

ASTRAL ASIA BHD (374600-X)

Part A1 : Quarterly Report

Quarterly report for the financial period ended : 30.06.2011
 Quarter : 2nd Quarter
 Financial Year End : 31.12.2011
 The Figures : Have not been audited

Part A2 : Summary of Key Financial Information for the financial period ended 30/06/2011

	Individual Quarter		Cumulative Period	
	Current year quarter 30.06.2011 RM'000	Preceding year quarter 30.06.2010 (Restated) RM'000	Current year to date 30.06.2011 RM'000	Preceding year to date 30.06.2010 (Restated) RM'000
1 Revenue	12,992	10,376	23,719	19,068
2 Profit/(Loss) before tax	8,388	4,163	12,349	7,006
3 Profit/(Loss) for the period	6,297	3,123	8,949	4,889
4 Profit /(Loss) attributable to ordinary equity holders of the parent	4,946	2,182	4,973	2,818
5 Basic earning per shares (sen)	4.12	1.82	4.14	2.45
6 Proposed /Declared dividend per share (sen)	2.00	2.00	2.00	2.00
	As at end of current quarter 30.06.2011		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the company (RM)		1.0176		0.9759

Part A3 : Additional Information

	Individual Quarter		Cumulative Period	
	Current year quarter 30.06.2011 RM'000	Preceding year quarter 30.06.2010 RM'000	Current year to date 30.06.2011 RM'000	Preceding year to date 30.06.2010 RM'000
1 Gross interest income	119	77	227	136
2 Gross interest expenses	1	7	12	14

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR
THE SECOND QUARTER ENDED 30 JUNE 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current Year 2nd Quarter 30-Jun-11 RM'000	Preceding Year 30-Jun-10 RM'000 (Restated)	Current Year 30-Jun-11 RM'000	Preceding Year 30-Jun-10 RM'000 (Restated)
<u>Continuing Operations</u>					
Revenue		12,992	10,376	23,719	19,068
Cost of sales		(5,282)	(6,369)	(10,898)	(10,631)
Gross profit		7,710	4,007	12,821	8,437
Other income		1,624	342	1,985	490
Administrative expenses		(940)	(180)	(2,438)	(1,903)
Finance costs		(6)	(3)	(19)	(15)
Other expenses		-	(3)	0	(3)
Share of profit / (loss) in associate		0	0	0	0
Profit before tax		8,388	4,163	12,349	7,006
Taxation	18	(2,091)	(1,040)	(3,400)	(2,117)
Profit/(loss) after tax		6,297	3,123	8,949	4,889
Other Comprehensive income/(loss), net of tax		-	-	-	119
Total comprehensive income/(loss) for the period		6,297	3,123	8,949	5,008
Profit/(loss) attributable to:					
Owners of the parent		4,946	2,182	4,973	2,818
Minority Interest		1,351	941	3,976	2,071
Profit/(loss) for the period		6,297	3,123	8,949	4,889
Total comprehensive income attributable to:					
Owners of the parent		4,946	2,182	4,973	2,937
Minority Interest		1,351	941	3,976	2,071
Total comprehensive income/(loss) for the period		6,297	3,123	8,949	5,008
Earning Per Share attributable to owners of the parent:					
Earning/(loss) per share (Sen):-	27	4.12	1.82	4.14	2.45

