

**JAYA TIASA HOLDINGS BERHAD (“JTH” OR “COMPANY”)**

- (I) PROPOSED PLACEMENT OF NEW ORDINARY SHARES OF RM1.00 EACH IN JTH (“JTH SHARES”), REPRESENTING UP TO 15% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY (“PROPOSED PLACEMENT”); AND**
- (II) PROPOSED BONUS ISSUE OF NEW JTH SHARES (“BONUS SHARES”) ON THE BASIS OF 2 BONUS SHARES FOR EVERY 1 JTH SHARE HELD AFTER THE PROPOSED PLACEMENT (“PROPOSED BONUS ISSUE”)**

**(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)**

---

**1. INTRODUCTION**

On behalf of JTH, CIMB Investment Bank Berhad (“**CIMB**”) wishes to announce that the Company proposes to implement the Proposals.

**2. DETAILS OF THE PROPOSALS**

**2.1 Proposed Placement**

2.1.1 The Proposed Placement will involve the placement of such number of new JTH Shares, representing up to 15% of the issued and paid-up share capital of the Company to placees to be identified via book-building.

2.1.2 As at 22 March 2012, JTH has an issued and paid-up share capital of RM266,947,542 comprising 266,947,542 JTH Shares (after excluding 15,580,957 JTH Shares held in treasury). On 22 March 2012, the Company announced the distribution of 13,347,377 treasury shares as share dividends (“**Share Dividends**”). For illustrative purposes, the Proposed Placement will involve the issuance of up to 42,044,200 new JTH Shares (“**Placement Shares**”) assuming none of the remaining 2,233,580 treasury shares of JTH after the Share Dividends are resold in the market prior to the Proposed Placement.

2.1.3 The precise terms and conditions such as the identity of the placees, number of Placement Shares allocated and the issue price for the Placement Shares may only be determined upon completion of the book-building exercise for the Placement Shares.

2.1.4 The issue price of the Placement Shares will be fixed at a date to be determined and announced later following the receipt of all requisite approvals for the Proposed Placement (“**Price Fixing Date**”).

For illustrative purposes, assuming full subscription of the Placement Shares based on the issue price of RM7.13 per Placement Share, representing the 5-day volume weighted average market price (“**VWAMP**”) of JTH Shares up to and including 21 March 2012 of RM7.49 and after adjusting for the payment of the Share Dividends, the Proposed Placement is expected to raise gross proceeds of RM299.8 million. The proceeds to be raised from the Proposed Placement (net of placement expenses) will be used to repay borrowings, general working capital requirements and/or investments or acquisitions (if any) in areas related to the principal businesses of the Company and its subsidiaries (“**JTH Group**”) as and when such opportunities arise.

- 2.1.5 The Placement Shares shall, upon allotment and issue, rank equally in all respects with the then existing JTH Shares.
- 2.1.6 The Placement Shares will be placed out to investors to be identified at a later stage. However, JTH will not place out any new JTH Shares issued under the Proposed Placement to any of the Directors or substantial shareholders of JTH or its holding company or any persons connected to them.
- 2.1.7 An application will be made to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the Placement Shares to be issued under the Proposed Placement on the Main Market of Bursa Securities.

## **2.2 Proposed Bonus Issue**

- 2.2.1 The Proposed Bonus Issue will involve the issuance of Bonus Shares which will be credited as fully paid-up, on the basis of 2 Bonus Shares for every 1 JTH Share held by the shareholders whose names appear in the Record of Depositors of the Company after the Proposed Placement on an entitlement date to be determined and announced later.
- 2.2.2 For illustration purposes, based on the issued and paid-up share capital of the Company as at 22 March 2012 after incorporating the Share Dividend and assuming the issuance of up to 42,044,200 Placement Shares, the Proposed Bonus Issue will involve the issuance of up to 644,678,238 Bonus Shares.
- 2.2.3 The Bonus Shares will be capitalised from the share premium and retained profits of the Company.

Based on the audited financial statements of JTH Group for the financial year ended 30 April 2011, the Company has share premium and retained profits of approximately RM282.01 million and RM150.58 million respectively.

On 22 March 2012, the Company has also announced the Share Dividends, which will reduce the share premium of JTH to approximately RM239.37 million based on the audited share premium of JTH as at 30 April 2011.

Premised on the above, JTH does not have sufficient reserves to be capitalised for the Proposed Bonus Issue. As such, to enable the Company to implement the Proposed Bonus Issue, Jaya Tiasa Plywood Sdn Bhd ("**JTP**"), a wholly-owned subsidiary of JTH, will declare a single tier dividend of at least RM100 million to JTH. JTH will capitalise the share premium and retained profits for the Proposed Bonus Issue after the said single tier dividend by JTP has been paid and the Proposed Placement has been completed.

