



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

	(UNAUDITED)		(UNAUDITED)	
	INDIVIDUAL QUARTER	PRECEDING YEAR	CUMULATIVE QUARTER	PRECEDING YEAR
	CURRENT YEAR QUARTER	CORRESPONDING QUARTER	CURRENT YEAR TO DATE	CORRESPONDING PERIOD
	31/10/2017	31/10/2016	31/10/2017	31/10/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	110,932	140,742	110,932	140,742
Cost of sales	(92,422)	(112,388)	(92,422)	(112,388)
Gross Profit	18,510	28,354	18,510	28,354
Other income	6,172	3,421	6,172	3,421
Administrative expenses	(9,740)	(13,691)	(9,740)	(13,691)
Selling and distribution expenses	(11,032)	(12,528)	(11,032)	(12,528)
Other expenses	-	(810)	-	(810)
Operating Profit	3,910	4,746	3,910	4,746
Finance costs	(3,495)	(4,433)	(3,495)	(4,433)
Profit before tax	415	313	415	313
Income tax expenses	(2,292)	(210)	(2,292)	(210)
(Loss)/Profit for the period	(1,877)	103	(1,877)	103
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	(1,620)	1,216	(1,620)	1,216
Total comprehensive income for the period	(3,497)	1,319	(3,497)	1,319
(Loss)/Profit net of tax attributable to:				
Owners of the parent	(1,887)	150	(1,887)	150
Non-controlling interests	10	(47)	10	(47)
	(1,877)	103	(1,877)	103
Total comprehensive income attributable to:				
Owners of the parent	(3,487)	1,366	(3,507)	1,366
Non-controlling interests	(10)	(47)	10	(47)
	(3,497)	1,319	(3,497)	1,319
	Sen	Sen	Sen	Sen
(Loss)/Profit per share attributable to				
Owners of the parent:				
- Basic	(1.00)	0.08	(1.00)	0.08
- 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 2017 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statements of Financial Position
As At 31 October 2017

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31/10/2017 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/07/2017 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	611,388	617,908
Land held for property development	6,437	6,437
Biological assets	258,591	244,856
Investment properties	84,085	84,085
Investment securities	31,536	33,156
Intangible assets	2,720	2,720
Long term receivable	2,600	3,156
Deferred tax assets	11,022	11,378
	1,008,379	1,003,696
Current assets		
Inventories	123,578	136,752
Trade and other receivables	128,998	139,579
Other current assets	18,871	10,153
Cash and bank balances	38,021	28,308
	309,468	314,792
TOTAL ASSETS	1,317,847	1,318,488
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent:		
Share capital	268,680	268,680
Treasury shares	(55,165)	(55,165)
Retained earnings	441,155	443,042
Other reserves	(29,652)	(28,032)
	625,018	628,525
Non-controlling interests	2,499	2,489
Total equity	627,517	631,014
Non-current liabilities		
Loans and borrowings	92,374	92,906
Deferred tax liabilities	33,052	32,252
	125,426	125,158
Current liabilities		
Loans and borrowings	418,981	414,628
Trade and other payables	144,371	146,975
Income tax payable	1,552	713
	564,904	562,316
Total liabilities	690,330	687,474
TOTAL EQUITY AND LIABILITIES	1,317,847	1,318,488
Net assets per share attributable to ordinary equity holders of the Parent (RM)	3.34	3.35
Number of shares net of treasury shares ('000)	188,120	188,120

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2017 and the accompanying explanatory notes attached to the quarterly report.



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

	←← Attributable to Equity Holders of the Parent →→				Distributable	Total	Non- controlling interests	Total Equity
	Non-Distributable							
	Share capital	Share premium	Treasury shares	Other reserves	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Three Months Ended 31 October 2017								
Balance as at 1 August 2017	268,680	-	(55,165)	(28,032)	443,042	628,525	2,489	631,014
(Loss)/Profit for the financial period	-	-	-	-	(1,887)	(1,887)	10	(1,877)
Other comprehensive income:-								
- fair value changes of financial assets measured at fair value through other comprehensive income	-	-	-	(1,620)	-	(1,620)	-	(1,620)
Total comprehensive income	-	-	-	(1,620)	(1,887)	(3,507)	10	(3,497)
Contributions by and distributions to owners of the Company:-								
- Purchase of treasury shares	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-
Balance as at 31 October 2017	<u>268,680</u>	<u>-</u>	<u>(55,165)</u>	<u>(29,652)</u>	<u>441,155</u>	<u>625,018</u>	<u>2,499</u>	<u>627,517</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 2017 and the accompanying explanatory notes attached to the quarterly report.



