

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**  
**For the quarter ended 30 April 2017**

	(UNAUDITED)		(UNAUDITED)	
	INDIVIDUAL QUARTER	PRECEDING YEAR	CUMULATIVE QUARTER	PRECEDING YEAR
	CURRENT YEAR QUARTER	CORRESPONDING QUARTER	CURRENT YEAR TO DATE	CORRESPONDING PERIOD
	30/04/2017	30/04/2016	30/04/2017	30/04/2016
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	115,388	110,238	377,363	416,913
Cost of sales	(94,365)	(98,623)	(307,936)	(343,425)
<b>Gross Profit</b>	21,023	11,615	69,427	73,488
Other income	4,760	4,459	11,570	11,538
Administrative expenses	(11,816)	(17,686)	(38,785)	(44,797)
Selling and distribution expenses	(9,885)	(12,204)	(34,635)	(41,646)
Other expenses	-	(810)	(1,621)	(4,730)
<b>Operating Profit/(Loss)</b>	4,082	(14,626)	5,956	(6,147)
Finance costs	(939)	(4,476)	(9,799)	(12,749)
<b>Profit/(Loss) before tax</b>	3,143	(19,102)	(3,843)	(18,896)
Income tax expenses	(2,546)	5,234	(4,348)	3,294
<b>Profit/(Loss) for the period</b>	597	(13,868)	(8,191)	(15,602)
<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	(3,825)	1,621	(634)	622
<b>Total comprehensive income for the period</b>	(3,228)	(12,247)	(8,825)	(14,980)
<b>Profit/(Loss) net of tax attributable to:</b>				
Owners of the parent	536	(13,868)	(8,156)	(15,602)
Non-controlling interests	61	-	(35)	-
	597	(13,868)	(8,191)	(15,602)
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	(3,289)	(12,247)	(8,790)	(14,980)
Non-controlling interests	61	-	(35)	-
	(3,228)	(12,247)	(8,825)	(14,980)
	Sen	Sen	Sen	Sen
Earnings/(Loss) per share attributable to				
Owners of the parent:				
- Basic	0.28	(7.37)	(4.34)	(8.29)
- 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 30 April 2017**

	(UNAUDITED) AS AT END OF CURRENT QUARTER 30/04/2017 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/07/2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	585,383	606,621
Land held for property development	6,005	6,005
Biological assets	231,142	200,598
Investment properties	59,887	59,887
Investment securities	36,088	36,722
Intangible assets	2,720	4,341
Long term receivable	2,985	3,205
Deferred tax assets	21,434	21,804
	<u>945,644</u>	<u>939,183</u>
<b>Current assets</b>		
Inventories	142,507	165,886
Trade and other receivables	122,806	95,365
Other current assets	13,096	9,459
Cash and bank balances	16,081	47,527
	<u>294,490</u>	<u>318,237</u>
<b>TOTAL ASSETS</b>	<u><u>1,240,134</u></u>	<u><u>1,257,420</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent:</b>		
Share capital	268,680	209,000
Share premium	-	59,680
Treasury shares	(55,165)	(55,162)
Retained earnings	432,359	440,515
Other reserves	(25,073)	(24,439)
	<u>620,801</u>	<u>629,594</u>
Non-controlling interests	916	951
<b>Total equity</b>	<u>621,717</u>	<u>630,545</u>
<b>Non-current liabilities</b>		
Loans and borrowings	95,546	96,259
Deferred tax liabilities	25,474	23,131
	<u>121,020</u>	<u>119,390</u>
<b>Current liabilities</b>		
Loans and borrowings	394,919	392,905
Trade and other payables	101,315	113,958
Derivative financial liabilities	55	-
Income tax payable	1,108	622
	<u>497,397</u>	<u>507,485</u>
<b>Total liabilities</b>	<u>618,417</u>	<u>626,875</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,240,134</u></u>	<u><u>1,257,420</u></u>
<b>Net assets per share attributable to ordinary equity holders of the Parent (RM)</b>	3.30	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 30 April 2017**

