



SUBUR TIASA HOLDINGS BHD (341792-W)

No. 66-78, Pusat Suria Permata, Jalan Upper Lanang, C.D.T. No. 123, 96000 Sibul Sarawak,

Malaysia

Head Office : Tel : 084-211555 Fax : 084-211886

E-Mail : suburth@tm.net.my

Condensed Consolidated Income Statements
For the quarter ended 31 October 2009

	(UNAUDITED)		(UNAUDITED)	
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/10/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/10/2008 RM'000	CURRENT YEAR TO DATE 31/10/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/10/2008 RM'000
Revenue	162,419	138,085	162,419	138,085
Operating expenses	(149,575)	(127,595)	(149,575)	(127,595)
Other operating expenses	(3,431)	(4,538)	(3,431)	(4,538)
Other operating income	1,871	3,899	1,871	3,899
Operating profit	11,284	9,851	11,284	9,851
Finance costs	(1,150)	(1,290)	(1,150)	(1,290)
Profit before tax	10,134	8,561	10,134	8,561
Taxation	(3,062)	(5,379)	(3,062)	(5,379)
Profit for the period wholly attributable to equity holders of the Company	7,072	3,182	7,072	3,182
	Sen	Sen	Sen	Sen
Earnings per share attributable to equity holders of the Company:				
- Basic	3.75	1.68	3.75	1.68
- Diluted	N/A	N/A	N/A	N/A

Note: N/A: Not Applicable

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Balance Sheet
As At 31 October 2009

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31/10/2009 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/07/2009 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	466,314	461,106
Prepaid lease payments	55,042	55,289
Investment properties	17,360	17,577
Intangible assets	51,868	55,526
Long term assets	20,456	21,461
Deferred tax assets	13,656	14,206
	<u>624,696</u>	<u>625,165</u>
Current assets		
Inventories	145,898	118,880
Trade and other receivables	59,787	64,799
Tax recoverable	2,898	2,786
Cash and bank balances	51,612	69,462
	<u>260,195</u>	<u>255,927</u>
TOTAL ASSETS	<u><u>884,891</u></u>	<u><u>881,092</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company:		
Share capital	209,000	209,000
Share premium	59,680	59,680
Treasury shares	(54,797)	(54,555)
Retained earnings	374,768	367,696
Total equity	<u>588,651</u>	<u>581,821</u>
Non-current liabilities		
Borrowings	94,342	96,144
Deferred tax liabilities	18,991	19,410
	<u>113,333</u>	<u>115,554</u>
Current liabilities		
Borrowings	58,937	66,613
Trade and other payables	120,154	114,317
Tax payables	3,816	2,787
	<u>182,907</u>	<u>183,717</u>
Total liabilities	<u>296,240</u>	<u>299,271</u>
TOTAL EQUITY AND LIABILITIES	<u><u>884,891</u></u>	<u><u>881,092</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	3.13	3.09
Number of shares net of treasury shares ('000)	188,296	188,420

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statements of Changes in Equity
For the quarter ended 31 October 2009

	Attributable to Equity Holders of the Company				Total RM'000
	Share capital RM'000	Non-Distributable Share premium RM'000	Treasury shares RM'000	Distributable Retained earnings RM'000	
Three Months Ended 31 October 2009					
At 1 August 2009	209,000	59,680	(54,555)	367,696	581,821
Profit for the period	-	-	-	7,072	7,072
Purchase of treasury shares	-	-	(242)	-	(242)
At 31 October 2009	<u>209,000</u>	<u>59,680</u>	<u>(54,797)</u>	<u>374,768</u>	<u>588,651</u>
Three Months Ended 31 October 2008					
At 1 August 2008	209,000	59,680	(53,570)	354,115	569,225
Profit for the period	-	-	-	3,182	3,182
Purchase of treasury shares	-	-	(70)	-	(70)
At 31 October 2008	<u>209,000</u>	<u>59,680</u>	<u>(53,640)</u>	<u>357,297</u>	<u>572,337</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Cash Flow Statements
For the quarter ended 31 October 2009