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

	←← Attributable to Equity Holders of the Parent →→				Distributable Restated Retained earnings	Total	Non- controlling interests	Total Equity
	Non-Distributable							
	Share capital	Share premium	Treasury shares	Other reserves	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Three Months Ended 31 October 2016								
Balance as at 1 August 2016	209,000	59,680	(55,162)	(24,439)	459,790	648,869	951	649,820
Profit/(Loss) for the financial period	-	-	-	-	150	150	(47)	103
Other comprehensive income:-								
- fair value changes of financial assets measured at fair value through other comprehensive income	-	-	-	1,216	-	1,216	-	1,216
Total comprehensive income	-	-	-	1,216	150	1,366	(47)	1,319
Contributions by and distributions to owners of the Company:-								
- Purchase of treasury shares	-	-	(3)	-	-	(3)	-	(3)
Total transactions with owners	-	-	(3)	-	-	(3)	-	(3)
Balance as at 31 October 2016	<u>209,000</u>	<u>59,680</u>	<u>(55,165)</u>	<u>(23,223)</u>	<u>459,940</u>	<u>650,232</u>	<u>904</u>	<u>651,136</u>

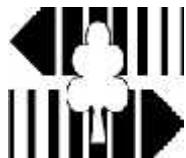
The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2017 and the accompanying explanatory notes attached to the quarterly report.



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

	(UNAUDITED) CURRENT YEAR-TO-DATE 31/10/2017 RM'000	(UNAUDITED) CORRESPONDING YEAR-TO-DATE 31/10/2016 RM'000
Cash Flows from Operating Activities		
Profit before taxation	415	313
Adjustments for :		
Amortisation of biological assets	1,843	1,479
Amortisation of intangible assets	-	810
Depreciation of investment properties	-	753
Depreciation of property, plant and equipment	9,471	17,991
Interest expense	3,495	4,433
Interest income	(175)	(248)
Gain on disposal of property, plant and equipment	(3,687)	(67)
Property, plant and equipment written off	1	12
Unrealised loss/(gain) on foreign exchange	20	(76)
Operating profit before working capital changes	<u>11,383</u>	<u>25,400</u>
Changes in working capital :		
Decrease in inventories	13,174	14,735
Decrease/(increase) in trade and other receivables	11,116	(929)
Increase in other current assets	(8,746)	(2,322)
Decrease in trade and other payables	(2,604)	(5,083)
Cash from operations	<u>24,323</u>	<u>31,801</u>
Taxes paid, net of refund	(268)	(824)
Interest paid	(3,495)	(4,433)
Interest received	175	248
Net cash from operating activities	<u>20,735</u>	<u>26,792</u>
Cash Flows from Investing Activities		
Costs incurred on biological assets	(15,255)	(8,504)
Proceeds from disposal of property, plant and equipment	5,871	771
Purchase of property, plant and equipment	(2,925)	(4,511)
Net cash for investing activities	<u>(12,309)</u>	<u>(12,244)</u>
Cash Flows from Financing Activities		
Net of (repayment)/drawdown of bankers' acceptance	(9,680)	(21,024)
Net of drawdown/(repayment) of revolving credit	20,000	5,000
Proceeds from drawdown of term loans	1,680	-
Repayment of term loans	(4,218)	(5,117)
Purchase of treasury shares	-	(3)
Repayment of hire purchase obligations	(6,495)	(14,215)
Net cash for financing activities	<u>1,287</u>	<u>(35,359)</u>
Net change in cash and cash equivalents	9,713	(20,811)
Cash and cash equivalents at beginning of period	<u>28,308</u>	<u>47,527</u>
Cash and cash equivalents at end of period	<u><u>38,021</u></u>	<u><u>26,716</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 2017 and the accompanying explanatory notes attached to the quarterly financial report.



NOTES :

Note 1 Basis of Preparation

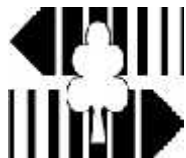
The quarterly report is unaudited and has been prepared in accordance with FRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The quarterly report should be read in conjunction with the Group’s audited financial statements for the year ended 31 July 2017. 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 2017.

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 2017. At the date of authorisation of these interim financial statements, the Group has not adopted in advance the following accounting standards that have been issued by the Malaysian Accounting Standards Board (MASB). The Group will adopt these amendments/standards, if applicable, when they become effective.

FRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to FRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 4: Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts	1 January 2018
Amendments to FRS 140 – Transfers of Investment Property	1 January 2018
MFRS 141: Agriculture	1 January 2018
MFRS 141: Agriculture: Bearer Plants (amendments to MFRS 116 and MFRS 141)	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
Annual Improvements to FRS Standards 2014 – 2016 Cycles: <ul style="list-style-type: none">• Amendments to FRS 1: Deletion of Short-term Exemptions for First-time Adopters• Amendments to FRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred



Note 2 Changes in Accounting Policies (Cont'd)

The Group will only prepare its first set of MFRS financial statements for the financial year ending 31 July 2019. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

Note 3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 July 2017 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

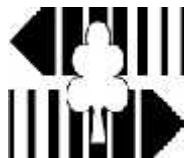
During the current quarter, 100 shares of RM1.36 each were resold in the open market for a net consideration of RM95.

