



**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**  
**For the quarter ended 31 October 2015**

	(UNAUDITED)		(UNAUDITED)	
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/10/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/10/2014 RM'000	CURRENT YEAR TO DATE 31/10/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/10/2014 RM'000
<b>Revenue</b>	145,206	216,268	145,206	216,268
Cost of sales	(117,221)	(173,419)	(117,221)	(173,419)
<b>Gross Profit</b>	27,985	42,849	27,985	42,849
Other income	5,536	6,951	5,536	6,951
Administrative expenses	(12,104)	(16,026)	(12,104)	(16,026)
Selling and distribution expenses	(14,074)	(20,149)	(14,074)	(20,149)
Other expenses	(2,535)	(2,535)	(2,535)	(2,535)
<b>Operating profit</b>	4,808	11,090	4,808	11,090
Finance costs	(3,789)	(3,073)	(3,789)	(3,073)
<b>Profit before tax</b>	1,019	8,017	1,019	8,017
Income tax expenses	(947)	(2,329)	(947)	(2,329)
<b>Profit for the period</b>	72	5,688	72	5,688
<b>Other Comprehensive Income</b>				
Other comprehensive income, net of tax, will not be reclassified to profit or loss in subsequent periods:				
Changes in fair value of equity instruments	3,513	(7,784)	3,513	(7,784)
<b>Total comprehensive income for the period</b>	3,585	(2,096)	3,585	(2,096)
<b>Profit net of tax attributable to:</b>				
Owners of the parent	72	5,688	72	5,688
Non-controlling interests	-	-	-	-
<b>Profit for the period</b>	72	5,688	72	5,688
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	3,585	(2,096)	3,585	(2,096)
Non-controlling interests	-	-	-	-
<b>Total comprehensive income for the period</b>	3,585	(2,096)	3,585	(2,096)
	Sen	Sen	Sen	Sen
Earnings per share attributable to Owners of the parent:				
- Basic	0.04	3.02	0.04	3.02
- Diluted	N/A	N/A	N/A	N/A

Note: N/A: Not Applicable

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2015 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Financial Position**  
**As At 31 October 2015**

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31/10/2015 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/07/2015 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	604,497	614,522
Prepaid land lease payments	90,339	91,446
Biological assets	170,304	165,258
Investment properties	24,462	24,496
Investment securities	45,839	16,286
Intangible assets	7,347	9,881
Long term receivable	3,418	5,313
Deferred tax assets	18,428	21,774
	<u>964,634</u>	<u>948,976</u>
<b>Current assets</b>		
Inventories	201,255	178,087
Trade and other receivables	107,076	84,151
Other current assets	11,296	6,270
Cash and bank balances	61,030	56,277
	<u>380,657</u>	<u>324,785</u>
<b>TOTAL ASSETS</b>	<u>1,345,291</u>	<u>1,273,761</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)	(55,158)
Retained earnings	478,857	478,785
Other reserves	(15,285)	(18,798)
	<u>677,094</u>	<u>673,509</u>
Non-controlling interests	(40)	(40)
<b>Total equity</b>	<u>677,054</u>	<u>673,469</u>
<b>Non-current liabilities</b>		
Loans and borrowings	137,851	157,020
Deferred tax liabilities	17,406	20,626
	<u>155,257</u>	<u>177,646</u>
<b>Current liabilities</b>		
Loans and borrowings	365,199	279,994
Trade and other payables	143,433	137,877
Income tax payable	4,348	4,775
	<u>512,980</u>	<u>422,646</u>
<b>Total liabilities</b>	<u>668,237</u>	<u>600,292</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,345,291</u>	<u>1,273,761</u>
<b>Net assets per share attributable to ordinary equity holders of the Parent (RM)</b>	3.60	3.58
Number of shares net of treasury shares ('000)	188,124	188,124

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2015 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Changes in Equity**  
**For the quarter ended 31 October 2015**

	←← Attributable to Equity Holders of the Parent →→					Total	Non- controlling interests	Total Equity
	← Non-Distributable →			Distributable				
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Three Months</b>								
<b>Ended 31 October 2015</b>								
Balance as at 1 August 2015	209,000	59,680	(55,158)	(18,798)	478,785	673,509	(40)	673,469
Profit for the financial year	-	-	-	-	72	72	-	72
Other comprehensive income	-	-	-	3,513	-	3,513	-	3,513
Total comprehensive income for the year	-	-	-	3,513	72	3,585	-	3,585
Balance as at 31 October 2015	<u>209,000</u>	<u>59,680</u>	<u>(55,158)</u>	<u>(15,285)</u>	<u>478,857</u>	<u>677,094</u>	<u>(40)</u>	<u>677,054</u>
<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 income	-	-	-	(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>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2015 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Cash Flows**  
**For the quarter ended 31 October 2015**

