



Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the quarter ended 31 January 2017

	(UNAUDITED)		(UNAUDITED)	
	INDIVIDUAL QUARTER	PRECEDING YEAR	CUMULATIVE QUARTER	PRECEDING YEAR
	CURRENT YEAR QUARTER	CORRESPONDING QUARTER	CURRENT YEAR TO DATE	CORRESPONDING PERIOD
	31/01/2017	31/01/2016	31/01/2017	31/01/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	121,233	161,469	261,975	306,675
Cost of sales	(101,183)	(127,581)	(213,571)	(244,802)
Gross Profit	20,050	33,888	48,404	61,873
Other income	3,389	1,543	6,810	7,079
Administrative expenses	(13,278)	(15,007)	(26,969)	(27,111)
Selling and distribution expenses	(12,222)	(15,368)	(24,750)	(29,442)
Other expenses	(811)	(1,385)	(1,621)	(3,920)
Operating (Loss)/Profit	(2,872)	3,671	1,874	8,479
Finance costs	(4,427)	(4,484)	(8,860)	(8,273)
(Loss)/Profit before tax	(7,299)	(813)	(6,986)	206
Income tax expenses	(1,592)	(993)	(1,802)	(1,940)
Loss for the period	(8,891)	(1,806)	(8,788)	(1,734)
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	1,975	(4,512)	3,191	(999)
Total comprehensive income for the period	(6,916)	(6,318)	(5,597)	(2,733)
Loss net of tax attributable to:				
Owners of the parent	(8,842)	(1,806)	(8,692)	(1,734)
Non-controlling interests	(49)	-	(96)	-
	(8,891)	(1,806)	(8,788)	(1,734)
Total comprehensive income attributable to:				
Owners of the parent	(6,867)	(6,318)	(5,501)	(2,733)
Non-controlling interests	(49)	-	(96)	-
	(6,916)	(6,318)	(5,597)	(2,733)
	Sen	Sen	Sen	Sen
Loss per share attributable to Owners of the parent:				
- Basic	(4.70)	(0.96)	(4.62)	(0.92)
- Diluted	N/A	N/A	N/A	N/A

Note: N/A: Not Applicable

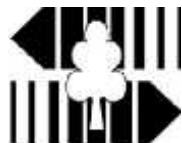
The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2016 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statements of Financial Position
As At 31 January 2017

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31/01/2017 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/07/2016 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	578,902	606,621
Land held for property development	6,005	6,005
Biological assets	215,417	200,598
Investment properties	58,382	59,887
Investment securities	39,913	36,722
Intangible assets	2,720	4,341
Long term receivable	3,128	3,205
Deferred tax assets	20,325	21,804
	<u>924,792</u>	<u>939,183</u>
Current assets		
Inventories	144,569	165,886
Trade and other receivables	116,125	95,365
Other current assets	12,971	9,459
Cash and bank balances	23,233	47,527
	<u>296,898</u>	<u>318,237</u>
TOTAL ASSETS	<u><u>1,221,690</u></u>	<u><u>1,257,420</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent:		
Share capital	268,680	209,000
Share premium	-	59,680
Treasury shares	(55,165)	(55,162)
Retained earnings	431,823	440,515
Other reserves	(21,248)	(24,439)
	<u>624,090</u>	<u>629,594</u>
Non-controlling interests	855	951
Total equity	<u>624,945</u>	<u>630,545</u>
Non-current liabilities		
Loans and borrowings	102,209	96,259
Deferred tax liabilities	22,066	23,131
	<u>124,275</u>	<u>119,390</u>
Current liabilities		
Loans and borrowings	382,577	392,905
Trade and other payables	88,656	113,958
Derivative financial liabilities	302	-
Income tax payable	935	622
	<u>472,470</u>	<u>507,485</u>
Total liabilities	<u>596,745</u>	<u>626,875</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,221,690</u></u>	<u><u>1,257,420</u></u>
Net assets per share attributable to ordinary equity holders of the Parent (RM)	3.32	3.35
Number of shares net of treasury shares ('000)	188,120	188,122

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2016 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statements of Changes in Equity
For the quarter ended 31 January 2017

