

Financial Results

Reference No **CCS-111215-65430**

Company Name : **SUBUR TIASA HOLDINGS BERHAD**
Stock Name : **SUBUR**
Date Announced : **21/12/2011**
Financial Year End : **31/07/2012**
Quarter : **1**
Quarterly report for the financial period ended : **31/10/2011**
The figures : **have not been audited**

Converted attachment :

Please attach the full Quarterly Report here:



STH Report Q1 YE2012.pdf STH Notes Q1 YE2012.pdf

Remark:

- DEFAULT CURRENCY
- OTHER CURRENCY

Currency : Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31/10/2011

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/10/2011 \$\$'000	31/10/2010 \$\$'000	31/10/2011 \$\$'000	31/10/2010 \$\$'000
1Revenue	151,217	158,263	151,217	158,263
2Profit/(loss) before tax	14,406	13,668	14,406	13,668
3Profit/(loss) for the period	10,801	10,004	10,801	10,004
4Profit/(loss) attributable to ordinary equity holders of the parent	10,801	10,004	10,801	10,004
5Basic earnings/(loss)	5.74	5.32	5.74	5.32

per share (Subunit)				
6Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00

**AS AT END OF CURRENT QUARTER AS AT PRECEDING FINANCIAL YEAR
END**

7Net assets per share attributable to ordinary equity holders of the parent (\$)		3.4000		3.3400
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Remarks :

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence



Condensed Consolidated Statements of Comprehensive Income
For the quarter ended 31 October 2011

	(UNAUDITED)		(UNAUDITED)	
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/10/2011	31/10/2010	31/10/2011	31/10/2010
	RM'000	RM'000	RM'000	RM'000
Revenue	151,217	158,263	151,217	158,263
Cost of sales	(108,949)	(118,474)	(108,949)	(118,474)
Gross Profit	42,268	39,789	42,268	39,789
Other income	4,667	1,826	4,667	1,826
Administrative expenses	(16,170)	(10,007)	(16,170)	(10,007)
Selling and distribution expenses	(12,552)	(13,246)	(12,552)	(13,246)
Other expenses	(2,535)	(3,672)	(2,535)	(3,672)
Operating profit	15,678	14,690	15,678	14,690
Finance costs	(1,272)	(1,022)	(1,272)	(1,022)
Profit before tax	14,406	13,668	14,406	13,668
Income tax expenses	(3,605)	(3,664)	(3,605)	(3,664)
Profit for the period	10,801	10,004	10,801	10,004
Other Comprehensive Income:				
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	10,801	10,004	10,801	10,004
Profit wholly attributable to: Equity holders of the parent	10,801	10,004	10,801	10,004
Total comprehensive income wholly attributable to: Equity holders of the parent	10,801	10,004	10,801	10,004
	Sen	Sen	Sen	Sen
Earnings per share attributable to equity holders of the Company:				
- Basic	5.74	5.32	5.74	5.32
- Diluted	N/A	N/A	N/A	N/A

Note: N/A: Not Applicable

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2011 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statement of Financial Position

As At 31 October 2011

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31/10/2011 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/07/2011 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	492,776	498,701
Prepaid lease payments	35,835	36,106
Investment properties	21,298	15,876
Intangible assets	47,963	50,577
Long term assets	10,078	11,273
Deferred tax assets	11,027	11,338
	618,977	623,871
Current assets		
Inventories	164,232	145,048
Trade and other receivables	71,974	50,163
Tax recoverable	2,085	3,403
Cash and bank balances	66,907	89,732
	305,198	288,346
TOTAL ASSETS	924,175	912,217
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Parent:		
Share capital	209,000	209,000
Share premium	59,680	59,680
Treasury shares	(55,136)	(55,062)
Retained earnings	425,681	414,880
Total equity	639,225	628,498
Non-current liabilities		
Borrowings	96,514	98,593
Deferred tax liabilities	26,202	26,796
	122,716	125,389
Current liabilities		
Borrowings	37,804	41,989
Trade and other payables	123,371	113,723
Tax payables	1,059	2,618
	162,234	158,330
Total liabilities	284,950	283,719
TOTAL EQUITY AND LIABILITIES	924,175	912,217
Net assets per share attributable to ordinary equity holders of the Parent (RM)	3.40	3.34
Number of shares net of treasury shares ('000)	188,134	188,198

