



**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**  
**For the quarter ended 30 April 2015**

	(UNAUDITED)		(UNAUDITED)	
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/04/2015	30/04/2014	30/04/2015	30/04/2014
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	176,747	230,598	622,980	642,855
Cost of sales	(134,447)	(180,743)	(501,231)	(513,403)
<b>Gross Profit</b>	42,300	49,855	121,749	129,452
Other income	5,585	2,691	16,381	15,605
Administrative expenses	(24,336)	(13,439)	(61,583)	(37,952)
Selling and distribution expenses	(14,647)	(21,194)	(51,900)	(55,833)
Other expenses	(2,535)	(2,535)	(7,605)	(7,605)
<b>Operating profit</b>	6,367	15,378	17,042	43,667
Finance costs	(4,748)	(3,198)	(11,386)	(8,134)
<b>Profit before tax</b>	1,619	12,180	5,656	35,533
Income tax expenses	1,088	(2,096)	300	(8,091)
<b>Profit for the period</b>	2,707	10,084	5,956	27,442
<b>Other comprehensive (loss)/gain, net of tax, to be reclassified to profit or loss to subsequent periods</b>				
Net (loss)/gain on available-for-sale financial assets	(20)	2,954	(17,635)	2,954
<b>Total comprehensive income/(loss) for the period</b>	2,687	13,038	(11,679)	30,396
<b>Profit net of tax attributable to:</b>				
Owners of the parent	2,707	10,084	5,956	27,442
Non-controlling interests	-	-	-	-
<b>Profit for the period</b>	2,707	10,084	5,956	27,442
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	2,687	13,038	(11,679)	30,396
Non-controlling interests	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	2,687	13,038	(11,679)	30,396
	Sen	Sen	Sen	Sen
Earnings per share attributable to Owners of the parent:				
- Basic	1.44	5.54	3.17	14.59
- 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.

Proceeds from drawdown of bankers' acceptance



**Condensed Consolidated Statement of Financial Position**  
**As At 30 April 2015**

	(UNAUDITED) AS AT END OF CURRENT QUARTER 30/04/2015 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	607,620	603,232
Prepaid land lease payments	92,965	95,874
Biological assets	160,534	142,963
Investment properties	15,507	15,573
Investment securities	24,192	35,827
Intangible assets	12,417	20,021
Long term receivable	3,618	6,987
Deferred tax assets	17,076	13,270
	<u>933,929</u>	<u>933,747</u>
<b>Current assets</b>		
Inventories	155,917	148,034
Trade and other receivables	112,799	62,050
Other current assets	4,788	3,596
Cash and bank balances	83,702	88,252
	<u>357,206</u>	<u>301,932</u>
<b>TOTAL ASSETS</b>	<u>1,291,135</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	(55,158)	(55,148)
Retained earnings	482,179	485,629
Available-for-sale reserve	(10,892)	6,743
	<u>684,809</u>	<u>705,904</u>
Non-controlling interests	(33)	(33)
<b>Total equity</b>	<u>684,776</u>	<u>705,871</u>
<b>Non-current liabilities</b>		
Loans and borrowings	160,002	189,235
Deferred tax liabilities	17,405	21,019
	<u>177,407</u>	<u>210,254</u>
<b>Current liabilities</b>		
Loans and borrowings	298,791	160,591
Trade and other payables	124,445	153,958
Income tax payable	5,716	5,005
	<u>428,952</u>	<u>319,554</u>
<b>Total liabilities</b>	<u>606,359</u>	<u>529,808</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,291,135</u>	<u>1,235,679</u>
<b>Net assets per share attributable to ordinary equity holders of the Parent (RM)</b>	3.64	3.75
Number of shares net of treasury shares ('000)	188,124	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 30 April 2015**

	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
Nine Months Ended 30 April 2015								
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	-	-	-	-	5,956	5,956	-	5,956
Other comprehensive loss	-	-	-	(17,635)	-	(17,635)	-	(17,635)
Total comprehensive (loss)/income for the year	-	-	-	(17,635)	5,956	(11,679)	-	(11,679)
Dividends on ordinary shares	-	-	-	-	(9,406)	(9,406)	-	(9,406)
Purchase of treasury shares	-	-	(10)	-	-	(10)	-	(10)
Balance as at 30 April 2015	<u>209,000</u>	<u>59,680</u>	<u>(55,158)</u>	<u>(10,892)</u>	<u>482,179</u>	<u>684,809</u>	<u>(33)</u>	<u>684,776</u>
Nine Months Ended 30 April 2014								
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	-	-	-	-	27,442	27,442	-	27,442
Other comprehensive income	-	-	-	2,954	-	2,954	-	2,954
Total comprehensive income for the year	-	-	-	2,954	27,442	30,396	-	30,396
Dividends on ordinary shares	-	-	-	-	(4,233)	(4,233)	-	(4,233)
Balance as at 30 April 2014	<u>209,000</u>	<u>59,680</u>	<u>(55,147)</u>	<u>3,009</u>	<u>474,417</u>	<u>690,959</u>	<u>(6)</u>	<u>690,953</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 30 April 2015**

