
- United Kingdom
- USA
- Vietnam

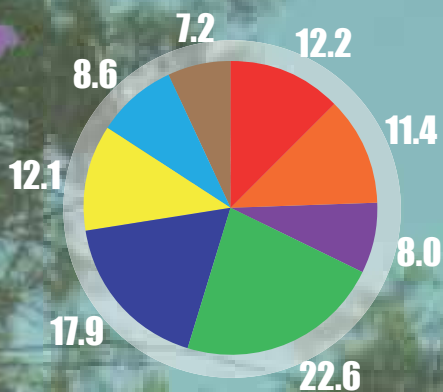
PERCENTAGE OF EXPORT SALES

YEAR ENDED	LOGS	PLYWOOD	VENEER	OTHERS	
30 April 2010	43.8%	49.1%	2.9%	4.3%	100%
30 April 2009	45.0%	52.6%	1.3%	1.0%	100%
30 April 2008	39.5%	59.1%	0.1%	1.3%	100%

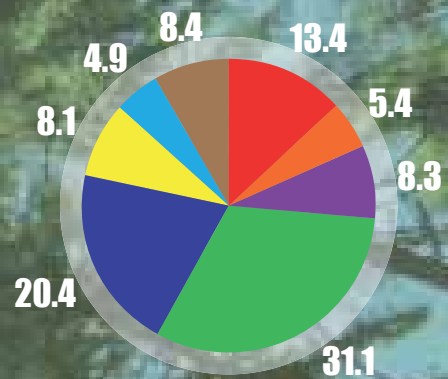


EXPORT MARKET

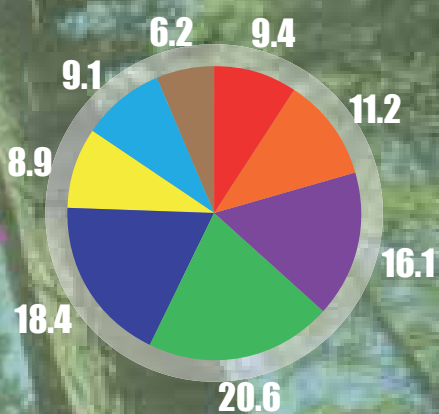
Sale Values 2010 (%)



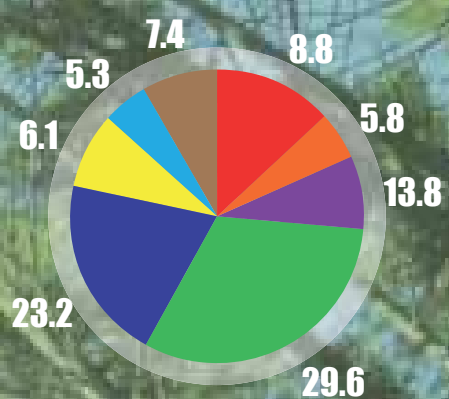
Sale Volume 2010 (%)



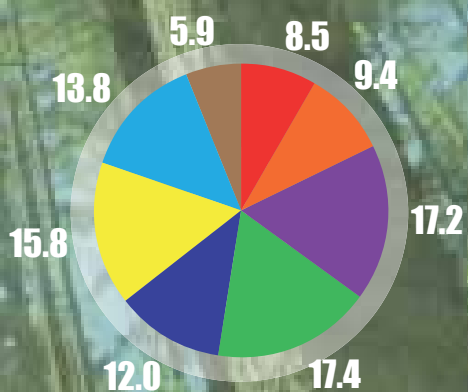
Sale Values 2009 (%)



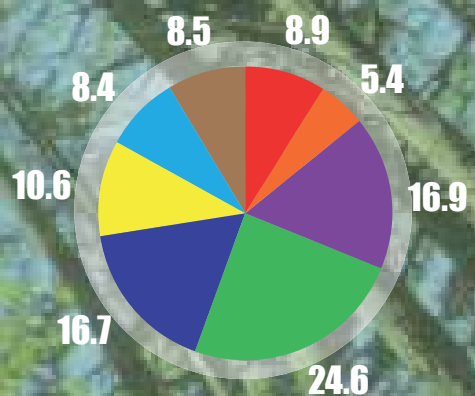
Sale Volume 2009 (%)



Sale Values 2008 (%)



Sale Volume 2008 (%)



STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

The Malaysian Code on Corporate Governance (“the Code”) sets out principles and best practices on structures and processes that companies may use in their operations towards achieving optimal governance framework.

The Board of Directors (“the Board”) of Jaya Tiasa Holdings Berhad (“JTH” or the “Company”) recognises the importance of, and 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 safeguard shareholders’ value and enhance the performance of the Group.

Pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), the Board is pleased to present the following report on the application by the Group of the principles contained in the Code, and the extent of compliance with the best practices of the Code.

BOARD OF DIRECTORS

Principal Responsibilities of the Board

The Board retains effective control of the Group and is principally responsible for the Group’s overall corporate governance and strategic direction.

In addition, there is a schedule of matters reserved specifically for the Board’s decision, including the approval of corporate and annual business plans, acquisitions and disposals of undertakings and properties of a substantial value, major investments and financial decisions to ensure that direction and control of the Company is firmly in its hands.

Board Balance

The Board, as at the date of this statement, has eight (8) members. Seven (7) are Non-Executive Directors (including the Chairman) and one (1) is the Managing Director. Four (4) Directors, representing half (1/2) of the Board members, are Independent Non-Executive Directors. The Directors with their wide experiences in both the public and private sectors and diverse academic background provide a collective range of skills, expertise and experience which is vital for the successful direction of the Group. A brief profile of each Director is presented on pages 8 to 11. The Board is of the opinion that its current size and composition is appropriate and constitutes an effective Board. The Board is also satisfied that the current Board composition adequately reflects the interest of minority shareholders in the Company.

There is a clear division of responsibility between the Chairman and the Managing Director to ensure a balance of power and authority. The positions of the Chairman and the Managing Director are separately 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 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 Independent Non-Executive Directors are not engaged in the day-to-day management of the Company and do not participate in any business dealings and are not involved in any other relationship with the Company. This is to facilitate the Independent Non-Executive Directors to discharge their duties and responsibilities effectively, void of conflict of interest situation.

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.



STATEMENT ON CORPORATE GOVERNANCE

Board Meetings

The Board holds scheduled meetings regularly, with additional meetings to be convened as and when necessary. The annual Board meeting calendar is prepared and circulated to Directors at the beginning of each year so that the Directors can plan accordingly and fit the year's meetings into their respective schedules. The calendar provides the scheduled dates for meetings of the Board, Board Committees and shareholders as well as the closed period for dealings in JTH's shares by Directors and principal officers.

A total of five (5) Board of Directors Meetings were held in the financial year ended 30 April 2010. The Board records its deliberations, in terms of issues discussed and the conclusions in discharging its duties and responsibilities.

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

Name of Directors	Number of Meetings Attended	Percentage of Attendance (%)
Gen (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid	5/5	100
Dato' Sri Tiong Chiong Hoo	5/5	100
Dato' Sri Dr Tiong Ik King	5/5	100
Mdm Tiong Choon	4/5	80
Mr Tiong Chiong Hee	4/5	80
Mr John Leong Chung Loong	5/5	100
Ms Wong Lee Yun	3/5	60
Datuk Talib Bin Haji Jamal	4/5	80

The Chairman of the Audit Committee informs the Directors at each Board meetings, of any salient matters noted by the Audit Committee and which require the Board's notice or direction. The Board meetings are chaired by the Independent Non-Executive Chairman, Gen (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid, who has the responsibility of ensuring that each of the agenda items is adequately reviewed and thoroughly deliberated within a reasonable timeframe. Directors are given the chance to freely express their views. Any Director who has a direct or deemed interest in the subject matter to be deliberated shall abstain from deliberation and voting on the same during the meeting.

Supply of Information

The Directors have unrestricted access to all information pertaining to the Group's business and affairs whether as a full Board or in their individual capacity in furtherance of their duties.

The agenda for each Board Meeting together with full set of board papers are forwarded to each Director for their perusal well in advance of the date of Board Meeting to facilitate informed decision making.

The Senior Management Staff are invited to attend the Board Meetings to report to the Board on matters relating to their areas of responsibility and also to brief and provide details to the Directors on recommendations 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 and, where applicable, complied with the recommendations of the Code.



STATEMENT ON CORPORATE GOVERNANCE

a. Audit Committee

The Audit Committee's principal function is to assist the Board in maintaining a sound system of internal control, overseeing financial reporting, evaluating the internal and external audit processes and reviewing related party transactions.

In line with good corporate governance practice, the executive Director is not a member of the Audit Committee.

The composition, terms of reference and summary of the Audit Committee and internal audit activities are presented on pages 34 to 37.

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	-	Datuk Talib Bin Haji Jamal (<i>Independent Non-Executive Director</i>)
Members	-	Mr John Leong Chung Loong (<i>Independent Non-Executive Director</i>)
	-	Dato' Sri Dr. Tiong Ik King (<i>Non-Independent Non-Executive Director</i>)

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 upon its annual review carried out, is satisfied that the size of the JTH Board is optimum and that there is appropriate mix of skills, experience and core competencies in the composition of the Board. The Nomination Committee is satisfied that all the Members of the Board are suitably qualified to hold their positions as Directors of the Company in view of their respective academic and professional qualifications, experience and qualities.

The Committee met once and conducted individual director appraisal as well as Board appraisal and recommended to the Board for continuation, the services of the Directors due for retirement by rotation and for re-appointment under Section 129 of the Companies Acts, 1965. The meeting was attended by all the members.

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 (<i>Independent Non-Executive Director</i>)
Members	-	Datuk Talib Bin Haji Jamal (<i>Independent Non-Executive Director</i>)
	-	Dato' Sri Dr. Tiong Ik King (<i>Non-Independent Non-Executive Director</i>)



STATEMENT ON CORPORATE GOVERNANCE

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

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

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

The Remuneration Committee met once during the financial year and recommended to the Board the remuneration package for the Managing Director. The meeting was attended by all the members.

Directors' Training

All the Directors have continued to attend trainings and development programmes during the year to update their skills and knowledge and to keep abreast of the latest developments on a variety of areas relevant to the Group's business. The conferences, seminars and training programmes attended by each individual Director during the financial year are as follows: -

Director	Course Title	Date
Gen (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid	Tax & Finance Development – Revitalise growth. Emerge stronger tomorrow	29 October 2009
	Corporate Governance Guide: Towards Boardroom Excellence	24 November 2009
	Enterprise Risk Management	8-9 March 2010
Dato' Sri Tiong Chiong Hoo	Labour Ordinance Sarawak	11-12 January 2010
Dato' Sri Dr Tiong Ik King	Blue Ocean Best Practices	20 April 2010
Tiong Choon	Money Matters	18 December 2009
Tiong Chiong Hee	Money Matters	18 December 2009
	Finance Essentials for Non-Financial Professionals – The Fast and Easy Way to Learn the Basics	19-20 April 2010
John Leong Chung Loong	2010 Budget Seminar	2 November 2009
	Preparing for convergence: Understanding International Financial Reporting Standards & International Accounting Standards	2-3 December 2009
Wong Lee Yun	The 2010 Budget and Latest Tax Development	5 November 2009
Datuk Talib Bin Haji Jamal	Governance Expectations of International Fund Managers	19 October 2009
	Finance Essentials for Non-Financial Professionals – The Fast and Easy Way to Learn the Basics	19-20 April 2010

Appointments to the Board

There is in place a formal and transparent procedure for the appointment of new Directors to the Board. The Nomination Committee, as part of its terms of reference, is responsible for the recommendation of new candidates for all directorships to be filled by the Board. The Nomination Committee also recommends to the Board, directors for re-election and re-appointment by shareholders at the Annual General Meeting. The Company Secretary will ensure that all appointments are properly made and that legal and regulatory obligations are met.



STATEMENT ON CORPORATE GOVERNANCE

Re-election of Directors

The Company's Articles of Association requires all Directors appointed by the Board to retire from office and submit themselves for re-election by shareholders at the next Annual General Meeting after their appointment. All Directors, including the Managing Director, are required to retire from office and submit themselves for re-election by rotation at the Annual General Meeting at least once in every three (3) years.

Directors over seventy (70) years of age are required to retire annually and submit themselves for re-appointment by shareholders in accordance with Section 129(6) of the Companies Act, 1965.

DIRECTORS' REMUNERATION

The policy on Directors' remuneration is to provide remuneration packages to attract and retain the Directors of the calibre needed to run the Group successfully. The Remuneration Committee recommends to the Board the remuneration package for the Managing Director. In making its recommendation, the Committee has taken into account the pay as well as employment conditions within the same industry and link the Managing Director's package to corporate and individual performance. It is the ultimate responsibility of the Board to approve the remuneration package of the Managing Director.

In the case of Non-Executive Directors, the level of remuneration relate to contribution and the level of responsibilities undertaken by the individual Non-Executive Director. The Company reimburses expenses incurred by the Directors in the course of their duties as Directors.

The Directors have the benefit of the Directors and Officers (D&O) Insurance in respect of liabilities arising from their acts committed in their capacity as D&O of the Company. However, the said insurance policy does not indemnify a Director or officer if he is proven to have acted fraudulently, dishonestly, maliciously or in willful breach of any statute or regulation. The premium of the D&O policy is borne by the Company.

During the financial year ended 30 April 2010, the remuneration of the Executive Director and Non-Executive Directors are as follows:-

Directors' remuneration	Executive Director	Non-Executive Directors
	RM	RM
Directors' Fees	45,000	352,000
Other Fees	-	120,000
Salary and Bonus (including EPF)	988,840	-
Allowance (including EPF)	-	50,880
Benefit-in-kinds	15,500	23,950
Total	1,049,340	546,830

Directors' remuneration	Executive Director	Non-Executive Directors
Below RM50, 000	-	3
RM50,001 to RM100,000	-	2
RM100,001 to RM150,000	-	1
RM150,001 to RM200,000	-	1
RM1,000,001 to RM1,050,000	1	-

The Code's Principle B III requires the disclosure of details of the remuneration of each Director whereas a related provision under the Listing Requirements requires the disclosure of an analysis of Directors' Remuneration by applicable bands of RM50,000.

