

**JAYA TIASA HOLDINGS BHD (3751-V)**
**SECOND QUARTERLY REPORT FOR THE FINANCIAL PERIOD 31 DECEMBER 2020 - unaudited**
**CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

|   | INDIVIDUAL QUARTER   |                      | CUMULATIVE QUARTER   |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 3 months ended       |                      | 6 months ended       |                      |
|   | 31/12/2020<br>RM'000 | 31/12/2019<br>RM'000 | 31/12/2020<br>RM'000 | 31/12/2019<br>RM'000 |
| <b>Revenue</b>  | 151,486              | 186,905              | 372,581              | 419,431              |
| Cost of sales   | (110,803)            | (162,860)            | (267,891)            | (342,405)            |
| <b>Gross profit</b>   | 40,683               | 24,045               | 104,690              | 77,026               |
| Other income  | 2,437                | 3,162                | 6,065                | 5,243                |
| Selling and distribution costs  | (4,665)              | (7,209)              | (11,039)             | (13,961)             |
| Administrative expenses   | (6,240)              | (6,681)              | (12,392)             | (13,917)             |
| Fair value change in biological assets  | (6,563)              | (8,517)              | (6,524)              | (5,286)              |
| <b>Operating profit</b>   | 25,652               | 4,800                | 80,800               | 49,105               |
| Other expenses  | (7,579)              | -                    | (7,579)              | -                    |
| Finance costs   | (9,495)              | (12,720)             | (17,647)             | (25,999)             |
| <b>Profit/(loss) before taxation</b>  | 8,578                | (7,920)              | 55,574               | 23,106               |
| Income tax expense  | (3,989)              | 540                  | (16,044)             | (14,321)             |
| <b>Profit/(loss) for the period</b>   | 4,589                | (7,380)              | 39,530               | 8,785                |
| <b>Other comprehensive income:</b>  |                      |                      |                      |                      |
| Net profit on equity instrument designated as fair value through other comprehensive income | 4,431                | 42,700               | 1,925                | 33,600               |
| <b>Total comprehensive income for the year</b>  | 9,020                | 35,320               | 41,455               | 42,385               |
| Profit/(loss) attributable to:  |                      |                      |                      |                      |
| Owner of the parent   | 4,633                | (7,274)              | 39,477               | 8,500                |
| Non-controlling interests   | (44)                 | (106)                | 53                   | 285                  |
|   | 4,589                | (7,380)              | 39,530               | 8,785                |
| <b>Total comprehensive income attributable to:</b>  |                      |                      |                      |                      |
| Owner of the parent   | 9,064                | 35,426               | 41,402               | 42,100               |
| Non-controlling interests   | (44)                 | (106)                | 53                   | 285                  |
|   | 9,020                | 35,320               | 41,455               | 42,385               |
| Basic earnings/(loss) per share attributable to owners of the parent (Sen)                  | 0.48                 | (0.75)               | 4.08                 | 0.88                 |

The unaudited condensed consolidated profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to this quarterly report.

