

**JAYA TIASA HOLDINGS BERHAD (“JTH” or the “Company”)
SUBSCRIPTION OF SHARES IN BORNEO EDIBLE OILS SDN BHD**

Introduction

The Board of Directors of JTH wishes to announce that the Company has on 10 March 2015 decided to subscribe for five (5) million new ordinary shares of RM1.00 each in Borneo Edible Oils Sdn Bhd (“BEO”) representing 10% of the proposed issued and paid-up capital of BEO for investment purpose (“Subscription”).

Information on BEO

BEO was incorporated on 30 July 1979 and has its registered office at 3rd Floor, No.66-79, Pusat Suria Permata, Jalan Upper Lanang, 96000 Sibu, Sarawak. BEO is a dormant company and expected to commence operation by October 2016. The primary business activity of BEO is establishment of CPO refinery and kernel crushing plant.

The authorized capital of BEO is RM50,000,000 divided into 50,000,000 ordinary shares of RM1.00 each. The proposed issued and paid-up capital of BEO would be RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each. The current paid-up capital of BEO stands at RM40,000,000 comprising 40,000,000 ordinary shares of RM1.00 each. The directors and shareholders of BEO and their respective shareholdings are as follows:

Name	Shareholding (Direct)		Shareholding (Deemed)	
	No. of ordinary share	%	No. of ordinary share	%
Directors:				
Tan Sri Datuk Sir Tiong Hiew King	-	-	35,000,000*	87.5
Datuk Tiong Thai King	-	-	5,000,000**	12.5
Wong Yiing Ngiiik	-	-	-	-
Shareholders:				
Rimbunan Hijau (Sarawak) Sdn Bhd	29,000,000	72.5	-	-
Rimbunan Sawit Bhd	5,000,000	12.5	-	-
Palmgroup Holdings Sdn Bhd	5,000,000	12.5	-	-
Subur Tiasa Holdings Bhd	1,000,000	2.5		
	<u>40,000,000</u>			
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Notes:

* Deemed interested by virtue of his substantial shareholdings in Rimbunan Hijau (Sarawak) Sdn Bhd, Rimbunan Sawit Bhd and Subur Tiasa Holdings Bhd.

** Deemed interested by virtue of his substantial shareholdings in Palmgroup Holdings Sdn Bhd.

Basis of consideration and source of funding

The Subscription of RM5 million (“Consideration”) was determined based on the par value of BEO’s shares of RM1.00 each. The Consideration shall be made in cash and funded by internally generated funds.

Effect of the Subscription

The Subscription 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.

Prospects, Rationale and Benefit

JTH is of the view that the Subscription will result in positive synergistic effect to the Group’s oil palm operation as a whole.

Risk Factors

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

Particulars of all liabilities including contingent liabilities and guarantees to be assumed by the Company, arising from the Subscription

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

Approval Required

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

The nature and extent of the interests of the directors and/or major shareholder

Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King, a major shareholder of both JTH and BEO is also a Director of BEO. 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, Director of a few subsidiaries within JTH Group, is also a Director and major shareholder of BEO. 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 Subscription.

The relevant documents for Subscription and the time and place where the documents may be inspected

The relevant documents in connection with the Subscription 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.

The date on which the terms of the Subscription were agreed upon

The terms of the Subscription were agreed upon on 10 March 2015.

Statement by the Audit Committee

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

Statement by the Board of Directors

Having considered the rationale and all other aspects of the Subscription and on the Recommendation made by the Audit Committee, the Board of Directors of JTH was of the opinion that the Subscription is in the best interests of the JTH Group.

Estimated timeframe for completion of the Subscription

The Subscription is expected to be completed by end of May 2015.

Highest percentage ratio of the Subscription

The highest percentage ratio for the Subscription of shares in BEO by the Company pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements regarding percentage ratios for transaction is 0.28%.

Total amount transacted with BEO for the preceding 12 months

No transaction has been entered into with BEO for the preceding 12 months

This announcement is dated 10 March 2015.