



**Condensed Consolidated Statements of Comprehensive Income**  
**For the quarter ended 31 October 2014**

	(UNAUDITED)		(UNAUDITED)	
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/10/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/10/2013 RM'000	CURRENT YEAR TO DATE 31/10/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/10/2013 RM'000
Revenue	216,268	214,435	216,268	214,435
Cost of sales	(173,419)	(172,921)	(173,419)	(172,921)
<b>Gross Profit</b>	<b>42,849</b>	<b>41,514</b>	<b>42,849</b>	<b>41,514</b>
Other income	6,951	6,589	6,951	6,589
Administrative expenses	(16,026)	(12,127)	(16,026)	(12,127)
Selling and distribution expenses	(20,149)	(18,094)	(20,149)	(18,094)
Other expenses	(2,535)	(2,535)	(2,535)	(2,535)
<b>Operating profit</b>	<b>11,090</b>	<b>15,347</b>	<b>11,090</b>	<b>15,347</b>
Finance costs	(3,073)	(2,338)	(3,073)	(2,338)
<b>Profit before tax</b>	<b>8,017</b>	<b>13,009</b>	<b>8,017</b>	<b>13,009</b>
Income tax expenses	(2,329)	(3,870)	(2,329)	(3,870)
<b>Profit for the period</b>	<b>5,688</b>	<b>9,139</b>	<b>5,688</b>	<b>9,139</b>
<b>Other comprehensive loss, net of tax, to be reclassified to profit or loss to subsequent periods</b>				
Net loss on available-for-sale financial assets	(7,784)	-	(7,784)	-
<b>Total comprehensive (loss)/income for the period</b>	<b>(2,096)</b>	<b>9,139</b>	<b>(2,096)</b>	<b>9,139</b>
<b>Profit net of tax attributable to:</b>				
Owners of the parent	5,688	9,139	5,688	9,139
Non-controlling interests	-	-	-	-
<b>Profit for the period</b>	<b>5,688</b>	<b>9,139</b>	<b>5,688</b>	<b>9,139</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	(2,096)	9,139	(2,096)	9,139
Non-controlling interests	-	-	-	-
<b>Total comprehensive (loss)/income for the period</b>	<b>(2,096)</b>	<b>9,139</b>	<b>(2,096)</b>	<b>9,139</b>
	Sen	Sen	Sen	Sen
Earnings per share attributable to Owners of the parent:				
- Basic	3.02	4.86	3.02	4.86
- Diluted	N/A	N/A	N/A	N/A

Note: N/A: Not Applicable

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2014 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statement of Financial Position**  
**As At 31 October 2014**

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31/10/2014 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/07/2014 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	609,781	603,232
Prepaid land lease payments	94,904	95,874
Biological assets	148,524	142,963
Investment properties	15,551	15,573
Investment securities	28,043	35,827
Intangible assets	17,486	20,021
Long term receivable	4,649	6,987
Deferred tax assets	14,546	13,270
	<u>933,484</u>	<u>933,747</u>
<b>Current assets</b>		
Inventories	161,391	148,034
Trade and other receivables	99,877	62,050
Other current assets	7,211	3,596
Cash and bank balances	49,269	88,252
	<u>317,748</u>	<u>301,932</u>
<b>TOTAL ASSETS</b>	<u>1,251,232</u>	<u>1,235,679</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent:</b>		
Share capital	209,000	209,000
Share premium	59,680	59,680
Treasury shares	(55,149)	(55,148)
Retained earnings	491,317	485,629
Available-for-sale reserve	(1,041)	6,743
	<u>703,807</u>	<u>705,904</u>
Non-controlling interests	(33)	(33)
<b>Total equity</b>	<u>703,774</u>	<u>705,871</u>
<b>Non-current liabilities</b>		
Loans and borrowings	178,676	189,235
Deferred tax liabilities	19,791	21,019
	<u>198,467</u>	<u>210,254</u>
<b>Current liabilities</b>		
Loans and borrowings	178,005	160,591
Trade and other payables	162,958	153,958
Derivative financial liabilities	658	-
Income tax payable	7,370	5,005
	<u>348,991</u>	<u>319,554</u>
<b>Total liabilities</b>	<u>547,458</u>	<u>529,808</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,251,232</u>	<u>1,235,679</u>
<b>Net assets per share attributable to ordinary equity holders of the Parent (RM)</b>	3.74	3.75
Number of shares net of treasury shares ('000)	188,129	188,129

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2014 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Changes in Equity**  
**For the quarter ended 31 October 2014**