CONDENSED STATEMENTS OF FINANCIAL POSITION

|  | AS AT<br>31/12/2020<br>RM'000 | AS AT<br>30/06/2020<br>RM'000<br>(Audited) |
|--|-------------------------------|--|
| <b>ASSETS</b>  |                               |  |
| <b>Non-current Assets</b>                                |                               |  |
| Property, plant and equipment                            | 1,798,041                     | 1,875,005                                  |
| Biological assets  | 62,622                        | 64,495                                     |
| Intangible assets  | 717                           | 794  |
| Investment securities                                    | 19,880                        | 38,500                                     |
| Deferred tax assets                                      | 12,716                        | 19,109                                     |
|  | <u>1,893,976</u>              | <u>1,997,903</u>                           |
| <b>Current Assets</b>                                    |                               |  |
| Inventories  | 63,686                        | 63,080                                     |
| Biological assets  | 7,551                         | 10,173                                     |
| Trade and other receivables                              | 29,631                        | 36,362                                     |
| Other current assets                                     | 12,488                        | 10,163                                     |
| Cash and bank balances                                   | 45,281                        | 13,276                                     |
|  | <u>158,637</u>                | <u>133,054</u>                             |
| <b>TOTAL ASSETS</b>                                      | <u><u>2,052,613</u></u>       | <u><u>2,130,957</u></u>                    |
| <b>EQUITY AND LIABILITIES</b>                            |                               |  |
| <b>Current Liabilities</b>                               |                               |  |
| Interest bearing loans and borrowings                    | 367,970                       | 563,992                                    |
| Lease liabilities  | 6,324                         | 7,326                                      |
| Trade and other payables                                 | 135,483                       | 188,213                                    |
| Income tax payable                                       | 4,316                         | 1  |
| Derivative liabilities                                   | 7,579                         | -  |
|  | <u>521,672</u>                | <u>759,532</u>                             |
| <b>EQUITY AND LIABILITIES</b>                            |                               |  |
| <b>Non-current Liabilities</b>                           |                               |  |
| Interest bearing loans and borrowings                    | 338,025                       | 221,575                                    |
| Lease liabilities  | 6,319                         | 9,267                                      |
| Deferred tax liabilities                                 | 36,323                        | 31,765                                     |
|  | <u>380,667</u>                | <u>262,607</u>                             |
| <b>Total Liabilities</b>                                 | <u>902,339</u>                | <u>1,022,139</u>                           |
| <b>Net assets</b>  | <u>1,150,274</u>              | <u>1,108,818</u>                           |
| <b>Equity Attributable to owners of the parent</b>       |                               |  |
| Share capital  | 977,402                       | 977,402                                    |
| Treasury shares  | (13,687)                      | (13,687)                                   |
| Other Reserves and Retained Earnings                     | 187,535                       | 146,132                                    |
|  | <u>1,151,250</u>              | <u>1,109,847</u>                           |
| <b>Non-controlling interests</b>                         | <u>(976)</u>                  | <u>(1,029)</u>                             |
| <b>Total Equity</b>                                      | <u>1,150,274</u>              | <u>1,108,818</u>                           |
| <b>TOTAL EQUITY AND LIABILITIES</b>                      | <u><u>2,052,613</u></u>       | <u><u>2,130,957</u></u>                    |
| Net assets per share attributable to equity holders (RM) | 1.19                          | 1.15                                       |
| Number of ordinary shares net of treasury shares         | 967,991                       | 967,991                                    |

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached.

SECOND QUARTERLY REPORT FOR THE FINANCIAL PERIOD 31 DECEMBER 2020 - unaudited

CONDENSED STATEMENTS OF CHANGES IN EQUITY

|   | Share<br>Capital<br>RM'000 | Treasury<br>Shares<br>RM'000 | Other<br>Reserves<br>RM'000 | Retained<br>Profits<br>RM'000 | Total<br>RM'000  | Non-<br>controlling<br>Interest<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|----------------------------|------------------------------|-----------------------------|-------------------------------|------------------|---|---------------------------|
| <b>At 01 July 2020</b>  | 977,402                    | (13,687)                     | (31,505)                    | 177,637                       | 1,109,847        | (1,029)                                   | 1,108,818                 |
| Profit for the year   | -                          | -                            | -                           | 39,477                        | 39,477           | 53  | 39,530                    |
| Other comprehensive income  | -                          | -                            | 1,926                       | -                             | 1,926            | -   | 1,926                     |
| Total comprehensive income  | -                          | -                            | 1,926                       | 39,477                        | 41,403           | 53  | 41,456                    |
| Transfer of fair value adjustment reserve upon<br>disposal of equity instruments designated as at fair<br>value through other comprehensive income/(loss) | -                          | -                            | 13,955                      | (13,955)                      | -                | -   | -                         |
| <b>At 31 December 2020</b>  | <b>977,402</b>             | <b>(13,687)</b>              | <b>(15,624)</b>             | <b>203,159</b>                | <b>1,151,250</b> | <b>(976)</b>                              | <b>1,150,274</b>          |
| <b>At 01 July 2019</b>  | 977,402                    | (13,687)                     | (43,399)                    | 249,729                       | 1,170,045        | (1,171)                                   | 1,168,874                 |
| Profit for the year   | -                          | -                            | -                           | 8,500                         | 8,500            | 285                                       | 8,785                     |
| Other comprehensive income  | -                          | -                            | 33,600                      | -                             | 33,600           | -   | 33,600                    |
| Total comprehensive income  | -                          | -                            | 33,600                      | 8,500                         | 42,100           | 285                                       | 42,385                    |
| <b>At 31 December 2019</b>  | <b>977,402</b>             | <b>(13,687)</b>              | <b>(9,799)</b>              | <b>258,229</b>                | <b>1,212,145</b> | <b>(886)</b>                              | <b>1,211,259</b>          |

