NOTES :

Note 1 Basis of Preparation

The quarterly report is unaudited and has been prepared in accordance with 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 2010. 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 2010.

Note 2 Significant Accounting Policies

2.1 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 2010, except for the adoption of the following new and revised FRSs, Amendments to FRSs, IC Interpretations and Technical Release:

Effective for financial periods beginning on or after 1 January 2010

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
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
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRSs	Contained in the document entitled "Improvements to FRSs (2009)"
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting & Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR *i* - 3	Presentation of Financial Statements of Islamic Financial Institutions

Effective for financial periods beginning on or after 1 March 2010

Amendments to FRS 132	Financial Instruments: Presentation

Note 2 Significant Accounting Policies (Cont'd)

2.1 Changes in Accounting Policies (Cont'd)

Effective for financial periods beginning on or after 1 July 2010

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Agreements
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owners

Except for the followings, the application of the above FRSs, Amendments to FRSs, Interpretations and Technical Release did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

(a) FRS 101: Presentation of financial statement (revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items.

The adoption of the revised FRS 101 affects presentation only, and does not have any impact on the financial position and results of the Group. The revised Standard was adopted retrospectively by the Group.

(b) FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial item. A financial instrument is recognised in the financial statements when and only when the Group becomes a party to the contractual provisions of the instrument. A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. The Group classifies its financial instrument depends on the nature of the assets and liabilities and the purpose for which the assets/liabilities were acquired/incurred.

Note 2 Significant Accounting Policies (Cont'd)

2.1 Changes in Accounting Policies (Cont'd)

(b) FRS 139: Financial Instruments: Recognition and Measurement (Cont'd)

<u>**Financial Assets**</u>

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale ("AFS") financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in income statement except for derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Loans and receivables category which comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents are subsequently measured at amortised cost using the effective interest method.

Financial assets categorised as held-to-maturity investments which includes debt instruments that are quoted in an active market are subsequently measured at amortised cost using the effective interest method.

AFS financial assets comprises investments in equity and debt securities that are not held for trading and are subsequently measured at fair value with gain or loss recognised in other comprehensive income.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

The Group's financial assets include cash and short term deposits, loans and receivables.

<u>*Loans and receivables*</u>

Prior to 1 August 2010, loans and receivables were stated at costs less allowance for doubtful debts. Allowance for doubtful debts was recognised when it was considered uncollectible. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate ("EIR") method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the statement of comprehensive income.

An impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 August 2010, the Group has remeasured the allowance for impairment losses for its long term receivables as at that date in accordance with FRS 139 and the difference is recognised as adjustments to the opening balance of retained earnings as at that date.

Note 2 Significant Accounting Policies (Cont'd)

2.1 Changes in Accounting Policies (Cont'd)

(b) FRS 139: Financial Instruments: Recognition and Measurement (Cont'd)

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss. The Group's financial liabilities include trade and other payables, and loans and borrowings. These financial liabilities are initially measured at fair value and subsequently measured at amortised cost using EIR method.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Other financial liabilities categorised as fair value through profit or loss is subsequently measured at their fair values with the gain or loss recognised in income statement. These include the derivatives entered into by the Group that do not meet the hedge accounting criteria.

Derecognition of Financial Assets and Financial Liabilities

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

In accordance with the transitional provision of FRS 139, the above changes in accounting policies have been accounted for prospectively and the comparatives as at 31 July 2010 are not restated. The effects of the initial adoption on opening retained earnings of the Group are as follows:

	Retained earnings RM'000
At 1 August 2010, as previously stated	392,051
Adjustments arising from adoption of FRS 139:	
- Remeasurement of long term receivables	(5,951)
At 1 August 2010, as restated	386,100

2.2 Standards, Amendments and Interpretations yet to be adopted

The Group has not applied the following Accounting Standards (including their consequential amendments), Interpretations and Technical Releases that have been issued by the Malaysian Accounting Standards Board but are only effective for annual periods beginning on or after the respective dates indicated herein:

Note 2 Significant Accounting Policies (Cont'd)