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.



STATEMENT ON CORPORATE GOVERNANCE

SHAREHOLDERS

Dialogue Between Companies and Investors

The Board recognises the importance of maintaining transparency and effective communication with the shareholders, stakeholders and the public and reports all material and price sensitive information on a timely basis.

The Company communicates with its shareholders, stakeholders and the general public through the annual report, quarterly financial reports and various announcements made via Bursa Link. Regular briefing to fund managers, research houses and analysts are held which allow the Management to convey information about the Group's performance, corporate strategy and other matters affecting shareholders, stakeholders and the potential investors. At the same time, it ensures constant communication flow and transparency to members of the investment and media community.

To enhance access and close the gap between the investment community and the Company, the Investor Relation (IR) team maintains a website portal which can be found at www.jayatiasa.net. The IR portal is designed as an additional information channel to give our shareholders and for those who seek corporate information, full and timely access.

To make it easier to obtain news released and notifications, all shareholders and interested investors may sign up to the e-mail alert service via the website. They will also be able to download the latest presentations by the Company to keep themselves regularly updated.

The Annual General Meeting

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual audited financial statements and quarterly announcement of results to the shareholders, investors and Regulatory Authorities, the Board aims to present a balanced and understandable assessment of the Group's financial position and prospects.

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 38.

Internal Control

The Board acknowledges its responsibilities in and is committed to maintaining a sound system of internal control within the Group to safeguard shareholders' investments and the Group's assets.

The Statement on Internal Control, which provides an overview on 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.

This statement is made in accordance with a resolution of the Board of Directors dated 24 August 2010.



STATEMENT ON INTERNAL CONTROL

Introduction

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Bursa Malaysia Securities Berhad Listing Requirements require Directors of listed companies to include a statement in the annual reports on the state of their internal controls. The Statement on Internal Control: Guidance for Directors of Public Listed Companies ("Guidance") provides guidance for compliance with these requirements. Set out below is the Board's Internal Control Statement, which has been prepared in line with the Guidance.

Board's Responsibility

The Board recognizes the importance of a sound system of internal controls for good corporate governance and acknowledges its primary responsibility to ensure that key business risks in the Group are identified, measured and managed on an ongoing basis. The Board also acknowledges that a sound system of internal controls reduces, but cannot eliminate, the possibility of poor judgment in decision-making, human error, breakdown in internal control due to collusion, management overriding controls and occurrence of unforeseeable circumstances. A sound system of internal controls therefore provides reasonable, but not absolute, assurance that the Group will not be hindered in achieving its business objectives.

Risk Management

Risk management is firmly embedded in the Group's management system and is every employee's responsibility. The Group firmly believes that risk management is vital for continued profitability and enhancement of shareholder value.

The Risk Management Framework adopted by the Group is a structured and disciplined approach to align its strategy, processes, people and knowledge in evaluating and managing business risks. This involves updating of business risks across all the operating divisions periodically and timely reporting of these risks to the attention of the Risk Management Committee ("RMC") and the Board.

The RMC comprises senior management staff and is headed by the Group's Managing Director. The RMC functions within the authority of its Terms of Reference and the Risk Management Policy approved by the Board.

A Risk Management Department has been established to assist the RMC. It is responsible for the ongoing development of the Group's risk management process which includes coordination with the respective divisional units in monitoring risks, formulating risk treatment plans and conducting risk management trainings and awareness for risk owners.

During the year, the Group carried out a series of operational risk meetings and Annual Risk Assessment (ARA) workshop with management concerned to identify, prioritize, evaluate and rate all key business risks and controls affecting the Group in achieving its business objectives. These risk meetings and workshop covered the major business operations. The risk management activities reports, which included the results of the ARA, were subsequently presented to the Board.

Control Environment and Activities

In furtherance of the Board's commitment to maintain a sound system of internal controls, the Board continues to maintain and implement a strong control environment and structure for the proper conduct of the Group's business operations. The following sets out the key elements of the system of internal controls of the Company which have been in place throughout the financial year:

- The Group has in place an organization structure with clearly defined reporting lines that aligns with business and operational requirements.
- An authority limits document sets out the authorization levels including matters that require Board's approval, segregation of duties and other control elements.
- The Group prepares budgets for the major operations on an annual basis. Performance is monitored against budgets and significant variances are highlighted with follow-up actions being taken by management, where necessary, in



STATEMENT ON INTERNAL CONTROL

the monthly management meetings and other operational meetings.

- The quarterly and yearly financial statements containing key financial results together with operational performance results of the Group are prepared and reported to the Board.
- Continuous monitoring of management accounts results against prior period, with major variances being followed up and management actions being taken, where necessary.
- Policies and procedures of business processes are documented and implemented throughout the Group. These policies and procedures are subjected to regular reviews, updates and improvement to reflect the changing business risks, operational and reporting needs.
- The Group maintains a comprehensive information system which enables transactions to be captured, compiled and reported in an organized and timely manner. The SAP system provides management with exception reports to highlight areas of concern for appropriate remedial action.
- There are proper guidelines for hiring and termination of staff, formal training programs for staff and annual performance appraisals in place to ensure that staff are competent and adequately trained in carrying out their duties.
- Regular independent internal audit visits to monitor compliance with procedures and assess the integrity of operational and financial information provided.
- Regular visits to operating units by the management team to enhance understanding and perspective of the Group's business and operations.

Internal Audit

The Internal Audit Department (IAD) acts as an independent appraisal function to assist the Audit Committee in discharging its duties and to provide assurance to management and the Board that internal controls are in place, adequate and functioning effectively within the acceptable limits and expectations. IAD strives to provide the means for the Group to accomplish its control objectives by introducing a systematic and disciplined approach in evaluating and improving the effectiveness of internal control, risk management and governance processes. IAD directly reports to the Audit Committee on a quarterly basis as part of its functions.

The IAD conducts operational, financial and compliance reviews within the Group in accordance with the annual audit plan approved by the Audit Committee. As an integral part of the management process, IAD furnishes management with independent analysis and information on the activities under review. Internal audit findings are discussed at management level and actions are agreed in response to the internal audit recommendations. The progress of implementation of the agreed actions is being monitored by IAD through follow up reviews.

Board Review

The Board confirms that the system of internal controls with the key elements highlighted above was in place during the financial year, except where stated otherwise. The system is subjected to regular reviews by the Board. The Board believes that the system of internal controls of the Group is sound and sufficient to safeguard shareholders' investments and the Group's assets.

The statement is made in accordance with a resolution of the Board of Directors dated 24 August 2010.



AUDIT COMMITTEE REPORT

MEMBERS OF THE AUDIT COMMITTEE

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

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

Ms Wong Lee Yun
Member - Independent Non-Executive Director

Datuk Talib Bin Haji Jamal
Member - Independent Non-Executive Director

TERMS OF REFERENCE

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 which fulfils the following requirements: -
 - i. all the Audit Committee members must be non-executive directors, with a majority of them being independent directors; and
 - ii. at least one (1) member of the Committee:
 - (aa) must be a member of the Malaysian Institute of Accountants (MIA); or
 - (bb) 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.
 - (cc) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
 - iii. No alternate director shall be appointed as member of the Audit Committee.
- b. The members of the Audit Committee shall elect a chairman from among their number who shall be an independent director.
- c. The term of office of each member shall be subject to review every three (3) years.
- d. 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.



AUDIT COMMITTEE REPORT

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:-

- have authority to investigate any matter within its Terms of Reference;
- have the resources which are required to perform its duties;
- have full and unrestricted access to any information relevant to its activities;
- have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- be able to obtain external legal or other independent professional advice if it considers this necessary; and
- be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

3 Functions and Duties

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

- a. to assess the adequacy and effectiveness of the systems of internal control and the efficiency of the Group's operations.
- b. to review the following and report the same to the Board of Directors of the Company:-
 - i. with the external auditors:-
 - the audit plan;
 - his evaluation of the system of internal controls;
 - his audit report;
 - the assistance given by the employees of the Company to the auditors;
 - ii. the adequacy of the scope, functions, competency 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 internal 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 results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
 - changes in or implementation of major accounting policies and practices;
 - significant and unusual events;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements;
 - v. any related party transactions and conflict of interest situations that may arise within the Company or Group; and
 - vi. any letter of resignation from the external auditors of the Company;
- c. to consider the appointment of external auditors, the audit fees and any questions of resignation or dismissal.
- d. to promptly report to the Bursa Malaysia Securities Berhad on matters which result in a breach of Bursa Malaysia Securities Listing Requirements.
- e. to submit to the Board on a periodic basis a Report on the summary of activities of the Audit Committee in the discharge of its functions and duties in respect of each financial quarter and the financial year.



AUDIT COMMITTEE REPORT

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 members present who must be 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	Number of Meetings Attended	Percentage of Attendance (%)
Gen (Rtd) Tan Sri Abdul Rahman bin Abdul Hamid	5/5	100
Mr John Leong Chung Loong	5/5	100
Ms Wong Lee Yun	3/5	60
Datuk Talib Bin Haji Jamal	4/5	80

SUMMARY OF AUDIT COMMITTEE ACTIVITIES

The Audit Committee's activities during the financial year included the following:-

- a. Reviewed the quarterly financial statements and the annual audited financial statements before recommending the same for approval by the Board;
- b. Reviewed the annual audit plan proposed by the Internal Auditors to ensure the adequacy of the scope and coverage of work;
- c. Reviewed the Group's internal audit reports on the status and progress of internal audit assignments, audit recommendations made and management response to these recommendations;
- d. Met with the External Auditors twice a year and:-
 - reviewed the External Auditors' scope of work and proposed fees for the statutory audit;
 - considered the report by the External Auditors on regulatory as well as accounting developments and their impact on the Group; and
 - reviewed the results of the annual audit and their audit report together with management's responses to the findings of the External Auditors.
- e. Met with the External Auditors without the presence of management to facilitate discussion of additional matters relating to audit findings and the management responses arising from their audit.
- f. Reviewed the recurrent related party transactions entered into by the Group; and
- g. Reviewed the Audit Committee Report and the Statement on Internal Control prior to publishing the same in the Annual Report.



AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION AND ITS ACTIVITIES

The Audit Committee is supported by the Group's Internal Audit Department to assist in obtaining the assurance it requires, regarding the adequacy and effectiveness of the system of internal control, risk management and governance framework in the Group. The Group's Internal Audit Department is independent of its activities and reports directly to the Audit Committee who reviews and approves its annual audit plan. During the financial year under review, the Group's Internal Audit Department has conducted various audit assignments in accordance with the annual audit plan and also covered investigation and special review at the request of the Management. The costs incurred for the internal audit function in respect of the financial year ended 30 April 2010 was RM493,439.

During the financial year under review, the main audit activities were as follows:

- a. Reviewed the soundness, adequacy and application of accounting, financial, operational, and compliance controls and promoted control awareness in the Group;
- b. Ascertained the extent of compliance with established policies, procedures and statutory requirements;
- c. Ascertained the extent to which the Company's and Group's resources are accounted for and safeguarded from losses of all kinds;
- d. Determined the reliability and usefulness of data and information generated for management reporting purposes;
- e. Reviewed related party transactions that had arisen within the Company and the Group;
- f. Attended the bi-annual physical inventories of finished goods, raw materials and spare parts; and
- g. Performed 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 24 August 2010.



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 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 2010, 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 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 24 August 2010.



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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2010.

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 extend to the development of oil palm plantations and its related activities. Details of principal activities of subsidiaries are set out in Note 20 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	25,075	8,200
Attributable to:		
Equity holders of the Company	24,372	8,200
Minority interests	703	-
	25,075	8,200

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.

Dividends

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 30 April 2010 of 2% less 25% taxation on ordinary shares in issue (net of treasury shares) at book closure date, amounting to a dividend payable of RM4,004,000 (1.5 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 2011.

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
Dato' Sri Tiong Chiong Hoo
Dato' Sri Dr. Tiong Ik King
Tiong Choon
Tiong Chiong Hee
John Leong Chung Loong
Wong Lee Yun
Datuk Talib Bin Haji Jamal

Chairman
Managing Director



DIRECTORS' REPORT (Cont'd)

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 35 to the financial statements.

Remuneration committee

The Remuneration Committee carries out the annual review of the remuneration package of the Executive Director. The Remuneration Committee proposes, subject to the approval of the Board, the remuneration to be paid to each Director for his services as a Member of the Board as well as committees of the Board in respect of the Company.

The members of the Remuneration Committee comprising a majority of the independent Non-Executive Directors of the Company who have served since the date of the last report are:

John Leong Chung Loong
Dato' Sri Dr. Tiong Ik King
Datuk Talib Bin Haji Jamal

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 2009	Acquired	Disposed	30 April 2010
Direct interest:				
Dato' Sri Tiong Chiong Hoo	1,064,583	-	-	1,064,583
Dato' Sri Dr. Tiong Ik King	108,505	-	-	108,505
Tiong Chiong Hee	-	177,500	(177,500)	-
Indirect interest:				
Tiong Choon	445,725	-	-	445,725

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

Share buy-backs

During the financial year, the Company repurchased a total of 2,000 of its issued ordinary shares from the open market for a total cost of RM5,108. The average cost paid for the shares repurchased during the year was RM2.55 per share.

Subsequent to the balance sheet date and up to the date of this report, the Company repurchased an additional 1,000 shares for a total cost of RM3,345. The average cost paid for the shares repurchased during the period was RM3.35 per share.