	← 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	Total	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Nine Months Ended 30 April 2017								
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	-	-	-	-	(8,156)	(8,156)	(35)	(8,191)
Other comprehensive income	-	-	-	(634)	-	(634)	-	(634)
Total comprehensive income	-	-	-	(634)	(8,156)	(8,790)	(35)	(8,825)
Transaction with owners								
Upon abolition of par value *	59,680	(59,680)	-	-	-	-	-	-
Purchase of treasury shares	-	-	(3)	-	-	(3)	-	(3)
Balance as at 30 April 2017	<u>268,680</u>	<u>-</u>	<u>(55,165)</u>	<u>(25,073)</u>	<u>432,359</u>	<u>620,801</u>	<u>916</u>	<u>621,717</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 pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016.

Nine Months  
 Ended 30 April 2016

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	-	-	-	-	(15,602)	(15,602)	-	(15,602)
Other comprehensive income	-	-	-	622	-	622	-	622
Total comprehensive income	-	-	-	622	(15,602)	(14,980)	-	(14,980)
Capital contributed by non-controlling interest in a subsidiary	-	-	-	-	-	-	1,000	1,000
Balance as at 30 April 2016	<u>209,000</u>	<u>59,680</u>	<u>(55,158)</u>	<u>(18,176)</u>	<u>463,183</u>	<u>658,529</u>	<u>960</u>	<u>659,489</u>

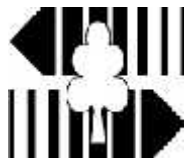
The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2016 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Cash Flows**  
**For the quarter ended 30 April 2017**

	(UNAUDITED) CURRENT YEAR-TO-DATE 30/04/2017 RM'000	(UNAUDITED) CORRESPONDING YEAR-TO-DATE 30/04/2016 RM'000
<b>Cash Flows from Operating Activities</b>		
Loss before taxation	(3,843)	(18,896)
Adjustments for :		
Amortisation of biological assets	4,471	3,802
Amortisation of intangible assets	1,621	4,730
Depreciation of investment properties	-	99
Depreciation of property, plant and equipment	34,752	65,522
Dividend income	(10)	(3)
Interest expense	9,799	12,749
Interest income	(598)	(701)
Gain on disposal of property, plant and equipment	(4,890)	(1,894)
Fair value loss on derivative financial instruments	55	-
Property, plant and equipment written off	59	525
Reversal of inventory written down	(380)	(812)
Unrealised gain on foreign exchange	(181)	(688)
Operating profit before working capital changes	40,855	64,433
Changes in working capital :		
Decrease/(increase) in inventories	23,758	(23,970)
Increase in trade and other receivables	(27,040)	(262)
Increase in other current assets	(3,397)	(3,299)
Decrease in trade and other payables	(12,643)	(10,972)
Cash from operations	21,533	25,930
Taxes paid, net of refund	(1,388)	(4,144)
Interest paid	(9,799)	(12,749)
Interest received	598	701
Net cash from operating activities	10,944	9,738
<b>Cash Flows from Investing Activities</b>		
Additional investments in an existing subsidiary by non-controlling interests	-	250
Costs incurred on biological assets	(35,014)	(30,285)
Dividend received	10	3
Proceeds from disposal of property, plant and equipment	5,732	7,484
Purchase of investment securities	-	(26,043)
Purchase of property, plant and equipment	(14,416)	(27,874)
Net cash for investing activities	(43,688)	(76,465)
<b>Cash Flows from Financing Activities</b>		
Decrease in pledge fixed deposits with licence banks		
Net of (repayment)/drawdown of bankers' acceptance	4,176	6,758
Drawdown of revolving credit	25,000	118,000
Proceeds from drawdown of term loan	24,000	-
Repayment of term loan	(11,237)	(13,946)
Purchase of treasury shares	(3)	-
Repayment of hire purchase obligations	(40,638)	(43,467)
Net cash from financing activities	1,298	67,345
<b>Net change in cash and cash equivalents</b>	(31,446)	618
<b>Cash and cash equivalents at beginning of period</b>	47,527	56,277
<b>Cash and cash equivalents at end of period</b>	16,081	56,895

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.

