

JAYA TIASA HOLDINGS BHD (3751-V)
THIRD QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 - unaudited
CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
		(restated)		(restated)
Revenue	115,703	160,195	503,636	660,016
Cost of sales	(183,772)	(194,364)	(582,357)	(597,432)
Gross (loss)/profit	(68,069)	(34,169)	(78,721)	62,584
Other income	2,208	3,433	9,850	10,486
Selling and distribution costs	(4,978)	(6,586)	(20,088)	(28,974)
Administrative expenses	(9,417)	(10,532)	(27,399)	(26,561)
Fair value change in biological assets	10	(13)	(11,038)	(8,173)
Operating (loss)/profit	(80,246)	(47,867)	(127,396)	9,362
Finance costs	(14,961)	(13,851)	(43,910)	(41,786)
Loss before taxation	(95,207)	(61,718)	(171,306)	(32,424)
Income tax expense	(29,842)	13,161	(12,412)	2,905
Loss for the period	(125,049)	(48,557)	(183,718)	(29,519)
Other comprehensive income:				
Foreign currency translation	-	-	-	5
Fair value change in available-for-sale financial assets	4,900	(9,800)	(13,300)	(19,600)
Other comprehensive income, net of tax	4,900	(9,800)	(13,300)	(19,595)
Total comprehensive income for the year	(120,149)	(58,357)	(197,018)	(49,114)
(Loss)/profit attributable to:				
Owner of the parent	(125,314)	(48,571)	(184,499)	(30,771)
Non-controlling interests	265	14	781	1,252
	(125,049)	(48,557)	(183,718)	(29,519)
Total comprehensive income attributable to:				
Owner of the parent	(120,414)	(58,371)	(197,799)	(50,366)
Non-controlling interests	265	14	781	1,252
	(120,149)	(58,357)	(197,018)	(49,114)
Basic earnings per share attributable to owners of the parent (Sen)	(12.95)	(5.02)	(19.06)	(3.18)

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 2018 and the accompanying explanatory notes attached to this quarterly report.

THIRD QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 - unaudited

CONDENSED STATEMENTS OF FINANCIAL POSITION

	AS AT 31/03/2019 RM'000	AS AT 30/06/2018 RM'000 (restated)	AS AT 01/07/2017 RM'000 (restated)
ASSETS			
Non-current Assets			
Property, plant and equipment	2,163,488	2,254,416	2,369,687
Biological assets	49,516	46,491	32,760
Land use rights	32	35	40
Intangible assets	990	1,117	610
Investment securities	26,600	44,900	68,700
Deferred tax assets	52,980	33,901	33,179
	<u>2,293,606</u>	<u>2,380,860</u>	<u>2,504,976</u>
Current Assets			
Inventories	88,446	106,911	139,649
Biological assets	4,410	9,450	13,532
Trade and other receivables	37,187	49,216	59,584
Other current assets	24,841	16,898	14,663
Derivative assets	-	-	252
Cash and bank balances	14,052	19,953	65,234
	<u>168,936</u>	<u>202,428</u>	<u>292,914</u>
TOTAL ASSETS	<u><u>2,462,542</u></u>	<u><u>2,583,288</u></u>	<u><u>2,797,890</u></u>
EQUITY AND LIABILITIES			
Current Liabilities			
Interest bearing loans and borrowings	489,452	385,988	487,479
Trade and other payables	165,170	135,526	136,195
Income tax payable	4,519	994	4,968
Derivative liabilities	-	-	304
	<u>659,141</u>	<u>522,508</u>	<u>628,946</u>
EQUITY AND LIABILITIES			
Non-current Liabilities			
Interest bearing loans and borrowings	496,138	580,041	589,358
Deferred tax liabilities	80,931	47,549	62,241
	<u>577,069</u>	<u>627,590</u>	<u>651,599</u>
Total Liabilities	<u>1,236,210</u>	<u>1,150,098</u>	<u>1,280,545</u>
Net assets	<u>1,226,332</u>	<u>1,433,190</u>	<u>1,517,345</u>
Equity Attributable to owners of the parent			
Share capital	977,402	977,402	977,402
Treasury shares	(13,687)	(13,687)	(13,687)
Reserves	262,280	469,919	542,320
	<u>1,225,995</u>	<u>1,433,634</u>	<u>1,506,035</u>
Non-controlling interests	337	(444)	11,310
Total Equity	<u>1,226,332</u>	<u>1,433,190</u>	<u>1,517,345</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,462,542</u></u>	<u><u>2,583,288</u></u>	<u><u>2,797,890</u></u>
Net assets per share attributable to equity holders (RM)	1.27	1.48	1.56
Number of ordinary shares net of treasury shares	967,991	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 2018 and the accompanying explanatory notes attached.