DIRECTORS' REPORT (Cont'd)

Share buy-backs (Cont'd)

The above purchases were financed from the Company's internal funds. The shares repurchased are held as treasury shares in accordance with Section 67A of the Companies Act, 1965. Of the total 282,528,499 (2009: 282,528,499) issued and fully paid ordinary shares as at 30 April 2010, 15,542,457 (2009: 15,540,457) are held as treasury shares by the Company. As at 30 April 2010, the number of outstanding ordinary shares in issue after the set-off is therefore 266,986,042 (2009: 266,988,042) ordinary shares of RM1 each.

Movements on share buy-backs

	Number of shares	Total cost RM'000	Average price per share RM
At 1 May 2009	15,540,457	49,768	3.20
Repurchased during the year ended 30 April 2010	2,000	5	2.55
At 30 April 2010	15,542,457	49,773	3.20
Repurchased subsequent to 30 April 2010	1,000	3	3.35
At the date of this report	15,543,457	49,776	3.20

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

Other statutory information

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.



DIRECTORS' REPORT (Cont'd)

Other statutory information (Cont'd)

(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 24 August 2010

**General (Rtd) Tan Sri Abdul Rahman
Bin Abdul Hamid**

Dato' Sri Tiong Chiong Hoo



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 47 to 111 are drawn up in accordance with the provisions of the Companies Act, 1965 and 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 2010 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 24 August 2010

**General (Rtd) Tan Sri Abdul Rahman
Bin Abdul Hamid**

Dato' Sri Tiong Chiong Hoo

STAT UTORY 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 47 to 111 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 24 August 2010

Dato' Sri Tiong Chiong Hoo

Before me,

Belinda Hii Tai King
Commissioner for Oaths (Q064)
Sibu, Malaysia



INDEPENDENT AUDITORS' REPORT (Cont'd)

to the Members of Jaya Tiasa Holdings Berhad
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Jaya Tiasa Holdings Berhad, which comprise the balance sheets as at 30 April 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 47 to 111.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 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 2010 and of their financial performance and cash flows for the year then ended.



INDEPENDENT AUDITORS' REPORT

to the Members of Jaya Tiasa Holdings Berhad
(Incorporated in Malaysia)

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts 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.
- (c) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG

AF: 0039

Chartered Accountants

YONG CHUNG SING

1052/09/10 (J)

Chartered Accountant

Kuching, Malaysia

Date: 24 August 2010



INCOME STATEMENTS

for the year ended 30 April 2010

		Group		Company	
	Note	2010 RM'000	2009 RM'000 (Restated)	2010 RM'000	2009 RM'000 (Restated)
Revenue	3	746,001	756,530	358,572	427,895
Cost of sales	4	(626,123)	(640,474)	(313,690)	(360,444)
Gross profit		119,878	116,056	44,882	67,451
Other income	5	20,902	23,499	10,256	12,154
Selling expenses		(46,295)	(43,566)	(19,118)	(19,824)
Administrative expenses		(45,048)	(67,087)	(24,735)	(32,740)
Operating profit		49,437	28,902	11,285	27,041
Finance costs	6	(9,401)	(6,048)	(2,070)	(2,428)
Profit before tax	7	40,036	22,854	9,215	24,613
Income tax expense	10	(14,961)	(8,258)	(1,015)	(11,650)
Profit for the year		25,075	14,596	8,200	12,963
Attributable to:					
Equity holders of the Company		24,372	13,882	8,200	12,963
Minority interests		703	714	-	-
		25,075	14,596	8,200	12,963
Earnings per share attributable to equity holders of the Company (sen):					
Basic, for profit for the year	11	9.13	5.20		

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



BALANCE SHEETS

as at 30 April 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	659,877	665,321	240,165	231,689
Biological assets	14	866,829	722,933	-	-
Prepaid timber rights	15	90,424	106,702	80,645	95,156
Prepaid land lease payments	16	95,335	92,774	4,327	32
Investment properties	17	3,322	2,866	3,322	2,866
Goodwill on consolidation	18	70,505	70,505	-	-
Other intangible assets	19	564	869	562	867
Investments in subsidiaries	20	-	-	708,612	708,612
Investment in associate	21	-	-	-	-
Deferred tax assets	22	16,566	15,173	-	-
		1,803,422	1,677,143	1,037,633	1,039,222
Current assets					
Inventories	23	108,186	162,283	30,005	39,968
Trade and other receivables	24	193,186	200,568	44,889	38,796
Amount due from related companies	25	-	-	411,117	500,103
Tax recoverable		12,284	19,193	2,961	-
Cash and bank balances	26	39,748	34,089	3,992	12,588
		353,404	416,133	492,964	591,455
TOTAL ASSETS		2,156,826	2,093,276	1,530,597	1,630,677
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	27	282,529	282,529	282,529	282,529
Share premium	27	282,010	282,010	282,010	282,010
Treasury shares	27	(49,773)	(49,768)	(49,773)	(49,768)
Other reserves	28	4,752	2,493	3,684	3,684
Retained earnings	29	584,519	560,147	51,417	43,217
		1,104,037	1,077,411	569,867	561,672
Minority interests		7,665	6,962	-	-
Total equity		1,111,702	1,084,373	569,867	561,672



BALANCE SHEETS

as at 30 April 2010 (Cont'd)

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-current liabilities					
Borrowings	30	579,682	490,947	81,255	45,933
Deferred tax liabilities	22	42,757	19,816	14,012	6,651
		622,439	510,763	95,267	52,584
Current liabilities					
Borrowings	30	221,317	288,397	116,333	187,857
Trade and other payables	32	201,141	205,390	72,034	72,995
Amount due to related companies	25	-	-	677,096	752,563
Current tax liabilities		227	4,353	-	3,006
		422,685	498,140	865,463	1,016,421
Total liabilities		1,045,124	1,008,903	960,730	1,069,005
TOTAL EQUITY AND LIABILITIES		2,156,826	2,093,276	1,530,597	1,630,677

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





CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY for the year ended 30 April 2010

	Attributable to equity holders of the Company					Minority interests	Total equity
	Share capital (Note 27) RM'000	Share premium (Note 27) RM'000	Treasury shares (Note 27) RM'000	Other reserves (Note 28) RM'000	Retained earnings (Note 29) RM'000		
Note					Total RM'000	RM'000	RM'000
At 1 May 2009	282,529	282,010	(49,768)	2,493	560,147	1,077,411	1,084,373
Foreign currency translation	-	-	-	2,259	-	2,259	2,259
Profit for the year	-	-	-	-	24,372	24,372	25,075
Purchase of treasury shares	-	-	(5)	-	-	(5)	(5)
At 30 April 2010	282,529	282,010	(49,773)	4,752	584,519	1,104,037	1,111,702
At 1 May 2008	282,529	282,010	(49,763)	7,191	552,272	1,074,239	1,080,487
Foreign currency translation	-	-	-	(4,698)	-	(4,698)	(4,698)
Profit for the year	-	-	-	-	13,882	13,882	14,596
Purchase of treasury shares	-	-	(5)	-	-	(5)	(5)
Dividends	-	-	-	-	(6,007)	(6,007)	(6,007)
At 30 April 2009	282,529	282,010	(49,768)	2,493	560,147	1,077,411	1,084,373

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 April 2010 (Cont'd)

Note	Share capital (Note 27) RM'000	Non-distributable			Distributable Retained earnings (Note 29) RM'000	Total equity RM'000
		Share premium (Note 27) RM'000	Treasury shares (Note 27) RM'000	Other reserves (Note 28) RM'000		
At 1 May 2009	282,529	282,010	(49,768)	3,684	43,217	561,672
Profit for the year	-	-	-	-	8,200	8,200
Purchase of treasury shares	-	-	(5)	-	-	(5)
At 30 April 2010	282,529	282,010	(49,773)	3,684	51,417	569,867
At 1 May 2008	282,529	282,010	(49,763)	3,684	36,261	554,721
Profit for the year	-	-	-	-	12,963	12,963
Purchase of treasury shares	-	-	(5)	-	-	(5)
Dividends	12	-	-	-	(6,007)	(6,007)
At 30 April 2009	282,529	282,010	(49,768)	3,684	43,217	561,672

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



CASH FLOW STATEMENTS

for the year ended 30 April 2010

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash flows from operating activities					
Profit before tax		40,036	22,854	9,215	24,613
Adjustments for:					
Amortisation of investment properties	7	26	21	26	21
Amortisation of other intangible assets	7	360	356	360	355
Amortisation of prepaid land lease payments	7	707	224	1	1
Amortisation of prepaid timber rights	7	16,278	16,278	14,511	14,511
Depreciation of property, plant and equipment	7	62,746	57,888	26,468	24,685
Gross dividend income	7	-	-	-	(10,000)
Interest income	7	-	(443)	-	-
Interest expense	7	9,401	4,697	2,003	2,343
Net loss/(gain) on disposal of property, plant and equipment	7	187	273	90	(12)
Net unrealised foreign exchange (gain)/loss	7	(274)	2,460	(6,446)	8,066
Property, plant and equipment written off	7	114	-	114	-
Operating profit before working capital changes		129,581	104,608	46,342	64,583
Decrease in inventories		54,354	35,814	9,963	20,943
Decrease/(increase) in receivables		742	2,160	(6,093)	(22,451)
(Decrease)/increase in payables		(4,249)	27,332	(961)	(7,216)
Increase in amount due (from)/to related companies		-	-	13,519	238,849
Cash generated from operations		180,428	169,914	62,770	294,708
Interest received		-	443	-	-
Interest paid		(36,452)	(38,589)	(2,003)	(2,343)
Taxes paid, net of refund		9,370	(18,252)	379	(4,583)
Net cash generated from operating activities		153,346	113,516	61,146	287,782



CASH FLOW STATEMENTS

for the year ended 30 April 2010 (Cont'd)

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash flows from investing activities					
Acquisition of additional shares in subsidiaries		-	-	-	(247,360)
Repurchase of own shares	27	(5)	(5)	(5)	(5)
Acquisition of property, plant and equipment (excluding interest charge capitalised)	13	(48,888)	(99,301)	(21,300)	(33,120)
Acquisition of biological assets (excluding amortisation depreciation and interest charge capitalised)	14	(111,300)	(173,396)	-	-
Proceeds from disposal of biological assets	14	5	-	-	-
Proceeds from disposal of property, plant and equipment		4,792	4,859	205	131
Acquisition of investment properties	17	(21)	-	(21)	-
Acquisition of other intangible assets	19	(55)	(15)	(55)	(15)
Dividend received from a subsidiary		-	-	-	10,000
Net cash used in investing activities		(155,472)	(267,858)	(21,176)	(270,369)
Cash flows from financing activities					
Dividends paid	12	-	(6,007)	-	(6,007)
Repayment of hire purchase payables		(32,890)	(42,838)	(26,279)	(28,150)
Proceeds from bankers' acceptances		-	204,982	-	18,180
Repayment of bankers' acceptances		(40,218)	(183,441)	(16,235)	-
Proceeds from revolving credit		-	20,000	-	20,000
Proceeds from term loans		83,755	189,038	-	-
Repayment of term loans		(16,645)	(25,719)	(13,113)	(2,373)
Net cash (used in)/generated from financing activities		(5,998)	156,015	(55,627)	1,650
Net (decrease)/increase in cash and cash equivalents		(8,124)	1,673	(15,657)	19,063
Effects of exchange rate changes		1,359	(3,665)	-	-
Cash and cash equivalents at the beginning of the year		(9,137)	(7,145)	5,112	(13,951)
Cash and cash equivalents at the end of the year	26	(15,902)	(9,137)	(10,545)	5,112

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



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. 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 extend to the development of oil palm plantations and its related activities. Details of principal activities of subsidiaries are set out in Note 20 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

2. Significant accounting policies

2.1 Basis of preparation

The financial statements comply with the provisions of Companies Act, 1965 and Financial Reporting Standards in Malaysia.

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 the income statement.

(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.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

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 the income statement.

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 income statement. 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.

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.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

2. Significant accounting policies (Cont'd)

2.2 Summary of significant accounting policies (Cont'd)

(b) Associates (Cont'd)

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 the income statement.

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) 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) Prepaid timber rights

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(h).



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

2. Significant accounting policies (Cont'd)

2.2 Summary of significant accounting policies (Cont'd)

(e) 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. 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% or over remaining lease period
Aircraft, watercraft, motor vehicles, plant and machinery	5% - 20%
Roads and bridges	10%
Office renovation, furniture, fittings and equipment	10%

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.

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 the income statements.

(f) Biological assets

Plantation expenditure incurred on land clearing, upkeep of immature oil palms, administrative expenses and interest incurred during the pre-cropping period are capitalised under biological assets and are not amortised. Upon maturity, all subsequent maintenance expenditure is charged to the income statement. Replanting expenditure incurred on similar crops on formerly developed areas is chargeable to the income statement in the financial year in which it is incurred.

(g) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. These include land and building held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

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(e).

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 the income statement in the year in which they arise.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

2. Significant accounting policies (Cont'd)

2.2 Summary of significant accounting policies (Cont'd)

(h) 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 the income statement in the period in which it arises.

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 the income statement.

(i) 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.

Crude palm oil and palm kernel are valued at the lower of cost, determined on the weighted average basis, 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.

Fresh fruit bunches and general stores are valued at cost based on a weighted average basis.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

2. Significant accounting policies (Cont'd)

2.2 Summary of significant accounting policies (Cont'd)

(i) Inventories and work-in-progress (Cont'd)

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.

Cost of processed inventories includes cost of raw materials, direct labour and an appropriate proportion of fixed and variable production overheads.

(j) 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

Cash and cash equivalents comprise cash in hand, bank balances, fixed deposits pledged to financial institutions, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(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.

(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 the income statement 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.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

2. Significant accounting policies (Cont'd)

2.2 Summary of significant accounting policies (Cont'd)

(k) 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. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification.

(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 income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(e).