<b>FRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective Date</b>
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.

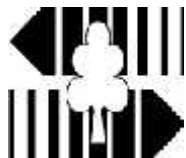
**Note 3 Auditors’ Report on Preceding Annual Financial Statements**

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 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			
	30.04.2017		30.04.2016	
	Revenue	Profit/(Loss) Before Tax	Revenue	Profit/(Loss) Before Tax
	RM'000	RM'000	RM'000	RM'000
Timber	312,768	(23,226)	380,363	(19,693)
Plantation	63,421	24,049	36,249	5,128
Others	1,174	(4,666)	301	(4,331)
	<u>377,363</u>	<u>(3,843)</u>	<u>416,913</u>	<u>(18,896)</u>

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.

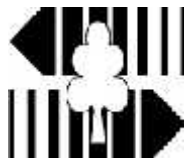
## Note 11 Subsequent Events

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 RM77,482,000 from RM214,796,000 as at 31 July 2016 (last annual balance sheet) to 292,278,000 as at 30 April 2017.

### Note 14 Capital Commitments

	As at 30.04.2017 RM'000	As at 31.07.2016 RM'000
Approved and contracted for	7,463	8,125
Approved but not contracted for	159	4,619
	<u>7,622</u>	<u>12,744</u>
Analysed as follows:		
Property, plant and equipment	5,842	9,425
Investment properties	1,780	3,319
	<u>7,622</u>	<u>12,744</u>

### Note 15 Review of Performance

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

For the quarter ended 30 April 2017, the Group recorded revenue of RM115.4 million and profit before tax of RM3.1 million as compared to revenue of RM110.2 million and loss before tax of RM19.1 million respectively in the previous corresponding quarter.

The profit before tax was mainly due to:

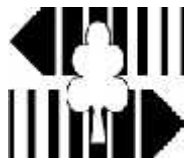
- Higher average export selling price for timber and timber products driven by weakening of Ringgit Malaysia against US Dollar
- Reduction of unit production cost of fresh fruit bunches ("FFB") as a result of 61% increase in production volume
- Higher FFB average selling price by 16%

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

For the financial year-to-date, the Group registered revenue of RM377.4 million and loss before tax of RM3.9 million as compared to revenue of RM416.9 million and loss of RM18.9 million in the preceding year corresponding period. The improved results was mainly contributed by oil palm segment arising from:

- Higher crude palm oil ("CPO") and FFB average selling price by 30% and 44% respectively
- Higher FFB production volume by 20% due to increasing area of more matured palm trees with higher yield





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

The Group's revenue decreased from RM121.2 million in the immediate preceding quarter to RM115.4 million in the current quarter. The Group made a turnaround from loss before tax of RM7.3 million to profit before tax of RM3.1 million. The improvement was contributed by lower unit operational cost for timber as a result of reduced overheads.

**Note 17 Commentary on Prospects**

In view of prevailing tight supply of logs in the market as the result of the forest management and timber certification initiated by authority, timber prices are expected to sustain. The higher tax premium on timber imposed by state authorities will impact the performance of timber division. Nevertheless, the quantum of the impact will be mitigated by higher selling price and strong US Dollar.

The oil palm plantation segment is expected to contribute positively to the Group. The upcoming peak crop season will see increase in FFB production in our oil palm plantation. Despite the recent downward pressure on CPO prices, the Group is committed and well anchored to achieve better results through implementation of cost control measures and enhancement of efficiency.