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to this quarterly report.

SECOND QUARTERLY REPORT FOR THE FINANCIAL PERIOD 31 DECEMBER 2020 - unaudited

CONDENSED STATEMENTS OF CASH FLOWS

|  | Current<br>6 months ended<br>31/12/2020<br>RM'000 | Corresponding<br>6 months ended<br>31/12/2019<br>RM'000 |
|--|---|---|
| <b>Cash Flows from Operating Activities</b>                  |   |   |
| Profit before taxation                                       | 55,574  | 23,106  |
| Adjustments for:   |   |   |
| Bad debts written off  | -   | 6   |
| Depreciation and amortisation                                | 79,600  | 88,171  |
| Fair value change in biological assets                       | 6,524   | 5,286   |
| Fair value loss on commodity futures contract                | 7,579   | -   |
| Interest expenses arising from lease liabilities             | 12  | -   |
| Interest expenses  | 16,114  | 25,343  |
| Interest income  | (10)  | (35)  |
| Net loss/(gain) on disposal of property, plant and equipment | 852   | (1,031)   |
| Net unrealised foreign exchange loss/ (gain)                 | -   | (16)  |
| Provision for obsolete inventories                           | -   | 1,300   |
| Reversal of fair value gain on derivatives                   | -   | 129   |
| Reversal of impairment on trade and other receivables        | (104)   | -   |
| <b>Operating cash flows before working capital changes</b>   | <u>166,141</u>                                    | <u>142,259</u>  |
| Net change in current assets                                 | 5,201   | (3,652)   |
| Net change in current liabilities                            | (52,464)  | (2,337)   |
| <b>Cash flows from operations</b>                            | <u>118,878</u>                                    | <u>136,270</u>  |
| Interest received  | 10  | 35  |
| Interest paid  | (16,126)  | (25,343)  |
| Income taxes paid, net of refund                             | (2,338)   | 2,204   |
| <b>Net cash flows from operating activities</b>              | <u>100,424</u>                                    | <u>113,166</u>  |
| <b>Cash Flows from/(used in) Investing Activities</b>        |   |   |
| Acquisition of property, plant and equipment                 | (4,074)   | (10,906)  |
| Acquisition of biological assets                             | (3,947)   | (7,328)   |
| Proceeds from disposal of property, plant and equipment      | 2,589   | 6,943   |
| Proceeds from disposal of investment securities              | 20,545  | -   |
| <b>Net cash flows from/(used in) investing activities</b>    | <u>15,113</u>                                     | <u>(11,291)</u>   |
| <b>Cash Flows used in Financing Activities</b>               |   |   |
| Net repayment of revolving credit and bankers' acceptances   | (32,557)  | (53,575)  |
| Repayments of lease liabilities                              | (3,960)   | (6,402)   |
| Repayments of term loans                                     | (9,350)   | (32,426)  |
| <b>Net cash flows used in financing activities</b>           | <u>(45,867)</u>                                   | <u>(92,403)</u>   |
| <b>Net change in cash and cash equivalent</b>                | 69,670  | 9,472   |
| Effects of exchange rate changes                             | -   | 15  |
| Cash and cash equivalents at the beginning of the year       | (109,991)   | (131,501)   |
| <b>Cash and cash equivalents at the end of the year</b>      | <u>(40,321)</u>                                   | <u>(122,014)</u>  |
| Cash and bank balances                                       | 45,281  | 14,650  |
| Bank overdrafts  | (85,602)  | (136,664)   |
|  | <u>(40,321)</u>                                   | <u>(122,014)</u>  |

The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to this quarterly report.

**Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements**

**1 Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Chapter 9 Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2020. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

The significant accounting policies adopted in the quarterly report are consistent those adopted in the Group's audited financial statements for the financial year ended 30 June 2020. At the date of authorisation of these interim financial statements, the Group had not adopted the following accounting standards that have been issued by the Malaysian Accounting Standards Board ("MASB"). The Group intend to adopt these amendments/standards, if applicable, when they become effective.

| <b><i>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</i></b>                                    | <b><i>Effective Date</i></b> |
|---|------------------------------|
| MFRS 17: Insurance Contracts  | 1 January 2021               |
| Amendments to MFRS 1: Classification of Liabilities as Current or Non-current   | 1 January 2022               |
| Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018-2020"                  | 1 January 2022               |
| Amendments to MFRS 3: Reference to the Conceptual Framework   | 1 January 2022               |
| Amendments to MFRS 116: Proceeds before intended Use  | 1 January 2022               |
| Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract   | 1 January 2022               |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate of Joint Venture | Deferred                     |

The adoption of the above do not have any significant impact to the Group.

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

The auditors' report on the financial statements for the year ended 30 June 2020 was not qualified.

**3 Seasonal and Cyclical Factors**

Production of fresh fruit bunches ("FFB") is cyclical in nature. The peak crops season of FFB normally is in the second half of the year but depends on weather conditions.

**4 Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial year-to-date.

**Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements**

**5**      ***Changes in Estimates***

There were no changes in estimates that have had a material effect on the results of the Group for the period under review.

**6**      ***Debt and Equity Securities***

There were no issuances or repayments of debt and equity securities during the financial period. The number of shares retained as treasury shares amounted to 5,727,000 as at 31 December 2020.

**7**      ***Dividends Paid***

There were no dividends paid during the financial period.

**8**      ***Carrying Amount of Revalued Assets***

The Group did not carry out any valuations on its property, plant and equipment during the current quarter and financial year-to-date. The carrying value of property, plant and equipment is based on the valuation incorporated in the annual financial statements for the year ended 30 June 2020.

**9**      ***Subsequent Events***

No material events have arisen during the interval between the end of the current quarter and the date of this announcement that have not been reflected in the current quarterly report.

**10**     ***Changes in Composition of the Group***

There were no changes in the composition of the Group during the current quarter, which were previously not announced.

**11**     ***Contingent Liabilities and Contingent Assets***

There are no significant changes in contingent liabilities or assets as at the end of the current quarter.

**JAYA TIASA HOLDINGS BHD (3751-V)**  
**SECOND QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

**Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements**

**12 Segmental Information**

The financial information in respect of the Group's business segments for the current financial period ended 31 December 2020 is as follows:

|                               | <b>Oil Palm</b> | <b>Timber</b>   | <b>Others</b>  | <b>Elimination</b> | <b>Total</b>   |
|-------------------------------|-----------------|-----------------|----------------|--------------------|----------------|
|                               | <b>RM'000</b>   | <b>RM'000</b>   | <b>RM'000</b>  | <b>RM'000</b>      | <b>RM'000</b>  |
| <b>REVENUE</b>                |                 |                 |                |                    |                |
| External                      | 308,881         | 63,499          | 201            |                    | 372,581        |
| Inter segment                 | 231,412         | 80,961          | 2,567          | (314,940)          | -              |
| <b>Total Revenue</b>          | <b>540,293</b>  | <b>144,460</b>  | <b>2,768</b>   | <b>(314,940)</b>   | <b>372,581</b> |
| EBITDA                        | 170,271         | (3,873)         | (360)          | -                  | 166,038        |
| Finance cost                  | (13,093)        | (4,504)         | (50)           | -                  | (17,647)       |
| Depreciation and amortisation | (69,973)        | (5,899)         | (3,728)        | -                  | (79,600)       |
| <b>Segmental result</b>       | <b>87,205</b>   | <b>(14,276)</b> | <b>(4,138)</b> | <b>-</b>           | <b>68,791</b>  |
| Group admin and overhead cost |                 |                 |                |                    | (5,638)        |
| Other expenses                |                 |                 |                |                    | (7,579)        |
| <b>Profit before tax</b>      |                 |                 |                |                    | <b>55,574</b>  |
| Segment assets                | 1,778,591       | 229,064         | 44,958         | -                  | 2,052,613      |
| Segment liabilities           | 679,342         | 219,595         | 3,402          | -                  | 902,339        |