Based on the illustrative issue price of RM7.13 per Placement Share, representing the 5-day VWAMP of JTH Shares up to and including 21 March 2012, and after the Share Dividends and Proposed Placement, the Company's proforma share premium would be approximately RM497 million. The Proposed Bonus Issue will be effected by capitalising the entire RM497 million from the proforma share premium of JTH before utilising the retained profits of the Company.

|                                                          | RM 000    |           |
|----------------------------------------------------------|-----------|-----------|
|                                                          | Company   | Group     |
| Share premium as at 30 April 2011                        | 282,010   | 282,010   |
| Arising from the Share Dividends                         | (42,745)  | (42,745)  |
|                                                          | 239,265   | 239,265   |
| Arising from the Proposed Placement <sup>(1)</sup>       | 257,731   | 257,731   |
| Proforma share premium                                   | 496,996   | 496,996   |
| Capitalised for the Bonus Shares <sup>(2)</sup>          | (496,996) | (496,996) |
| Balance share premium after the Proposed Bonus Issue     | -         | -         |
| Retained earnings as at 30 April 2011                    | 150,577   | 724,784   |
| Single tier dividend income declared by JTP              | 100,000   | -         |
| Proforma retained earnings                               | 250,577   | 724,784   |
| Capitalised for the Bonus Shares <sup>(2)</sup>          | (147,682) | (147,682) |
| Estimated expenses for the Proposals                     | (5,500)   | (5,500)   |
| Balance retained earnings after the Proposed Bonus Issue | 97,395    | 571,602   |

**Notes:**

<sup>(1)</sup> Based on 42,044,200 Placement Shares to be issued under the Proposed Placement at an illustrative issue price of RM7.13 per Placement Share.

<sup>(2)</sup> Based on 644,678,238 Bonus Shares to be issued under the Proposed Bonus Issue.

JTH will appoint an external auditor to verify and confirm the adequacy of reserves for the Proposed Bonus Issue.

The Board of Directors (“**Board**”) of JTH has also confirmed that the reserves required for capitalisation of the Bonus Shares based on the latest audited financial statements of JTH for the financial year ended 30 April 2011 as well as the latest quarterly report for the 9-month period ended 31 January 2012 are unimpaired by losses on a consolidated basis in accordance with paragraph 6.30(1) of the Listing Requirements of Bursa Securities and that the Company will have adequate reserves to cover the capitalisation required for the Proposed Bonus Issue.

- 2.2.4 The Bonus Shares shall, upon allotment and issue, rank equally in all respects with the then existing JTH Shares.
- 2.2.5 For implementation purposes, the Proposed Placement is expected to be completed before the implementation of the Proposed Bonus Issue.
- 2.2.6 An application will be made to Bursa Securities for the listing of and quotation for the Bonus Shares to be issued under the Proposed Bonus Issue on the Main Market of Bursa Securities.

### 3. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS

#### 3.1 Proposed Placement

The Proposed Placement will enable the JTH Group to further strengthen its statement of financial position. As at 31 January 2012, the JTH Group has total borrowings amounting to approximately RM895.14 million, the majority of which has been incurred for capital expenditure and working capital of the JTH Group. The Proposed Placement will reduce the gearing of the JTH Group thereby providing flexibility for fund raising as and when the opportunity arises. In addition, the repayment of some of the JTH Group's existing borrowings will give rise to interest cost savings.

After due consideration of the various methods of fund raising, the Board of JTH is of the opinion that the Proposed Placement is currently the most appropriate means of raising funds for the JTH Group as compared to other available options based on the following:

- (i) it will enable the JTH Group to raise additional working capital funds without incurring financing cost, as compared to bank borrowings; and
- (ii) the Proposed Placement also provides the most expeditious way of raising funds as opposed to a pro-rata issuance of securities such as a rights issue.

#### 3.2 Proposed Bonus Issue

The Proposed Bonus Issue will increase the share capital base of JTH to a level which is more reflective of its existing operations and assets employed. The Proposed Bonus Issue will also, among others, reward the shareholders of JTH for their continuous support by enabling them to have a greater participation in the equity of the Company in terms of the increased number of shares held.

- 3.3 The Board of JTH is also aware that the Proposals will increase the number of JTH Shares in issue, which may have the effect of improving the liquidity of the Company's shares traded on Bursa Securities.