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2011 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statements of Changes in Equity
For the quarter ended 31 October 2011

	Attributable to Equity Holders of the Company				Total RM'000
	Share capital RM'000	Non-Distributable Share premium RM'000	Treasury shares RM'000	Distributable Retained earnings RM'000	
Three Months Ended 31 October 2011					
Balance as at 1 August 2011	209,000	59,680	(55,062)	414,880	628,498
Total comprehensive income for the period	-	-	-	10,801	10,801
Transaction with owners					
Purchase of treasury shares	-	-	(74)	-	(74)
Balance as at 31 October 2011	<u>209,000</u>	<u>59,680</u>	<u>(55,136)</u>	<u>425,681</u>	<u>639,225</u>
Three Months Ended 31 October 2010					
Balance as at 1 August 2010	209,000	59,680	(54,988)	392,051	605,743
Effects of adopting FRS 139	-	-	-	(4,955)	(4,955)
Balance as at 1 August 2010, as restated	209,000	59,680	(54,988)	387,096	600,788
Total comprehensive income for the period	-	-	-	10,004	10,004
Transaction with owners					
Purchase of treasury shares	-	-	(7)	-	(7)
Balance as at 31 October 2010	<u>209,000</u>	<u>59,680</u>	<u>(54,995)</u>	<u>397,100</u>	<u>610,785</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2011 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statements of Cash Flows
For the quarter ended 31 October 2011

	(UNAUDITED)	
	CURRENT YEAR TO DATE ENDED 31/10/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 31/10/2010 RM'000
Cash Flows from Operating Activities		
Profit before taxation	14,406	13,668
Adjustments for :		
Amortisation of intangible assets	2,614	3,795
Amortisation of plantation development expenditure	718	432
Amortisation of prepaid land lease	271	312
Depreciation of property, plant and equipment	13,134	12,923
Depreciation of investment properties	122	219
Property, plant and equipment written off	50	1
Net gain on disposal of property, plant and equipment	(1)	(55)
Interest expense	1,272	1,022
Interest income	(430)	(308)
Unrealised foreign exchange gain	944	276
Operating profit before working capital changes	33,100	32,285
Changes in working capital :		
Increase in inventories	(19,184)	(2,503)
Increase in trade and other receivables	(19,272)	(1,919)
Increase/(decrease) in trade and other payables	7,051	(14,722)
Cash generated from operations	1,695	13,141
Interest paid	(1,272)	(1,022)
Tax paid	(4,139)	(3,369)
Net cash generated from operating activities	(3,716)	8,750
Cash Flows from Investing Activities		
Purchase of treasury shares	(74)	(7)
Purchase of property, plant and equipment	(8,355)	(10,461)
Proceeds from disposal of property, plant and equipment	12	130
Purchase of investment properties	(4,858)	-
Interest received	430	308
Net cash used in investing activities	(12,845)	(10,030)
Cash Flows from Financing Activities		
Proceeds from drawdown of hire purchase	3,254	-
Proceeds from drawdown of bankers' acceptances	-	32,780
Repayment of term loan	(3,810)	(2,239)
Repayment of bankers' acceptance	-	(27,007)
Repayment of hire purchase	(3,708)	(4,094)
Repayment of revolving credit	(2,000)	-
Net cash used in financing activities	(6,264)	(560)
Net change in cash and cash equivalents	(22,825)	(1,840)
Cash and cash equivalents at beginning of period	89,732	50,090
Cash and cash equivalents at end of period	66,907	48,250

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 July 2011 and the accompanying explanatory notes attached to the quarterly financial report.