**13 Property, Plant and Equipment**

Acquisition and disposal of items of property, plant and equipment by the Group for the current financial period ended 31 December 2020 is as follows:

|                                  | <b>Acquisition</b> | <b>Disposal</b> |
|----------------------------------|--------------------|-----------------|
|                                  | <b>RM'000</b>      | <b>RM'000</b>   |
| Factory, building and quarter    | 1,138              | (1,708)         |
| Road and bridge                  | 100                | -               |
| Furniture, fitting and equipment | 73                 | (317)           |
| Aircraft and Motor vehicle       | 229                | (3,257)         |
| Plant and machinery              | 648                | (1,613)         |
| <b>Total</b>                     | <b>2,188</b>       | <b>(6,895)</b>  |

**Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements**

**14 Capital Commitments**

The amount of commitments for the purchase of property, plant and equipment not provided for in the quarterly report is as follows:

|                             | As at<br>31 December 2020<br>RM'000 | As at<br>30 June 2020<br>RM'000 |
|-----------------------------|-------------------------------------|---------------------------------|
| Approved and contracted for | <u>10,860</u>                       | <u>11,770</u>                   |

**15 Fair value of Financial Instruments**

The Group uses the following levels of fair value hierarchy in measuring the fair value of financial instruments.

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

As at 31 December 2020, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

|                                       | Level 1<br>RM'000 | Level 2<br>RM'000 | Level 3<br>RM'000 | Total<br>RM'000 |
|---------------------------------------|-------------------|-------------------|-------------------|-----------------|
| <b>Financial assets</b>               |                   |                   |                   |                 |
| Equity investments quoted in Malaysia | 19,880            | -                 | -                 | 19,880          |
| Biological assets                     | -                 | -                 | 70,173            | 70,173          |
|                                       | <u>19,880</u>     | <u>-</u>          | <u>70,173</u>     | <u>90,053</u>   |

The methods and valuation techniques used for the purpose of measuring fair value are consistent with the previous financial year ended 30 June 2020. There have been no transfers between the levels during the year.



**Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements**

**16 Significant Related Party Transactions**

The Group entered into the following significant related parties transactions with companies connected to certain Directors of the Companies and its subsidiaries for the current financial period ended 31 December 2020.

|  | Period-to-date       |                      |
|--|----------------------|----------------------|
|  | 31.12.2020<br>RM'000 | 31.12.2019<br>RM'000 |
| i) Purchase of logs from Binamewah Sdn Bhd   | -                    | 621                  |
| ii) Purchase of raw materials from Petanak Enterprise Sdn Bhd                          | 968                  | 2,343                |
| iii) Purchase of lubricant and spare parts from Rimbunan Hijau General Trading Sdn Bhd | 1,995                | 2,030                |
| iv) Sales of timber products to RH Forestry Sdn Bhd                                    | 45                   | -                    |
| v) Provision of towage and freight charges by Subur Group                              | 11                   | 114                  |
| vi) Land rental for oil palm plantation development by RH Group                        | 3,134                | 4,099                |
| vii) Sale of CPO to Borneo Edible Oil Sdn Bhd  | 235,126              | 235,794              |
| viii) Provision of logging contract services to Tapak Megah Sdn Bhd                    | -                    | 235                  |
| ix) Sales of lubricant and spare parts to Oriental Evermore Group                      | 56                   | 67                   |
| x) Provision of freight and towage services by Oriental Evermore Group                 | 2,094                | 2,955                |
| xi) Provision of construction services by Moverstar (M) Sdn Bhd                        | 872                  | 70                   |

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**Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements**

