

## JAYA TIASA HOLDINGS BERHAD (“JTH” or the “Company”)

### RELATED PARTY TRANSACTION - ACQUISITION OF 140 MILLION ORDINARY SHARES OF RM0.50 EACH, REPRESENTING 9.87% OF THE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL IN RIMBUNAN SAWIT BERHAD (“ACQUISITION”)

#### 1. Introduction

The Board of Directors of JTH wishes to announce that its wholly-owned subsidiary, Multi Greenview Sdn Bhd has on 26 October 2015 acquired 140 million ordinary shares of RM0.50 each, representing 9.87% of the issued and paid-up ordinary share capital in Rimbunan Sawit Berhad (“RSB”) (“Sales Shares”) for a total cash consideration of RM70 million for investment purpose from the following related parties:-

- i) 100 million ordinary shares of RM0.50 each in RSB from Pemandangan Jauh Plantation Sdn Bhd (“PJP”); and
- ii) 40 million ordinary shares of RM0.50 each in RSB from Tiong Toh Siong Holdings Sdn Bhd (“TTSH”).

#### 2. Information on RSB, PJP and TTSH

##### 2.1 Information on RSB

RSB was incorporated on 12 May 2005 and has its registered office at North Wing, Menara Rimbunan Hijau, 101 Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak. Currently, RSB’s main activities are investment holding and the provision of management services. The principal activities of its subsidiaries are cultivation of oil palm and palm oil processing.

The directors and substantial shareholders of RSB and their respective shareholdings are as follows:

| Name  | Shareholding (Direct) |       | Shareholding (Deemed) |       |
|---|-----------------------|-------|-----------------------|-------|
|   | No. of ordinary share | %     | No. of ordinary share | %     |
| <b><u>Director:</u></b>                             |                       |       |                       |       |
| Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King | 2,400,000             | 0.17  | 775,199,279           | 55.65 |
| Tiong Kiong King                                    | 23,803,800            | 1.68  | 6,218,400             | 0.44  |
| Bong Wei Leong                                      | Nil                   | Nil   | Nil                   | Nil   |
| Tiong Chiong Ong                                    | 7,031,608             | 0.50  | 329,214               | 0.02  |
| Dato’ Jin Kee Mou                                   | 16,000                | 0.001 | Nil                   | Nil   |
| Tiong Chiong Ie                                     | 1,600,000             | 0.17  | 3,872,000             | 0.27  |
| Tiong Ing Ming                                      | 200,000               | 0.01  | Nil                   | Nil   |

| Name  | Shareholding (Direct) |       | Shareholding (Deemed) |       |
|---|-----------------------|-------|-----------------------|-------|
|   | No. of ordinary share | %     | No. of ordinary share | %     |
| <b><u>Substantial shareholder:</u></b>              |                       |       |                       |       |
| Tiong Toh Siong Holdings Sdn Bhd                    | 302,246,119           | 21.31 | 120,273,375           | 8.48  |
| Rimbunan Hijau Southeast Asia Sdn Bhd               | 100,548,800           | 7.09  | Nil                   | Nil   |
| Pertumbuhan Abadi Asia Sdn Bhd                      | 87,228,800            | 6.15  | 168,773,038           | 11.90 |
| Teck Sing Lik Enterprises Sdn Bhd                   | 90,279,347            | 6.36  | 537,450,613           | 37.89 |
| Tiong Toh Siong Enterprises Sdn Bhd                 | 10,402,400            | 0.73  | 153,086,638           | 10.79 |
| Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King | 2,400,000             | 0.17  | 759,203,079           | 53.52 |
| Pemandangan Jauh Plantation Sdn Bhd                 | 114,715,456           | 8.09  | Nil                   | Nil   |
| State Financial Secretary                           | 76,034,272            | 5.36  | Nil                   | Nil   |

## 2.2 Information on PJP

PJP was incorporated on 20 August 1992 and its registered office at Menara Rimbunan Hijau, 101 Pusat Suria Permata, Jalan Upper Lanang 10A, 96000 Sibul, Sarawak. Currently PJP's main activity is investment holding.