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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 2011. 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 2011.

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 2011, except for the adoption of the following Amendments to FRSS, Issues Committee ("IC") Interpretations and Technical Release:

Effective for financial periods beginning on or after 1 January 2011

Amendments to FRS 1	First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters - Additional Exemption for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payments Transactions
Amendments to FRS 7	Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments
Amendments to FRSS [Improvements to FRSS 2010]	
IC Interpretation 4	Determining whether an Arrangement Contains a Lease
IC Interpretation 18	Transfer of Assets from Customers
TR i-4	Shariah Compliant Sale Contracts

Effective for financial periods beginning on or after 1 July 2011

Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of the above Amendments to FRSS, Interpretations and Technical Release has no effect to the Group's consolidated financial statements of the current quarter or the comparative consolidated financial statements of the prior financial year.

Note 3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 July 2011 was not qualified.



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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 during the current quarter and financial year-to-date.

Note 6 Changes in Estimates

There were no changes in estimates of amounts reported in prior quarters that have a material effect in the current quarter and financial year-to-date.

Note 7 Debt and Equity Securities

During the current quarter, 35,900 shares of RM 1.00 each were purchased and retained as treasury shares. The monthly breakdown of shares bought back for the current quarter and financial year-to-date were as follows:

Month	No. of shares	Purchase price per share		Average price per share (RM)	Total cost (RM)
		Lowest (RM)	Highest (RM)		
August 2011	5,000	2.29	2.43	2.37	11,937
September 2011	30,800	1.95	2.12	2.01	62,388
October 2011	100	2.20	2.20	2.20	261
TOTAL	35,900	1.95	2.43	2.06	74,586

All the shares purchased to-date were held as treasury shares in accordance with the requirements of Section 67A of the Companies Act 1965. There has been no resale or cancellation of treasury shares during the period under review.

Apart from the above, there were no issuances and repayments of debt and equity securities for the current quarter and financial year-to-date.

Note 8 Dividends Paid

There was no dividend paid during the current quarter and financial year-to-date under review.



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Note 9 Segmental Information

Segmental revenue and profit before taxation for the current quarter and financial year-to-date by the respective operating segments are as follows:

	Revenue	Profit/(Loss)
	RM'000	Before Tax
	RM'000	RM'000
Logging and reforestation	65,597	6,971
Manufacturing	76,797	6,793
Oil Palm	8,797	778
Others	26	(136)
	<u>151,217</u>	<u>14,406</u>

Note 10 Valuations of Property, Plant and Equipment

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

Note 11 Subsequent Events

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

Note 12 Changes in the Composition of the Group

There were no changes in the composition of the Group in the current quarter and financial year-to-date under review.

Note 13 Changes in Contingent Liabilities and Contingent Assets

The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

The amount of banking facilities utilised which were secured by corporate guarantees decreased by RM4,390,708 from RM106,139,749 as at 31 July 2011 (last annual balance sheet) to RM101,749,041 as at 31 October 2011.

Note 14 Capital Commitments

	As at	As at
	31.10.2011	31.7.2011
	RM'000	RM'000
Authorised and contracted for	2,256	7,369
Authorised but not contracted for	2,101	340
	<u>4,357</u>	<u>7,709</u>
Analysed as follows:		
Property, plant and equipment	4,357	3,204
Investment properties	-	4,505
	<u>4,357</u>	<u>7,709</u>



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Note 15 Review of Performance

In the current quarter under review, the Group recorded revenue of RM151.22 million as compared to RM158.26 million in the preceding year corresponding period. The slight decrease in revenue was mainly due to lower logs, plywood and sawn timber export sales volume.

The Group achieved higher profit before tax of RM14.41 million in the current quarter, a 5% increase from RM13.67 million and profit after tax of RM10.80 million, an 8% increase from RM10.00 million in the preceding year corresponding quarter. The increase in profit before tax when compared to the corresponding period, was attributed mainly to the rising selling prices of logs and timber products, coupled with effective cost management.