THIRD QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 - unaudited

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Exchange Difference Reserves RM'000	Fair Value Reserves RM'000	Retained Profits RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
At 01 July 2018, as previously reported	977,402	(13,687)	(6,441)	-	823,186	1,780,460	(444)	1,780,016
Effect on transition to MFRSs	-	-	6,441	-	(353,267)	(346,826)	-	(346,826)
	977,402	(13,687)	-	-	469,919	1,433,634	(444)	1,433,190
Effect on adoption of MFRS 9	-	-	-	(30,100)	25,100	(5,000)	-	(5,000)
At 01 July 2018, as restated	977,402	(13,687)	-	(30,100)	495,019	1,428,634	(444)	1,428,190
(Loss)/profit for the period	-	-	-	-	(184,499)	(184,499)	781	(183,718)
Other comprehensive income	-	-	-	(13,300)	-	(13,300)	-	(13,300)
Total comprehensive income	-	-	-	(13,300)	(184,499)	(197,799)	781	(197,018)
Dividends on ordinary shares	-	-	-	-	(4,840)	(4,840)	-	(4,840)
Total Transactions with owners	-	-	-	-	(4,840)	(4,840)	-	(4,840)
At 31 March 2019	977,402	(13,687)	-	(43,400)	305,680	1,225,995	337	1,226,332
At 01 July 2017, as previously reported	977,402	(13,687)	(6,441)	(6,300)	855,829	1,806,803	11,310	1,818,113
Effect on transition to MFRSs	-	-	6,441	-	(307,209)	(300,768)	-	(300,768)
At 01 July 2017, as restated	977,402	(13,687)	-	(6,300)	548,620	1,506,035	11,310	1,517,345
(Loss)/profit for the period	-	-	-	-	(30,771)	(30,771)	1,252	(29,519)
Other comprehensive income	-	-	5	(19,600)	-	(19,595)	-	(19,595)
Total comprehensive income	-	-	5	(19,600)	(30,771)	(50,366)	1,252	(49,114)
Dividends on ordinary shares	-	-	-	-	(4,840)	(4,840)	-	(4,840)
Total Transactions with owners	-	-	-	-	(4,840)	(4,840)	-	(4,840)
At 31 March 2018	977,402	(13,687)	5	(25,900)	513,009	1,450,829	12,562	1,463,391

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 2018 and the accompanying explanatory notes attached to this quarterly report.

THIRD QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 - unaudited

CONDENSED STATEMENTS OF CASH FLOWS

	Current	Corresponding
	9 months ended	9 months ended
	31/03/2019	31/03/2018
	RM'000	RM'000
		(restated)
Cash Flows from Operating Activities		
Loss before taxation	(171,306)	(32,424)
Adjustments for:		
Depreciation and amortisation	131,249	128,838
Fair value change in biological assets	11,038	8,173
Interest expenses	42,817	39,589
Interest income	(82)	(187)
Net loss on disposal of property, plant and equipment	612	2,103
Net unrealised foreign exchange loss	478	(537)
Reversal of fair value loss on derivatives	-	(52)
Operating cash flows before working capital changes	<u>14,806</u>	<u>145,503</u>
Net change in current assets	30,429	46,711
Net change in current liabilities	29,643	(17,062)
Cash flows from operations	<u>74,878</u>	<u>175,152</u>
Interest received	82	187
Interest paid	(42,823)	(39,639)
Income taxes paid, net of refund	(2,459)	(13,125)
Net cash flows from operating activities	<u>29,678</u>	<u>122,575</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(37,527)	(40,405)
Acquisition of biological assets	(14,985)	(25,954)
Purchase of other intangible assets	-	(260)
Proceeds from disposal of property, plant and equipment	16,706	13,110
Net cash flows used in investing activities	<u>(35,806)</u>	<u>(53,509)</u>
Cash Flows from Financing Activities		
Dividend paid	(4,840)	(4,840)
Net proceeds/(repayment) of revolving credit and bankers' acceptances	22,381	(20,245)
Repayments of hire purchase creditors	(9,755)	(20,255)
Repayments of term loans	(44,401)	(40,701)
Proceeds from term loans	-	115,900
Net cash flows (used in)/ from financing activities	<u>(36,615)</u>	<u>29,859</u>
Net change in cash and cash equivalent	(42,743)	98,925
Effects of exchange rate changes	(44)	-
Cash and cash equivalents at the beginning of the year	(81,694)	(73,792)
Cash and cash equivalents at the end of the year	<u>(124,481)</u>	<u>25,133</u>
Cash and bank balances	14,052	122,355
Bank overdrafts	(138,533)	(97,222)
	<u>(124,481)</u>	<u>25,133</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 2018 and the accompanying explanatory notes attached to this quarterly report.