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR
THE SECOND QUARTER ENDED 30 JUNE 2011**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) CURRENT YEAR END 30-Jun-11 RM'000	(AUDITED) PRECEDING YEAR END 31-Dec-10 RM'000 <i>(Restated)</i>
ASSETS		
Non-current assets		
Property, plant and equipment	94,286	90,843
Biological assets	88,741	88,741
Investment Property	1,830	1,830
Investment in associated company	1,477	1,514
	<u>186,334</u>	<u>182,928</u>
Current assets		
Inventories	490	964
Amount due from customers	3,024	3,094
Trade receivables	3,960	4,424
Other receivables	472	942
Cash and cash equivalents	26,484	23,717
Tax Recoverable	150	163
	<u>34,580</u>	<u>33,304</u>
TOTAL ASSETS	<u>220,914</u>	<u>216,232</u>
 EQUITY AND LIABILITIES		
Equity Attributable To Owners of the parent		
Share Capital	119,997	119,997
Share Premium	1,333	1,333
Revaluation Reserve	57,775	57,775
Accumulated losses	(57,001)	(61,974)
Total equity attributable to owners of the parent	<u>122,104</u>	<u>117,131</u>
Minority Interests	50,269	50,493
TOTAL EQUITY	<u>172,373</u>	<u>167,624</u>
 Non-current liabilities		
Hire purchase creditors	587	342
Deferred taxation	31,887	31,887
	<u>32,474</u>	<u>32,229</u>
 Current liabilities		
Trade payables	6,428	7,938
Amount due to customers	102	109
Other payables	5,091	5,614
Dividend payable	12	14
Amount due from associate company	565	565
Provision for Taxation	3,869	2,139
	<u>16,067</u>	<u>16,379</u>
TOTAL LIABILITIES	<u>48,541</u>	<u>48,608</u>
TOTAL EQUITY AND LIABILITIES	<u>220,914</u>	<u>216,232</u>

ASTRAL ASIA BHD (374600-X)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Non- distributable →						
	Share Capital	Share Premium	Revaluation Reserve	Accumulated losses	Attributable to owners of the parent	Minority interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2011	119,997	1,333	57,775	(61,974)	117,131	50,493	167,624
Total Comprehensive income for the period				4,973	4,973	3,976	8,949
Dividend paid to Minority Interest						(4,200)	(4,200)
As at 30 June 2011	119,997	1,333	57,775	(57,001)	122,104	50,269	172,373
As 1 January 2010	119,997	1,333	57,775	(64,554)	114,551	48,787	163,338
Net profit for the quarter			119	2,818	2,937	2,071	5,008
Dividend paid to Minority Interest						(1,575)	(1,575)
At at 30 June 2010	119,997	1,333	57,894	(61,736)	117,488	49,283	166,771

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND QUARTER ENDED 30 JUNE 2011**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 MONTHS ENDED 30-Jun-11 RM'000	6MONTHS ENDED 30-Jun-10 RM'000 (Restated)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation	12,349	10,882
<i>Adjustments for:-</i>		
Non-cash items/non-operating items	(634)	(510)
<i>Operating profit before working capital changes</i>	11,715	10,372
<i>Changes in working capital:-</i>		
Net Change In Current Assets	9,963	11,660
Net Change In Current Liabilities	(4,310)	(8,875)
	17,368	13,157
Interest Paid	(27)	(6)
Tax refund/(paid)	(1,661)	(1,786)
Interest received	244	141
Dividend Paid to Minority Interest	(3,150)	(3,150)
Dividend Paid	(5,850)	(5,850)
<i>Net cash (Used In)/ generated from operating activities</i>	6,924	2,506
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	(3,964)	(26)
<i>Net cash used in investing activities</i>	(3,964)	(26)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payment of hire purchase creditors	(192)	(210)
Repayment of term loan	-	-
<i>Net cash used in financing activities</i>	(192)	(210)
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,768	2,270
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	23,716	18,851
CASH AND CASH EQUIVALENTS AT END OF THE FIANACIAL PERIOD	26,484	21,121
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING:		
Cash and bank balances	2,867	6,935
Fixed Deposit placed with licensed banks	23,617	14,186
	26,484	21,121

Astral Asia Berhad (374600-X)

Notes to the Interim Financial Statement - 30 June 2011

1 Basis of preparation

The unaudited interim financial report has been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2010. The explanatory notes attached to the unaudited interim financial report provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

2 Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations:

Effective for financial periods beginning on or after 1 July 2009:

FRS 8 Operating Segments

Effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1	First Time Adoption of Financial Reporting Standards
Amendment to FRS 2	Share-based Payment-Vesting Conditions and Cancellations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2- Group and Treasury Share Transactions

Other than for the implications as discussed below, the application of the above FRSs, Amendments to FRSs and Interpretation did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

(a) FRS 8: Operating Segment

FRS 8 requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on that used for internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

(b) FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 has introduced changes in terminology used, format and contents of financial statements. Amongst others, components of interim financial statements presented now consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements. This standard separates owner and non-owner changes in equity. Therefore, the statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognized in the income statement, together with all other items of recognized income and expense, either in one single statement, or in two linked statements. The revised FRS does not have any impact on the financial position and results of the Group.