	(UNAUDITED)	
	CURRENT YEAR TO DATE ENDED 31/10/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 31/10/2008 RM'000
Cash Flows from Operating Activities		
Profit before taxation	10,134	8,561
Adjustments for :		
Amortisation of intangible assets	3,658	5,013
Amortisation of plantation development expenditure	-	18
Amortisation of prepaid land lease	233	160
Depreciation of property, plant and equipment	13,484	14,413
Depreciation of investment properties	218	218
Property, plant and equipment written off	18	-
Net loss/(gain) on disposal of property, plant and equipment	1	(22)
Interest expense	1,150	1,290
Interest income	(183)	(422)
Unrealised foreign exchange gain	(172)	-
Operating profit before working capital changes	28,541	29,229
Changes in working capital :		
Inventories	(27,019)	(34,001)
Trade and other receivables	(711)	(6,344)
Trade and other payables	5,829	(2,794)
Cash (used in)/ generated from operations	6,640	(13,910)
Interest paid	(1,501)	(1,290)
Tax paid	(2,014)	(1,799)
Tax refund	-	2,257
Net cash generated from/(used in) operating activities	3,125	(14,742)
Cash Flows from Investing Activities		
Purchase of treasury shares	(242)	(70)
Purchase of property, plant and equipment	(9,590)	(19,994)
Proceeds from disposal of property, plant and equipment	1	22
Purchase of investment properties	-	-
Interest received	183	422
Net cash used in investing activities	(9,648)	(19,620)
Cash Flows from Financing Activities		
Proceeds from drawdown of term loan	2,978	6,366
Proceeds from drawdown of bankers' acceptances	21,079	-
Proceeds from drawdown of revolving credit	-	21,500
Repayment of term loan	(2,064)	(1,252)
Repayment of bankers' acceptance	(21,079)	-
Repayment of hire purchase	(7,241)	(6,346)
Repayment of revolving credit	(5,000)	(10,000)
Net cash (used in)/generated from financing activities	(11,327)	10,268
Net change in cash and cash equivalents	(17,850)	(24,094)
Cash and cash equivalents at beginning of period	69,462	65,059
Cash and cash equivalents at end of period	51,612	40,965

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the quarterly financial report.



NOTES :

Note 1 Basis of Preparation

The quarterly report is unaudited and has been prepared in accordance with revised FRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The quarterly report should be read in conjunction with the Group's audited financial statements for the year ended 31 July 2009. These explanatory notes attached to the quarterly report provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the year ended 31 July 2009.

Note 2 Changes in Accounting Policies

The significant accounting policies adopted in the quarterly report are consistent with those adopted in the Group's audited financial statements for the financial year ended 31 July 2009.

The Group has not early adopted the following new and revised FRS, Amendments to FRS and Interpretations which have effective dates as follows:

		Effective for financial periods beginning on or after
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 101	Presentation of Financial Statements (revised 2009)	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139	Financial Instruments: Recognition and Measurement and FRS 7: Financial Instruments: Disclosure and IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
Amendments to FRSs	Contained in the document entitled "Improvements to FRSs (2009)"	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting & Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010



Note 2 Changes in Accounting Policies (continued)

Effective for
financial periods
beginning on or
after

IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

Note 3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 July 2009 was not qualified.

Note 4 Seasonal or Cyclical factors

Timber operations are, to a certain extent, affected by weather condition especially for logging operations. In addition, the four seasons also had some impact on the buying patterns of traditional buyers of timber products.

Note 5 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.

Note 6 Changes in Estimates

There were no changes in estimates of amounts reported in prior quarters that have a material effect in the current quarter and financial year-to-date.

Note 7 Debt and Equity Securities

During the quarter, 124,000 shares of RM 1.00 each were respectively purchased and retained as treasury shares. The monthly breakdown of shares bought back for the financial year-to-date were as follows:-

Month	No. of shares	Purchase price per share		Average cost per share (RM)	Total cost (RM)
		Lowest (RM)	Highest (RM)		
September 2009	114,100	1.85	2.07	1.95	222,780
October 2009	9,900	1.96	2.09	2.01	19,874
TOTAL	124,000			1.96	242,654



Note 7 Debt and Equity Securities (continued)

All the shares purchased to-date were held as treasury shares in accordance with the requirements of Section 67A of the Companies Act 1965. There has been no resale or cancellation of treasury shares during the period under review.

Apart from the above, there were no issuances and repayments of debt and equity securities for the current quarter and financial year-to-date.

Note 8 Dividends Paid

There was no dividend paid during the current quarter under review.

Note 9 Segmental Information

Segmental revenue and profit before taxation for the current financial year-to-date by the respective operating divisions are as follows:-

	<u>Logging & Reforestation</u>	<u>Manufacturing</u>	<u>Others</u>	<u>Eliminations</u>	<u>Consolidated</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue					
External revenue	74,514	86,940	965	-	162,419
Intersegment revenue	49,645	240	4,759	(54,644)	-
Total revenue	<u>124,159</u>	<u>87,180</u>	<u>5,724</u>	<u>(54,644)</u>	<u>162,419</u>
Results					
Operating profit	4,736	5,711	837	-	11,284
Finance costs					(1,150)
Profit before tax					<u>10,134</u>
Tax					<u>(3,062)</u>
Net profit for the period					<u>7,072</u>

Note 10 Valuations of Property, Plant and Equipment

There has been no valuation undertaken for the Group's property, plant and equipment since the last annual financial statements.

Note 11 Subsequent Events

On 16 November 2009, the Company had entered into a Sale and Purchase Agreement with a non-related party, to acquire a total five hundred thousand (500,000) ordinary shares of RM1.00 each, representing the entire issued and paid up capital of Saraju Holding Sdn. Bhd., the lawful holder of a timber licence, for a total cash consideration of RM17,500,000. The acquisition is conditional upon the satisfactory outcome of due diligence audit.



