

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the quarter ended 31 July 2016

	(UNAUDITED)		(AUDITED)	
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/07/2016	31/07/2015	31/07/2016	31/07/2015
	RM'000	RM'000	RM'000	RM'000
Revenue	136,862	130,967	553,775	753,947
Cost of sales	(129,344)	(118,807)	(472,769)	(620,038)
Gross Profit	7,518	12,160	81,006	133,909
Other income	1,154	5,949	12,692	22,330
Administrative expenses	(8,848)	1,669	(53,645)	(59,914)
Selling and distribution expenses	(12,665)	(14,727)	(54,311)	(66,627)
Other expenses	(811)	(2,535)	(5,541)	(10,140)
Operating (Loss)/Profit	(13,652)	2,516	(19,799)	19,558
Finance costs	(4,830)	(5,806)	(17,579)	(17,192)
(Loss)/Profit before tax	(18,482)	(3,290)	(37,378)	2,366
Income tax expenses	(4,320)	(111)	(1,026)	189
(Loss)/Profit for the period	(22,802)	(3,401)	(38,404)	2,555
Other Comprehensive Income				
Other comprehensive income, net of tax, will not be reclassified to profit or loss in subsequent periods:				
Changes in fair value of equity instruments	(6,263)	(7,906)	(5,641)	(25,541)
Total comprehensive income for the period	(29,065)	(11,307)	(44,045)	(22,986)
(Loss)/Profit net of tax attributable to:				
Owners of the parent	(22,794)	(3,394)	(38,396)	2,562
Non-controlling interests	(8)	(7)	(8)	(7)
	(22,802)	(3,401)	(38,404)	2,555
Total comprehensive income attributable to:				
Owners of the parent	(29,057)	(11,300)	(44,037)	(22,979)
Non-controlling interests	(8)	(7)	(8)	(7)
	(29,065)	(11,307)	(44,045)	(22,986)
	Sen	Sen	Sen	Sen
Earnings per share attributable to Owners of the parent:				
- Basic	(12.12)	(1.80)	(20.41)	1.36
- 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 July 2016

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31/07/2016 RM'000	(RESTATED) AS AT PRECEDING FINANCIAL YEAR END 31/07/2015 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	602,781	654,432
Land held for property development	6,005	-
Biological assets	200,456	165,258
Investment properties	64,549	76,032
Investment securities	36,741	16,286
Intangible assets	4,341	9,881
Long term receivable	3,498	5,313
Deferred tax assets	17,992	21,774
	<u>936,363</u>	<u>948,976</u>
Current assets		
Inventories	164,885	178,087
Trade and other receivables	95,474	84,151
Other current assets	10,154	6,270
Cash and bank balances	38,253	56,277
	<u>308,766</u>	<u>324,785</u>
TOTAL ASSETS	<u><u>1,245,129</u></u>	<u><u>1,273,761</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent:		
Share capital	209,000	209,000
Share premium	59,680	59,680
Treasury shares	(55,162)	(55,158)
Retained earnings	440,389	478,785
Other reserves	(24,439)	(18,798)
	<u>629,468</u>	<u>673,509</u>
Non-controlling interests	952	(40)
Total equity	<u>630,420</u>	<u>673,469</u>
Non-current liabilities		
Loans and borrowings	96,192	157,020
Deferred tax liabilities	19,319	20,626
	<u>115,511</u>	<u>177,646</u>
Current liabilities		
Loans and borrowings	392,835	279,994
Trade and other payables	105,722	137,877
Income tax payable	641	4,775
	<u>499,198</u>	<u>422,646</u>
Total liabilities	<u>614,709</u>	<u>600,292</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,245,129</u></u>	<u><u>1,273,761</u></u>
Net assets per share attributable to ordinary equity holders of the Parent (RM)	3.35	3.58
Number of shares net of treasury shares ('000)	188,122	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 July 2016