	←← Attributable to Equity Holders of the Parent →→						Non- controlling interests	Total Equity
	← Non-Distributable →			Distributable →				
	Share capital	Share premium	Treasury shares	Available- for-sale Reserve	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Three Months</b>								
<b>Ended 31 October 2014</b>								
Balance as at 1 August 2014	209,000	59,680	(55,148)	6,743	485,629	705,904	(33)	705,871
Profit for the financial year	-	-	-	-	5,688	5,688	-	5,688
Other comprehensive loss	-	-	-	(7,784)	-	(7,784)	-	(7,784)
Total comprehensive income for the year	-	-	-	(7,784)	5,688	(2,096)	-	(2,096)
Purchase of treasury shares	-	-	(1)	-	-	(1)	-	(1)
Balance as at 31 October 2014	<u>209,000</u>	<u>59,680</u>	<u>(55,149)</u>	<u>(1,041)</u>	<u>491,317</u>	<u>703,807</u>	<u>(33)</u>	<u>703,774</u>
<b>Three Months</b>								
<b>Ended 31 October 2013</b>								
Balance as at 1 August 2013	209,000	59,680	(55,147)	55	451,208	664,796	(6)	664,790
Profit for the financial year	-	-	-	-	9,139	9,139	-	9,139
Total comprehensive income for the year	-	-	-	-	9,139	9,139	-	9,139
Balance as at 31 October 2013	<u>209,000</u>	<u>59,680</u>	<u>(55,147)</u>	<u>55</u>	<u>460,347</u>	<u>673,935</u>	<u>(6)</u>	<u>673,929</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 2014 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Cash Flows**  
**For the quarter ended 31 October 2014**

	(UNAUDITED) CURRENT YEAR-TO-DATE 31/10/2014 RM'000	(UNAUDITED) CORRESPONDING YEAR-TO-DATE 31/10/2013 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	8,017	13,009
Adjustments for :		
Amortisation of biological assets	1,050	869
Amortisation of prepaid land lease payments	970	360
Amortisation of intangible assets	2,535	2,535
Depreciation of property, plant and equipment	21,723	18,044
Depreciation of investment properties	22	537
Dividend income	(5)	-
Gain on disposal of property, plant and equipment	(46)	(470)
Fair value loss/(reversal of loss) on derivative financial instruments	658	(4,935)
Property, plant and equipment written off	114	4
Impairment of property, plant and equipment	314	-
Inventory written down	-	964
Reversal of inventory written down	(688)	-
Unrealised foreign exchange (gain)/loss	(1,057)	918
Interest expense	3,073	2,338
Interest income	(373)	(421)
Operating cash flows before changes in working capital	36,307	33,752
Changes in working capital :		
Increase in inventories	(12,669)	(5,599)
Increase in trade and other receivables	(32,458)	(3,345)
Increase in other current assets	(4,078)	(32)
Increase/(decrease) in trade and other payables	9,000	(6,376)
Cash flows (for)/from operations	(3,898)	18,400
Interest paid	(3,073)	(2,338)
Taxes paid, net of refund	(3,978)	(2,652)
Net cash flows (used in)/generated from operating activities	(10,949)	13,410
<b>Cash Flows from Investing Activities</b>		
Dividend received	5	-
Purchase of treasury shares	(1)	-
Purchase of investment properties	-	(100)
Additions of biological assets	(6,611)	(4,564)
Purchase of property, plant and equipment	(17,118)	(14,874)
Proceeds from disposal of property, plant and equipment	13	1,113
Purchase of prepaid land lease	-	(1,445)
Interest received	373	421
Purchase of investment securities	-	(30)
Proceeds from disposal of investment securities	-	27,912
Net cash flows (used in)/generated from investing activities	(23,339)	8,433
<b>Cash Flows from Financing Activities</b>		
Proceeds from drawdown of bankers' acceptances	38,000	-
Proceeds from drawdown of revolving credit	20,000	-
Repayment of bankers' acceptance	(43,500)	(5,000)
Repayment of hire purchase liabilities	(14,790)	(11,820)
Repayment of term loan	(4,405)	(4,003)
Net cash flows used in financing activities	(4,695)	(20,823)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(38,983)	1,020
<b>Cash and cash equivalents at beginning of period</b>	88,252	69,456
<b>Cash and cash equivalents at end of period</b>	49,269	70,476

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 July 2014 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 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 2014. 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 2014.