**17 Performance Review for Current Quarter and Financial Year to Date**

|  | Individual Period   |   |                 | Cumulative Period                                   |   |                 |
|--|---|---|-----------------|---|---|-----------------|
|  | Current Year<br>Second<br>Quarter<br>31.12.2020<br>RM'000 | Preceding Year<br>Corresponding<br>Second Quarter<br>31.12.2019<br>RM'000 | Changes         | Current<br>Year To-<br>date<br>31.12.2020<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>31.12.2019<br>RM'000 | Changes         |
| <b>Revenue</b>   |   |   |                 |   |   |                 |
| <i>Oil Palm</i>  | 130,861   | 135,280   | -3%             | 308,882   | 308,625   | 0%              |
| <i>Timber</i>  | 20,533  | 50,456  | -59%            | 63,498  | 109,497   | -42%            |
| <i>Others</i>  | 92  | 1,169   | -92%            | 201   | 1,309   | -85%            |
|  | <b>151,486</b>  | <b>186,905</b>  | <b>-19%</b>     | <b>372,581</b>                                      | <b>419,431</b>  | <b>-11%</b>     |
| <b>Operating Profit/(Loss)</b>                               |   |   |                 |   |   |                 |
| <i>Oil Palm</i>  | 38,856  | 16,232  | >100%           | 100,298   | 78,636  | 28%             |
| <i>Timber</i>  | (8,392)   | (7,187)   | -17%            | (9,773)   | (20,973)  | 53%             |
| <i>Others</i>  | (4,812)   | (4,245)   | -13%            | (9,725)   | (8,558)   | -14%            |
|  | <b>25,652</b>   | <b>4,800</b>  | <b>&gt;100%</b> | <b>80,800</b>                                       | <b>49,105</b>   | <b>65%</b>      |
| <b>Profit/(Loss) Before Tax</b>                              |   |   |                 |   |   |                 |
| <i>Oil Palm</i>  | 23,997  | 7,194   | >100%           | 79,626  | 60,000  | 33%             |
| <i>Timber</i>  | (10,585)  | (10,656)  | 1%              | (14,276)  | (28,103)  | 49%             |
| <i>Others</i>  | (4,834)   | (4,458)   | -8%             | (9,776)   | (8,791)   | -11%            |
|  | <b>8,578</b>  | <b>(7,920)</b>  | <b>&gt;100%</b> | <b>55,574</b>                                       | <b>23,106</b>   | <b>&gt;100%</b> |
| <b>Profit/(Loss) After Tax</b>                               | <b>4,589</b>  | <b>(7,380)</b>  | <b>&gt;100%</b> | <b>39,530</b>                                       | <b>8,785</b>  | <b>&gt;100%</b> |
| <b>Profit/(Loss) Attributable to<br/>Owner of the Parent</b> | <b>4,633</b>  | <b>(7,274)</b>  | <b>&gt;100%</b> | <b>39,477</b>                                       | <b>8,500</b>  | <b>&gt;100%</b> |

For the current quarter and year-on-year review, Group revenue reduced by 19% and 11% respectively. Revenue from timber division declined by 59% in the current quarter as a result of 58% and 69% decrease in sales volume for log and plywood respectively.

Higher pre-tax profit for the current quarter under review as compared to the corresponding period last year were mainly due to 32% and 34% increase in the average selling price for FFB and CPO respectively.

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**Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements**