As at 31 October 2017, the number of shares retained as treasury shares amounted to 20,880,200. There has been no repurchase 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			
	31.10.2017		31.10.2016	
	Revenue	Profit/(Loss)	Revenue	Profit/(Loss)
		Before Tax		Before Tax
	RM'000	RM'000	RM'000	RM'000
Timber	77,315	(10,719)	115,626	(9,995)
Plantation	32,872	12,800	24,818	12,273
Others	745	(1,666)	298	(1,965)
	<u>110,932</u>	<u>415</u>	<u>140,742</u>	<u>313</u>

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

The timber segment is involved in extraction, sale of logs, tree planting (reforestation), and the business of 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 bunches.

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

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 Valuations of Investment Properties

There has been no valuation undertaken for the Group's investment properties since the last annual financial statements

Note 12 Subsequent Events

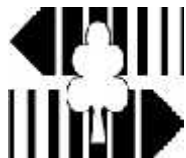
There were no material events subsequent to the end of the current quarter that has not been reflected in the financial statement.

Note 13 Changes in the Composition of the Group

There were no changes in the composition of the Group in the current quarter under review.

Note 14 Changes in Contingent Liabilities and Contingent Assets

There were no material changes in the contingent liabilities or assets since the last annual reporting date.



Note 15 Capital Commitments

	As at 31.10.2017 RM'000	As at 31.07.2017 RM'000
Approved and contracted for	4,152	6,205
Approved but not contracted for	582	1,709
	<u>4,734</u>	<u>7,914</u>
Analysed as follows:		
Property, plant and equipment	4,007	7,914
Investment properties	727	-
	<u>4,734</u>	<u>7,914</u>

Note 16 Review of Performance

(a) Comparison of Results with Previous Corresponding Quarter

For the quarter ended 31 October 2017, the Group recorded revenue of RM110.9 million and profit before tax of RM0.4 million as compared to revenue of RM140.7 million and profit before tax of RM0.3 million respectively in the previous corresponding quarter.

Segmental performance:

	31.10.2017 3 months RM'000	31.10.2016 3 months RM'000	Increase/(Decrease) 3 months	
			RM'000	%
<u>Revenue</u>				
Timber	77,315	115,626	(38,311)	-33%
Oil Palm	32,872	24,818	8,053	32%
<u>Profit/(Loss) Before Tax</u>				
Timber	(10,719)	(9,995)	(724)	-7%
Oil Palm	12,800	12,273	527	4%

Timber

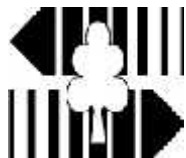
- Revenue contracted by 33% as a result of the reduction in export log sales volume.
- Loss before tax increased by 7% due to higher unit operational cost resulting from lower log production volume.

Oil Palm

- Revenue and profit before tax increased by 32% and 4% respectively, mainly attributable to 37% increase in fresh fruit bunch (“FFB”) sales volume due to increasing area of more matured palm trees.
- However, the profit was being partially offset by lower FFB average selling price by 5%.

(b) Comparison of Results with Previous Corresponding Financial Year

Comparison of cumulative results is not presented as this is the first quarter for the financial year ending 31 July 2018.



Note 17 Material Changes in Quarterly Results Compared to the Results of the Immediate Preceding Quarter

The Group's revenue decreased from RM115.3 million in the immediate preceding quarter to RM110.9 million in the current quarter. The Group reported lower profit before tax of RM0.4 million as compared to profit before tax of RM8.6 million in the immediate preceding quarter.

Segmental performance:

	31.10.2017	31.07.2017	Increase/(Decrease)	
	3 months	3 months	3 months	
	RM'000	RM'000	RM'000	%
<u>Revenue</u>				
Timber	77,315	88,059	(10,744)	-12%
Oil Palm	32,872	27,091	5,780	21%
<u>Profit/(Loss) Before Tax</u>				
Timber	(10,719)	(8,612)	(2,107)	-24%
Oil Palm	12,800	12,650	150	1%

Timber

- Revenue decreased by 12% while loss before tax increased by 24%, mainly caused by reduction in export log sales volume.

Oil Palm

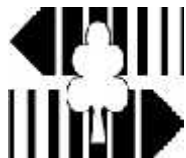
- Revenue and profit before tax increased by 21% and 1% respectively, mainly contributed by:
 - (i) 16% increase in FFB sales volume due to increasing area of matured palm trees and higher yield in existing matured estate.
 - (ii) 5% increase in FFB average selling price.