**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 2014, except for the adoption of the following standards and amendments and interpretations which are relevant to the Group for the financial year beginning 1 August 2014:

**FRS effective for financial periods beginning on or after 1 January 2014**

- Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 10: FRS 12 and FRS 127, Investment Entities
- Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21 Levies

**FRS effective for financial periods beginning on or after 1 July 2014**

- Annual Improvements to FRSs 2010-2012 Cycle
- Annual Improvements to FRSs 2011-2013 Cycle
- Amendments to FRS 119, Defined Benefits Plans : Employee contributions

Adoption of the above standards and interpretations did not have any material impact on the financial performance and position of the Group and of the Company.

**Note 3 Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements for the year ended 31 July 2014 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 for the period under review.



#### Note 6 Changes in Estimates

There were no changes in estimates that have had a material effect on the results of the Group for the period under review.

#### Note 7 Debt and Equity Securities

During the current quarter, 400 shares of RM 1.00 each were purchased and retained as treasury shares. The monthly breakdown of shares bought back were as follows:

Month	No. of shares	Purchase price per share		Average price per share RM	Total cost RM
		Lowest	Highest		
		RM	RM		
September 2014	100	2.22	2.22	2.22	263
October 2014	300	2.05	2.09	2.06	660
<b>TOTAL</b>	<b>400</b>	<b>2.05</b>	<b>2.22</b>	<b>2.10</b>	<b>923</b>

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 period under review.

#### Note 8 Dividends Paid

There were no dividends paid during the period under review.

#### Note 9 Segmental Information

Segmental revenue and profit before taxation for the current quarter and preceding year corresponding period by the respective operating segments as follows:

	Quarter ended			
	31.10.2014		31.10.2013	
	Revenue	Profit Before Tax	Revenue	Profit Before Tax
	RM'000	RM'000	RM'000	RM'000
Logging	97,299	7,242	100,866	3,906
Manufacturing	104,840	269	101,668	5,901
Plantation	14,126	(406)	11,875	2,899
Others	3	912	26	303
	<u>216,268</u>	<u>8,017</u>	<u>214,435</u>	<u>13,009</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**

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**

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 RM10,901,000 from RM127,195,000 as at 31 July 2014 (last annual balance sheet) to RM138,096,000 as at 31 October 2014.

**Note 14 Capital Commitments**

	As at 31.10.2014 RM'000	As at 31.07.2014 RM'000
Approved and contracted for	43,377	28,688
Approved but not contracted for	8,260	2,396
	<u>51,637</u>	<u>31,084</u>
Analysed as follows:		
Property, plant and equipment	36,305	21,825
Investment properties	15,332	9,259
	<u>51,637</u>	<u>31,084</u>

**Note 15 Review of Performance**

For the current quarter under review, the Group recorded revenue of RM216.27 million as compared to RM214.44 million reported in the preceding year corresponding quarter. Profit before tax for the quarter was RM8.02 million with a profit after tax of RM5.69 million as compared to RM13.0 million and RM9.14 million respectively in the preceding year corresponding quarter.

For the reporting quarter, the logging and reforestation segment contributed RM7.24 million to the Group's earnings before tax compared to preceding year corresponding quarter of RM3.91 million. The improvement was mainly attributed to improved average export selling price of logs by 7%.



**Note 15 Review of Performance (contd.)**

Manufacturing segment reported profit before tax of RM0.27 million in the current quarter under review. The lower profit as compared to previous corresponding quarter was mainly attributed to lower export sales volume of particleboard by 14% and decrease in average export selling price of sawn timber by 8%.

During the quarter, the oil palm plantation segment recorded a loss before tax of RM0.41 million when compared to profit before tax of RM2.90 million in the preceding year corresponding quarter. The loss resulted from a decrease of 4% in fresh fruit bunch (FFB) average selling price despite the 20% increase in harvested volume of FFB. The Group has fine tuned operational efficiency by embarking on various initiatives including upgrading of estate infrastructure and mechanization program especially on the infield FFB evacuation which shall contribute to the segment's performance in quarters to come.

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

The Group's revenue decreased from RM244.32 million in the immediate preceding quarter to RM216.27 million in the current quarter. Profit before tax registered RM8.02 million as compared to RM15.44 million in the immediate preceding quarter. The variance was primarily due to decrease in export sales volume of logs, plywood and sawn timber coupled with decrease in average selling price of FFB.

**Note 17 Commentary on Prospects**

The timber segment is expected to contribute positively with firm demand for logs and timber products despite the challenge on rising operational cost. Timber and timber products prices are expected to sustain in view of prevailing tight log supply in the market following the imposition of log export ban by Myanmar in April and the upcoming monsoon season.