The directors and substantial shareholders of PJP and their respective shareholdings are as follows:

| Name  | Shareholding (Direct) |       | Shareholding (Deemed) |       |
|---|-----------------------|-------|-----------------------|-------|
|   | No. of ordinary share | %     | No. of ordinary share | %     |
| <b><u>Director:</u></b>                             |                       |       |                       |       |
| Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King | 2,000,000             | 9.09  | 13,888,000            | 63.12 |
| Tiong Kiong King                                    | Nil                   | Nil   | 1,800,000             | 8.18  |
| <b><u>Substantial shareholder:</u></b>              |                       |       |                       |       |
| Tiong Toh Siong Holdings Sdn Bhd                    | 9,978,000             | 45.35 | Nil                   | Nil   |
| Teck Sing Lik Enterprise Sdn Bhd                    | 3,350,000             | 15.27 | 9,978,000             | 45.35 |
| Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King | 2,000,000             | 9.09  | 13,328,000            | 60.58 |
| Dato' Sri Dr Tiong Ik King                          | 2,000,000             | 8.18  | Nil                   | Nil   |
| Biru- Hijau Enterprise Sdn Bhd                      | 1,800,000             | 8.09  | Nil                   | Nil   |

### 2.3 Information on Tiong Toh Siong Holdings Sdn Bhd

TTSH was incorporated on 10 August 1983 and its registered office at Menara Rimbunan Hijau, 101 Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak. Currently, TTSH main business activity is investment holding.

The directors and substantial shareholders of TTSH and their respective shareholdings are as follow:-

| Name   | Shareholding (Direct) |       | Shareholding (Deemed) |       |
|--|-----------------------|-------|-----------------------|-------|
|  | No. of ordinary share | %     | No. of ordinary share | %     |
| <b>Directors :</b>                             |                       |       |                       |       |
| Tan Sri Datuk Diong Hiew King@ Tiong Hiew King | 2,143,000             | 10.20 | 4,652,000             | 22.15 |
| Dato' Sri Dr Tiong Ik King                     | 2,830,000             | 13.48 | Nil                   | Nil   |
| Datuk Tiong Thai King                          | 2,830,000             | 13.48 | Nil                   | Nil   |
| Tiong Kiong King                               | 2,830,000             | 13.48 | Nil                   | Nil   |
| Tiong Chiong le                                | Nil                   | Nil   | 2,380,000             | 13.48 |
| Tiong Choon                                    | Nil                   | Nil   | 200,000               | 0.95  |
| <b>Substantial Shareholder :</b>               |                       |       |                       |       |
| Bring Rich Corporation Inc                     | 1,570,000             | 7.48  | Nil                   | Nil   |
| Teck Sing Lik Enterprise Sdn Bhd               | 3,257,000             | 15.51 | Nil                   | Nil   |
| Priharta Development Sdn Bhd                   | 2,830,000             | 13.48 | Nil                   | Nil   |
| Dato' Sri Dr Tiong Ik King                     | 2,830,000             | 13.48 | Nil                   | Nil   |
| Datuk Tiong Thai King                          | 2,830,000             | 13.48 | Nil                   | Nil   |
| Tiong Kiong King                               | 2,830,000             | 13.48 | Nil                   | Nil   |
| Tan Sri Datuk Diong Hiew King@ Tiong Hiew King | 2,143,000             | 10.20 | 3,257,000             | 15.57 |
| Tiong Chiong le                                | Nil                   | Nil   | 2,830,000             | 13.48 |

### 3. Basis of arriving at and justification for the purchase consideration and source of funding

The purchase consideration of RM70 million (or RM0.50 per share) for the Sale Shares was arrived at on a willing-buyer willing-seller basis at par value of RSB ordinary shares of RM0.50 each representing a discount of 7.4% from RM0.54, the volume weighted average market price of the Sales Shares for the five (5) market days ended 23 October 2015, the market day immediately prior to the date of purchase. The Consideration is made in cash and funded by borrowing.