(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. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(iv) Operating leases - the Group as lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

2. Significant accounting policies (Cont'd)

2.2 Summary of significant accounting policies (Cont'd)

(l) Borrowing costs

Borrowing costs directly attributable to biological assets 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 the income statement in the period in which they are incurred.

(m) 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 income statement 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.

(n) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

(o) 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 biological assets.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

2. Significant accounting policies (Cont'd)

2.2 Summary of significant accounting policies (Cont'd)

(o) 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 income statement as incurred or capitalised as biological assets 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 Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

(p) 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 Company, transactions in currencies other than the Company'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 and of the Company's net investment in foreign operation. These 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 Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

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.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

2. Significant accounting policies (Cont'd)

2.2 Summary of significant accounting policies (Cont'd)

(p) Foreign currencies (Cont'd)

(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.

(q) 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 collectability is in doubt.

(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.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

2. Significant accounting policies (Cont'd)

2.3 Changes in accounting policies and future accounting standards

At the date of authorisation of these financial statements, the following new FRS and Interpretations, and amendments to certain Standards and Interpretations were issued but not yet effective and have not been applied by the Company, which are:

Effective for financial periods beginning on or after 1 July 2009

- FRS 8: Operating Segments

Effective for financial periods beginning on or after 1 January 2010

- FRS 4: Insurance Contracts
- FRS 7: Financial Instruments: Disclosures
- FRS 101: Presentation of Financial Statements (revised)
- FRS 123: Borrowing Costs
- FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
- Amendments to FRSs 'Improvements to FRSs (2009)'
- IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 10: Interim Financial Reporting and Impairment
- IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
- IC Interpretation 13: Customer Loyalty Programmes
- IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- TR i - 3: Presentation of Financial Statements of Islamic Financial Institutions

Effective for financial periods beginning on or after 1 March 2010

- Amendments to FRS 132: Classification of Rights Issues

Effective for financial periods beginning on or after 1 July 2010

- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations (revised)
- FRS 127: Consolidated and Separate Financial Statements (amended)
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 15: Agreements for the Construction of Real Estate
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

2. Significant accounting policies (Cont'd)

2.3 Changes in accounting policies and future accounting standards (Cont'd)

Effective for financial periods beginning on or after 1 January 2011

- Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 1: Additional Exemptions for First-time Adopters
- Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
- Amendments to FRS 7: Improving Disclosures about Financial Instruments
- IC Interpretation 4: Determining Whether an Arrangement contains a Lease
- IC Interpretation 18: Transfers of Assets from Customers
- TR 3: Guidance on Disclosures of Transition to IFRSs
- TR i - 4: Shariah Compliant Sale Contracts

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) be accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS 127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

FRS 8: Operating Segment

FRS 8 Operating Segments (effective for annual periods beginning on or after 1 July 2009), replaces FRS 1142004 Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from financial periods beginning on 1 May 2010. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

2. Significant accounting policies (Cont'd)

2.3 Changes in accounting policies and future accounting standards (Cont'd)

FRS 123: Borrowing Costs

This Standard supersedes FRS 1232004: Borrowing Costs that removes the option of expensing borrowing costs and requires capitalisation of such costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense. The adoption of this Standard will not have any impact on the financial statements of the Group and the Company, as the existing policy on borrowing costs related to qualifying assets are capitalised (Note 2.2(l)).

FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures

The new Standard on FRS 139: Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

FRS 7: Financial Instruments: Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's and Company's exposure to risks, enhanced disclosure regarding components of the Group's and Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

Amendments to FRSs 'Improvements to FRSs (2009)

FRS 117 Leases: Clarifies on the classification of leases of land and buildings. The Group is still assessing the potential implication as a result of the reclassification of its unexpired land leases as operating or finance leases. For those land element held under operating leases that are required to be reclassified as finance leases, the Group shall recognise a corresponding asset and liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with the transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendments; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings. The Group is currently in the process of assessing the impact of this amendment.

FRS 140 Investment Property: Property under construction or development for future use as an investment property is classified as investment property. Where the fair value model is applied, such property is measured at fair value. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. The Group has previously accounted for such assets using the cost model. The amendment also includes changes in terminology in the Standard to be consistent with FRS 108. The change will be applied prospectively.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

2. Significant accounting policies (Cont'd)

2.4 Significant accounting estimates and judgments

(a) Critical judgments made in applying accounting policies

The following are the judgments made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(i) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgment whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately, the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGU to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 30 April 2010 was RM70,505,000 (2009: RM70,505,000). Further details are disclosed in Note 18.

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital allowances of the Group was RM863 million (2009: RM744 million) and the unrecognised tax losses and capital allowances of the Group was RM4 million (2009: RM6 million).



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

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	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Sale of timber and related products	666,319	701,563	358,572	427,895
Sale of fresh fruit bunches	77,250	44,441	-	-
Chartering services income	1,200	1,863	-	-
Others	1,232	8,663	-	-
	746,001	756,530	358,572	427,895

4. Cost of sales

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Sale of timber and related products	535,134	633,944	313,690	360,444
Sale of fresh fruit bunches	2	29,197	-	-
Chartering services income	90,987	1,855	-	-
Others	-	46	-	-
	626,123	665,042	313,690	360,444

5. Other income

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Commission income	66	85	20	24
Freight and handling income	9	22	-	-
Foreign exchange gain (Note 7)				
- realised	6,894	10,945	238	2
- unrealised	6,446	5,658	6,446	-
Gain on disposal of property, plant and equipment (Note 7)	4	72	-	22
Gross dividend income (Note 7)	-	-	-	10,000
Interest income (Note 7)	76	443	-	-
Logpond facilities income	1,703	-	-	-
Power supply income	1,520	999	-	-
Rental income (Note 7)	145	1,599	36	34
Others	4,039	3,676	3,516	2,072
	20,902	23,499	10,256	12,154



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

6. Finance costs

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Interest expense on:				
Bank interests	4,477	9,296	24	23
Hire purchase	2,531	2,981	1,979	2,320
Term loans	27,856	26,312	-	-
Total interest expense	34,864	38,589	2,003	2,343
Less: Interest expense capitalised in				
- capital work-in-progress (Note 13)	(293)	(1,331)	-	-
- biological assets (Note 14)	(26,758)	(32,561)	-	-
Net interest expense (Note 7)	7,813	4,697	2,003	2,343
Bank charges	1,153	1,477	51	53
Commitment fee	911	547	16	32
	9,877	6,721	2,070	2,428
Less: Bank charges and commitment fee capitalised in:				
- capital work-in-progress	(3)	(16)	-	-
- biological assets	(473)	(657)	-	-
	9,401	6,048	2,070	2,428

7. Profit before tax

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
The following amounts have been included in arriving at profit before tax:				
Amortisation of investment properties (Note 17)	26	21	26	21
Amortisation of other intangible assets (Note 19)	360	356	360	355
Amortisation of prepaid land lease payments (Note 16)	707	224	1	1
Amortisation of timber rights payments (Note 15)	16,278	16,278	14,511	14,511
Auditors' remuneration	407	460	159	174
Statutory audit				
- current year	260	260	65	65
- underprovision in prior year	-	53	-	15
Other services	147	147	94	94
Depreciation of property, plant and equipment (Note 13)	62,746	57,888	26,468	24,685
Bad debt written off	33	-	-	-
Employee benefits expense (Note 8)	52,392	57,359	12,102	12,543
Foreign exchange gain				
- realised (Note 5)	(6,894)	(10,945)	(238)	(2)
- unrealised (Note 5)	(6,446)	(5,658)	(6,446)	-



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

7. Profit before tax (Cont'd)

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Foreign exchange loss				
- realised	6,378	19,750	3	397
- unrealised	6,172	8,118	-	8,066
Gain on disposal of property, plant and equipment (Note 5)	(4)	(72)	-	(22)
Gross dividend income (Note 5)		-	-	(10,000)
Hiring charges	436	364	2,550	2,400
Interest income (Note 5)	(76)	(443)	-	-
Interest expense (Note 6)	7,813	4,697	2,003	2,343
Loss on disposal of property, plant and equipment	191	345	90	10
Management fees	21	20	21	20
Non executive directors' remuneration (Note 9)	619	617	523	521
Property, plant and equipment written off	114	-	114	-
Rental expense	328	349	347	353
Rental income (Note 5)	(145)	(1,599)	(36)	(34)

8. Employee benefits expense

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Salaries, wages, allowances and bonus	51,504	56,590	10,469	10,874
Social security contributions	434	414	118	116
Contributions to defined contribution plan	3,462	3,594	1,243	1,287
Other benefits	1,190	1,206	272	266
Total employee benefits expenses (including executive director)	56,590	61,804	12,102	12,543
Less: Employee benefits expense capitalised in:				
- biological assets (Note 14)	(3,282)	(3,609)	-	-
- Work-in-progress (Note 23)	(916)	(836)	-	-
	52,392	57,359	12,102	12,543

Included in employee benefits expense of the Group and of the Company is an executive director's remuneration amounting to RM1,033,840 (2009: RM1,030,740) as further disclosed in Note 9.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

9. Directors' remuneration

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Executive director's remuneration (Note 8):				
Fees	45	46	45	46
Other emoluments	989	985	989	985
	1,034	1,031	1,034	1,031
Non-executive directors' remuneration (Note 7):				
Fees	448	446	352	350
Other emoluments	171	171	171	171
	619	617	523	521
Total directors' remuneration	1,653	1,648	1,557	1,552
Estimated money value of benefits-in-kind	40	40	40	40
Total directors' remuneration including benefits-in-kind	1,693	1,688	1,597	1,592

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Executive:				
Salaries and other emoluments	880	880	880	880
Fees	45	46	45	46
Defined contribution plan	109	105	109	105
Benefits-in-kind	16	16	16	16
	1,050	1,047	1,050	1,047
Non-executive:				
Salaries and other emoluments	171	171	171	171
Fees	448	446	352	350
Benefits-in-kind	24	24	24	24
	643	641	547	545
Total (Note 35(c))	1,693	1,688	1,597	1,592



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

9. Directors' remuneration (Cont'd)

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	
	2010	2009
Executive director:		
RM1,000,001 - RM1,050,000	1	1
Non-executive directors:		
Below RM50,000	3	3
RM50,001 - RM100,000	2	2
RM100,001 - RM150,000	1	1
RM150,001 - RM200,000	1	1

10. Income tax expense

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current income tax:				
Malaysian income tax	938	13,422	622	7,688
(Over)/under provision in prior years	(7,525)	(429)	(6,968)	674
	(6,587)	12,993	(6,346)	8,362
Deferred tax (Note 22):				
Relating to origination and reversal of temporary differences	14,550	(4,454)	3,349	2,275
Under/(over) provision in prior years	6,998	(281)	4,012	1,013
	21,548	(4,735)	7,361	3,288
Total income tax expense	14,961	8,258	1,015	11,650

Domestic current income tax is calculated at the statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the year.

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



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

10. Income tax expense (Cont'd)

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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit before tax	40,036	22,854	9,215	24,613
Taxation at Malaysian statutory tax rate of 25% (2009: 25%)	10,009	5,714	2,304	6,153
Income not subject to tax	-	-	-	(2,500)
Group tax relief surrendered from fellow subsidiaries	-	-	(713)	-
Expenses not deductible for tax purposes	5,627	5,743	2,380	6,310
Utilisation of previously unabsorbed capital allowances, reinvestment allowances and unused tax losses	(326)	(2,954)	-	-
Deferred tax assets not recognised in respect of current year's unabsorbed capital allowances and unused tax losses	178	465	-	-
Under/(over) provision of deferred tax in prior years	6,998	(281)	4,012	1,013
(Over)/under provision of income tax in prior years	(7,525)	(429)	(6,968)	674
Income tax expense for the year	14,961	8,258	1,015	11,650

11. Earnings per share

Basic 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	
	2010	2009
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	24,372	13,882
Weighted average number of ordinary shares in issue ('000)	266,987	266,989
Basic earnings per share (sen)	9.13	5.20



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

12. Dividends

	Dividends in respect of year		Net dividends recognised in year	
	2009	2008	2010	2009
	RM'000	RM'000	RM'000	RM'000
Recognised during the year:				
First and final dividend for 2008:				
3% less 25% taxation, on				
266,900,042 ordinary shares				
(2.2 sen per ordinary share)	-	6,007	-	6,007

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 30 April 2010 of 2% less 25% taxation on ordinary shares in issue (net of treasury shares) at book closure date, amounting to a dividend payable of RM4,004,000 (1.5 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 2011.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

13. Property, plant and equipment

Group	Freehold 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 2010							
Cost							
At 1 May 2009	2,407	209,207	767,925	204,625	31,092	150,752	1,366,008
Additions	-	772	39,408	12	785	30,347	71,324
Disposals/written off	-	-	(5,622)	-	(647)	(2,067)	(8,336)
Reclassifications	-	7,552	11,102	579	509	(19,742)	-
Reclassified from biological assets (Note 14)	-	-	-	-	-	133	133
Reclassified to prepaid land lease payments (Note 16)	-	-	-	-	-	(4,296)	(4,296)
Reclassified to investment properties (Note 17)	-	-	-	-	-	(461)	(461)
Exchange differences	-	799	18	-	9	278	1,104
At 30 April 2010	2,407	218,330	812,831	205,216	31,748	154,944	1,425,476
Accumulated depreciation and impairment							
At 1 May 2009	-	111,939	478,981	87,032	20,735	2,000	700,687
Depreciation charge for the year	-	11,224	35,670	17,824	2,400	-	67,118
Recognised in income statement (Note 7)	-	10,426	32,267	17,824	2,229	-	62,746
Capitalised in biological assets (Note 14)	-	767	3,238	-	110	-	4,115
Capitalised in work-in-progress (Note 23)	-	31	165	-	61	-	257





NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

13. Property, plant and equipment (Cont'd)

Group (Cont'd)	Freehold 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 2010							
Accumulated depreciation and impairment (Cont'd)							
Disposals/written off	-	-	(1,818)	-	(592)	-	(2,410)
Exchange differences	-	185	11	-	8	-	204
At 30 April 2010	-	123,348	512,844	104,856	22,551	2,000	765,599
Analysed as:							
Accumulated depreciation	-	120,348	512,844	104,856	20,994	-	759,042
Accumulated impairment losses	-	3,000	-	-	1,557	2,000	6,557
At 30 April 2009	-	123,348	512,844	104,856	22,551	2,000	765,599
Net carrying amount	2,407	94,982	299,987	100,360	9,197	152,944	659,877
At 30 April 2009							
Cost							
At 1 May 2008	2,548	178,377	740,964	197,871	30,025	104,110	1,253,895
Additions	-	7,197	29,850	3,835	1,129	77,989	120,000
Disposals/written off	-	-	(5,378)	-	(638)	(1,639)	(7,655)
Reclassifications	-	21,910	2,505	2,919	696	(28,030)	-
Reclassified from/(to) biological assets (Note 14)	-	2,467	-	-	-	(938)	1,529
Reclassified to prepaid land lease payments (Note 16)	-	-	-	-	-	(432)	(432)
Reclassified to other intangible assets (Note 19)	-	-	-	-	(108)	-	(108)
Exchange differences	(141)	(744)	(16)	-	(12)	(308)	(1,221)
At 30 April 2009	2,407	209,207	767,925	204,625	31,092	150,752	1,366,008

NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

13. Property, plant and equipment (Cont'd)

Group (Cont'd)	Freehold 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 2009							
Accumulated depreciation and impairment							
At 1 May 2008	-	102,633	448,529	69,714	18,675	2,000	641,551
Depreciation charge for the year	-	9,467	32,713	17,318	2,349	-	61,847
Recognised in income statement (Note 7)	-	8,860	29,498	17,318	2,212	-	57,888
Capitalised in biological assets (Note 14)	-	575	3,039	-	76	-	3,690
Capitalised in work-in-progress (Note 23)	-	32	176	-	61	-	269
At 30 April 2009							
Disposals/written off	-	-	(2,239)	-	(284)	-	(2,523)
Exchange differences	-	(167)	(16)	-	(5)	-	(188)
Reclassifications	-	6	(6)	-	-	-	-
At 30 April 2009	-	111,939	478,981	87,032	20,735	2,000	700,687
Analysed as:							
Accumulated depreciation	-	108,939	478,981	87,032	19,178	-	694,130
Accumulated impairment losses	-	3,000	-	-	1,557	2,000	6,557
	-	111,939	478,981	87,032	20,735	2,000	700,687
Net carrying amount	2,407	97,268	288,944	117,593	10,357	148,752	665,321



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

13. Property, plant and equipment (Cont'd)

Company	Freehold 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 2010							
Cost							
At 1 May 2009	623	11,304	179,629	116,398	15,581	30,198	353,733
Additions	-	58	30,182	-	255	9,615	40,110
Disposals/written off	-	-	(412)	-	(189)	-	(601)
Reclassifications	-	465	35	563	252	(1,315)	-
Reclassified to prepaid land lease payments (Note 16)	-	-	-	-	-	(4,296)	(4,296)
Reclassified to investment properties (Note 17)	-	-	-	-	-	(461)	(461)
At 30 April 2010	623	11,827	209,434	116,961	15,899	33,741	388,485
Accumulated depreciation							
At 1 May 2009	-	2,995	55,377	53,084	10,588	-	122,044
Depreciation charge for the year (Note 7)	-	604	12,692	11,671	1,501	-	26,468
Disposals/written off	-	-	(32)	-	(160)	-	(192)
At 30 April 2010	-	3,599	68,037	64,755	11,929	-	148,320
Net carrying amount	623	8,228	141,397	52,206	3,970	33,741	240,165

NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

13. Property, plant and equipment (Cont'd)

Company (Cont'd)		Freehold 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 2009								
Cost								
At 1 May 2008		623	10,740	161,847	113,413	15,218	12,694	314,535
Additions		-	293	17,408	372	317	21,088	39,478
Disposals/written off		-	-	(124)	-	(48)	-	(172)
Reclassifications		-	271	498	2,613	202	(3,584)	-
Reclassified to investment properties (Note 19)		-	-	-	-	(108)	-	(108)
At 30 April 2009		623	11,304	179,629	116,398	15,581	30,198	353,733
Accumulated depreciation								
At 1 May 2008		-	2,446	44,161	41,658	9,147	-	97,412
Depreciation charge for the year (Note 7)		-	549	11,232	11,426	1,478	-	24,685
Disposals/written off		-	-	(16)	-	(37)	-	(53)
At 30 April 2009		-	2,995	55,377	53,084	10,588	-	122,044
Net carrying amount		623	8,309	124,252	63,314	4,993	30,198	231,689

NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

13. Property, plant and equipment (Cont'd)

During the financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM71,324,000 (2009: RM120,000,000) and RM40,110,000 (2009: RM39,478,000) of which RM22,143,000 (2009: RM19,368,000) and RM18,810,000 (2009: RM6,358,000), 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		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Motor vehicles	45,113	111,649	28,972	90,585

Information of the hire purchase arrangements are disclosed in Note 31.

Included in capital work-in-progress is the following expense incurred and capitalised during the financial year:

	Group	
	2010 RM'000	2009 RM'000
Interest expense (Note 6)	293	1,331

14. Biological assets

	Group	
	RM'000	RM'000
Cost		
At 1 May 2009/2008	722,933	513,323
Additions	144,034	211,139
Disposals	(5)	-
Reclassified to property, plant and equipment (Note 13)	(133)	(1,529)
At 30 April 2010/2009	866,829	722,933
Accumulated amortisation		
At 1 May 2009/2008	-	2,992
At previously stated	-	(2,992)
Effect of change in accounting policy	-	-
At 30 April 2010/2009	-	-
Net carrying amount	866,829	722,933



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

14. Biological assets (Cont'd)

Included in the biological assets are the following expenses incurred and capitalised during the financial year:

	Group	
	2010 RM'000	2009 RM'000
Amortisation of prepaid land lease payments (Note 16)	1,028	1,492
Depreciation of property, plant and equipment (Note 13)	4,115	3,690
Employee benefits expenses (Note 8)	3,282	3,609
Interest expense (Note 6)	26,758	32,561
Loss on disposal of property, plant and equipment	833	627

15. Prepaid timber rights

	Group		Company	
	RM'000	RM'000	RM'000	RM'000
Cost				
At 1 May 2009/2008 and 30 April 2010/2009	298,447	298,447	247,724	247,724
Accumulated amortisation				
At 1 May 2009/2008	191,745	175,467	152,568	138,057
Amortisation (Note 7)	16,278	16,278	14,511	14,511
At 30 April 2010/2009	208,023	191,745	167,079	152,568
Net carrying amount	90,424	106,702	80,645	95,156

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

16. Prepaid land lease payments

	Group		Company	
	RM'000	RM'000	RM'000	RM'000
Cost				
At 1 May 2009/2008	92,774	94,058	32	33
Reclassified from property, plant and equipment (Note 13)	4,296	432	4,296	-
	97,070	94,490	4,328	33
Amortisation for the year:				
Recognised in income statement (Note 7)	(707)	(224)	(1)	(1)
Capitalised in biological assets (Note 14)	(1,028)	(1,492)	-	-
	(1,735)	(1,716)	(1)	(1)
At 30 April 2010/2009	95,335	92,774	4,327	32



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

16. Prepaid land lease payments (Cont'd)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Analysed as:				
Long term leasehold land	86,545	90,438	4,296	-
Short term leasehold land	8,790	2,336	31	32
	95,335	92,774	4,327	32

17. Investment properties

	Group/Company	
	RM'000	RM'000
Cost		
At 1 May 2009/2008	2,866	2,887
Additions	21	-
Reclassified from property, plant and equipment (Note 13)	461	-
Amortisation for the year (Note 7)	(26)	(21)
At 30 April 2010/2009	3,322	2,866
Analysed as:		
Long term leasehold land	240	244
Buildings	3,082	2,622
	3,322	2,866

The fair value of the Group and the Company's investment properties is RM3,859,800 (2009: RM3,859,800). Based on prevailing market conditions, the directors consider that there is no significant change in the fair value between 30 April 2009 and 30 April 2010.

18. Goodwill on consolidation

	Group	
	RM'000	RM'000
Cost		
At 1 May 2009/2008 and 30 April 2010/2009	70,505	70,505

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

	Group	
	2010 RM'000	2009 RM'000
Manufacturing	70,505	70,505



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

19. Other intangible assets

Cost	Group		Company	
	RM'000	RM'000	RM'000	RM'000
At 1 May 2009/2008	3,645	3,522	3,642	3,519
Additions	55	15	55	15
Reclassified from property, plant and equipment (Note 13)	-	108	-	108
At 30 April 2010/2009	3,700	3,645	3,697	3,642
Accumulated amortisation				
At 1 May 2009/2008	2,776	2,420	2,775	2,420
Amortisation (Note 7)	360	356	360	355
At 30 April 2010/2009	3,136	2,776	3,135	2,775
Net carrying amount				
At 30 April 2010/2009	564	869	562	867

20. Investment in subsidiaries

	Company	
	2010 RM'000	2009 RM'000
Unquoted shares at cost	708,631	708,631
Impairment in value of investment	(19)	(19)
	708,612	708,612

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest	
			2010 %	2009 %
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



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

20. Investment in subsidiaries (Cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest	
			2010 %	2009 %
Held by the Company (Cont'd):				
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	88.91	70
Sericahaya Sdn. Bhd.	Malaysia	Extraction and sale of logs	88.91	70
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
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 and its related activities	100	100
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	Operation and management of an oil palm mill	100	100
Atlantic Evergreen Holdings	Cayman Islands	Investment holding	100	100



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

20. Investment in subsidiaries (Cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest	
			2010 %	2009 %
Held by the Company (Cont'd):				
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.

21. Investment in associate

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 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
Impairment in value of investment	(2,400)	(2,400)	(4,400)	(4,400)
	2,000	2,000	-	-
Share of post acquisition losses	(2,000)	(2,000)	-	-
	-	-	-	-

Details of the associate are as follows:

Name of associate	Country of incorporation	Principal activities	Proportion of ownership interest	
			2010 %	2009 %
Mafrica Trading Sdn. Bhd. *	Malaysia	Dormant	40	40

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



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

21. Investment in associate (Cont'd)

The summarised financial information of the associate are as follows:

	2010 RM'000	2009 RM'000
Assets and liabilities		
Current assets	10,806	11,019
Current liabilities	5,808	6,018
Results		
Revenue	-	1,542
Profit for the year	-	27

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

Group's share of net tangible assets	(335)	(335)
Premium on acquisition	335	335
	-	-

22. Deferred tax assets/(liabilities)

	Group		Company	
	RM'000	RM'000	RM'000	RM'000
As 1 May 2009/2008	(4,643)	(9,378)	(6,651)	(3,363)
Recognised in income statement (Note 10)	(21,548)	4,735	(7,361)	(3,288)
At 30 April 2010/2009	(26,191)	(4,643)	(14,012)	(6,651)

Presented after appropriate offsetting as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deferred tax assets	16,566	15,173	-	-
Deferred tax liabilities	(42,757)	(19,816)	(14,012)	(6,651)
	(26,191)	(4,643)	(14,012)	(6,651)



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

22. Deferred tax assets/(liabilities) (Cont'd)

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

	RM'000	Unused tax losses and unabsorbed capital allowances RM'000
Deferred tax assets of the Group:		
At 1 May 2009/2008	186,178	126,786
Recognised in income statement	29,643	59,392
At 30 April 2010/2009	215,821	186,178

	Property, plant and equipment RM'000	Biological assets RM'000	Total RM'000
Deferred tax liabilities of the Group:			
At 1 May 2009	(32,457)	(158,365)	(190,822)
Recognised in the income statement	(10,219)	(40,971)	(51,190)
At 30 April 2010	(42,676)	(199,336)	(242,012)
At 1 January 2008	(26,879)	(109,286)	(136,165)
Recognised in the income statement	(5,578)	(49,079)	(54,657)
At 30 April 2009	(32,457)	(158,365)	(190,822)

	RM'000	Accelerated capital allowances RM'000
Deferred tax liabilities of the Company:		
At 1 May 2009/2008	(6,651)	(3,363)
Recognised in income statement	(7,361)	(3,288)
At 30 April 2010/2009	(14,012)	(6,651)



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

22. Deferred tax assets/(liabilities) (Cont'd)

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

	Group	
	2010 RM'000	2009 RM'000
Unused tax losses	3,882	5,122
Unabsorbed capital allowances	498	950
	<u>4,380</u>	<u>6,072</u>

As at 30 April 2010, 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 and unabsorbed capital allowances can be utilised. The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Group is subject to the provisions of the Income Tax Act 1967.

23. Inventories

Cost	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Blockboard/sawn timber	312	6,460	-	-
Crude palm oil	4,612	1,504	-	-
Fresh fruit bunches	147	15	-	-
Fuel, oil and lubricants	21	10	-	-
General stores	21,860	29,991	2,327	1,326
Logs	44,108	61,841	27,678	38,642
Palm kernel	454	93	-	-
Plywood	13,124	31,889	-	-
Seeds	159	161	-	-
Sliced veneer	-	203	-	-
Veneer	7,597	23,556	-	-
Work-in-progress	3,247	6,556	-	-
	<u>95,641</u>	<u>162,279</u>	<u>30,005</u>	<u>39,968</u>
Net realisable value				
Fancy plywood	4	4	-	-
Sawn timber	2,428	-	-	-
Plywood	10,113	-	-	-
	<u>12,545</u>	<u>4</u>	<u>-</u>	<u>-</u>
	<u>108,186</u>	<u>162,283</u>	<u>30,005</u>	<u>39,968</u>



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

23. Inventories (Cont'd)

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

	Group 2010 RM'000	2009 RM'000
Depreciation of property, plant and equipment (Note 13)	257	269
Employee benefits expense (Note 8)	916	836

24. Trade and other receivables

	Group 2010 RM'000	2009 RM'000	Company 2010 RM'000	2009 RM'000
Trade receivables				
Third parties	164,536	179,682	24,413	25,278
Provision for doubtful debts	(2,180)	(2,180)	(841)	(841)
Trade receivables, net	162,356	177,502	23,572	24,437
Other receivables				
Deposits	1,518	1,119	305	55
Prepayments	2,415	2,564	85	717
Sundry receivables	26,897	19,383	20,927	13,587
	30,830	23,066	21,317	14,359
	193,186	200,568	44,889	38,796

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 RM32,486,040 (2009: RM32,171,213) and RM20,620,458 (2009: RM20,308,339), respectively, due from companies in which certain directors have substantial interest.