2.2 Standards, Amendments and Interpretations yet to be adopted (Cont'd)

Amendments to FRSs, IC Interpretations and Technical Release	**Effective for financial periods beginning on or after**
Amendments to FRS 1	
- Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
- Additional Exemption for First-time Adopters	1 January 2011
- Amendments to FRS 2, Group Cash-settled Share-based Payments Transactions	1 January 2011
Amendments to FRS 7, Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRSs [Improvements to FRSs (2010)]	1 January 2011
Amendments to FRS 124, Related Party Disclosures	1 January 2012
IC Interpretation 4, Determining whether an Arrangement Contains a Lease	1 January 2011
IC Interpretation 18, Transfer of Assets from Customers	1 January 2011
IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendment to IC Interpretation 15, Agreements for the Construction of Real Estate	1 January 2012
TR- 3, Guidance on Disclosure on Transition to IFRSs	31 December 2010

The Amendments, IC Interpretations and Technical Release are expected to have no significant impact on the financial statements of the Group upon their initial application.

Note 3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 July 2010 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 current quarter and financial year to date, a total of 7,000 shares and 30,900 shares of RM1 each were 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)		
October 2010	3,000	2.20	2.25	2.25	6,740
November 2010	1,000	2.10	2.10	2.14	2,144
January 2011	11,900	2.28	2.38	2.35	27,972
March 2011	7,000	2.17	2.20	2.21	15,504
April 2011	1,000	3.72	3.72	3.77	3,765
July 2011	7,000	2.40	2.50	2.48	17,498
TOTAL	30,900	2.10	3.72	2.63	73,623

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

A first and final dividend of 4% per share, less 25% income tax in respect of the financial year ended 31 July 2010, amounting to RM5,645,538 was paid on 15 March 2011 to the depositors whose names appear in the Record of Depositors on 17 February 2011.

Note 9 Segmental Information

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

	Revenue	**Profit/(Loss) Before Tax**
	RM'000	**RM'000**
Logging and reforestation	242,602	33,217
Manufacturing	358,132	14,244
Oil Palm	27,054	2,761
Others	79	(2,083)
	627,867	48,139

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

There were no material events subsequent to the end of the current quarter that has not been reflected in the financial statement.

Note 12 Changes in the Composition of the Group

On 25 April 2011, the Company acquired two ordinary shares of RM1 each, which represented 100% of the total issued and paid-up share capital of Tiasa Cergas Sdn. Bhd. and Tiasa Mesra Sdn. Bhd. respectively, for a total cash consideration of RM2 each.

Note 13 Changes in Contingent Liabilities and Contingent Assets

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

The amount of banking facilities utilised which were secured by corporate guarantees increased by RM2,549,400 from RM103,590,349 as at 31 July 2010 (last annual balance sheet) to RM106,139,749 as at 31 July 2011.

Note 14 Capital Commitments

	As at 31.07.2011 RM'000	**As at 31.7.2010 RM'000**
Authorised and contracted for	2,256	4,457
Authorised but not contracted for	2,686	1,001
	4,942	5,458
Analysed as follows:		
Property, plant and equipment	4,942	5,458
	4,942	5,458

Note 15 Review of Performance

In the current quarter and financial year-to-date under review, the Group recorded revenue of RM141.65 million and RM627.87 million respectively as compared to RM169.06 million and RM679.85 million in the preceding year corresponding period. The Group's revenue continued to be impacted by the weakening of US Dollar against Ringgit Malaysia as the Group's export proceeds are denominated in US Dollar.

The Group achieved higher profit before tax of RM16.66 million, with 7% increase and profit after tax of RM10.06 million, with 63% increase in the current quarter as compared to RM15.51 million and RM6.17 million respectively in the preceding year corresponding quarter ("PYQ4"). When compared to preceding year corresponding year-to-date, the Group's profit before tax improved from RM46.33 million to RM48.14 million and profit after tax increased from RM30.00 million to RM33.90 million in the current financial year-to-date. The increase in profit before tax when compared to the corresponding period, was mainly contributed by the rising selling prices of logs and timber products, coupled with effective management of costs.