### 4. EFFECTS OF THE PROPOSALS

#### 4.1 Issued and paid-up share capital

The proforma effects of the Proposals on the issued and paid-up share capital of JTH are set out below:

|                                                      | <b>No. of JTH<br/>Shares</b> | <b>RM</b>          |
|------------------------------------------------------|------------------------------|--------------------|
| Issued and paid-up share capital as at 22 March 2012 | *282,528,499                 | 282,528,499        |
| Arising from the Proposed Placement                  | 42,044,200                   | 42,044,200         |
| Arising from the Proposed Bonus Issue                | 644,678,238                  | 644,678,238        |
| <b>Enlarged issued and paid-up share capital</b>     | <b>969,250,937</b>           | <b>969,250,937</b> |

**Note:**

\* Including 2,233,580 JTH Shares held as treasury shares after the Share Dividends.

## 4.2 Substantial shareholders' shareholdings

The proforma effects of the Proposals on the substantial shareholders' shareholdings in JTH as at 22 March 2012 are set out below:

|                                                                      | As at 22 March 2012 |       |                            |       | (I)<br>After the Share Dividends |       |                            |       | (II)<br>After (I) and the Proposed Placement |       |                            |       | (III)<br>After (II) and the Proposed Bonus Issue |       |                             |       |
|----------------------------------------------------------------------|---------------------|-------|----------------------------|-------|----------------------------------|-------|----------------------------|-------|----------------------------------------------|-------|----------------------------|-------|--------------------------------------------------|-------|-----------------------------|-------|
|                                                                      | Direct              |       | Indirect                   |       | Direct                           |       | Indirect                   |       | Direct                                       |       | Indirect                   |       | Direct                                           |       | Indirect                    |       |
|                                                                      | No. of JTH Shares   | (1)%  | No. of JTH Shares          | (1)%  | No. of JTH Shares                | (2)%  | No. of JTH Shares          | (2)%  | No. of JTH Shares                            | (3)%  | No. of JTH Shares          | (3)%  | No. of JTH Shares                                | (4)%  | No. of JTH Shares           | (4)%  |
|                                                                      |                     |       |                            |       |                                  |       |                            |       |                                              |       |                            |       |                                                  |       |                             |       |
| Tiong Toh Siong Holdings Sdn Bhd ("TTSH")                            | 65,655,767          | 24.60 | <sup>(5)</sup> 926,494     | 0.35  | 68,938,555                       | 24.60 | <sup>(5)</sup> 972,818     | 0.35  | 68,938,555                                   | 21.39 | <sup>(5)</sup> 972,818     | 0.30  | 206,815,665                                      | 21.39 | <sup>(5)</sup> 2,918,454    | 0.30  |
| Genine Chain Limited ("Genine Chain")                                | 33,350,846          | 12.49 | <sup>(6)</sup> 27,733,125  | 10.39 | 35,018,388                       | 12.49 | <sup>(6)</sup> 29,119,781  | 10.39 | 35,018,388                                   | 10.86 | <sup>(6)</sup> 29,119,781  | 9.03  | 105,055,164                                      | 10.86 | <sup>(6)</sup> 87,359,343   | 9.03  |
| Asanas Sdn Bhd ("Asanas")                                            | 27,733,125          | 10.39 | -                          | -     | 29,119,781                       | 10.39 | -                          | -     | 29,119,781                                   | 9.03  | -                          | -     | 87,359,343                                       | 9.03  | -                           | -     |
| Amanas Sdn Bhd ("Amanas")                                            | 20,120,325          | 7.54  | -                          | -     | 21,126,341                       | 7.54  | -                          | -     | 21,126,341                                   | 6.55  | -                          | -     | 63,379,023                                       | 6.55  | -                           | -     |
| Double Universal Limited ("Double Universal")                        | 6,477,809           | 2.43  | <sup>(7)</sup> 37,797,875  | 14.16 | 6,801,699                        | 2.43  | <sup>(7)</sup> 39,687,768  | 14.16 | 6,801,699                                    | 2.11  | <sup>(7)</sup> 39,687,768  | 12.31 | 20,405,097                                       | 2.11  | <sup>(7)</sup> 119,063,304  | 12.31 |
| Tan Sri Datuk Sir Diong Hiew King @ Tiong Hew King ("Tan Sri Tiong") | 2,816,321           | 1.06  | <sup>(8)</sup> 72,997,341  | 27.35 | 2,957,137                        | 1.06  | <sup>(8)</sup> 76,647,208  | 27.35 | 2,957,137                                    | 0.92  | <sup>(8)</sup> 76,647,208  | 23.78 | 8,871,411                                        | 0.92  | <sup>(8)</sup> 229,941,624  | 23.78 |
| Teck Sing Lik Enterprise Sdn Bhd ("TSL")                             | 403,200             | 0.15  | <sup>(9)</sup> 69,264,486  | 25.95 | 423,360                          | 0.15  | <sup>(9)</sup> 72,727,710  | 25.95 | 423,360                                      | 0.13  | <sup>(9)</sup> 72,727,710  | 22.56 | 1,270,080                                        | 0.13  | <sup>(9)</sup> 218,183,130  | 22.56 |
| Ho Cheung Choi                                                       | -                   | -     | <sup>(10)</sup> 61,083,971 | 22.88 | -                                | -     | <sup>(10)</sup> 64,138,169 | 22.88 | -                                            | -     | <sup>(10)</sup> 64,138,169 | 19.90 | -                                                | -     | <sup>(10)</sup> 192,414,507 | 19.90 |
| Chang Meng                                                           | -                   | -     | <sup>(10)</sup> 61,083,971 | 22.88 | -                                | -     | <sup>(10)</sup> 64,138,169 | 22.88 | -                                            | -     | <sup>(10)</sup> 64,138,169 | 19.90 | -                                                | -     | <sup>(10)</sup> 192,414,507 | 19.90 |
| Ho Sau Ling, Ella                                                    | -                   | -     | <sup>(11)</sup> 44,275,684 | 16.59 | -                                | -     | <sup>(11)</sup> 46,489,468 | 16.59 | -                                            | -     | <sup>(11)</sup> 46,489,468 | 14.42 | -                                                | -     | <sup>(11)</sup> 139,468,404 | 14.42 |
| Tomoyuki Tatsuno                                                     | -                   | -     | <sup>(11)</sup> 44,275,684 | 16.59 | -                                | -     | <sup>(11)</sup> 46,489,468 | 16.59 | -                                            | -     | <sup>(11)</sup> 46,489,468 | 14.42 | -                                                | -     | <sup>(11)</sup> 139,468,404 | 14.42 |