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

1 Accounting Policies and Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the 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 2018. 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 2018.

For the financial period beginning 1 July 2018, the interim financial statements of the Group are the first set of interim financial statements prepared in accordance with the MFRS Framework, hence MFRS 1: First-time Adoption of Malaysian Financial Standards has been applied. The date of transition to the MFRS Framework for the purpose of preparation of the MFRS compliant interim financial report is 1 July 2017.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 July 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect.

a) Transition from FRS to MFRS

i) MFRS 9 – Financial Instruments

The Group has applied MFRS 9 prospectively, with an initial application date of 1 July 2018. The Group has not restated the comparative information, which continues to be reported under MFRS 139. Differences arising from the adoption of MFRS 9 have been recognised directly in retained earnings and fair value reserves.

The following are the changes in the classification of the Group's financial assets:

Listed equity investments previously classified as available-for-sale ("AFS") financial assets as at 30 June 2018 are now classified and measured at fair value through other comprehensive income ("OCI"). RM30 millions of impairment losses was recognized in profit or loss for this investment in prior period was reclassified to fair value reserves as at 1 July 2018. The Group elected to classify irrevocably its listed equity investments under this category as it intends to hold these investments for the foreseeable future.

Equity investments in non-listed companies previously classified as AFS financial assets as at 30 June 2018 are now classified and measured as equity instruments designated at fair value through profit or loss. The Group elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future. The cost of investment in the equity investments in non-listed companies of RM5 million was reclassified to retained earnings as at 1 July 2018.

ii) Exchange difference reserves

Under FRS, the Group recognized translation differences on foreign operation in a separate component of equity. The cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at date of transition to MFRS. Accordingly, at date of transition to MFRS, the cumulative foreign currency translation differences of RM 6.4 million were adjusted against retained earnings.

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

I Accounting Policies and Basis of Preparation

a) Transition from FRS to MFRS

iii) MFRS 116 - Property, Plant and Equipment and MFRS 141 - Agriculture: Bearer Plants

Bearer plants

Under the amendments to MFRS 116 and MFRS 141, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116. After initial recognition, the Group's bearer plants is measured at cost less amortisation, which involve reclassification of the bearer assets from biological assets to property, plant and equipment.

Biological assets

Prior to the adoption of MFRS 141 Agriculture: Bearer Plants, produce growing on bearer plants and consumable biological assets were not recognised. Following the adoption of MFRSs, the biological assets within the scope of MFRS 141 are measured at fair value less costs to sell. The changes of fair value recognised in profit or loss.

The effects on transition from FRSs to MFRSs are as follows:

Condensed Statements of Profit or Loss

	As previously reported	Effect on transition to MFRS	Restated
	RM'000	RM'000	RM'000
<u>Quarter ended 31.03.2018</u>			
Cost of sales	(181,005)	(13,359)	(194,364)
Fair value change in biological assets	-	(13)	(13)
Income tax expense	9,952	3,209	13,161
Loss net of tax	(38,394)	(10,163)	(48,557)
<u>9 months ended 31.03.2018</u>			
Cost of sales	(557,354)	(40,078)	(597,432)
Fair value change in biological assets	-	(8,173)	(8,173)
Income tax expense	(8,675)	11,580	2,905
Profit/(loss) net of tax	7,152	(36,671)	(29,519)

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THIRD QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