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

As compared to immediate preceding quarter, the Group's revenue increased from RM141.65 million to RM151.22 million in the current quarter whereas the Group's profit before tax decreased from RM16.66 million to RM14.41 million. The decrease in profit before tax when compared to immediate preceding quarter was mainly due to the slight decrease in average export selling prices of logs and plywood.

Note 17 Commentary on Prospects

The prices for timber products are expected to stay at current levels despite having eased from their high in the second quarter of year 2011. The spike in crude oil prices due to geopolitical issues in the Middle Eastern and North African countries and the renewed concerns on the European debt turmoil have partly foreshadowed the general market outlook. The Group will continue to be vigilant in improving efficiencies and effectiveness of its business operations, maximise the utilisation of resources and embrace prudent business practices. Barring any unforeseen circumstances, with the additional contribution from our oil palm division, the Board expects the Group to perform well in the remaining quarters.

Note 18 Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes on the variation of actual profit after tax and profit forecast and shortfall in profit guarantee are not applicable.

Note 19 Taxation

The Group's taxation for the current quarter and financial year-to-date were as follows:

	Current Quarter and Financial Year-To-Date RM'000
Current taxation	4,240
Deferred taxation	(635)
	<u>3,605</u> =====



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Note 19 Taxation (contd.)

The Group's effective tax rate for the current quarter and financial year-to-date was slightly higher than the statutory rate mainly due to certain expenses not allowable for tax deduction.

Note 20 Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investment and/or properties for the current quarter and financial year-to-date.

Note 21 Purchase or Disposal of Quoted Securities

- (a) Purchases and disposals of quoted securities
- (b) Investments in quoted securities

There were no purchase or disposal of quoted securities for the current quarter and financial year-to-date. There were no investments in quoted securities as at 31 October 2011.

Note 22 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 23 Borrowings and Debt Securities

	As at 31.10.2011 RM'000	As at 31.7.2011 RM'000
Short term borrowings:		
Unsecured -Revolving credit	12,500	14,500
-Term loans	3,757	5,009
Secured -Term loans	10,101	9,801
Secured -Hire purchase payable	11,446	12,679
	<u>37,804</u>	<u>41,989</u>
Long term borrowings:		
Secured - Term loans	77,232	80,090
- Hire purchase payable	19,282	18,503
	<u>96,514</u>	<u>98,593</u>
Total borrowings	<u>134,318</u>	<u>140,582</u>

There were no borrowings denominated in foreign currency.



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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 2011, the notional value and maturity analysis of the outstanding foreign exchange contracts of the Group were as follows:

Type of Derivatives	Contract/ Notional Value (RM'000)	Fair Value (RM'000)
Forward foreign exchange contract USD - less than 1 year	138,794	(1,214)

There was no significant change for the financial derivatives in respect of the followings since the last financial year ended 31 July 2011:

- (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

During the current quarter and financial year-to-date, the Group recognised loss of RM1,214,000 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 26 Realised and Unrealised Profits/Losses Disclosure

	As at 31.10.2011 RM'000	As at 31.07.2011 RM'000
Total retained profits of Subur Tiasa Holdings Berhad and its subsidiaries:		
- Realised	434,659	421,941
- Unrealised	(5,783)	(4,780)
	428,876	417,161
Less: Consolidation adjustments	(3,196)	(2,281)
Total Group retained profits as per consolidated accounts	425,680	414,880



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Note 27 Changes in Material Litigation

There was no pending material litigation as at the date of this announcement.

Note 28 Dividend Payable

The Board of Directors did not declare any dividend for the quarter ended 31 October 2011 (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 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.

	Current Quarter and Financial Year- To-Date
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	10,801
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,134
Basic earnings per share (Sen)	5.74

(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 21 December 2011.