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

As compared to immediate preceding quarter, the Group's profit before tax improved by 62% from RM10.28 million to RM16.66 million although the revenue decreased from RM144.66 million to RM141.65 million in the current quarter. The improvement in profit before tax in the current quarter, was mainly backed by the contribution from oil palm division and higher average selling prices for logs and other timber products.

Note 17 Commentary on Prospects

The demand for timber and timber products in the coming quarters remain positive and the prices for timber products are expected to sustain. The upward trend of plywood prices arising from the restocking activities for the housing and infrastructure rebuild after the earthquake and tsunami in Japan will further sustain in the medium term. The fear of escalating oil prices due to geopolitical issues in the Middle East has partly foreshadowed the general market outlook. The Group will continue to rationalise its operations in an integrated and sustainable manner, optimise the utilisation of resources and embrace prudent business practices.

Barring any unforeseen circumstances, with the additional contribution from our oil palm division, the Board expects the Group to perform much better in the coming 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 RM'000	**Current Financial Year-To-Date RM'000**
Income tax:		
Current period provision	2,340	12,575
Under provision	2,037	2,037
Deferred tax:		
Current period provision	2,223	(371)
	6,600	14,241

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 July 2011.

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 31.07.2011 RM'000	As at 31.7.2010 RM'000
Short term borrowings:			
Unsecured	-Revolving credit	14,500	15,500
	-Term loans	5,009	5,009
	-Bankers' acceptance	-	15,558
Secured	-Term loans	9,787	5,626
Secured	-Hire purchase payable	12,679	14,556
		41,975	56,249
Long term borrowings:			
Unsecured	- Term loans	-	5,009
Secured	- Term loans	79,813	66,906
	- Hire purchase payable	18,503	6,782
		98,316	78,697
Total borrowings		140,291	134,946

There were no borrowings denominated in foreign currency.

Note 24 Fair Value of Financial Liabilities

The Group has entered into forward foreign exchange contracts to limit its exposure on foreign currency receipts, when it is deemed necessary.

As at 31 July 2011, the notional value and maturity analysis of the outstanding foreign exchange contracts of the Group were as follows:

Note 24 Fair Value of Financial Liabilities (Cont'd)

Type of Derivatives	Contract/ Notional Value (RM'000)	Fair Value (RM'000)
Forward foreign exchange contract USD - less than 1 year	30,108	603

There was no significant change for the financial derivatives in respect of the followings since the last financial year ended 31 July 2010:

(a) the credit risk, market risk and liquidity risk associated with these financial derivatives;
(b) the cash requirements of the derivatives;
(c) the policies in place for mitigating or controlling the risks associated with these financial derivative; and
(d) the related accounting policies.

Note 25 Profit/Loss Arising from Fair Value Changes of Financial Liabilities

During the current quarter and financial year-to-date under review, the Group recognised unrealised gain of RM461,000 and RM603,000 respectively arising from fair value changes of derivative liabilities, namely, forward foreign exchange contracts. The fair value changes are attributable to changes in foreign exchange spot and forward rate. Forward foreign exchange contracts are valued using a valuation technique with market observable inputs, by the bankers. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The model incorporates various inputs including the foreign exchange spot and forward rates.

Note 26 Realised and Unrealised Profits/Losses Disclosure

	As at 31.07.2011 RM'000	As at 30.04.2011 RM'000
Total retained profits of Subur Tiasa Holdings Berhad and its subsidiaries:		
- Realised	452,359	441,853
- Unrealised	(4,949)	(6,500)
	447,410	435,353
Less: Consolidation adjustments	(33,058)	(30,073)
Total Group retained profits as per consolidated accounts	414,352	405,280

Note 27 Changes in Material Litigation

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

Note 28 Dividend Payable

The Board of Directors did not declare any dividend for the quarter ended 31 July 2011 (previous corresponding period: Nil).

Note 29 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	**Current Financial Year-To-Date**
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	10,060	33,898
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,170	188,188
Basic earnings per share (Sen)	5.53	18.01

(b) Diluted earnings per share N/A

Note 30 Authorisation for Issue

The quarterly report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 September 2011.