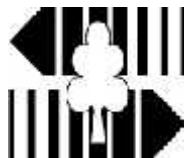
**Note 18 Financial Estimate, Forecast, Projection or Internal Targets**

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 Profit/(Loss) Before Taxation**

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

	Quarter ended		Financial year-to-date ended	
	30.04.2017	30.04.2016	30.04.2017	30.04.2016
	RM'000	RM'000	RM'000	RM'000
Amortisation and depreciation	607	22,437	40,844	74,153
Property, plant and equipment written off (Reversal of inventory)/Inventory written down	4 (380)	6 109	59 (380)	525 (812)
Interest expenses	939	4,476	9,799	12,749
Dividend income	-	-	(10)	-
Interest income	(163)	(249)	(598)	(701)
Gain on disposal of property, plant and equipment	(3,144)	(1,426)	(4,890)	(1,894)
Rental income	(52)	(90)	(169)	(214)
(Reversal of loss)/Fair value loss on derivative financial instrument	(247)	-	55	-
Loss/(Gain) on foreign exchange				
- realised	1,108	4,253	1,737	2,389
- unrealised	(214)	(1,720)	(181)	(688)



## Note 20 Taxation

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

	Quarter ended		Financial year-to-date ended	
	30.04.2017 RM'000	30.04.2016 RM'000	30.04.2017 RM'000	30.04.2016 RM'000
Income tax:				
Current period provision	224	1,248	1,162	3,603
Under/(Over) provision in prior year	23	(4,373)	473	(4,373)
Deferred tax:				
Current period provision	2,299	(2,109)	2,713	(2,514)
	<u>2,546</u>	<u>(5,234)</u>	<u>4,348</u>	<u>(3,294)</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

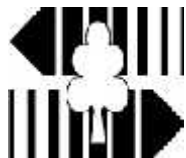
On 22 February 2017, Tiasa Mesra Sdn. Bhd., a wholly-owned subsidiary of the Company has entered into an agreement with Rimbunan Sawit Berhad ("RSB") to acquire all the rights, titles and interests in relation to the Simunjan Estate (as defined) via an assignment including development costs, biological 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 23 June 2017, being the latest practicable date.

## Note 22 Borrowings and Debt Securities

		As at 30.04.2017 RM'000	As at 31.07.2016 RM'000
<b>Short term borrowings:</b>			
Unsecured	- Bankers' acceptance	34,798	30,622
	- Revolving credit	317,000	292,000
Secured	- Revolving credit	6,000	6,000
	- Term loans	15,500	14,087
	- Hire purchase obligations	21,621	50,196
		<u>394,919</u>	<u>392,905</u>
<b>Long term borrowings:</b>			
Secured	- Term loans	84,314	72,964
	- Hire purchase obligations	11,232	23,295
		<u>95,546</u>	<u>96,259</u>
<b>Total borrowings</b>		<u>490,465</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 30 April 2017, the notional value and maturity analysis of the outstanding foreign exchange contracts of the Group is as follows:

<b>Type of Derivatives</b>	<b>Contract/ Notional Value RM'000</b>	<b>Fair Value RM'000</b>	<b>Assets RM'000</b>
<b>Forward foreign exchange contract USD - less than 1 year</b>	16,746	16,993	247

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

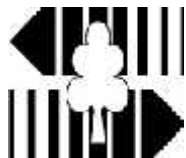
- the credit risk, market risk and liquidity risk associated with these financial derivatives;
- the cash requirements of the derivatives;
- the policies in place for mitigating or controlling the risks associated with these financial derivative; and
- the related accounting policies.

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

The Group recognised reversal of loss of RM247,000 for the current quarter and loss of RM55,000 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**

	<b>As at 30.04.2017 RM'000</b>	<b>As at 31.07.2016 RM'000</b>
Total retained profits of Subur Tiasa Holdings Berhad and its subsidiaries:		
- Realised	446,671	450,812
- Unrealised	(3,825)	(1,914)
	<u>442,846</u>	<u>448,898</u>
Less: Consolidation adjustments	(10,577)	(8,383)
Total Group retained profits as per consolidated accounts	<u>432,269</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 23 June 2017 being the latest practicable date.

**Note 27 Dividend Payable**

The Board of Directors did not declare any dividend for the quarter ended 30 April 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.

	<b>Quarter ended 30.04.2017</b>	<b>Financial year- to-date ended 30.04.2017</b>
Profit/(Loss) for the period attributable to ordinary equity holders of the Company (RM'000)	536	(8,156)
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,120	188,120
Basic earnings/(loss) per share (Sen)	0.28	(4.34)

(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 30 June 2017.