	↔ Attributable to Equity Holders of the Parent ↔					↔	↔	
	↔ Non-Distributable ↔			↔ Distributable ↔				
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non- controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Twelve Months								
<u>Ended 31 July 2016</u>								
Balance as at 1 August 2015	209,000	59,680	(55,158)	(18,798)	478,785	673,509	(40)	673,469
Loss for the financial period	-	-	-	-	(38,396)	(38,396)	(8)	(38,404)
Other comprehensive income	-	-	-	(5,641)	-	(5,641)	-	(5,641)
Total comprehensive income	-	-	-	(5,641)	(38,396)	(44,037)	(8)	(44,045)
Purchase of treasury shares	-	-	(4)	-	-	(4)	-	(4)
Capital contributed by non-controlling interest in a subsidiary	-	-	-	-	-	-	1,000	1,000
Balance as at 31 July 2016	<u>209,000</u>	<u>59,680</u>	<u>(55,162)</u>	<u>(24,439)</u>	<u>440,389</u>	<u>629,468</u>	<u>952</u>	<u>630,420</u>
2016								
Twelve Months								
<u>Ended 31 July 2015</u>								
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 period	-	-	-	-	2,562	2,562	(7)	2,555
Other comprehensive income	-	-	-	(25,541)	-	(25,541)	-	(25,541)
Total comprehensive income	-	-	-	(25,541)	2,562	(22,979)	(7)	(22,986)
Dividends on ordinary shares	-	-	-	-	(9,406)	(9,406)	-	(9,406)
Purchase of treasury shares	-	-	(10)	-	-	(10)	-	(10)
Balance as at 31 July 2015	<u>209,000</u>	<u>59,680</u>	<u>(55,158)</u>	<u>(18,798)</u>	<u>478,785</u>	<u>673,509</u>	<u>(40)</u>	<u>673,469</u>

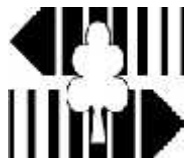
The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2015 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statements of Cash Flows
For the quarter ended 31 July 2016

	(UNAUDITED) CURRENT YEAR-TO-DATE 31/07/2016 RM'000	(RESTATED) CORRESPONDING YEAR-TO-DATE 31/07/2015 RM'000
Cash Flows from Operating Activities		
(Loss)/profit before taxation	(37,378)	2,366
Adjustments for :		
Amortisation of biological assets	5,082	4,693
Amortisation of intangible assets	5,541	10,140
Depreciation of property, plant and equipment	81,547	86,927
Depreciation of investment properties	3,473	3,462
Dividend income	(31)	(18)
(Gain)/loss on disposal of property, plant and equipment	(1,980)	3,417
Property, plant and equipment written off	695	93
Reversal of inventory written down	(484)	(1,386)
Unrealised foreign exchange gain	245	(118)
Short term accumulating compensated absences	54	163
Interest expense	17,579	17,192
Interest income	(1,002)	(1,308)
Operating cash flows before changes in working capital	<u>73,341</u>	<u>125,623</u>
Changes in working capital :		
Decrease/(increase) in inventories	13,686	(28,667)
Increase in trade and other receivables	(9,755)	(21,961)
(Decrease)/increase in other current assets	(1,624)	369
Decrease in trade and other payables	(32,295)	(16,266)
Cash flows from operations	<u>43,353</u>	<u>59,098</u>
Interest paid	(17,579)	(19,485)
Taxes paid, net of refund	(4,944)	(10,307)
Net cash flows from operating activities	<u>20,830</u>	<u>29,306</u>
Cash Flows from Investing Activities		
Dividend received	20	18
Additions of biological assets	(40,279)	(23,120)
Additions of land held for property development	(40)	-
Purchase of investment properties	-	(9,032)
Purchase of property, plant and equipment	(27,783)	(78,815)
Purchase of investment securities	(26,040)	(6,000)
Proceeds from disposal of property, plant and equipment	5,653	8,235
Proceeds from disposal of investment securities	41	-
Interest received	1,002	1,308
Net cash flows used in investing activities	<u>(87,426)</u>	<u>(107,406)</u>
Cash Flows from Financing Activities		
Drawdown of revolving credit	118,000	130,000
Proceeds from bankers' acceptance	203,701	159,870
Proceeds from drawdown of term loan	-	20,050
Purchase of treasury shares	(4)	(10)
Repayment of bankers' acceptance	(196,766)	(171,700)
Repayment of hire purchase liabilities	(57,463)	(62,320)
Repayment of term loan	(19,146)	(20,359)
Capital contribution of non-controlling interests	250	-
Dividends paid	-	(9,406)
Net cash flows from financing activities	<u>48,572</u>	<u>46,125</u>
Net decrease in cash and cash equivalents	<u>(18,024)</u>	<u>(31,975)</u>
Cash and cash equivalents at beginning of period	<u>56,277</u>	<u>88,252</u>
Cash and cash equivalents at end of period	<u><u>38,253</u></u>	<u><u>56,277</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

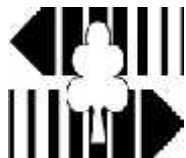
The auditors’ report on the financial statements for the year ended 31 July 2015 was not qualified.