	↔ 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
Six Months								
<u>Ended 31 January 2017</u>								
Balance as at 1 August 2016	209,000	59,680	(55,162)	(24,439)	440,515	629,594	951	630,545
Loss for the financial period	-	-	-	-	(8,692)	(8,692)	(96)	(8,788)
Other comprehensive income	-	-	-	3,191	-	3,191	-	3,191
Total comprehensive income	-	-	-	3,191	(8,692)	(5,501)	(96)	(5,597)
Transaction with owners								
Upon abolition of par value *	59,680	(59,680)	-	-	-	-	-	-
Purchase of treasury shares	-	-	(3)	-	-	(3)	-	(3)
Balance as at 31 January 2017	<u>268,680</u>	<u>-</u>	<u>(55,165)</u>	<u>(21,248)</u>	<u>431,823</u>	<u>624,090</u>	<u>855</u>	<u>624,945</u>
Six Months								
<u>Ended 31 January 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	-	-	-	-	(1,734)	(1,734)	-	(1,734)
Other comprehensive income	-	-	-	(999)	-	(999)	-	(999)
Total comprehensive income	-	-	-	(999)	(1,734)	(2,733)	-	(2,733)
Balance as at 31 January 2016	<u>209,000</u>	<u>59,680</u>	<u>(55,158)</u>	<u>(19,797)</u>	<u>477,051</u>	<u>670,776</u>	<u>(40)</u>	<u>670,736</u>

* On 31 January 2017, in accordance with the Companies Act 2016, the concepts of “par value” and “authorised capital” were abolished and on that date, the shares of the Company ceased to have a par value. Consequently, the amounts standing in the share premium had become part of the Company’s share capital.

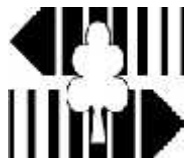
The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2016 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statements of Cash Flows
For the quarter ended 31 January 2017

	(UNAUDITED) CURRENT YEAR-TO-DATE 31/01/2017 RM'000	(UNAUDITED) CORRESPONDING YEAR-TO-DATE 31/01/2016 RM'000
Cash Flows from Operating Activities		
(Loss)/Profit before taxation	(6,986)	206
Adjustments for :		
Amortisation of biological assets	2,973	2,528
Amortisation of intangible assets	1,621	3,920
Depreciation of investment properties	1,506	67
Depreciation of property, plant and equipment	34,137	45,201
Dividend income	(10)	-
Interest expense	8,860	8,273
Interest income	(435)	(452)
Gain on disposal of property, plant and equipment	(1,746)	(468)
Fair value loss on derivative financial instruments	302	-
Property, plant and equipment written off	55	519
Reversal of write-down of inventories	-	(921)
Unrealised gain on foreign exchange	33	1,032
Operating profit before working capital changes	<u>40,310</u>	<u>59,905</u>
Changes in working capital :		
Decrease/(increase) in inventories	21,317	(13,319)
Increase in trade and other receivables	(20,717)	(23,411)
Increase in other current assets	(3,459)	(4,323)
Decrease in trade and other payables	(25,302)	(8,807)
Cash from operations	<u>12,149</u>	<u>10,045</u>
Taxes paid, net of refund	(1,128)	(3,287)
Interest paid	(8,860)	(8,273)
Interest received	435	452
Net cash from/(for) operating activities	<u>2,596</u>	<u>(1,063)</u>
Cash Flows from Investing Activities		
Costs incurred on biological assets	(17,792)	(13,582)
Dividend received	10	-
Proceeds from disposal of property, plant and equipment	2,423	3,831
Purchase of investment securities	-	(26,040)
Purchase of property, plant and equipment	(7,150)	(26,662)
Net cash for investing activities	<u>(22,509)</u>	<u>(62,453)</u>
Cash Flows from Financing Activities		
Net of (repayment)/drawdown of bankers' acceptance	(9,443)	36,251
Drawdown of revolving credit	17,500	91,000
Proceeds from drawdown of term loan	24,000	-
Repayment of term loan	(7,817)	(9,746)
Purchase of treasury shares	(3)	-
Repayment of hire purchase obligations	(28,618)	(29,010)
Net cash (for)/from financing activities	<u>(4,381)</u>	<u>88,495</u>
Net change in cash and cash equivalents	<u>(24,294)</u>	<u>24,979</u>
Cash and cash equivalents at beginning of period	<u>47,527</u>	<u>56,277</u>
Cash and cash equivalents at end of period	<u>23,233</u>	<u>81,256</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 July 2016 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 2016. 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 2016.

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 2016. At the date of authorization of these interim financial statements, the Group has not adopted the following accounting standards that have been issued by the Malaysian Accounting Standards Board (“MASB”). The Group intend to adopt these amendments/standards, if applicable, when they become effective.

FRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 10 and FRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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

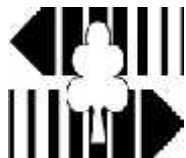
The auditors’ report on the financial statements for the year ended 31 July 2016 was not qualified.