**18 Performance Review for Current Quarter with Immediate Preceding Quarter**

|   | Individual Period               |  | Changes     |
|---|---------------------------------|--|-------------|
|   | Current                         | Immediate                                    |             |
|   | Quarter<br>31.12.2020<br>RM'000 | Preceding<br>Quarter<br>30.09.2020<br>RM'000 |             |
| <b><u>Revenue</u></b>                                 |                                 |  |             |
| <i>Oil Palm</i>                                       | 130,861                         | 178,021                                      | -26%        |
| <i>Timber</i>   | 20,533                          | 42,965                                       | -52%        |
| <i>Others</i>   | 92                              | 109  | -16%        |
|   | <b>151,486</b>                  | <b>221,095</b>                               | <b>-31%</b> |
| <b><u>Operating Profit/(Loss)</u></b>                 |                                 |  |             |
| <i>Oil Palm</i>                                       | 38,856                          | 61,442                                       | -37%        |
| <i>Timber</i>   | (8,392)                         | (1,381)                                      | > -100%     |
| <i>Others</i>   | (4,812)                         | (4,913)                                      | 2%          |
|   | <b>25,652</b>                   | <b>55,148</b>                                | <b>-53%</b> |
| <b><u>Profit/(Loss) Before Tax</u></b>                |                                 |  |             |
| <i>Oil Palm</i>                                       | 23,997                          | 55,629                                       | -57%        |
| <i>Timber</i>   | (10,585)                        | (3,691)                                      | -187%       |
| <i>Others</i>   | (4,834)                         | (4,942)                                      | 2%          |
|   | <b>8,578</b>                    | <b>46,996</b>                                | <b>-82%</b> |
| <b>Profit After Tax</b>                               | <b>4,589</b>                    | <b>34,941</b>                                | <b>-87%</b> |
| <b>Profit Attributable to<br/>Owner of the Parent</b> | <b>4,633</b>                    | <b>34,844</b>                                | <b>-87%</b> |

When compared to the immediate preceding quarter, the lower revenue in the current quarter under review was mainly due to:-

- 30% and 36% reduction in the sales volume of CPO and PK, and
- 50% and 61% reduction in the sales volume of Log and Plywood.

FFB and CPO production volume reduced by 37% and 36% respectively due to lower yield in the current quarter. With lower mills utilisation coupled with higher production cost resulted in lower profit contribution from the oil palm division.

**Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements**

**19 Group's Prospects**

The Group expects the oil palm division to register lower production as we are approaching low crops season coupled with the prolonged adverse weather conditions and shortage of manpower due to MCO restrictions. The improvement in average palm oil price due to tight palm oil stocks and rising demand can cushion the financial impact of the reduction in crop production.

Amid uncertainty surrounding the roll-out of the global vaccination program, the Group will remain cautious and focus on improvement in yield and operational efficiency in the hope that the vaccine is effective in curbing the spread of Covid-19 and result in gradual economic recovery.

**20 Profit Forecast or Profit Guarantee**

The disclosure requirements for explanatory notes on the variation of actual profit after tax and non-controlling interest, and shortfall in profit guarantee are not applicable.

**21 Taxation**

Tax charge for the current financial period comprise:-

|                   | Current quarter |              | Year-to-date  |               |
|-------------------|-----------------|--------------|---------------|---------------|
|                   | 31.12.2020      | 31.12.2019   | 31.12.2020    | 31.12.2019    |
|                   | RM'000          | RM'000       | RM'000        | RM'000        |
| Current taxation  | 1,938           | 1,442        | 4,362         | 5,086         |
| Deferred taxation | 2,051           | (1,982)      | 11,682        | 9,235         |
|                   | <u>3,989</u>    | <u>(540)</u> | <u>16,044</u> | <u>14,321</u> |

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

**22 Corporate Proposals**

There were no corporate proposals pending completion as at the date of this quarterly report.

**Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements**

**23 Profit for the Year**

Included in the profit before tax are the following items:

|  | Current quarter |            | Year-to-date |            |
|--|-----------------|------------|--------------|------------|
|  | 31.12.2020      | 31.12.2019 | 31.12.2020   | 31.12.2019 |
|  | RM'000          | RM'000     | RM'000       | RM'000     |
| Amortisation   | 14,961          | 14,962     | 29,922       | 29,925     |
| Bad debt written off   | -               | -          | -            | 6          |
| Depreciation   | 24,216          | 28,855     | 49,679       | 58,246     |
| Fair value change in biological assets                       | 6,562           | 8,517      | 6,523        | 5,286      |
| Interest expenses  | 8,315           | 12,427     | 16,126       | 25,343     |
| Fair value loss on commodity futures contract                | 7,579           | -          | 7,579        | -          |
| Net loss/(gain) on disposal of property, plant and equipment | 835             | (1,375)    | 852          | (1,032)    |
| Net unrealised foreign exchange loss/(gain)                  | (69)            | 137        | -            | (16)       |
| Interest income  | (5)             | (19)       | (10)         | (35)       |
| Provision for obsolete inventories                           | -               | 650        | -            | 1,300      |
| Reversal of fair value gain on derivatives                   | -               | (90)       | -            | 129        |
| Reversal of allowance for impairment of receivables          | (104)           | -          | (104)        | -          |
|  | <u>(104)</u>    | <u>-</u>   | <u>(104)</u> | <u>-</u>   |

**24 Quoted Securities**

During the current quarter, the Group disposed part of its investment securities in the open market for the total cash consideration of RM14,801,670.