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 and financial year-to-date, a total of 2,100 shares and 2,300 shares of RM1.00 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 2015	100	1.62	1.62	1.62	203
March 2016	100	1.72	1.72	1.72	213
May 2016	1,100	1.54	1.53	1.54	1,736
July 2016	1,000	1.45	1.45	1.45	1,492
TOTAL	2,300	1.45	1.72	1.51	3,644

All the shares purchased to-date were held as treasury shares in accordance with the requirements of Section 67A of the Companies Act 1965. As at 31 July 2016, the number of shares retained as treasury shares amounted to 20,878,200. 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.

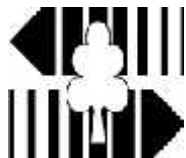
Note 8 Dividends Paid

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			
	31.07.2016		31.07.2015	
	Revenue	Profit/(Loss) Before Tax	Revenue	Profit/(Loss) Before Tax
	RM'000	RM'000	RM'000	RM'000
Timber	501,998	(37,862)	709,371	5,937
Plantation	51,187	9,262	43,553	180
Others	590	(8,778)	1,023	(3,751)
	<u>553,775</u>	<u>(37,378)</u>	<u>753,947</u>	<u>2,366</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.

Certain of the comparative year figures have been reclassified to conform to the current year's presentation.

Note 10 Valuations of Property, Plant and Equipment

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

Note 11 Subsequent Events

On 27 September 2016, the Company's equity interest in Hahn Fert Sdn. Bhd. ("HFSB"), a wholly-owned subsidiary of the Company has been diluted from 100% to 75% as a result of issuance of new ordinary shares in HFSB to a new shareholder. Following the dilution, HFSB became a 75% owned subsidiary of the Company.

Note 12 Changes in the Composition of the Group

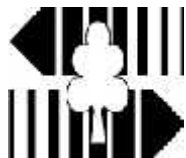
On 5 August 2015, the Company acquired 100% equity interest in Subur Properties Sdn. Bhd., Prestige Superland Sdn. Bhd. and Tiasa Heights Sdn. Bhd., are companies incorporated in Malaysia, for a total cash consideration of RM2 each.

On 7 September 2015, the Company acquired 100% equity interest in Subur Tiasa R&D Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM2.

On 23 December 2015, the Company acquired 100% equity interest in Subur Global Pte. Ltd., a company incorporated in Singapore, for a total cash consideration of SGD1.

On 3 February 2016, the Company acquired 100% equity interest in LX Photonics Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM2.

On 8 June 2016, the Company acquired 100% equity interest in Hahn Fert Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM2.



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 RM1,448,000 from RM213,210,000 as at 31 July 2015 (last annual balance sheet) to RM214,658,000 as at 31 July 2016.

Note 14 Capital Commitments

	As at 31.07.2016 RM'000	As at 31.07.2015 RM'000
Approved and contracted for	7,924	26,275
Approved but not contracted for	2,300	5,672
	<u>10,224</u>	<u>31,947</u>
Analysed as follows:		
Property, plant and equipment	6,940	25,730
Investment properties	3,284	6,217
	<u>10,224</u>	<u>31,947</u>

Note 15 Review of Performance

(a) Comparison of Results with Previous Corresponding Quarter

For the quarter ended 31 July 2016, the Group recorded revenue of RM136.9 million and loss before tax of RM18.5 million as compared to revenue of RM131.0 million and loss before tax of RM3.3 million respectively in the previous corresponding quarter.

The loss before tax was mainly due to:

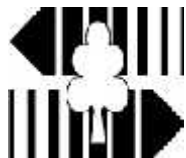
- Higher unit manufacturing cost for timber products
- Lower average export selling price of logs and plywood

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

For the financial year, the Group registered revenue of RM553.8 million and loss before tax of RM37.4 million as compared to revenue of RM753.9 million and profit of RM2.4 million in the previous corresponding year.

The loss was mainly due to:

- Increase in unit production cost for manufacturing of timber products
- Lower export sales volume of logs
- Higher unit production cost for logging operation



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

The Group's revenue increased from RM110.2 million in the immediate preceding quarter to RM136.9 million in the current quarter. The Group reported lower loss before tax of RM18.5 million as compared to loss before tax of RM19.1 million in the immediate preceding quarter, mainly due to the improved performance in oil palm segment, attributable to implementation of stringent cost controlling measures in the oil palm estates and 76% increase in fresh fruit bunch ("FFB") sales volume resulting in lower unit production cost of FFB.

Note 17 Commentary on Prospects

The slower growth in China's economy has contributed to weaker global trade and industrial production, which in turn has weighed heavily on commodities prices. Nevertheless, timber prices are expected to sustain in anticipation of the tight supply of logs and firm demand from the timber consuming countries.