	(UNAUDITED) CURRENT YEAR-TO-DATE 31/10/2015 RM'000	(UNAUDITED) CORRESPONDING YEAR-TO-DATE 31/10/2014 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	1,019	8,017
Adjustments for :		
Amortisation of biological assets	1,261	1,050
Amortisation of prepaid land lease payments	1,107	970
Amortisation of intangible assets	2,535	2,535
Depreciation of property, plant and equipment	22,100	21,723
Depreciation of investment properties	34	22
Dividend income	-	(5)
Loss/(gain) on disposal of property, plant and equipment	3	(46)
Reversal of loss on derivative financial instruments	-	658
Property, plant and equipment written off	1	114
Impairment of property, plant and equipment	-	314
Reversal of inventory written down	-	(688)
Unrealised foreign exchange gain	(1,534)	(1,057)
Interest expense	3,789	3,073
Interest income	(190)	(373)
Operating cash flows before changes in working capital	<u>30,125</u>	<u>36,307</u>
Changes in working capital :		
Increase in inventories	(23,168)	(12,669)
Increase in trade and other receivables	(19,497)	(32,458)
Increase in other current assets	(3,996)	(4,078)
Decrease in trade and other payables	5,556	9,000
Cash flows for operations	<u>(10,980)</u>	<u>(3,898)</u>
Interest paid	(3,789)	(3,073)
Taxes paid, net of refund	(2,277)	(3,978)
Net cash flows used in operating activities	<u>(17,046)</u>	<u>(10,949)</u>
<b>Cash Flows from Investing Activities</b>		
Dividend received	-	5
Additions of biological assets	(6,307)	(6,611)
Purchase of property, plant and equipment	(12,808)	(17,118)
Proceeds from disposal of property, plant and equipment	729	13
Interest received	190	373
Purchase of investment securities	(26,040)	-
Net cash flows used in investing activities	<u>(44,236)</u>	<u>(23,338)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from drawdown of revolving credit	65,000	20,000
Purchase of treasury shares	-	(1)
Drawdown/(repayment) of bankers' acceptance	21,240	(5,500)
Repayment of hire purchase liabilities	(14,659)	(14,790)
Repayment of term loan	(5,546)	(4,405)
Net cash flows generated from/(used in) financing activities	<u>66,035</u>	<u>(4,696)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	4,753	(38,983)
<b>Cash and cash equivalents at beginning of period</b>	<u>56,277</u>	<u>88,252</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>61,030</u></u>	<u><u>49,269</u></u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 July 2015 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 2015. 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 2015.

**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 2015, 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 2015:

**FRS effective for financial periods beginning on or after 1 January 2016**

- Annual Improvements to FRSs 2012 - 2014 Cycle
- Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to FRS 10, FRS 12 and FRS 128: Investments Entities – Applying the Consolidation Exception
- Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 101: Disclosure Initiatives
- Amendments to FRS 127: Equity Method in Separate Financial Statements
- FRS 14 Regulatory Deferral Accounts

The adoption of the above standards and amendments are not expected to have any material impact on the financial statements of the Group.

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

The auditors’ report on the financial statements for the year ended 31 July 2015 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, 100 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 RM	Highest RM		
September 2015	100	1.62	1.62	1.62	203
<b>TOTAL</b>	<b>100</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>	<b>203</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 financial year-to-date and preceding year corresponding period by the respective operating segments as follows:

	Financial year-to-date ended			
	31.10.2015		31.10.2014	
	Revenue RM'000	Profit/(Loss) Before Tax RM'000	Revenue RM'000	Profit/(Loss) Before Tax RM'000
Timber	128,781	(2,635)	202,139	7,511
Plantation	16,410	4,617	14,126	(406)
Others	15	(963)	3	912
	<u>145,206</u>	<u>1,019</u>	<u>216,268</u>	<u>8,017</u>



**Note 9 Segmental Information (cont'd)**

The Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

The timber segment is involved in extraction, sale of logs, subcontractor for tree planting (reforestation), manufacturing and trading of plywood, particleboard, sawn timber, charcoal and supply of electricity for its manufacturing activities.

The plantation segment is involved in cultivation of oil palm and sales of fresh fruit bunch.

The others segment is involved in sales of grocery, manufacturing and trading of drinking water, provision of towage and transportation services, insurance services, property holding and development.

**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 RM29,287,000 from RM213,210,000 as at 31 July 2015 (last annual balance sheet) to RM242,497,000 as at 31 October 2015.