	(UNAUDITED) CURRENT YEAR-TO-DATE 30/04/2015 RM'000	(UNAUDITED) CORRESPONDING YEAR-TO-DATE 30/04/2014 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	5,656	35,533
Adjustments for :		
Amortisation of biological assets	3,413	2,843
Amortisation of prepaid land lease payments	2,909	1,113
Amortisation of intangible assets	7,605	7,605
Depreciation of property, plant and equipment	64,968	57,502
Depreciation of investment properties	66	1,715
Dividend income	(9)	-
Loss/(gain) on disposal of property, plant and equipment	3,444	(436)
Reversal of loss on derivative financial instruments	-	(3,822)
Property, plant and equipment written off	449	15
Inventory written down	1,190	3,064
Reversal of inventory written down	(688)	-
Unrealised foreign exchange loss	2,188	929
Interest expense	11,386	8,134
Interest income	(965)	(1,099)
Operating cash flows before changes in working capital	101,612	113,096
Changes in working capital :		
Increase in inventories	(8,385)	(5,649)
Increase in trade and other receivables	(47,594)	(47,025)
(Increase)/decrease in other current assets	(1,229)	711
Decrease in trade and other payables	(29,513)	(13,210)
Cash flows from operations	14,891	47,923
Interest paid	(11,386)	(8,134)
Taxes paid, net of refund	(8,346)	(6,847)
Net cash flows (used in)/generated from operating activities	(4,841)	32,942
<b>Cash Flows from Investing Activities</b>		
Dividend received	9	-
Purchase of treasury shares	(10)	-
Purchase of investment properties	-	(6,186)
Additions of biological assets	(20,984)	(15,286)
Purchase of property, plant and equipment	(62,250)	(50,525)
Proceeds from disposal of property, plant and equipment	7,453	1,334
Purchase of prepaid land lease	-	(1,508)
Interest received	965	1,099
Purchase of investment securities	(6,000)	(27,763)
Proceeds from disposal of investment securities	-	27,912
Net cash flows used in investing activities	(80,817)	(70,923)
<b>Cash Flows from Financing Activities</b>		
Proceeds from drawdown of term loan	15,300	11,550
Proceeds from drawdown of revolving credit	124,500	50,000
Proceeds from drawdown of bankers' acceptance	14,000	15,000
Repayment of hire purchase liabilities	(48,131)	(36,931)
Repayment of term loan	(15,155)	(13,596)
Dividends paid	(9,406)	(4,220)
Net cash flows generated from financing activities	81,108	21,803
<b>Net decrease in cash and cash equivalents</b>	(4,550)	(16,178)
<b>Cash and cash equivalents at beginning of period</b>	88,252	69,456
<b>Cash and cash equivalents at end of period</b>	83,702	53,278

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 financial year-to-date, 5,000 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
December 2014	2,500	1.96	1.98	1.97	5,011
January 2015	1,000	1.97	1.97	1.97	2,013
February 2015	500	1.95	2.00	1.97	1,149
March 2015	600	1.83	1.95	1.90	1,389
<b>TOTAL</b>	<b>5,000</b>	<b>1.83</b>	<b>2.22</b>	<b>1.97</b>	<b>10,485</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**

A first and final single tier dividend of 5% per share, in respect of the financial year ended 31 July 2014, amounting to RM9,406,260 was paid on 4 March 2015 to the depositors whose names appear in the Record of Depositors on 6 February 2015.

#### **Note 9 Segmental Information**

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

	Financial year-to-date ended			
	30.04.2015		30.04.2014	
	Revenue	Profit/(Loss) Before Tax	Revenue	Profit Before Tax
	RM'000	RM'000	RM'000	RM'000
Logging	244,792	2,213	281,625	5,605
Manufacturing	347,372	7,472	328,384	22,765
Plantation	30,805	(3,687)	32,798	7,004
Others	11	(342)	48	159
	<u>622,980</u>	<u>5,656</u>	<u>642,855</u>	<u>35,533</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**

On 31 December 2014, the Company acquired 100% equity interest in United Superland Sdn Bhd. ("USL"), a company incorporated in Malaysia, for a total cash consideration of RM2. USL is currently a dormant company and its intended principal activity is to engage in property holding and development.

**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 RM99,038,000 from RM127,195,000 as at 31 July 2014 (last annual balance sheet) to RM226,233,000 as at 30 April 2015.

**Note 14 Capital Commitments**

	<b>As at 30.04.2015 RM'000</b>	<b>As at 31.07.2014 RM'000</b>
Approved and contracted for	49,618	28,688
Approved but not contracted for	10,496	2,396
	<u>60,114</u>	<u>31,084</u>
Analysed as follows:		
Property, plant and equipment	54,542	21,825
Investment properties	5,572	9,259
	<u>60,114</u>	<u>31,084</u>

**Note 15 Review of Performance**

In the reporting of the quarter and financial year-to-date result, the Group recorded revenue of RM176.75 million and RM622.98 million respectively as compared to RM230.60 million and RM642.86 million in the preceding year corresponding period.