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

I Accounting Policies and Basis of Preparation

a) Transition from FRS to MFRS

Condensed Statements of Financial Position

	As previously reported RM'000	Effect on transition to MFRS RM'000	Restated RM'000
<u>As at 1.7.2017</u>			
Non-current Assets			
Property, plant and equipment	1,171,915	1,197,772	2,369,687
Biological assets	1,639,812	(1,607,052)	32,760
Deferred tax assets	22,492	10,687	33,179
Current Assets			
Biological assets	-	13,532	13,532
Non-current Liabilities			
Deferred tax liabilities	146,534	(84,293)	62,241
Equity			
Reserves	843,088	(300,768)	542,320

	As previously reported RM'000	Effect on transition to MFRS RM'000	Restated RM'000
<u>As at 30.06.2018</u>			
Non-current Assets			
Property, plant and equipment	1,089,736	1,164,680	2,254,416
Biological assets	1,676,971	(1,630,480)	46,491
Deferred tax assets	22,807	11,094	33,901
Current Assets			
Biological assets	-	9,450	9,450
Non-current Liabilities			
Deferred tax liabilities	145,979	(98,430)	47,549
Equity			
Reserves	816,745	(346,826)	469,919

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

1 Accounting Policies and Basis of Preparation

a) Transition from FRS to MFRS

Condensed Statements of Cash Flow

	As previously reported	Effect on transition to MFRS	Restated
	RM'000	RM'000	RM'000
<u>9 months ended 31.03.2018</u>			
Cash Flow from operating activities			
Profit/(Loss) before tax	15,827	(48,251)	(32,424)
Depreciation and amortisation	88,760	40,078	128,838
Fair value change in biological assets	-	8,173	8,173

b) Adoption of new MFRSs, amendments to standards and IC interpretations

The significant accounting policies adopted in the interim financial report are consistent with those adopted in the Group's audited financial statements for the financial year ended 30 June 2018. At the date of authorization of these interim financial statements, the Group has 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.

Description	Effective for annual periods beginning on or after
Annual improvements to MFRS Standards 2015-2017 Cycle:	
(i) Amendments to MFRS 3: Business Combinations	1 January 2019
(ii) Amendments to MFRS 11: Joint Arrangements	1 January 2019
(iii) Amendments to MFRS 112: Income Taxes	1 January 2019
(iv) Amendments to MFRS 123: Borrowing Costs	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatment	1 January 2019
MFRS 16: Leases	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendment to MFRS 119: Employee Benefits	1 January 2019

2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2018 was not qualified.

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

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.

5 *Changes in Estimates*

The estimates at 1 July 2017 and at 30 June 2018 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 July 2017, the date of transition to MFRS and as of 30 June 2018.

6 *Debt and Equity Securities*

There were no issuances or repayments of debt and equity securities during the financial year. The number of shares retained as treasury shares amounted to 5,727,000 as at 31 March 2019.

7 *Dividends Paid*

A final single-tier dividend of 0.5 sen per ordinary share for the financial year ended 30 June 2018 amounting to RM4,839,956 was paid on 19 December 2018

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 2018.

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.

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THIRD QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

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 March 2019 is as follows:

	Oil Palm	Timber	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External	358,937	144,296	403		503,636
Inter segment	245,970	182,506	8,215	(436,691)	-
Total Revenue	604,907	326,802	8,618	(436,691)	503,636
EBITDA	9,478	11,457	(1,201)	-	19,734
Finance cost	(32,499)	(11,372)	(39)	-	(43,910)
Depreciation and amortisation	(103,922)	(25,630)	(1,697)	-	(131,249)
Segmental result	(126,943)	(25,545)	(2,937)	-	(155,425)
Group admin and overhead cost					(15,881)
Loss before tax					(171,306)
Segment assets	1,967,408	433,414	61,720	-	2,462,542
Segment liabilities	876,506	355,823	3,881	-	1,236,210

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 March 2019 is as follows:

	Acquisition	Disposal
	RM'000	RM'000
Factory, building and quarter	7,096	(701)
Road and bridge	4,700	-
Furniture, fitting and equipment	2,258	(382)
Motor vehicle	24,766	(27,615)
Plant and machinery	1,866	(8,724)
Total	40,686	(37,422)

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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 31 March 2019 RM'000	As at 30 June 2018 RM'000
Approved and contracted for	<u>8,095</u>	<u>7,215</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 March 2019, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Equity investments quoted in Malaysia	<u>26,600</u>	-	-	<u>26,600</u>

The methods and valuation techniques used for the purpose of measuring fair value are consistent with the previous financial year ended 30 June 2018. 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 March 2019.