**Note 14 Capital Commitments**

	As at 31.10.2015 RM'000	As at 31.07.2015 RM'000
Approved and contracted for	26,344	26,275
Approved but not contracted for	5,217	5,672
	<u>31,561</u>	<u>31,947</u>
Analysed as follows:		
Property, plant and equipment	28,968	25,730
Investment properties	2,593	6,217
	<u>31,561</u>	<u>31,947</u>



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**Note 15 Review of Performance**

**(a) Comparison of Results with Previous Corresponding Quarter**

For the quarter ended 31 October 2015, the Group recorded revenue of RM145.21 million and profit before tax of RM1.02 million as compared to revenue of RM216.27 million and profit of RM8.02 million respectively in the previous corresponding quarter.

The lower profit before tax was mainly due to:

- lower export sales volume of logs, plywood and particleboard
- drop in Crude Palm Oil (CPO) and Fresh Fruit Bunch (FFB) average price
- higher raw material cost for timber and timber products

The profit was being partially offset by:

- better average export selling price across all timber and timber products supported by strong US Dollar against Ringgit Malaysia
- cost reduction from plantation segment due to increase in harvested volume of FFB

**(b) Comparison of Results with Previous Year-to-date**

Comparison of cumulative results is not presented as this is the first quarter for the financial year ending 31 July 2016.

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

The Group's revenue increased by 11% from RM130.97 million in the immediate preceding quarter to RM145.21 million in the current quarter. The Group made a turnaround from loss before tax of RM3.29 million to profit before tax of RM1.02 million. The improvement was attributed to higher average export selling price of timber and timber products, and higher FFB production by 42%.

**Note 17 Commentary on Prospects**

Timber prices are expected to sustain in anticipation of tight supply of logs and firm demand from the timber consuming countries especially India which is a steadily growing market. The strong US Dollar against Ringgit Malaysia is in favour of our export sales which are predominantly in US Dollar.

The current low palm oil output season due to the effect of El Nino and the official launch of mandate in Indonesia to have a minimum of 15% blend of biodiesel in sold diesel products which will be increased to 20% in 2016 will stabilize the CPO prices. The oil palm plantation segment is expected to contribute positively to the Group with the quantum of contribution closely dependent on the movement of CPO price which is also correlated to the movement of world edible oil and related markets.

The Group adopts a resilient business model and is committed to strategic streamlining of its operations, maximizing the utilization of resources, optimizing the integrated supply chain and branding its competitive edge while gearing towards achieving sustainable long term growth.





**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	
	31.10.2015	31.10.2014
	RM'000	RM'000
Amortisation and depreciation	27,037	26,300
Property, plant and equipment written off	1	114
Impairment of property, plant and equipment	-	314
Reversal of inventory written down	-	(688)
Interest expenses	3,789	3,073
Interest income	(190)	(373)
Loss/(gain) on disposal of property, plant and equipment	3	(46)
Rental income	(63)	(129)
Fair value loss on derivative financial instrument	-	658
Gain on foreign exchange		
- realised	(2,148)	(4,372)
- unrealised	(1,534)	(1,057)

**Note 20 Taxation**

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

	Quarter ended	
	31.10.2015	31.10.2014
	RM'000	RM'000
Income tax:		
Current period provision	821	4,833
Deferred tax:		
Current period provision	126	(2,504)
	<u>947</u>	<u>2,329</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 31.10.2015 RM'000	As at 31.07.2015 RM'000
<b>Short term borrowings:</b>			
Unsecured	- Bankers' acceptance	44,910	23,670
	- Revolving credit	245,000	180,000
Secured	- Term loans	18,017	18,975
	- Hire purchase obligations	57,272	57,349
		<u>365,199</u>	<u>279,994</u>
<b>Long term borrowings:</b>			
Secured	- Term loans	82,514	87,102
	- Hire purchase obligations	55,337	69,918
		<u>137,851</u>	<u>157,020</u>
<b>Total borrowings</b>		<u>503,050</u>	<u>437,014</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 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 2015:

- (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**

There were no gains or losses arising from fair value changes of financial liabilities for the current quarter ended 31 October 2015.



**Note 25 Realised and Unrealised Profits/Losses Disclosure**

	<b>As at 31.10.2015 RM'000</b>	<b>As at 31.07.2015 RM'000</b>
Total retained profits of Subur Tiasa Holdings Berhad and its subsidiaries:		
- Realised	476,405	476,672
- Unrealised	2,555	1,030
	<u>478,960</u>	<u>477,702</u>
Less: Consolidation adjustments	(103)	1,083
Total Group retained profits as per consolidated accounts	<u>478,857</u>	<u>478,785</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 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 or loss 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 31.10.2015</b>
Net profit for the period attributable to ordinary equity holders of the Company (RM'000)	72
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,124
Basic earnings per share (Sen)	0.04

(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 22 December 2015.