Further details on related party transactions are disclosed in Note 35.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

25. Amounts due from/(to) related companies

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Amount due from subsidiaries	-	-	451,357	540,343
Provision for doubtful debts	-	-	(40,240)	(40,240)
	-	-	411,117	500,103
Amount due from associate	2,600	2,600	2,600	2,600
Provision for doubtful debts	(2,600)	(2,600)	(2,600)	(2,600)
	-	-	-	-
	-	-	411,117	500,103
Amount due to subsidiaries	-	-	(677,096)	(752,563)

The amounts due from/(to) related companies are unsecured and have no fixed term of repayment. Bank charges, bank interest and commitment fee amounting to RM266,648, RM5,700,019 and RM94,270 (2009: RM570,468, RM13,804,935 and RM67,641), respectively, have however been charged to subsidiaries.

Further details on related party transactions are disclosed in Note 35.

Other information on financial risks of amounts due from/(to) subsidiaries are disclosed in Note 38.

26. Cash and cash equivalents

As at balance sheet date, cash and bank balances comprise the following:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash on hand	-	-	55	54
Cash at bank	38,305	32,674	3,937	12,534
Fixed deposits with licensed banks	1,443	1,415	-	-
Cash and bank balances	39,748	34,089	3,992	12,588

The Group's fixed deposits with licensed banks amounting to RM1,442,793 (2009: RM1,414,604) have been pledged to banks as security for bankers' guarantees granted and hence, are not available for general use.

Other information on financial risks of cash and cash equivalents are disclosed in Note 38.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

26. Cash and cash equivalents (Cont'd)

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash and bank balances	39,748	34,089	3,992	12,588
Bank overdrafts (Note 30)	(55,650)	(43,226)	(14,537)	(7,476)
	(15,902)	(9,137)	(10,545)	5,112

27. 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 2008	282,529	(15,538)	282,529	282,010	564,539	(49,763)
Repurchase of own shares	-	(2)	-	-	-	(5)
At 30 April 2009	282,529	(15,540)	282,529	282,010	564,539	(49,768)
Repurchase of own shares	-	(2)	-	-	-	(5)
At 30 April 2010	282,529	(15,542)	282,529	282,010	564,539	(49,773)

	Number of Ordinary Shares of RM1 Each		Amount	
	2010 '000	2009 '000	2010 RM'000	2009 RM'000
Authorised	1,000,000	1,000,000	1,000,000	1,000,000

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



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

27. Share capital, share premium and treasury shares (Cont'd)

Treasury shares

This amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

During the financial year, the Company repurchased a total of 2,000 of its issued ordinary shares from the open market for a total cost of RM5,108. The average cost paid for the shares repurchased during the year was RM2.55 per share.

Subsequent to the balance sheet date and up to the date of this report, the Company repurchased an additional 1,000 shares for a total cost of RM3,345. The average cost paid for the shares repurchased during the period was RM3.35 per share.

The above purchases were financed from the Company's internal funds. The shares repurchased are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Of the total 282,528,499 (2009: 282,528,499) issued and fully paid ordinary shares as at 30 April 2010, 15,542,457 (2009: 15,540,457) are held as treasury shares by the Company. As at 30 April 2010, the number of outstanding ordinary shares in issue after the set-off is therefore RM 266,986,042 (2009: 266,988,042) ordinary shares of RM1 each.

Movements on share buy-backs

	Number of shares	Total cost RM'000	Average price per share RM
At 1 May 2009	15,540,457	49,768	3.20
Repurchased during the year ended 30 April 2010	2,000	5	2.55
At 30 April 2010	15,542,457	49,773	3.20
Repurchased subsequent to 30 April 2010	1,000	3	3.35
At the date of this report	15,543,457	49,776	

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



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

28. Other reserves

	Capital redemption reserve RM'000	Foreign currency translation reserve RM'000	Total RM'000
Group			
At 1 May 2008	3,684	3,507	7,191
Foreign currency translation: Foreign subsidiaries	-	(4,698)	(4,698)
At 30 April 2009	3,684	(1,191)	2,493
Foreign currency translation: Foreign subsidiaries	-	2,259	2,259
At 30 April 2010	3,684	1,068	4,752
Company			
At 1 May 2009/2008 and 30 April 2010/2009	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.

29. Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard and opt to pay dividends under the single tier system. The change in the tax legislation also provides for to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007.

The Company has tax exempt profits available for distribution of approximately RM35 million (2009: RM27 million) as at 30 April 2010, subject to agreement of the Inland Revenue Board.

As at 30 April 2010 and 2009, the Company has sufficient credit in the 108 balance to pay franked dividends out of its entire retained earnings.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

30. Borrowings

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Short term borrowings				
Secured:				
Hire purchase payables (Note 31)	15,354	29,076	11,565	22,850
Unsecured:				
Bank overdrafts (Note 26)	55,650	43,226	14,537	7,476
Bankers' acceptances	48,527	88,745	19,945	36,180
Revolving credit	40,000	90,000	40,000	90,000
Term loan	31,500	6,000	-	-
USD denominated revolving credit	15,940	17,915	15,940	17,915
USD denominated term loan	14,346	13,435	14,346	13,436
	205,963	259,321	104,768	165,007
	221,317	288,397	116,333	187,857
Long term borrowings				
Secured:				
Hire purchase payables (Note 31)	15,700	12,725	12,127	8,311
Unsecured:				
Term loans	544,854	440,599	50,000	-
USD denominated term loan	19,128	37,623	19,128	37,622
	563,982	478,222	69,128	37,622
	579,682	490,947	81,255	45,933
Total borrowings				
Bank overdrafts (Note 26)	55,650	43,226	14,537	7,476
Bankers' acceptances	48,527	88,745	19,945	36,180
Revolving credit	40,000	90,000	40,000	90,000
Term loans	576,354	446,599	50,000	-
USD denominated revolving credit	15,940	17,915	15,940	17,915
USD denominated term loan	33,474	51,058	33,474	51,058
Hire purchase payables (Note 31)	31,054	41,801	23,692	31,161
	800,999	779,344	197,588	233,790

Other information on financial risks of borrowings are disclosed in Note 38.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

31. Hire purchase payables

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Future minimum hire purchase payables:				
Not later than 1 year	16,725	30,596	12,611	23,933
Later than 1 year but not later than 2 years	8,625	10,422	6,493	7,336
Later than 2 years but not later than 5 years	8,191	2,798	6,529	1,219
Total future minimum hire purchase payables	33,541	43,816	25,633	32,488
Less: Future finance charges	(2,487)	(2,015)	(1,941)	(1,327)
Present value of hire purchase payables (Note 30)	31,054	41,801	23,692	31,161
Analysis of present value of hire purchase payables:				
Not later than 1 year	15,354	29,076	11,565	22,850
Later than 1 year but not later than 2 years	7,918	10,034	5,935	7,119
Later than 2 years but not later than 5 years	7,782	2,691	6,192	1,192
	31,054	41,801	23,692	31,161
Less: Amount due within 12 months (Note 30)	(15,354)	(29,076)	(11,565)	(22,850)
Amount due after 12 months (Note 30)	15,700	12,725	12,127	8,311

The Group has hire purchase contracts for various items of property, plant and equipment (Note 13). 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 38.

32. Trade and other payables

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade payables				
Third parties	172,781	183,109	64,386	65,353
Other payables				
Sundry payables	10,780	10,347	5,932	3,767
Deposits received	-	100	-	100
Accruals	17,580	11,834	1,716	3,775
	28,360	22,281	7,648	7,642
	201,141	205,390	72,034	72,995



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

32. Trade and other payables (Cont'd)

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 RM27,194,260 (2009: RM16,786,890) and RM6,634,961 (2009: RM3,228,711), respectively, due to companies in which certain directors have substantial interest.

Further details on related party transactions are disclosed in Note 35.

33. Contingent liabilities

	Company	
	2010 RM'000	2009 RM'000
Unsecured		
Bankers' guarantees issued to third parties on behalf of subsidiaries	2,942	2,622
Corporate guarantees issued to bankers on behalf of subsidiaries	631,054	603,735
	<hr/>	<hr/>
	633,996	606,357

34. Capital commitments

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Capital expenditure:				
Approved and contracted for:				
Property, plant and equipment	309,777	258,461	-	-

35. Related party disclosures

During the financial year, the Group and the Company had, in the normal course of business transacted on normal commercial terms the following transactions:

(a) Transactions with subsidiaries:

	Company	
	2010 RM'000	2009 RM'000
Income		
Sales	302,705	378,600
Interest income	6,044	14,443
	<hr/>	<hr/>
Expenditure		
Rental expense	116	126
Hiring charges	2,550	2,400
Purchases	13,163	14,440
Interest expense	25	4,889

Information regarding outstanding balances with subsidiaries as at 30 April 2010 is disclosed in Note 25.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

35. 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Income				
(i) Sale of timber products:				
Moverstar (M) Sdn. Bhd.	10	-	-	-
Perpuluhan Jaya Sdn. Bhd.	1,781	2	1,781	-
R.H. General Trading Sdn. Bhd.	9	14	-	-
(ii) Sale of power:				
Perpuluhan Jaya Sdn. Bhd.	540	346	-	-
Subur Group*	1,033	674	-	-
(iii) Sale of fresh fruit bunches:				
R.H. Selangau Palm Oil Mill Sdn. Bhd.	13,414	6,871	-	-
Subur Group*	7	-	-	-
(iv) Contract income:				
R.H. Forest Corporation Sdn. Bhd.	1,232	8,510	-	-
Tapak Megah Sdn. Bhd.	4,832	-	4,832	-
(v) Logpond facilities income:				
Perpuluhan Jaya Sdn. Bhd.	-	10	-	10
Subur Group*	1,508	1,466	24	-
(vi) Helicopter chartering:				
Golden Star Ace Sdn. Bhd.	81	-	-	-
Rejang Heights Sdn. Bhd.	-	48	-	-
R.H. Forest Corporation Sdn. Bhd.	-	98	-	-
Rimbunan Sawit Bhd.	27	-	-	-
Subur Group*	744	779	-	-
(vii) Towage and freight charge:				
Subur Group*	70	32	-	24
(viii) Commission income:				
Perpuluhan Jaya Sdn. Bhd.	1,924	2,364	1,924	2,364
Saraju Holding Sdn. Bhd.	46	75	-	15



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

35. 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 (cont'd):

Expenditure	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
(i) Purchase of timber products:				
Binamewah Sdn. Bhd.	18,107	8,833	18,107	8,708
Lukutan Enterprises Sdn. Bhd.	-	678	-	-
Perpuluhan Jaya Sdn. Bhd.	151	45	-	-
Rejang Height Sdn. Bhd.	-	1,090	-	-
R.H. Forest Corporation Sdn. Bhd.	2,250	12,247	2,250	12,247
Saraju Holding Sdn. Bhd.	-	7	-	-
Subur Group*	305	93	-	-
(ii) Purchase of raw materials:				
Petanak Enterprises Sdn. Bhd.	15,887	40,943	-	-
(iii) Contract fee for log harvesting:				
Tapak Megah Sdn. Bhd.	4,832	3,999	-	-
(iv) Purchase of machineries, spare parts, fuel and lubricants:				
All-Round Tyres Sdn. Bhd.	12	6	-	-
Baram Lumber Development Sdn. Bhd.	-	180	-	180
Deruan Sinar Sdn. Bhd.	5	-	-	-
Gunung Mulu Lumber Development Sdn. Bhd.	200	320	200	320
Meli-Mujong Logging Sdn. Bhd.	340	80	340	80
Ocean Shares Development Sdn. Bhd.	130	-	130	-
Rejang Green Agriculture Supplies Sdn. Bhd.	20	34	-	-
Rimbunan Hijau Sdn. Bhd.	430	5,355	430	4,200
Rimbunan Hijau Auto Service Sdn. Bhd.	480	-	-	-
Rimbunan Hijau General Trading Sdn. Bhd.	1,114	1,330	298	128
Surplus Resources Sdn. Bhd.	-	78	-	-
Taman Logging Sdn. Bhd.	2,740	727	2,470	560
Tiong Toh Siong & Sons Sdn. Bhd.	20,911	8,363	20,885	8,025
(v) Insurance charges:				
Evershine Agency Sdn. Bhd.	1	1,722	1	-
(vi) Purchase of air tickets:				
R.H. Tours and Travel Agency Sdn. Bhd.	116	298	73	161



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

35. 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 (cont'd):

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Expenditure (cont'd)				
(vii) Towage and freight charges: Syarikat Perkapalan C.H. Ling Sdn. Bhd.	2	2	-	-
(viii) Construction: Moverstar (M) Sdn. Bhd.	6	67	-	-
(ix) Purchase of power: Subur Group*	62	20	62	20
(x) Hiring of equipment: Rimbunan Hijau Sdn. Bhd.	20	120	-	-
(xi) Logpond/office rental: Raya Abadi Sdn. Bhd. Tiong Toh Siong & Sons Sdn. Bhd.	36 180	36 180	36 180	36 180
(xii) Hotel accommodation: Regalia Ritz Enterprise Sdn. Bhd.	44	54	44	54
(xiii) Premium paid: Rejang Height Sdn. Bhd. R. H. Forest Corporation Sdn. Bhd.	314 64	- -	- -	- -

- * 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 2010 are disclosed in Note 24, 25 and 32.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

35. Related party disclosures (Cont'd)

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Short-term employee benefits	3,527	3,488	3,147	3,064
Post-employment benefits: Defined contribution plan	331	324	291	278
	3,858	3,812	3,438	3,342

Included in the total key management personnel are:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Directors' remuneration (Note 9)	1,693	1,688	1,597	1,592

36. Operating lease arrangements

(a) The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the lease of logpond, residential house, land and building. These leases ranging from 1 to 30 years with no renewal or purchase option and escalation clauses and there are no restrictions placed upon the Group by entering into these leases.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as liabilities are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Future minimum rentals payments:				
Not later than 1 year	349	251	313	229
Later than 1 year and not later than 5 years	144	144	-	58
Later than 5 years	684	735	-	294
	1,177	1,130	313	581



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

36. Operating lease arrangements (Cont'd)

(b) The Group as lessor

The Group has entered into non-cancellable operating lease agreements on building, residential house, machinery and equipment. The Group is required to give one to three months notice for the termination of those agreements. These leases have no renewal option, purchase option and escalation clauses and there are no restrictions placed upon the Group arising from leases.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as receivables, are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Not later than 1 year	352	1,225	30	30
Later than 1 year and not later than 5 years	-	236	-	-
	352	1,461	30	30

The lease payments recognised in profit or loss during the financial year is disclosed in Note 7.