**Notes:**

- (1) *Based on the issued and paid-up share capital of JTH of 266,947,542 JTH Shares after excluding 15,580,957 treasury shares as at 22 March 2012.*
- (2) *Based on the issued and paid-up share capital of JTH of 280,294,919 JTH Shares after excluding 2,233,580 treasury shares after the Share Dividends.*
- (3) *Based on the issued and paid-up share capital of JTH of 322,339,119 JTH Shares after excluding 2,233,580 treasury shares after the Proposed Placement.*
- (4) *Based on the issued and paid-up share capital of JTH of 967,017,357 JTH Shares after excluding 2,233,580 treasury shares after the Proposed Bonus Issue.*
- (5) *Deemed interest through Tiong Toh Siong & Sons Sdn Bhd ("**TTSS**") and Kuntum Enterprises Sdn Bhd ("**Kuntum**").*
- (6) *Deemed interest through Asanas.*
- (7) *Deemed interest through Insan Anggun Sdn Bhd, Nustinas Sdn Bhd and Amanas.*
- (8) *Deemed interest through TSL, TTSH, Tiong Toh Siong Enterprises Sdn Bhd ("**TTSE**"), TTSS, Pertumbuhan Abadi Asia Sdn Bhd and Kuntum.*
- (9) *Deemed interest through TTSH, TTSE, TTSS and Kuntum.*
- (10) *Deemed interest through Genine Chain.*
- (11) *Deemed interest through Double Universal.*

### 4.3 Net assets (“NA”) and gearing

The proforma effects of the Proposals on the NA and gearing of the JTH Group, based on the latest audited consolidated statement of financial position as at 30 April 2011, and on the assumption that the Proposals and the Share Dividends had been effected on that date, are set out below:

|                                  | Audited as at<br>30 April 2011 | Adjusted for<br>the Share<br>Dividends | After the<br>Proposed<br>Placement | After the<br>Proposed<br>Bonus Issue |
|----------------------------------|--------------------------------|----------------------------------------|------------------------------------|--------------------------------------|
| RM 000                           |                                |                                        |                                    |                                      |
| Share capital                    | 282,529                        | 282,529                                | 324,573                            | 969,251                              |
| Share premium                    | 282,010                        | <sup>(2)</sup> 239,265                 | <sup>(4)</sup> 496,996             | -                                    |
| Treasury shares                  | (49,781)                       | (7,036)                                | (7,036)                            | (7,036)                              |
| Other reserves                   | 8,690                          | 8,690                                  | 8,690                              | 8,690                                |
| Retained earnings                | <u>724,784</u>                 | <u>724,784</u>                         | <u>724,784</u>                     | <sup>(6)</sup> <u>571,602</u>        |
| <b>Shareholders' equity / NA</b> | <b><u>1,248,232</u></b>        | <b><u>1,248,232</u></b>                | <b><u>1,548,007</u></b>            | <b><u>1,542,507</u></b>              |
| No. of ordinary shares (000)     | 282,529                        | 282,529                                | 324,573                            | 969,251                              |
| NA per share (RM)                | <sup>(1)</sup> 4.68            | <sup>(3)</sup> 4.45                    | <sup>(3)</sup> 4.80                | <sup>(3)</sup> 1.60                  |
| Total borrowings                 | 769,301                        | 769,301                                | <sup>(5)</sup> 490,701             | 490,701                              |
| Gearing (times) <sup>(7)</sup>   | 0.62                           | 0.62                                   | 0.32                               | 0.32                                 |