(c) Amendment to FRS 117, Lease

Prior to 1 January 2010, leasehold land that normally had an indefinite economic life and where title is not expected to pass to the lessee by the end of the lease term, was treated as operating lease. The minimum lease payment or the up-front payment made on entering into or acquiring a leasehold land was accounted as prepaid lease payments and was amortised on a straight-line basis over the lease term.

The Group has adopted the amendment to FRS 117, Leases in relation to the classification of lease of land in the same way as leases of other assets. Leasehold land which in substance is a finance lease has to be reclassified and measured as such retrospectively. Accordingly, the Group has reclassified all its leasehold land to property, plant and equipment based on its reassessment and has applied this change in accounting policy retrospectively and comparatives have been restated. The following are effects to the consolidated statement of financial positions as at 31 December 2010 arising from the above change in accounting policy. The change in accounting policy does not have an impact to the income statement.

	As previously reported RM'000 (Audited)	Adoption of Amendment to FRS 117 RM'000	As restated RM'000
Property, plant and equipment	5,816	90,843	90,843
Prepaid lease payments	85,027	-90,843	-

(d) FRS 139: Financial Instruments- Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of financial instruments. Financial instruments are recognised initially at fair value plus, in the case of financial assets or liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

(i) Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include cash and short term deposits, trade and other receivables.

All the Group's financial assets are measured at amortised cost using the effective interest method.

(ii) Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables.

All the Group's financial liabilities are measured at amortised cost using the effective interest method.

3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not qualified.

4 Seasonal or cyclical factors

The business of the Group was not affected by any significant seasonal or cyclical factors in the current quarter.

5 Unusual items affecting the assets, liabilities, equity, net income, or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow of the Group for the current quarter and financial year-to-date.

6 Material changes in estimates

There were no changes in estimates that have had material effect in the current results.

7 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year-to-date.

8 Dividend paid

There were no dividend paid during the current quarter.

9 Segmental reporting

Segmental information for the Group is presented as follows:

6 months financial period ended 30 June 2011					
	Plantation	Construction	Investment	Elimination	Consolidated
Segment Revenue	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	22,754	965	-	-	23,719
Inter-segment revenue	-	-	7,800	(7,800)	-
Total revenue	<u>22,754</u>	<u>965</u>	<u>7,800</u>	<u>(7,800)</u>	<u>23,719</u>
Segment Results					
Operating results	14,740	(2,260)	(111)	-	12,369
Share of results of associate company	-	-	-	-	0
Finance cost	(16)	(4)	-	-	(20)
Profit/(loss) before tax	<u>14,724</u>	<u>(2,264)</u>	<u>(111)</u>	<u>0</u>	<u>12,349</u>
Income tax expense	(3,363)	(37)	-	-	(3,400)
	<u>11,361</u>	<u>(2,301)</u>	<u>(111)</u>	<u>0</u>	<u>8,949</u>

6 months financial period ended 30 June 2010					
	Plantation	Construction	Investment	Elimination	Consolidated
Segment Revenue	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	15,911	3,157	-	-	19,068
Inter-segment revenue	-	-	2,925	(2,925)	-
Total revenue	<u>15,911</u>	<u>3,157</u>	<u>2,925</u>	<u>(2,925)</u>	<u>19,068</u>
Segment Results					
Operating results	7,901	(138)	3,189	(3,932)	7,020
Share of results of associate company	-	-	-	-	0
Finance cost	(11)	(3)	-	-	(14)
Profit/(loss) before tax	<u>7,890</u>	<u>(141)</u>	<u>3,189</u>	<u>(3,932)</u>	<u>7,006</u>
Income tax expense	(1,972)	(145)	-	-	(2,117)
	<u>5,918</u>	<u>(286)</u>	<u>3,189</u>	<u>(3,932)</u>	<u>4,889</u>

The Group principally operates within Malaysia.

10 Valuation of Property, Plant & Equipment

There were no changes to the valuation of property, plant & equipment brought forward from the previous annual financial statements.

11 Material event subsequent to the end of the period not reflected in the current financial period.

There were no material events subsequent to the end of the period that have not been reflected in this quarterly report.