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, 2,100 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		
August 2016	1,000	1.42	1.42	1.42	1,462
September 2016	1,100	1.41	1.50	1.42	1,644
TOTAL	2,100	1.41	1.50	1.42	3,106

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 January 2017, the number of shares retained as treasury shares amounted to 20,880,300. 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.

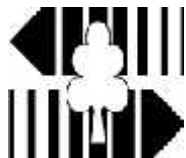
Note 8 Dividends Paid

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			
	31.01.2017		31.01.2016	
	Revenue	Profit/(Loss) Before Tax	Revenue	Profit/(Loss) Before Tax
	RM'000	RM'000	RM'000	RM'000
Timber	215,842	(20,544)	278,995	(2,991)
Plantation	45,387	17,917	27,534	5,681
Others	746	(4,359)	146	(2,484)
	<u>261,975</u>	<u>(6,986)</u>	<u>306,675</u>	<u>206</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, tree planting (reforestation), manufacturing and trading of plywood, particleboard, sawn timber, finger-joint moulding, 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

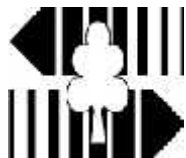
On 27 September 2016, the Company's equity interest in Hahn Fert Sdn. Bhd. ("HAF"), a wholly-owned subsidiary of the Company has been diluted from 100% to 75% as a result of issuance of new ordinary shares in HAF to a new shareholder. Following the dilution, HAF became a 75% owned subsidiary of the Company.

On 30 September 2016, the wholly-owned subsidiary of the Company, Momawater Sdn. Bhd. ("MWT") has acquired the entire issued and paid up capital of MOMA Marketing Pte. Ltd. ("MMS") comprising one (1) ordinary share of SGD1.00. Thereby, MMS became a wholly-owned subsidiary of the Company via MWT. MMS is currently a dormant company and its intended principal business activity is trading of drinking water.

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 RM17,802,000 from RM214,796,000 as at 31 July 2016 (last annual balance sheet) to RM232,598,000 as at 31 January 2017.



Note 14 Capital Commitments

	As at 31.01.2017 RM'000	As at 31.07.2016 RM'000
Approved and contracted for	2,767	8,125
Approved but not contracted for	<u>5,997</u>	<u>4,619</u>
	<u><u>8,764</u></u>	<u><u>12,744</u></u>
Analysed as follows:		
Property, plant and equipment	6,984	9,425
Investment properties	<u>1,780</u>	<u>3,319</u>
	<u><u>8,764</u></u>	<u><u>12,744</u></u>

Note 15 Review of Performance

(a) Comparison of Results with Previous Corresponding Quarter

For the quarter ended 31 January 2017, the Group recorded revenue of RM121.2 million and loss before tax of RM7.3 million as compared to revenue of RM161.5 million and loss before tax of RM0.8 million respectively in the previous corresponding quarter.

The loss before tax was mainly due to:

- Lower export sales volume of logs, plywood and particleboard
- Higher unit manufacturing cost for timber products

The loss was being partially alleviated by higher contribution from oil palm segment, attributed to higher fresh fruit bunches ("FFB") average selling price by 57%.

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

For the financial year-to-date, the Group registered revenue of RM262.0 million and loss before tax of RM7.0 million as compared to revenue of RM306.7 million and profit of RM0.2 million in the preceding year corresponding period.

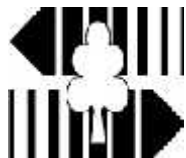
The loss before tax was mainly due to:

- Lower export sales volume of logs and plywood
- Lower average selling price of export logs, plywood and particleboard

The loss was being partially alleviated by higher contribution from oil palm segment, attributed to higher FFB average selling price by 53%.

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

The Group's revenue decreased from RM140.7 million in the immediate preceding quarter to RM121.2 million in the current quarter. The Group reported loss before tax of RM7.3 million as compared to profit before tax of RM0.3 million in the immediate preceding quarter. The variance was primarily due to higher unit logging operational cost resulting from lower volume of logs harvested during the monsoon season and lower profit contribution from oil palm segment as a result of lower FFB production.



Note 17 Commentary on Prospects

After a lackluster outturn in 2016, there are various possible outcomes around the projections for year 2017 and 2018, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. Growth prospects have marginally worsened for emerging market and developing economies, where financial conditions have generally tightened.

The forest management and timber certification initiated by the authority will continue to affect the production of logs. In view of lower production of logs across the timber industry in Sarawak and therefore prevailing tight supply of logs in the market, timber prices are expected to sustain.

The oil palm plantation segment is expected to contribute positively to the Group. The Crude Palm Oil price is supported by the lower palm oil stockpile and weaker production season. FFB production is expected to improve with the commencement of peak crop season in the coming months.