The oil palm segment performance would continue to contribute positively to the Group driven by the peak crop season of FFB production. The current Crude Palm Oil (CPO) price is expected to remain stable in view of higher price of soybean oil and increase in demand from India.

The Group will focus on achieving sustainable profitability and improving the core business models through implementing new effective strategies and restructuring plan while diversifying into other businesses. The Group is committed to transforming its operations strategically, optimizing the utilization of resources, implementing cost competitiveness programme and strengthening products branding.

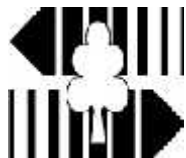
Note 18 Financial Estimate, Forecast, Projection or Internal Targets

The disclosure requirements for explanatory notes on the variation of actual profit after tax and profit forecast stated in the financial estimate, forecast, projection or internal targets and shortfall in profit guarantee are not applicable.

Note 19 (Loss)/Profit Before Taxation

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

	Quarter ended		Financial year-to-date ended	
	31.07.2016	31.07.2015	31.07.2016	31.07.2015
	RM'000	RM'000	RM'000	RM'000
Amortisation and depreciation	21,490	26,261	95,643	105,222
Property, plant and equipment written off	170	(356)	695	93
Inventory/(Reversal of inventory) written down	328	(1,888)	(484)	(1,386)
Interest expenses	4,830	5,806	17,579	17,192
Interest income	(301)	(343)	(1,002)	(1,308)
(Gain)/loss on disposal of property, plant and equipment	(86)	(27)	(1,980)	3,417
Rental income	(70)	(59)	(284)	(345)



Note 19 (Loss)/Profit Before Taxation (cont'd)

	Quarter ended		Financial year-to-date ended	
	31.07.2016	31.07.2015	31.07.2016	31.07.2015
	RM'000	RM'000	RM'000	RM'000
Loss/(Gain) on foreign exchange				
- realised	945	(6,169)	3,334	(16,317)
- unrealised	933	(2,306)	245	(118)

Note 20 Taxation

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

	Quarter ended		Financial year-to-date ended	
	31.07.2016	31.07.2015	31.07.2016	31.07.2015
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Current period provision	(1,247)	1,425	2,356	10,521
Over provision in prior year	568	163	(3,805)	(1,813)
Deferred tax:				
Current period provision	3,903	(2,424)	1,379	(9,844)
Under provision in prior year	1,096	947	1,096	947
	<u>4,320</u>	<u>111</u>	<u>1,026</u>	<u>(189)</u>

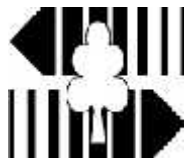
Income tax expense is recognised in each quarter based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

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	As at
		31.07.2016	31.07.2015
		RM'000	RM'000
Short term borrowings:			
Unsecured	- Bankers' acceptance	30,605	23,670
	- Revolving credit	298,000	180,000
Secured	- Term loans	13,967	18,975
	- Hire purchase obligations	50,263	57,349
		<u>392,835</u>	<u>279,994</u>



Note 22 Borrowings and Debt Securities (cont'd)

	As at 31.07.2016 RM'000	As at 31.07.2015 RM'000
Long term borrowings:		
Secured		
- Term loans	72,964	87,102
- Hire purchase obligations	23,228	69,918
	<u>96,192</u>	<u>157,020</u>
Total borrowings	<u>489,027</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 July 2016, 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:

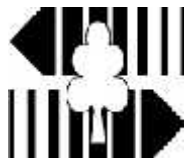
- (a) the credit risk, market risk and liquidity risk associated with these financial derivatives;
- (b) the cash requirements of the derivatives;
- (c) the policies in place for mitigating or controlling the risks associated with these financial derivative; and
- (d) the related accounting policies.

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 July 2016.

Note 25 Realised and Unrealised Profits/Losses Disclosure

	As at 31.07.2016 RM'000	As at 31.07.2015 RM'000
Total retained profits of Subur Tiasa Holdings Berhad and its subsidiaries:		
- Realised	455,486	476,672
- Unrealised	(1,572)	1,030
	<u>453,914</u>	<u>477,702</u>
Less: Consolidation adjustments	(13,525)	1,083
Total Group retained profits as per consolidated accounts	<u>440,389</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 July 2016 (previous corresponding period: Nil).

Note 28 Earnings/(Loss) 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.

	Quarter ended 31.07.2016	Financial year- to-date ended 31.07.2016
Loss for the period attributable to ordinary equity holders of the Company (RM'000)	(22,794)	(38,396)
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,122	188,122
Basic loss per share (Sen)	(12.12)	(20.41)

(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 29 September 2016.