12 Changes in the composition of the Group

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

13 Contingent liabilities or assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

14 Review of performance

The Group recorded a pre-tax profit of RM 12.3 million on a revenue of RM 23.7 million for the Qtr 2 under review compared to a pre-tax profit of RM 7.0 million on a revenue of RM 19.1 million for the corresponding period in 2010.

The 43.01% increase in the revenue of the Plantation Division to RM 22.8 million for the Qtr 2 under review was due to the higher CPO prices realised compared to the corresponding period last year. The average CPO prices realised had increased by 36.3% to RM 3,480 per M/T (2010: RM 2,552 per M/T). The total Group's FFB harvested during the Qtr 2 under review had increased by 0.15% to 27,058 M/T (2010: 27,018 M/T) compared to the corresponding period in 2010.

The 69.4% decrease in the construction revenue to RM 0.9 million for the Qtr 2 under review compared to the corresponding period in the previous year as most of the current projects were at the final stages of completion. The construction division's loss before tax of RM 2.3 million was mainly due to the administration cost to oversee the remaining outstanding contracts work.

15 Comparison with the immediate preceding quarter's results

There was no material change in the profit before tax of RM 8.4 million recorded for the current quarter as compared to the result in the preceding quarter.

16 Commentary on prospects

The Group anticipates the plantation division to maintain satisfactory performance for the financial year 2011 in view of the favourable CPO prices.

The construction division had fully provided the foreseeable losses on all current projects which have reached the final stages of construction. The Group does not anticipate further losses on these projects.

17 Profit forecast

Not applicable as there was no profit forecast published.

18 Taxation

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>6 months ended</u>	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	RM'000	RM'000	RM'000	RM'000
Current Taxation	2,091	1,040	3,400	2,117
Under/(Over) provision of tax in prior year	-	-	-	-
	<u>2,091</u>	<u>1,040</u>	<u>3,400</u>	<u>2,117</u>
Deferred Tax	-	-	-	-
Share of taxation of subsidiary	-	-	-	-
Total income tax expense	<u>2,091</u>	<u>1,040</u>	<u>3,400</u>	<u>2,117</u>

The provision for income tax for the Group is mainly due to the chargeable income from the Plantation Division and interest income.

19 Unquoted investments and properties

There were no disposals of unquoted investments or properties during the current quarter.

20 Purchase or disposal of quoted securities

a. Sale proceeds and purchase consideration

There were no disposals and purchase of quoted investment or properties for the current quarter and financial year-to-date.

b. Investment in quoted securities as at end of the reporting period

There were no quoted securities as at end of the current quarter.

21 Status of uncompleted corporate proposals

There were no uncompleted corporate proposal as at the date of this report.

22 Borrowings and debts securities

There were no borrowings and debts securities as at the end of the current quarter.

23 Off balance sheet financial instruments

During the quarter under review, the Group did not enter into any contracts involving off balance sheet financial instruments.

24 Disclosure of Realised and Unrealised Profits (Unaudited)

	As at 30.06.2011 RM'000	As at 30.06.2010 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
- Realised	(54,464)	(54,441)
- Unrealised	(3,869)	(6,598)
	<u>(58,333)</u>	<u>(61,039)</u>
Total share of retained profits / (accumulated losses) from associate company:		
- Realised	(18)	(935)
	<u>(58,351)</u>	<u>(61,974)</u>
Less: Consolidated adjustments	<u>1,350</u>	<u>0</u>
Total group retained profits / (accumulated losses) as per consolidated accounts	<u>(57,001)</u>	<u>(61,974)</u>

25 Material Litigation

There were no material changes with regard to material litigation since the date of the last report.

26 Dividend

The Company declared an interim dividend of 2.0 sen per ordinary share less 25% tax in respect of the financial year ending 2011. The interim dividend was paid on 08th August 2011.

27 Earnings per share

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Profit attributable to ordinary equity holders of the parent (RM'000)	4,946	2,182	4,973	2,937
Weighted average number of ordinary share in issue ('000)	119,997	119,997	119,997	119,997
Basic earning per share (sen)	4.12	1.82	4.14	2.45

There is no diluted earning per share as the Group has no dilutive potential ordinary share.

28 Capital Expenditure not provided for in the Financial Statements

There were no capital commitments as at the end of the current financial quarter under review.