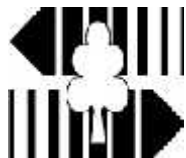
Note 18 Financial Estimate, Forecast, Projection or Internal Targets

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	
	31.01.2017	31.01.2016	31.01.2017	31.01.2016
	RM'000	RM'000	RM'000	RM'000
Amortisation and depreciation	19,204	24,679	40,237	51,716
Property, plant and equipment written off	43	518	55	519
Reversal of write-down of inventory	-	(921)	-	(921)
Interest expenses	4,427	4,484	8,860	8,273
Dividend income	(10)	-	(10)	-
Interest income	(187)	(262)	(435)	(452)
Gain on disposal of property, plant and equipment	(1,679)	(471)	(1,746)	(468)
Rental income	(60)	(61)	(117)	(124)
Fair value loss on derivative financial instrument	302	-	302	-
(Gain)/Loss on foreign exchange				
- realised	(215)	284	630	(1,864)
- unrealised	109	2,566	33	1,032



Note 20 Taxation

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

	Quarter ended		Financial year-to-date ended	
	31.01.2017 RM'000	31.01.2016 RM'000	31.01.2017 RM'000	31.01.2016 RM'000
Income tax:				
Current period provision	593	1,534	938	2,355
Under provision in prior year	-	-	450	-
Deferred tax:				
Current period provision	999	(541)	414	(415)
	<u>1,592</u>	<u>993</u>	<u>1,802</u>	<u>1,940</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

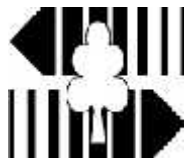
On 22 February 2017, Tiasa Mesra Sdn. Bhd., a wholly-owned subsidiary of the Company has entered into an agreement with Rimbunan Sawit Berhad ("RSB") to acquire all the rights, titles and interests in relation to the Simunjan Estate (as defined) via an assignment including development costs, biological assets, commercial rights and all the fixtures and fittings relating thereto held by RSB under the license for planted forest No. LPF/0035, for a cash consideration of RM150.0 million.

Save as disclosed above, there were no corporate proposals announced but not completed as at 22 March 2017, being the latest practicable date.

Note 22 Borrowings and Debt Securities

		As at 31.01.2017 RM'000	As at 31.07.2016 RM'000
Short term borrowings:			
Unsecured	- Bankers' acceptance	21,179	30,622
	- Revolving credit	309,500	292,000
Secured	- Revolving credit	6,000	6,000
	- Term loans	14,170	14,087
	- Hire purchase obligations	31,728	50,196
		<u>382,577</u>	<u>392,905</u>
Long term borrowings:			
Secured	- Term loans	89,064	72,964
	- Hire purchase obligations	13,145	23,295
		<u>102,209</u>	<u>96,259</u>
Total borrowings		<u>484,786</u>	<u>489,164</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 January 2017, 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	Liabilities RM'000
Forward foreign exchange contract USD - less than 1 year	17,500	17,198	302

There was no significant change for the financial derivatives in respect of the followings since the last financial year ended 31 July 2016:

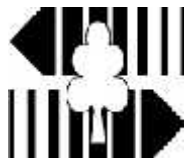
- (a) the credit risk, market risk and liquidity risk associated with these financial derivatives;
- (b) the cash requirements of the derivatives;
- (c) the policies in place for mitigating or controlling the risks associated with these financial derivative; and
- (d) the related accounting policies.

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

The Group recognised loss of RM 302,000 for the current quarter and for financial year-to-date 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

	As at 31.01.2017 RM'000	As at 31.07.2016 RM'000
Total retained profits of Subur Tiasa Holdings Berhad and its subsidiaries:		
- Realised	444,729	450,812
- Unrealised	(1,851)	(1,914)
	<u>442,878</u>	<u>448,898</u>
Less: Consolidation adjustments	(11,055)	(8,383)
Total Group retained profits as per consolidated accounts	<u>431,823</u>	<u>440,515</u>



Note 26 Changes in Material Litigation

The Group has no outstanding material litigation which might materially and adversely affect the position or business of the Group as at 22 March 2017 being the latest practicable date.

Note 27 Dividend Payable

The Board of Directors did not declare any dividend for the quarter ended 31 January 2017 (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.

	Quarter ended 31.01.2017	Financial year- to-date ended 31.01.2017
Loss for the period attributable to ordinary equity holders of the Company (RM'000)	(8,842)	(8,692)
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,120	188,120
Basic loss per share (Sen)	(4.70)	(4.62)

(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 March 2017.