**Notes:**

- <sup>(1)</sup> Computed based on JTH's issued and paid-up share capital (net of 15,544,457 treasury shares) as at 30 April 2011.
- <sup>(2)</sup> Computed based on the 13,347,377 treasury shares with the original purchase cost of RM42,745,000 which will be distributed pursuant to the Share Dividends.
- <sup>(3)</sup> Computed based on JTH's issued and paid-up share capital net of 2,233,580 treasury shares after the Share Dividends.
- <sup>(4)</sup> Based on the illustrative issue price of RM7.13 per Placement Share.
- <sup>(5)</sup> Assuming an amount of RM278.60 million of the gross proceeds from the Proposed Placement is used for the repayment of borrowings.
- <sup>(6)</sup> After deducting estimated expenses in relation to the Proposals of RM5.5 million.
- <sup>(7)</sup> Computed based on total borrowings divided by shareholders' equity.

### 4.4 Earnings and earnings per share (“EPS”)

JTH has, on 21 December 2011, announced the change of the financial year end of the Company from the 30 April to 30 June. The Proposals are not expected to have any material effect on the earnings of the JTH Group for the financial period ending 30 June 2012 as the Proposals are expected to be completed after 30 June 2012.

However, assuming that the net earnings of the JTH Group remain unchanged, the EPS of JTH will be proportionately reduced as a result of the increase in the number of JTH Shares in issue pursuant to the Proposed Placement and Proposed Bonus Issue.

The effects of the Proposals on the future earnings and/or EPS of the JTH Group would depend on, among others, the actual number of new JTH Shares issued pursuant to the Proposed Placement and Proposed Bonus Issue, as well as the returns derived from the utilisation of proceeds from the Proposed Placement.

Nevertheless, the Board of JTH is confident that the JTH Group will use the proceeds raised from the Proposed Placement efficiently and in a manner that is expected to be accretive to the JTH Group's future earnings and/or EPS in the mid to long term.

#### **4.5 Convertible securities**

JTH does not have any convertible securities as at the date hereof.

### **5. CONDITIONS OF THE PROPOSALS**

The Proposals are subject to approvals being obtained from the following:

- (i) Bursa Securities for the listing of and quotation for the Placement Shares and Bonus Shares on the Main Market of Bursa Securities;
- (ii) shareholders of JTH at an extraordinary general meeting to be convened; and
- (iii) any other relevant regulatory authorities or parties, if required.

The Proposed Bonus Issue is conditional upon the Proposed Placement but not vice-versa. The Proposals are not conditional upon any other corporate exercise/scheme of JTH.

### **6. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED**

None of the Directors and/or major shareholders of JTH and persons connected to them has any interests, direct or indirect in the Proposals, save for their respective entitlements to the Bonus Shares as shareholders of the Company, for which all existing shareholders are also entitled.

### **7. STATEMENT BY THE BOARD**

Having considered the current and prospective financial position as well as the capacity of the Company and after careful deliberation and taking into consideration the rationale and justifications for the Proposals, the Directors of JTH are of the opinion that the Proposals are in the best interest of the JTH Group.

### **8. ADVISER**

CIMB has been appointed as the Principal Adviser for the Proposals and the Sole Global Coordinator and Sole Book Runner to the Company for the Proposed Placement.



**9. ESTIMATED TIMEFRAME FOR SUBMISSION TO THE AUTHORITIES**

The application to Bursa Securities in relation to the Proposals is expected to be made within 1 month from the date of this announcement.

**10. ESTIMATED TIMEFRAME FOR COMPLETION**

Subject to all the required approvals being obtained and prevailing market conditions, the Board expects the Proposals to be completed by the second half of the calendar year 2012.

**This announcement is dated 22 March 2012.**