37. 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.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

37. Segmental reporting (Cont'd)

(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, development of oil palm plantations 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.

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 2010						
Revenue						
Sales to external customers	329,630	336,681	77,250	2,440	-	746,001
Inter-segment sales	409,281	60,375	25,569	4,411	(499,636)	-
Total revenue	738,911	397,056	102,819	6,851	(499,636)	746,001
30 April 2010						
Results						
Segment results	31,042	4,448	21,582	(2,919)	(4,716)	49,437
Finance costs	(2,434)	(2,963)	(3,996)	(8)	-	(9,401)
Profit before tax						40,036
Income tax expense						(14,961)
Profit for the year						25,075
Assets						
Segment assets	1,060,492	795,498	920,312	(97,415)	(522,061)	2,156,826
Liabilities						
Segment liabilities	317,491	99,306	624,805	3,522	-	1,045,124



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

37. 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
Other segment information						
Capital expenditure for property, plant and equipment	40,926	2,645	27,329	424	-	71,324
Capital expenditure for biological assets	-	-	136,487	7,547	-	144,034
Depreciation of property, plant and equipment	34,200	20,471	7,386	5,061	-	67,118
Amortisation of other intangible assets	360	-	-	-	-	360
Amortisation of prepaid land lease payments	1	106	1,628	-	-	1,735
Amortisation of timber rights	14,510	-	-	-	1,768	16,278

30 April 2009

Revenue

Sales to external customers	311,364	391,365	43,427	10,374	-	756,530
Inter-segment sales	537,922	80,774	1,332	4,299	(624,327)	-
Total revenue	849,286	472,139	44,759	14,673	(624,327)	756,530
Segment results	39,196	(6,378)	12,919	(4,664)	(12,171)	28,902
Finance costs	(2,760)	(2,439)	(840)	(9)	-	(6,048)
Profit before tax						22,854
Income tax expense						(8,258)
Profit for the year						14,596

Assets

Segment assets	933,546	829,871	815,578	31,625	(517,344)	2,093,276
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Liabilities

Segment liabilities	347,760	137,943	519,259	3,941	-	1,008,903
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NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

37. 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
Other segment information						
Capital expenditure for property, plant and equipment	45,848	22,875	50,705	572	-	120,000
Capital expenditure for biological assets	-	-	209,961	-	1,178	211,139
Depreciation of property, plant and equipment	32,032	19,272	5,495	5,048	-	61,847
Amortisation of other intangible assets	356	-	-	-	-	356
Amortisation of prepaid land lease payments	1	106	1,609	-	-	1,716
Amortisation of timber rights	14,510	-	-	-	1,768	16,278

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 2010					
Revenue					
Sales to external customers	746,001	-	-	-	746,001
Inter-segment sales	499,636	-	-	(499,636)	-
Total revenue	1,245,637	-	-	(499,636)	746,001
Assets					
Segment assets	2,081,482	11,785	40	63,519	2,156,826
Other segment information					
Capital expenditure for property, plant and equipment	71,324	-	-	-	71,324



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

37. Segmental reporting (Cont'd)

Geographical segments (cont'd)

	Malaysia RM'000	Brazil RM'000	Other countries RM'000	Eliminations RM'000	Total RM'000
Other segment information (cont'd)					
Capital expenditure for plantation development	144,034	-	-	-	144,034
Depreciation of property, plant and equipment	66,805	312	1	-	67,118
Amortisation of other intangible assets	360	-	-	-	360
Amortisation of prepaid land lease payments	1,735	-	-	-	1,735
Amortisation of timber rights	14,510	-	-	1,768	16,278

30 April 2009

Revenue

Sales to external customers	756,530	-	-	-	756,530
Inter-segment sales	624,327	-	-	(624,327)	-
Total revenue	1,380,857	-	-	(624,327)	756,530

Assets

Segment assets	2,598,860	11,696	64	(517,344)	2,093,276
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Other segment information

Capital expenditure for property, plant and equipment	120,000	-	-	-	120,000
Capital expenditure for biological assets	209,961	-	-	1,178	211,139
Depreciation of property, plant and equipment	61,572	274	1	-	61,847
Amortisation of other intangible assets	356	-	-	-	356
Amortisation of prepaid land lease payments	1,716	-	-	-	1,716
Amortisation of timber rights	14,510	-	-	1,768	16,278



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

38. 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
Group						
At 30 April 2010						
Fixed rate						
Fixed deposit with a licensed bank (Note 26)	1.98%	1,443	-	-	-	1,443
Hire purchase payables (Note 31)	5.80%	(15,354)	(7,918)	(7,782)	-	(31,054)
Term loans (Note 30)	5.93%	(21,500)	(26,000)	(78,000)	(5,500)	(131,000)
Floating rate						
Bank overdrafts (Note 30)	6.78%	(55,650)	-	-	-	(55,650)
Bankers' acceptances (Note 30)	3.02%	(48,527)	-	-	-	(48,527)
Revolving credit (Note 30)	2.75%	(55,940)	-	-	-	(55,940)
Term loans (Note 30)	3.72%	(24,346)	(90,628)	(190,875)	(172,979)	(478,828)



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

38. Financial instruments (Cont'd)

(b) Interest rate risk (cont'd)

Group	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 2009						
Fixed rate						
Hire purchase payables (Note 31)	5.63	(29,076)	(10,034)	(2,691)	-	(41,801)
Term loans (Note 30)	5.87	(6,000)	(18,700)	(78,000)	(32,300)	(135,000)
Floating rate						
Deposits with financial institutions (Note 26)	2.89	1,415	-	-	-	1,415
Bank overdrafts (Note 30)	8.22	(43,226)	-	-	-	(43,226)
Bankers' acceptances (Note 30)	3.59	(88,745)	-	-	-	(88,745)
Revolving credit (Note 30)	4.42	(107,915)	-	-	-	(107,915)
Term loans (Note 30)	5.07	(13,435)	(21,123)	(172,524)	(155,575)	(362,657)
Company						
At 30 April 2010						
Fixed rate						
Hire purchase payables (Note 31)	5.79	(11,565)	(5,935)	(6,192)	-	(23,692)
Floating rate						
Amount due from subsidiaries (Note 25)	5.44	411,117	-	-	-	411,117
Bank overdrafts (Note 30)	6.80	(14,537)	-	-	-	(14,537)
Bankers' acceptances (Note 30)	3.10	(19,945)	-	-	-	(19,945)
Revolving credit (Note 30)	2.75	(55,940)	-	-	-	(55,940)
Term loans (Note 30)	2.60	(14,346)	(69,128)	-	-	(83,474)
At 30 April 2009						
Fixed rate						
Hire purchase payables (Note 31)	5.68	(22,850)	(7,119)	(1,192)	-	(31,161)



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

38. 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
Company (cont'd)						
At 30 April 2009						
Floating rate						
Amount due from						
subsidiaries (Note 25)	7.78	500,103	-	-	-	500,103
Bank overdrafts (Note 30)	6.55	(7,476)	-	-	-	(7,476)
Bankers' acceptances						
(Note 30)	4.06	(36,180)	-	-	-	(36,180)
Revolving credit (Note 30)	4.42	(107,915)	-	-	-	(107,915)
Term loans (Note 30)	4.50	(13,436)	(16,124)	(21,498)	-	(51,058)

Interest on financial instruments subject to floating interest rates is repriced at intervals of less than 12 months. Interest on financial instruments 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 and the Company 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 2010	(31,138)	(1,487)	(32,625)
At 30 April 2009	10,217	(394)	9,823



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

38. Financial instruments (Cont'd)

(c) Foreign currency risk (cont'd)

Functional currency of Company	Net financial liabilities held in non-functional currency		
	United States Dollar RM'000	Others RM'000	Total RM'000
Ringgit Malaysia			
At 30 April 2010	(43,411)	(1,355)	(44,766)
At 30 April 2009	(69,048)	(60)	(69,108)

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

	Currency	Maturity within 1 year RM'000	Total notional amount RM'000
Group			
At 30 April 2010			
Forwards used to hedge receivables	USD	93,555	93,555
At 30 April 2009			
Forwards used to hedge receivables	USD	53,797	53,797

(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.

(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.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

38. Financial instruments (Cont'd)

(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	Fair value RM'000
At 30 April 2010	38(c)	(3,512)	(2,209)
At 30 April 2009	38(c)	1,204	18

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

	Note	Group/Company Carrying amount RM'000	Fair value RM'000
At 30 April 2010	17	3,322	3,860
At 30 April 2009	17	2,866	3,860

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

(iii) On-shore foreign currency loan with interest rate and cross currency swap

	Note	Group/Company Carrying amount RM'000	Fair value RM'000
At 30 April 2010	30	50,000	48,407

The fair value of the on-shore currency loan is the amount that would be payable upon maturity on 11 July 2011 discounted at the intrinsic rate of the arrangement.



NOTES TO THE FINANCIAL STATEMENTS

30 April 2010 (Cont'd)

39. Comparative figures

Certain comparative figures have been restated to conform with the current year's presentation:

	As restated RM'000	Adjustments RM'000	As previously stated RM'000
Group			
Cost of sales	640,474	24,568	665,042
Selling expenses	43,566	(24,568)	18,998
	684,040	-	684,040
Company			
Cost of sales	360,444	19,824	380,268
Selling expenses	19,824	(19,824)	-
	380,268	-	380,268



ADDITIONAL COMPLIANCE INFORMATION

(Pursuant to Bursa Malaysia Main Market Listing Requirements)

1. Depository Receipts Programme

The Company did not sponsored any Depository Receipts 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 2010 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 2010, 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 RM147,000 and RM94,000 respectively.



ADDITIONAL COMPLIANCE INFORMATION

(Pursuant to Bursa Malaysia Main Market Listing Requirements)

10. Share Buy-backs

During the financial year, a total of 2,000 of the Company's own shares were purchased and retained as treasury shares. The monthly breakdown of shares bought back is set out below:-

Month	No. of Shares	Price		Average Cost RM	Total Cost RM
		Highest RM	Lowest RM		
June 2009	1,000	2.46	2.46	2.50	2,504
December 2009	1,000	2.56	2.56	2.60	2,604

As at the financial year ended 30 April 2010, a total of 15,542,457 shares were retained as treasury shares. None of the treasury shares held were resold or cancelled during the financial year.

11. Recurrent Related Party Transactions of A Revenue or Trading Nature

At the Annual General Meeting held on 30 September 2009 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, where the aggregate value is equal to or more than the threshold prescribed under 10.09(1) of the Main Market Listing Requirements are as follows: -

Transacting Related Parties ¹	Nature of Transactions entered into by the Company (JTH) and/or its subsidiary(ies) ²	Amount Transacted RM'000
Binamewah Sdn Bhd	Purchase of logs by JTH and JTP	18,107
Petanak Enterprises Sdn Bhd	Purchase of raw materials (glue) by JTP and JTTP	15,887
R H Selangau Palm Oil Mill Sdn Bhd	Sale of fresh fruit bunches by HSB	13,414
Tiong Toh Siong & Sons Sdn Bhd	Purchase of machineries and equipments for operational use by JTH and JSB	20,911

Note: -

1. Relationship of Related Parties with the Company

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

2. Name of subsidiaries of the Company (JTH): -

HSB – Hariyama Sdn Bhd

JSB – Jaras Sdn Bhd

JTP – Jaya Tiasa Plywood Sdn Bhd

JTTP – Jaya Tiasa Timber Products Sdn Bhd



ANALYSIS OF SHAREHOLDINGS

as at 10 August 2010

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

Size of Shareholdings	No. of Holders	%	No. of Shares Held	%
Less than 100	163	7.42	6,473	0.00
100 – 1,000	221	10.06	120,286	0.04
1,001 – 10,000	1,395	63.50	3,913,231	1.47
10,001 – 100,000	326	14.84	9,230,686	3.46
100,001 – 13,349,251 (less than 5% of issued shares)	86	3.91	131,713,520	49.33
13,349,252 (5% and above of issued shares)	6	0.27	122,000,846	45.70
TOTAL	2,197	100.00	266,985,042*	100.00

* Excluding a total of 15,543,457 shares bought-back by the Company and retained as treasury shares.