#### **4. Effect of the Acquisition**

The Acquisition is not expected to have a material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of the Company.

#### **5. Prospects, Rationale and Benefit**

The Company is of the view that the Acquisition is positive. The main rationale to acquire the Sale Shares is to tap on the potential growth prospect in RSB and potential appreciation in share value of the Sale Shares. This also represents an opportunity for JTH to expand its interest in the oil palm sector since this is the main asset of RSB.

#### **6. Risk Factors**

The Acquisition is not expected to materially change the risk profile of JTH Group's business except for typical equity investment risk.

#### **7. Particulars of all liabilities including contingent liabilities and guarantees to be assumed by the Company, arising from the Acquisition**

There is no liability including contingent liability to be assumed by the Company, arising from the Acquisition.

#### **8. Approval Required**

The Acquisition is not subject to the approval of the shareholders and the relevant government authorities.

#### **9. The nature and extent of the interests of the directors and/or major shareholder**

Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King, is a major shareholder of the Company. He is also a Director and major shareholder of RSB, PJP and TTSH. The Directors of the Company, namely, Dato' Sri Dr. Tiong Ik King, Dato' Sri Tiong Chiong Hoo and Mdm Tiong Choon are brother, son and daughter of Tan Sri Datuk Sir Tiong Hiew King respectively. Datuk Tiong Thai king, the Director of a few subsidiaries within JTH Group, is also a Director and major shareholder of TTSH. Mr Tiong Chiong Hee, a director of the Company is the son of Datuk Tiong Thai King.

Save for the above, none of the directors or major shareholders of JTH or persons connected with them has any interest, direct or indirect, in the Acquisition.

**10. The relevant documents for Acquisition and the time and place where the documents may be inspected**

The relevant documents in connection with the Acquisition are available for inspection at the registered office of JTH at No.1-9, Pusat Suria Permata, Lorong Upper Lanang 10A, 96000 Sibu, Sarawak during normal business hours, for a period of three (3) months from the date of this announcement.

**11. The date on which the terms of the Acquisition were agreed upon**

The terms of the Acquisition were agreed upon on 20 October 2015.

**12. Statement by the Audit Committee**

Having considered the rationale and all other aspects of the Acquisition, the Audit Committee of JTH is of the opinion that the Acquisition is in the best interests of JTH Group and the terms of the Acquisition is fair, reasonable and on normal commercial terms and hence not detrimental to the interest of the minority shareholders.

**13. Statement by the Board of Directors**

Having considered the rationale and all other aspects of the Acquisition and on the recommendation made by the Audit Committee, the Board of Directors with the exception of Dato' Sri Tiong Chiong Hoo, Dato' Sri Dr Tiong Ik King, Tiong Choon and Tiong Chiong Hee who have abstained from all deliberations and voting on the Acquisition at the Board Meeting is of the opinion that the Acquisition is in the best interests of the JTH Group.

**14. Estimated timeframe for completion of the Acquisition**

The Acquisition is expected to be completed by 29 October 2015.

**15. Original cost of the Sale Shares to PJP and TTSH and the date of such investment**

The Sale Shares were acquired by the respective related parties on the following dates:

i). by PJP on 1 October 2010, 24 October 2011, 11 November 2011 and 23 February 2015; and

ii). by TTSH on 8 February 2006, 1 October 2010, 24 October 2011, 11 November 2011, 23 January 2013 and 23 February 2015.

The average original cost of investment in the Sale Shares by PJP and TTSH are at RM0.40 a share.

## **16. Highest percentage ratio of the Acquisition**

The highest percentage ratio applicable to the Acquisition of the Sale Shares by the Company's wholly-owned subsidiary pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements regarding percentage ratios for transaction is 4.86%

## **17. Total amount transacted with PJP and TTSH for the preceding 12 months**

No transaction has been entered into with PJP and TTSH for the preceding 12 months

This announcement is dated 26 October 2015.