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

The reporting quarter registered profit before tax of RM1.62 million with a profit after tax of RM2.71 million as compared to RM12.18 million and RM10.08 million respectively in the preceding year corresponding quarter. For the current financial year-to-date, the Group registered profit before tax of RM5.66 million and profit after tax of RM5.96 million as compared to RM35.53 million and RM27.44 million in the preceding year corresponding period.

The logging and reforestation segment recorded profit before tax of RM0.18 million in the reporting quarter when compared to profit before tax of RM0.19 million in the preceding year corresponding quarter. Profit before tax was RM2.21 million for the current financial year-to-date versus RM5.60 million in the preceding year corresponding period. The lower profit was mainly due to 26% decrease in export sales volume when compared with previous financial year-to-date.

Manufacturing segment remained as the key contributor to the Group's total revenue for both reporting quarter and financial year-to-date. The manufacturing segment recorded lower profit before tax of RM2.48 million and RM7.47 million for the reporting quarter and financial year-to-date respectively, when compared with the previous corresponding period. The lower profit was mainly due to lower export sales volume for plywood and particleboard concurrent with higher material cost.

Oil palm plantation segment recorded loss before tax of RM0.45 million in the reporting quarter when compared to profit before tax of RM1.74 million in the preceding year corresponding quarter. Loss before tax was RM3.69 million for the current financial year-to-date versus profit before tax of RM7.00 million in the preceding year corresponding period. The losses were mainly due to 10% and 5% decrease in harvested fresh fruit bunch ("FFB") average selling price and FFB volume as compared to previous corresponding period.

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

The Group's revenue decreased from RM229.97 million in the immediate preceding quarter to RM176.75 million in the current quarter. The Group made a turnaround from loss before tax of RM3.98 million in the immediate preceding quarter to profit before tax of RM1.62 million. The higher profit was primarily due to higher export selling price of timber and timber products.

**Note 17 Commentary on Prospects**

Timber prices are expected to sustain in view of firm demand and prevailing tight log supply in the global market, coupled with strong US Dollar against Ringgit Malaysia as the export sales are predominantly in US Dollar. However, Japan's market of import plywood is weak pertaining to lower housing starts in year 2015, the problem of abandoned house and depreciation of Japanese Yen.

The commencement of peak crop season will see increase in FFB production in our oil palm segment. However, the segment's contribution would largely be dependent on crude palm oil price which is correlated to the movement of world edible oil and related markets.

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.





#### 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		Financial year-to-date ended	
	30.04.2015	30.04.2014	30.04.2015	30.04.2014
	RM'000	RM'000	RM'000	RM'000
Amortisation and depreciation	26,271	24,655	78,961	70,778
Property, plant and equipment written off	259	4	449	15
Inventory written down	1,190	1	502	3,064
Interest expenses	4,748	3,198	11,386	8,134
Interest income	(322)	(162)	(965)	(1,099)
Loss/(gain) on disposal of property, plant and equipment	1,344	34	3,444	(436)
Reversal of loss on derivative financial instrument	(96)	-	-	(3,822)
(Gain)/ loss on foreign exchange				
- realised	(3,810)	(1,760)	(10,148)	(6,004)
- unrealised	2,457	712	2,188	929

#### Note 20 Taxation

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

	Quarter ended		Financial year-to-date ended	
	30.04.2015	30.04.2014	30.04.2015	30.04.2014
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Current period provision	2,889	4,237	9,096	12,011
Over provision in prior year	(1,976)	(1,348)	(1,976)	(1,348)
Deferred tax:				
Current period provision	(2,001)	(793)	(7,420)	(2,572)
	<u>(1,088)</u>	<u>2,096</u>	<u>(300)</u>	<u>8,091</u>

Income tax expense is recognised in each quarter based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

#### 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 30.04.2015 RM'000	As at 31.07.2014 RM'000
<b>Short term borrowings:</b>			
Unsecured	- Bankers' acceptance	49,500	35,500
	- Term loans	2,800	2,800
	- Revolving credit	174,500	50,000
Secured	- Term loans	16,350	17,525
	- Hire purchase obligations	55,641	54,766
		<u>298,791</u>	<u>160,591</u>
<b>Long term borrowings:</b>			
Unsecured	- Term loans	4,900	7,000
Secured	- Term loans	82,481	79,061
	- Hire purchase obligations	72,621	103,174
		<u>160,002</u>	<u>189,235</u>
<b>Total borrowings</b>		<u>458,793</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 30 April 2015, there was no outstanding foreign exchange contracts.

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

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

The Group recognized reversal of loss of RM 96,000 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 30.04.2015 RM'000</b>	<b>As at 31.07.2014 RM'000</b>
Total retained profits of Subur Tiasa Holdings Berhad and its subsidiaries:		
- Realised	481,361	488,619
- Unrealised	(1,784)	(8,379)
	<u>479,577</u>	<u>480,240</u>
Less: Consolidation adjustments	2,602	5,389
Total Group retained profits as per consolidated accounts	<u>482,179</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 30 April 2015 (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 ended 30.04.2015</b>	<b>Financial year- to-date ended 30.04.2015</b>
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	2,707	5,956
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,124	188,127
Basic earnings per share (Sen)	1.44	3.17

(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 26 June 2015.