TOP 30 SECURITIES ACCOUNT HOLDERS

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	No. of Shares Held	%
1	HSBC Nominees (Asing) Sdn Bhd HSBC SG Ltd for Genine Chain Limited	33,350,846	12.49
2	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tiong Toh Siong Holdings Sdn Bhd	25,000,000	9.36
3	CIMSEC Nominees (Tempatan) Sdn Bhd The Bank of Tokyo-Mitsubishi UFJ Ltd Singapore for Asanas Sdn Bhd	18,000,000	6.74
4	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Amanas Sdn Bhd	17,000,000	6.37
5	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tiong Toh Siong Holdings Sdn Bhd	15,000,000	5.62
6	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tiong Toh Siong Holdings Sdn Bhd	13,650,000	5.11
7	HSBC Nominees (Asing) Sdn Bhd Gold Palace Profits Limited	12,441,477	4.66
8	Tiong Toh Siong Holdings Sdn Bhd	12,005,767	4.50
9	Asanas Sdn Bhd	9,733,125	3.65
10	Insan Anggun Sdn Bhd	9,054,125	3.39
11	Nustinas Sdn Bhd	8,623,125	3.23
12	HSBC Nominees (Asing) Sdn Bhd Double Universal Limited	6,477,809	2.43
13	Mayban Nominees (Asing) Sdn Bhd DBS Bank for Bloomswick Ltd	5,330,239	2.00



ANALYSIS OF SHAREHOLDINGS

as at 10 August 2010

TOP 30 SECURITIES ACCOUNT HOLDERS (CONT'D)

No.	Name	No. of Shares Held	%
14	HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association (JPMINTL BK LTD)	4,840,449	1.81
15	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tiong Thai King	3,852,196	1.44
16	CitiGroup Nominees (Asing) Sdn Bhd Exempt An for UBS AG Singapore (Foreign)	3,514,669	1.32
17	Pertumbuhan Abadi Asia Sdn Bhd	3,329,655	1.25
18	Amanas Sdn Bhd	3,120,625	1.17
19	Huang Tiong Sii	3,094,000	1.16
20	Huang Tiong Sii	2,856,600	1.07
21	Mayban Nominees (Tempatan) Sdn Bhd DBS Bank for Tiong Hiew King	2,753,006	1.03
22	Tiong Toh Siong Enterprises Sdn Bhd	2,682,225	1.00
23	Zaman Pemimpin Sdn Bhd	2,275,845	0.85
24	CIMSEC Nominees (Asing) Sdn Bhd Bank of Singapore Limited for Profit Centre Asset Management Limited	2,214,050	0.83
25	HSBC Nominees (Asing) Sdn Bhd Exempt An for Credit Suisse (HK BR-TST-ASING)	2,007,600	0.75
26	HSBC Nominees (Asing) Sdn Bhd AA Noms SG for Sky Palace International Limited	2,000,000	0.75
27	Olive Lim Swee Lian	1,676,500	0.63
28	HSBC Nominees (Asing) Sdn Bhd Exempt An for Credit Suisse (SG BR-TST-ASING)	1,462,250	0.55
29	Wong Kieh Nguk	1,218,846	0.46
30	Suria Kilat Sdn Bhd	1,208,265	0.45

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
Tiong Toh Siong Holdings Sdn Bhd	65,655,767	24.59	926,494 (a)	0.35
Genine Chain Limited	33,350,846	12.49	27,733,125 (b)	10.39
Asanas Sdn Bhd	27,733,125	10.39		
Amanas Sdn Bhd	20,120,625	7.54		
Double Universal Limited	6,477,809	2.43	37,797,875 (c)	14.16
Tan Sri Datuk Sir Tiong Hiew King	2,816,321	1.05	72,997,341 (d)	27.34
Teck Sing Lik Enterprise Sdn Bhd	403,200	0.15	69,264,486 (e)	25.94
Ho Cheung Choi			61,083,971 (f)	22.88
Chang Meng			61,083,971 (f)	22.88
Ho Sau Ling, Ella			44,275,684 (g)	16.58
Tomoyuki Tatsuno			44,275,684 (g)	16.58



ANALYSIS OF SHAREHOLDINGS

as at 10 August 2010

Notes: -

- Deemed interested by virtue of its substantial shareholding in Tiong Toh Siong & Sons Sdn Bhd and Kuntum Enterprises Sdn Bhd.
- Deemed interested by virtue of its substantial shareholding in Asanas Sdn Bhd.
- Deemed interested by virtue of its substantial shareholding in Insan Anggun Sdn Bhd, Nustinas Sdn Bhd and Amanas Sdn Bhd.
- 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, Pertumbuhan Abadi Asia Sdn Bhd and Kuntum Enterprises Sdn Bhd.
- Deemed interested by virtue of its substantial shareholdings in Tiong Toh Siong Holdings Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd, Tiong Toh Siong & Sons Sdn Bhd and Kuntum Enterprises Sdn Bhd.
- Deemed interested by virtue of their substantial shareholdings in Genine Chain Limited.
- Deemed interested by virtue of their substantial shareholdings in Double Universal Limited.

DIRECTORS' SHAREHOLDINGS BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDING

Shares held in the Company

Name	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
Gen (Rtd) Tan Sri Abdul Rahman bin Abdul Hamid	-	-	-	-
Dato' Sri Tiong Chiong Hoo	1,064,583	0.40	-	-
Dato' Sri Dr. Tiong Ik King	108,505	0.04	-	-
Mdm Tiong Choon	-	-	445,725*	0.17
Mr Tiong Chiong Hee	-	-	-	-
Mr John Leong Chung Loong	-	-	-	-
Ms Wong Lee Yun	-	-	-	-
Datuk Talib Bin Haji Jamal	-	-	-	-

* Deemed interested in shares held by her spouse.

Shares held in Subsidiary Company

None of the Directors holds any shares in subsidiary Company.



PROPERTIES OWNED BY THE GROUP

MALAYSIA

Description	Tenure	Existing use	Land Area	Approximate age of building	Net Book Value as at 30-Apr-10 (RM'000)	Date of Acquisition	% of consolidated total assets
<u>Tanjung Ensurai, Sibul</u>							
Engkilo L.D. Blk 8 Lot 804	Leasehold land expiring on 05.09.2062	Factory, warehouse and staff quarter	112,256 sq metres	23 years	2225	19-Jun-96	2.5%
Sibu O.T.838	Leasehold land expiring on 31.12.2024					1-Jan-97	
Sibu Grant No. 2383	Leasehold land expiring on 31.12.2018	Factory, warehouse and staff quarter	157,746 sq metres	18 years	3084	31-Mar-93	3.4%
Engkilo L.D.Blk 8 Lot 803	Leasehold land expiring on 05.09.2062					31-Mar-93	
Sibu O.T 655 and 837	Leasehold land expiring on 31.12.2024					31-Mar-93	
Engkilo L.D Blk 8 Lot 819	Leasehold land expiring on 31.12.2911	Vacant Agriculture land	8966 sq metres	-	30	24-Mar-04	0.0%
Sibu O.T.12262	Leasehold land expiring on 13.06.2027	Vacant Agriculture land	16,183 sq metres	-	156	26-Jul-00	0.2%
<u>Putai, Kapit</u>							
Concession land		Factory, warehouse and staff quarter		18 years	11148	-	12.4%
Sibu Town District Blk 10 Lots 650 & 520 (Sub 120-132)	Pending issuance of Land Title	Building	103,943 sq metres	7 years	15356	30-Apr-05	17.1%
<u>Salim, Sibul</u>							
Seduan L.D. Blk 10 Lot 1393	Leasehold land expiring on 31.12.2915	warehouse	19,981 sq metres	12 years	2700	14-Nov-95	3.0%
<u>Ulu Oya Raod, Sibul</u>							
Seduan L.D. Blk 10 Lot 1161	Leasehold land expiring on 07.08.2054	semi-detached residential house	430.2 sq metres	14 years	134	19-Oct-99	0.1%
<u>Tanjung Manis, Sarikei</u>							
Sare L.D. Blk 3, Lot 25	Rented land expiring on 22.09.2052	Factory, warehouse and staff quarter	209,756 sq metres	12 years	53	-	0.1%
Sare L.D. Blk 3, Lot 71, 86 and 87	Freehold land	Vacant Agriculture land	40,961 sq metres	-	307	19-Jan-98	0.0%
Sare L.D. Blk 3 Lot 138	Leasehold land expiring on 19.06.2062	Vacant Industrial land	15,699.50 sq metres	-	1650	1-Sep-02	1.8%
Sare L.D. Blk 3, Lot 135, 136,137 and 52	Freehold land	Vacant Agriculture land	46,578 sq metres	-	379	1-Sep-03	0.0%
Sare L.D. Blk 3, Lot 53,54,56,57, 58,59,60 and 61	Freehold land	Vacant Agriculture land	230,747 sq metres	-	623	14-Nov-96	0.7%
<u>Sungei Terus, Niah, Miri</u>							
Lot 161, Suai Land District	Provisional leasehold expiring on 6.12.2060	Oil Palm Estate	23,629,286 sq metres	-	1607	30-Apr-01	1.8%



PROPERTIES OWNED BY THE GROUP

MALAYSIA (CONT'D)

Description	Tenure	Existing use	Land Area	Approximate age of building	Net Book Value as at 30-Apr-10 (RM'000)	Date of Acquisition	% of consolidated total assets
<u>Sungei Terus, Niah, Miri</u>							
Lot 934, Niah Land District	Provisional leasehold expiring on 6.12.2060	Oil Palm Estate	26,369,203 sq metres	-	1757	30-Apr-01	2.0%
<u>Retus, Mukah</u>							
Lot 1, Block 362 Oya-Dalat District	Leasehold land expiring on 23.2.2063	Oil Palm Estate	72,331,816 sq metres	-	2342	28-Aug-03	2.6%
Lot 9, Block 362 Oya-Darat District	Leasehold land expiring on 23.2.2063	Oil Palm Estate	34,547,957 sq metres	-	4915	28-Aug-03	5.5%
<u>Pulau Bruit, Daro, Mukah</u>							
Lot 265, Bruit Land District	Provisional leasehold expiring on 18.05.2064	Oil Palm Estate	100,002,946 sq metres	-	6546	9-Dec-04	7.3%
Lot 266, Bruit Land District	Provisional leasehold expiring on 18.05.2064	Vacant Agriculture land	50,001,473 sq metres	-	3277	9-Dec-04	3.7%
OT 30632 Pulau Bruit Land District	Provisional leasehold expiring on 30.10.2038	Vacant Agriculture land	16.17 Acres	-	37	1-May-07	0.0%
LOT 920 & 1373, Block 16, Seduan Land District	Provisional leasehold expiring on 31.12.2015	Agriculture land Building & Quarter	1.12 hectares	-	2740 13753	14-Mar-08 31-May-08	3.1% 15.3%
<u>Sungai Pantak, Batang Igan, Sibul</u>							
Lot 3418, Pasai-Siong Land District	Leasehold land expiring on 31.012.2068	Vacant Agriculture land	33,791 sq metres	-	81	28-Jun-04	0.1%
<u>Sungai Buloh, Oya</u>							
Lot 113, Block 7 Oya-Dalat Land District	Leasehold land expiring on 11.04.2036	Vacant Agriculture land	8,660 sq metres	-	30	12-Aug-05	0.0%
<u>Kuching</u>							
Lot 269, Salat Land District Kasuma Resort Condo	Leasehold land	U 1901 & U 1902 Condominium	9150 sq feet	4 year	1584	10-Sep-05	1.8%
Lot 9961, Block 16 Kuching Central Land District	Three-Storey Shophouse		167.4 Sq meters	3 year	1738	1-Apr-08	1.9%
Lot 22, 26 & 27 Borneo Highland	Bungalow lots	Vacant		1 year	4296	22-Dec-09	4.8%

BRAZIL

Selvaplac Verde Ltda

Maju, Para M. 4199, F.99, L.2-AV	Freehold Rural Land		1,160.000 hectares		50	1-Jul-97	0.0%
Portel, Para M.951, F.99, L. 2	Freehold Forest Land		7,090.000 hectares		1075	1-Jul-97	1.2%
Icoaraci, Para Ind. Plant (M. 473, L.2-AM)	Freehold	Factory building	47,076 sq.metres		5341	1-Jul-97	6.0%
Icoaraci, Para M.236, F.236, L.2-GV, M.47, F.47, L.2-GV	Freehold Urban land		106,323 sq.metres	799	1-Jul-97		0.9%



PROXY FORM

JAYA



TIASA
(3751-V)

Number of Shares held																				
CDS Account No.				-				-												

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 Fiftieth Annual General Meeting of the Company to be held at the Auditorium, Ground Floor, No.62, Lorong Upper Lanang 10A, 96000 Sibu, Sarawak on Wednesday, 29 September 2010 at 9.00 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 2010 together with the Reports of the Directors and Auditors thereon.		
No.2	Declaration of a first and final dividend of 2% less tax for the financial year ended 30 April 2010.		
No.3	Re-election of Ms Wong Lee Yun.		
No.4	Re-election of Datuk Talib Bin Haji Jamal.		
No.5	Re-appointment of Gen (Rtd) Tan Sri Abdul Rahman Bin Abdul Hamid.		
No.6	Approval of Directors' Fees for the financial year ended 30 April 2010.		
No.7	Re-appointment of Auditors.		
No.8	Proposed Authority for the Company to purchase its own shares.		
No.9	Proposed Shareholders' Mandate for Recurrent Related Party Transaction.		
No.10	Proposed Amendment 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 held
First proxy	
Second proxy	
Total	

Dated this _____ day of _____ 2010

Signature / Common Seal of Member

* 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

- 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.
- 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.
- 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.
- 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.

AFFIX
STAMP

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



JAYA TIASA HOLDINGS BERHAD (3751-V)

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

Tel : 084-213 255 Fax : 084-213 855

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