Note 12 Changes in the Composition of the Group

There were no changes in the composition of the Group in the current quarter under review.

Note 13 Changes in Contingent Liabilities and Contingent Assets

The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

The amount of banking facilities utilised which were secured by corporate guarantees increased by RM2,165,541 from RM85,431,475 as at 31 July 2009 (last annual balance sheet) to RM87,597,016 as at 31 October 2009.

Note 14 Capital Commitments

	As at 31.10.2009 RM'000	As at 31.7.2009 RM'000
Authorised and contracted for	9,762	15,108
Authorised but not contracted for	5,921	4,543
	15,683	19,651
Analysed as follows:		
Property, plant and equipment	15,683	19,651
	15,683	19,651

Note 15 Review of Performance

In the current quarter under review, the Group achieved higher revenue of RM162.42 million, an increase of RM24.33 million or 18% as compared to RM138.09 million in the preceding year corresponding quarter. The Group recorded higher profit before tax of RM10.13 million and profit after tax of RM7.07 million as compared to RM8.56 million and RM3.18 million respectively in the preceding year corresponding quarter.

The increase in revenue in the current quarter and financial year-to-date as compared to the corresponding period was mainly attributable to the higher logs, sawn timber and plywood export sales revenue arising from increase in respective export sales volume. The increase in profit before tax in the current quarter and financial year-to-date as compared to preceding year corresponding period was mainly due to higher profit derived from the logging operation, which was in turn due to higher export sales volume.

Note 16 Variation in the Quarterly Results Compared to the Results of the Immediate Preceding Quarter

For the quarter under review, the Group recorded lower profit before tax amounting to RM10.13 million, a decrease of RM0.75 million as compared to RM10.88 million attained in the preceding quarter. The decrease in profit before tax was mainly due to lower plywood export sales volume.



Note 17 Commentary on Prospects

While there have been some elements of uncertainties on the sustainability of the turnaround from global economy downturn, the implementation of economic stimulus packages by governments and expectation of a new restocking cycle, hopefully, will see further improvements in the turnaround in a sustained manner. The Group will continue taking stringent measures and plans to improve efficiencies and effectiveness of its business operations, concurrent with cost saving measures and strengthened marketing strategies.

Barring any unforeseen circumstances, the Board expects the Group's performance to be satisfactory for the remaining quarters of the financial year.

Note 18 Profit Forecast or Profit Guarantee

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

Note 19 Taxation

The Group's taxation for the current quarter and financial year-to-date were as follows:

	Current Quarter and Financial Year-To-Date RM'000
Income tax:	
Current period provision	2,932
Deferred tax:	
Current period provision	130
	<u>3,062</u>

The Group's effective tax rate for the current quarter and financial year-to-date was higher than the statutory rate mainly due to certain expenses not allowable for tax deduction.

Note 20 Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investment and/or properties for the current quarter and financial year-to-date.

Note 21 Purchase or Disposal of Quoted Securities

- (a) Purchases and disposals of quoted securities
- (b) Investments in quoted securities

There were no purchase or disposal of quoted securities for the current quarter and financial year-to-date. There were no investments in quoted securities as at 31 October 2009.



Note 22 Status of Corporate Proposals

There were no outstanding corporate proposals that have been announced but not completed as at the date of this announcement.

Note 23 Borrowings and Debt Securities

	As at 31.10.2009 RM'000	As at 31.7.2009 RM'000
Short term borrowings:		
Unsecured - Revolving credit	25,500	30,500
- Term loans	5,009	5,009
Secured - Term loans	3,770	3,759
Secured - Hire purchase payable	24,658	27,345
	<u>58,937</u>	<u>66,613</u>
Long term borrowings:		
Unsecured - Term loans	8,765	10,018
Secured - Term loans	68,327	66,171
- Hire purchase payable	17,250	19,955
	<u>94,342</u>	<u>96,144</u>
Total borrowings	<u>153,279</u>	<u>162,757</u>

There were no borrowings denominated in foreign currency.

Note 24 Off Balance Sheet Financial Instruments

As at the date of this announcement, the Group had entered into forward foreign exchange contracts with the notional amount of RM32,207,504 and maturity ranging from 135 to 182 days to hedge anticipated sales in USD.

Exchange gains and losses arising on forward foreign exchange contracts are recognised at settlement whereby these gains and losses are included in the measurement of the transactions hedged.

Note 25 Changes in Material Litigation

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

Note 26 Dividend Payable

The Board of Directors did not declare any dividend for the quarter ended 31 October 2009 (previous corresponding period: Nil).



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Note 27 Earnings Per Share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary equity holders of the Company over the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	Current Quarter and Financial Year- To-Date
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	7,072
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,352
Basic earnings per share (Sen)	3.75

(b) Diluted earnings per share

N/A

Note 28 Authorisation for Issue

The quarterly report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 December 2009.