	Period-to-date	
	31.03.2019 RM'000	31.03.2018 RM'000
i) Purchase of logs from Binamewah Sdn Bhd	2,408	3,683
ii) Purchase of raw materials from Petanak Enterprise Sdn Bhd	8,178	9,911
iii) Purchase of lubricant and spare parts from Rimbulan Hijau General Trading Sdn Bhd	4,355	4,624
iv) Provision of reforestation planning and advisory services by R H Development (Sarawak) Sdn Bhd	364	682
v) Provision of towage and freight charges by Subur Group	94	101
vi) Land rental for oil palm plantation development by RH Group	4,586	4,686
vii) Sale of veneer to Subur Group	-	1,404
viii) Sale of FFB to R H Selangau Palm Oil Mill Sdn Bhd	-	2,210
ix) Sale of CPO to Borneo Edible Oil Sdn Bhd	297,317	197,315
x) Provision of logging contract services to Tapak Megah Sdn Bhd	916	1,411
xi) Provision of freight and towage services by Oriental Evermore Group	3,928	6,633
xii) Provision of construction services by Moverstar (M) Sdn Bhd	3,014	-

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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 Period to Date

	Individual Period			Cumulative Period		
	Current Year Third Quarter 31.03.2019 RM'000	Preceding Year Corresponding Third Quarter 31.03.2018 RM'000 (restated)	Changes	Current Year To- date 31.03.2019 RM'000	Preceding Year Corresponding Period 31.03.2018 RM'000 (restated)	Changes
Revenue						
<i>Oil Palm</i>	81,389	101,505	-20%	358,937	430,029	-17%
<i>Timber</i>	34,208	58,631	-42%	144,296	229,813	-37%
<i>Others</i>	106	59	80%	403	174	>100%
	115,703	160,195	-28%	503,636	660,016	-24%
Operating (Loss)/Profit						
<i>Oil Palm</i>	(54,925)	(33,535)	-64%	(94,444)	27,360	>-100%
<i>Timber</i>	(18,946)	(8,634)	>-100%	(14,173)	(4,115)	>-100%
<i>Others</i>	(6,375)	(5,698)	-12%	(18,779)	(13,883)	-35%
	(80,246)	(47,867)	-68%	(127,396)	9,362	>-100%
Loss Before Tax						
<i>Oil Palm</i>	(65,420)	(43,092)	-52%	(126,942)	(2,131)	>-100%
<i>Timber</i>	(23,399)	(12,926)	-81%	(25,545)	(16,405)	-56%
<i>Others</i>	(6,388)	(5,700)	-12%	(18,819)	(13,888)	-36%
	(95,207)	(61,718)	-54%	(171,306)	(32,424)	>100%
Loss After Tax	(125,049)	(48,557)	>-100%	(183,718)	(29,519)	>-100%
Loss Attributable to Owner of the Parent	(125,314)	(48,571)	>-100%	(184,499)	(30,771)	>-100%

As compared to corresponding quarter, decline in revenue of the oil palm division was mainly due to 20% and 43% decrease in selling prices of CPO and PK respectively despite increase in sales volume for both products. For the timber division, decrease in sales volume of the log and plywood by 59% and 32% respectively has led to lower revenue.

Higher pre-tax losses registered in the current period were mainly due to:-

- lower profit margin from low FFB and CPO selling price; and
- higher unit cost of log production as a result of lower log production volume

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18 Performance Review for Current Quarter with Immediate Preceding Quarter

	Individual Period		Changes
	Current Quarter 31.03.2019 RM'000	Immediate Preceding Quarter 31.12.2018 RM'000	
<u>Revenue</u>			
<i>Oil Palm</i>	81,389	123,638	-34%
<i>Timber</i>	34,208	53,096	-36%
<i>Others</i>	106	177	-40%
	115,703	176,911	-35%
<u>Operating Loss</u>			
<i>Oil Palm</i>	(54,925)	(51,713)	-6%
<i>Timber</i>	(18,946)	(3,633)	>-100%
<i>Others</i>	(6,375)	(7,732)	18%
	(80,246)	(63,078)	-27%
<u>Loss Before Tax</u>			
<i>Oil Palm</i>	(65,420)	(62,670)	-4%
<i>Timber</i>	(23,399)	(7,156)	>-100%
<i>Others</i>	(6,388)	(7,749)	18%
	(95,207)	(77,575)	-23%
Loss After Tax	(125,049)	(59,517)	>-100%
Loss Attributable to Owner of the Parent	(125,314)	(60,056)	>-100%