**25 Unquoted Securities**

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

**26 Material litigation**

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

**Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements**

**27 Borrowings and Debt Securities**

|                   | As at 31 December 2020 |         |            |         |                  |         |
|-------------------|------------------------|---------|------------|---------|------------------|---------|
|                   | Long term              |         | Short term |         | Total borrowings |         |
|                   | USD'000                | RM'000  | USD'000    | RM'000  | USD'000          | RM'000  |
| <b>Secured</b>    |                        |         |            |         |                  |         |
| Lease Liabilities | -                      | 6,319   | -          | 6,324   | -                | 12,643  |
| <b>Unsecured</b>  |                        |         |            |         |                  |         |
| Bank overdraft    | -                      | -       | -          | 85,602  | -                | 85,602  |
| Banker acceptance | -                      | -       | -          | 35,943  | -                | 35,943  |
| Revolving credit  | -                      | -       | -          | 132,000 | -                | 132,000 |
| Term loans - RC   | -                      | 126,000 | -          | 56,000  | -                | 182,000 |
| Term loans        | -                      | 212,025 | -          | 58,425  | -                | 270,450 |
|                   | -                      | 338,025 | -          | 367,970 | -                | 705,995 |
| <b>Total</b>      | -                      | 344,344 | -          | 374,294 | -                | 718,638 |

|                   | As at 30 June 2020 |         |            |         |                  |         |
|-------------------|--------------------|---------|------------|---------|------------------|---------|
|                   | Long term          |         | Short term |         | Total borrowings |         |
|                   | USD'000            | RM'000  | USD'000    | RM'000  | USD'000          | RM'000  |
| <b>Secured</b>    |                    |         |            |         |                  |         |
| Lease Liabilities | -                  | 9,267   | -          | 7,326   | -                | 16,593  |
| <b>Unsecured</b>  |                    |         |            |         |                  |         |
| Bank overdraft    | -                  | -       | -          | 123,267 | -                | 123,267 |
| Banker acceptance | -                  | -       | -          | 43,000  | -                | 43,000  |
| Revolving credit  | -                  | -       | -          | 133,500 | -                | 133,500 |
| Term loans - RC   | -                  | -       | -          | 196,000 | -                | 196,000 |
| Term loans        | -                  | 221,575 | -          | 68,225  | -                | 289,800 |
|                   | -                  | 221,575 | -          | 563,992 | -                | 785,567 |
| <b>Total</b>      | -                  | 230,842 | -          | 571,318 | -                | 802,160 |

**28 Dividend Payable**

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

**Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements**

**29 Earnings per share –EPS / (Loss per share) – (LPS)**

**i) Basic EPS/(LPS)**

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) of the period over the weighted average number of ordinary shares in issue during the year excluding treasury shares held by the Company.

|  | Current Quarter |            | Year-to-date |            |
|--|-----------------|------------|--------------|------------|
|  | 31.12.2020      | 31.12.2019 | 31.12.2020   | 31.12.2019 |
| Profit/(Loss) attributable to the equity holders of the Company (RM'000) | 4,633           | (7,274)    | 39,477       | 8,500      |
| Weighted average number of ordinary shares in issue ('000 )              | 967,991         | 967,991    | 967,991      | 967,991    |
| Basic EPS/(LPS) (sen)  | 0.48            | (0.75)     | 4.08         | 0.88       |

**ii) Diluted EPS**

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

**30 Authorization for issue**

The Board of Directors in accordance with a resolution of the directors has authorized the quarterly report for issue on 26<sup>th</sup> February 2021.