The recent increase in Malaysia's biodiesel mandate from 5% to 7% and the current low palm oil output season will stabilize the recent recovery in CPO prices. The segment's contribution would largely be dependent on crude palm oil price which is also correlated to the movement of world edible oil and related markets.

The Group will continue to focus on consolidating and improving the existing business segments in order to deliver sustainable profitability and value creation. The Group adopts a resilient business model and is committed to rationalizing its operations strategically and synergistically, maximizing the utilization of resources, optimizing the integrated supply chain and strengthen products branding. The Group will build on the momentum of its engine of growth and go beyond the organic growth spectrum.

**Note 18 Profit Forecast or Profit Guarantee**

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





#### Note 19 Profit Before Taxation

Profit before taxation was derived after taking into consideration of the following:

	Quarter ended	
	31.10.2014 RM'000	31.10.2013 RM'000
Amortisation and depreciation	26,300	22,345
Property, plant and equipment written off	114	4
Impairment of property, plant and equipment	314	-
(Reversal of)/ Inventory written down	(688)	964
Interest expenses	3,073	2,338
Interest income	(373)	(421)
Gain on disposal of property, plant and equipment	(46)	(470)
Rental income	(129)	(205)
Fair value loss/(reversal of loss) on derivative financial instrument	658	(4,935)
(Gain)/ loss on foreign exchange		
- realised	(4,372)	(3,527)
- unrealised	(1,057)	918

#### Note 20 Taxation

The Group's taxation for the period under review was as follows:

	Quarter ended	
	31.10.2014 RM'000	31.10.2013 RM'000
Income tax:		
Current period provision	4,833	4,554
Deferred tax:		
Current period provision	(2,504)	(684)
	<u>2,329</u>	<u>3,870</u>

The Group's effective tax rate in the current quarter under review was higher than the statutory tax rate mainly due to certain expenses not allowable for tax deduction.

#### Note 21 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 22 Borrowings and Debt Securities**

		As at 31.10.2014 RM'000	As at 31.07.2014 RM'000
<b>Short term borrowings:</b>			
Unsecured	- Bankers' acceptance	30,000	35,500
	- Term loans	2,800	2,800
	- Revolving credit	70,000	50,000
Secured	- Term loans	18,700	17,525
	- Hire purchase obligations	56,505	54,766
		<u>178,005</u>	<u>160,591</u>
<b>Long term borrowings:</b>			
Unsecured	- Term loans	6,300	7,000
Secured	- Term loans	74,181	79,061
	- Hire purchase obligations	98,195	103,174
		<u>178,676</u>	<u>189,235</u>
<b>Total borrowings</b>		<u>356,681</u>	<u>349,826</u>

There were no borrowings denominated in foreign currency.

**Note 23 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 October 2014, the notional value and maturity analysis of the outstanding foreign exchange contracts of the Group is as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000
<b>Forward foreign exchange contract</b>		
USD		
- less than 1 year	26,115	(658)

There was no significant change for the financial derivatives in respect of the followings since the last financial year ended 31 July 2014:

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



**Note 24 Profit/Loss Arising from Fair Value Changes of Financial Liabilities**

The Group recognised loss of RM 658,000 for the current quarter under review, 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 25 Realised and Unrealised Profits/Losses Disclosure**

	<b>As at 31.10.2014 RM'000</b>	<b>As at 31.07.2014 RM'000</b>
Total retained profits of Subur Tiasa Holdings Berhad and its subsidiaries:		
- Realised	490,789	488,619
- Unrealised	(4,188)	(8,379)
	<u>486,601</u>	<u>480,240</u>
Less: Consolidation adjustments	4,716	5,389
Total Group retained profits as per consolidated accounts	<u>491,317</u>	<u>485,629</u>

**Note 26 Changes in Material Litigation**

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

**Note 27 Dividend Payable**

The Board of Directors did not declare any dividend for the quarter ended 31 October 2014 (previous corresponding period: Nil).

**Note 28 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.

	<b>Quarter and financial year-to-date ended 31.10.2014</b>
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	5,688
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,129
Basic earnings per share (Sen)	3.02



**SUBUR TIASA HOLDINGS BERHAD (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 : info@suburtiasa.com.my**

---

**Note 28 Earnings Per Share (contd.)**

(b) Diluted earnings per share N/A

**Note 29 Authorisation for Issue**

The quarterly report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 December 2014.