When compared to the immediate preceding quarter, the lower Group's revenue was largely attributed to decrease in the sales volume of FFB, CPO and log by 31%, 36% and 70% respectively. The higher losses recorded in the current quarter were dragged down by the higher FFB unit cost of production as a result of 32% reduction in FFB production volume during the off peak period. Decrease in FFB input to CPO mills resulted in the contraction of CPO and PK output by 35% and 23% which led to 51% and 28% increase in the unit production cost respectively.

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

19 Group's Prospects

As we are entering the high crops seasons coupled with anticipated increase in demand for CPO during the Ramadan festival, the FFB production volume and CPO price are expected to stabilise. We anticipate the higher FFB production volume in the coming quarter will contribute to improvement in the unit production cost of FFB and CPO.

Moving forward, the Board believes the performance for the next quarter will improve with our stringent control on cost and operational efficiency.

20 Loss for the Period

Included in the loss before tax are the following items:

	Current quarter		Year-to-date	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000 (restated)	RM'000	RM'000 (restated)
Amortisation	14,462	13,202	43,391	40,078
Depreciation	28,911	26,924	87,858	88,760
Fair value change in biological assets	(10)	13	11,038	8,173
Interest expenses	14,792	13,315	42,817	39,589
Net loss on disposal of property, plant and equipment	314	1,189	612	2,103
Net unrealised foreign exchange loss/(gain)	367	(537)	478	(537)
Interest income	(18)	(55)	(82)	(187)
Reversal of fair value loss on derivatives	-	-	-	(52)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21 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.

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

22 Taxation

Tax charge for the current financial period comprise:-

	Current quarter		Year-to-date	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
		(restated)		(restated)
Current taxation	5,778	(1,929)	1,892	(11,649)
Deferred taxation	(35,620)	15,090	(14,304)	14,554
	<u>(29,842)</u>	<u>13,161</u>	<u>(12,412)</u>	<u>2,905</u>

The effective tax rate for the Group is higher than the statutory tax rate of 24%. This is mainly due to derecognition of deferred tax assets for loss making subsidiaries.

23 Corporate Proposals

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

24 Quoted Securities

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

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.

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27 Borrowings and Debt Securities

	As at 31 March 2019					
	Long term		Short term		Total borrowings	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
Secured						
Finance lease	-	11,238	-	11,868	-	23,106
Unsecured						
Bank overdraft	-	-	-	138,533	-	138,533
Banker acceptance	-	-	-	51,940	-	51,940
Revolving credit	-	196,000	2,500	222,193	2,500	418,193
Term loans	-	288,900	-	64,918	-	353,818
	-	484,900	2,500	477,584	2,500	962,484
Total	-	496,138	2,500	489,452	2,500	985,590

	As at 30 June 2018					
	Long term		Short term		Total borrowings	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
Secured						
Finance lease	-	6,865	-	11,981	-	18,846
Unsecured						
Bank overdraft	-	-	-	101,647	-	101,647
Banker acceptance	-	-	-	13,685	-	13,685
Revolving credit	-	233,500	3,000	200,132	3,000	433,632
Term loans	-	339,676	-	58,543	-	398,219
	-	573,176	3,000	374,007	3,000	947,183
Total	-	580,041	3,000	385,988	3,000	966,029

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)

i) Basic EPS

Basic earnings per share is calculated by dividing the net profit 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	
	31.03.2019	31.03.2018 (restated)	31.03.2019	31.03.2018 (restated)
Loss attributable to the equity holders of the Company (RM'000)	(125,314)	(48,571)	(184,499)	(30,771)
Weighted average number of ordinary shares in issue ('000)	967,991	967,991	967,991	967,991
Basic EPS (sen)	(12.95)	(5.02)	(19.06)	(3.18)

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 23rd of May 2019.