Note 18 Commentary on Prospects

The oil palm segment performance would continue 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 higher tax premium on timber imposed by state authorities and the strengthening of Ringgit Malaysia have impacted the performance of timber segment. Nevertheless, the quantum of the impact would be partially offset by higher timber prices which are expected to sustain in view of prevailing tight supply of logs in the market as the result of the forest management and timber certification initiated by the authority. The reduction of log export quota from 30% to 20% by the Sarawak State Government effective 1st July 2017 would channel more proportion of logs harvested to the mills for processing.

The Group is committed to transforming its operations strategically, consolidating all its available resources for optimal utilization and implementing cost competitiveness programme.



Note 19 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 20 Profit Before Taxation

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

	Quarter ended	
	31.10.2017	31.10.2016
	RM'000	RM'000
Amortisation and depreciation	11,314	21,033
Property, plant and equipment written off	1	12
Interest expenses	3,495	4,433
Interest income	(175)	(248)
Gain on disposal of property, plant and equipment	(3,687)	(67)
Rental income	(103)	(57)
Loss/(Gain) on foreign exchange		
- realised	987	845
- unrealised	20	(76)

Note 21 Taxation

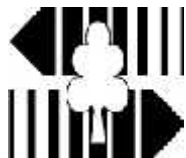
The Group's taxation for the period under review was as follows:

	Quarter ended	
	31.10.2017	31.10.2016
	RM'000	RM'000
Income tax:		
Current period provision	1,137	345
Under provision in prior year	-	450
Deferred tax:		
Current period provision	1,155	(585)
	<u>2,292</u>	<u>210</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 22 Status of Corporate Proposals

On 22 February 2017, Tiasa Mesra Sdn. Bhd. ("TMSB"), 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.



Note 22 Status of Corporate Proposals (Cont'd)

The Proposed Acquisition is currently pending the fulfilment of the following conditions precedent ("CP"):-

- (a) RSB obtaining the approval from the relevant authorities for the absolute assignment of the rights to and in favour of TMSB;
- (b) RSB settling all its existing liabilities owing to trade payables for the development of the oil palm plantation under the rights; and
- (c) RSB procuring a redemption statement cum letter of undertaking from its financier addressed to the financier of TMSB on the redemption sum payable to settle the credit facilities granted by it inter alia, for the development of the oil palm plantation under the rights.

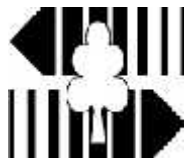
TMSB and RSB had on 21 August 2017, by way of an exchange of letter, agreed to an extension of time (in accordance with the terms and conditions of the Agreement) by six (6) months commencing from 22 August 2017 until 21 February 2018 for the fulfilment of the CPs above.

Save as disclosed above, there were no corporate proposals announced but not completed as at 21 December 2017, being the latest practicable date.

Note 23 Borrowings and Debt Securities

		As at 31.10.2017 RM'000	As at 31.07.2017 RM'000
Short term borrowings:			
Unsecured	- Bankers' acceptance	30,941	40,739
	- Revolving credit	284,500	264,500
Secured	- Bankers' acceptance	4,800	4,682
	- Revolving credit	72,000	72,000
	- Term loans	15,000	15,518
	- Hire purchase obligations	11,740	17,189
		<u>418,981</u>	<u>414,628</u>
Long term borrowings:			
Secured	- Term loans	78,294	80,314
	- Hire purchase obligations	14,080	12,592
		<u>92,374</u>	<u>92,906</u>
Total borrowings		<u>511,355</u>	<u>507,534</u>

There were no borrowings denominated in foreign currency.



Note 24 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 2017, 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 2017:

- (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 25 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 2017.

Note 26 Realised and Unrealised Profits/Losses Disclosure

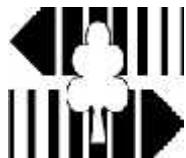
	As at 31.10.2017 RM'000	As at 31.07.2017 RM'000 Restated
Total retained profits of Subur Tiasa Holdings Berhad and its subsidiaries:		
- Realised	461,905	448,549
- Unrealised	<u>(22,050)</u>	<u>(11,466)</u>
	439,855	437,083
Add: Consolidation adjustments	<u>1,300</u>	<u>5,959</u>
Total Group retained profits as per consolidated accounts	<u>441,155</u>	<u>443,042</u>

Note 27 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 21 December 2017 being the latest practicable date.

Note 28 Dividend Payable

The Board of Directors did not declare any dividend for the quarter ended 31 October 2017 (previous corresponding period: Nil).



Note 29 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 and financial year-to-date ended 31.10.2017
Loss for the period attributable to ordinary equity holders of the Company (RM'000)	(1,887)
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,120
Basic loss per share (Sen)	(1.00)

(b) Diluted earnings per share

N/A

Note 30 Authorisation for Issue

The quarterly report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 December 2017.