

ASTRAL ASIA BHD (374600-X)

Part A1 : Quarterly Report

Quarterly report for the financial period ended : 30.06.2014
 Quarter : 2nd Quarter
 Financial Year End : 31.12.2014
 The Figures : Have not been audited

Part A2 : Summary of Key Financial Information for the financial period ended 30/06/2014

	Individual Quarter		Cumulative Period	
	Current year quarter 30.06.2014 RM'000	Preceding year quarter 30.06.2013 RM'000	Current year to date 30.06.2014 RM'000	Preceding year to date 30.06.2013 RM'000
1 Revenue	8,146	6,608	15,624	14,352
2 Profit/(Loss) before tax	2,552	290	4,468	1,576
3 Profit/(Loss) for the period	1,792	(225)	3,140	44
4 Profit /(Loss) attributable to ordinary equity holders of the parent	827	(557)	1,419	(1,173)
5 Basic earning per shares (sen)	0.69	(0.46)	1.18	(0.98)
6 Proposed /Declared dividend per share (sen)	2.00	2.00	2.00	2.00
	As at end of current quarter		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the company (RM)		1.325		1.307

Part A3 : Additional Information

	Individual Quarter		Cumulative Period	
	Current year quarter 30.06.2014 RM'000	Preceding year quarter 30.06.2013 RM'000	Current year to date 30.06.2014 RM'000	Preceding year to date 30.06.2013 RM'000
1 Gross interest income	4	140	91	280
2 Gross interest expenses	5	20	43	30

ASTRAL ASIA BHD (374600-X)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR
THE FORTH QUARTER ENDED 30 JUNE 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
		<u>Current</u>	<u>Preceding</u>	<u>Current</u>	<u>Preceding</u>
		<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>
		<u>2nd Quarter</u>		<u>ToDate</u>	
		<u>30-Jun-14</u>	<u>30-Jun-13</u>	<u>30-Jun-14</u>	<u>30-Jun-13</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Continuing Operations</u>					
Revenue		8,146	6,608	15,624	14,352
Cost of sales		(4,555)	(5,805)	(10,130)	(10,370)
Gross profit		3,591	803	5,494	3,982
Other income		862	424	2,384	(39)
Administrative expenses		(1,881)	(929)	(3,352)	(2,351)
Finance costs		(6)	(8)	(44)	(16)
Share of profit / (loss) in associate		(14)	0	(14)	0
Profit before taxation		2,552	290	4,468	1,576
Tax expense	18	(760)	(515)	(1,328)	(1,532)
Profit/(loss) after taxation		1,792	(225)	3,140	44
Other Comprehensive income/(loss), net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		1,792	(225)	3,140	44
Profit/(loss) attributable to:					
Owners of the parent		827	(557)	1,419	(1,173)
Non-controlling interests		965	332	1,721	1,217
Profit/(loss) for the period		1,792	(225)	3,140	44
Total comprehensive income attributable to:					
Owners of the parent		827	(557)	1,419	(1,173)
Non-controlling interests		965	332	1,721	1,217
Total comprehensive income/(loss) for the period		1,792	(225)	3,140	44
Earning Per Share attributable to owners of the parent:					
Earning/(loss) per share (Sen):-	27	0.69	(0.46)	1.18	(0.98)

2(The Condensed consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31st December 2012)

ASTRAL ASIA BHD (374600-X)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR
THE FORTH QUARTER ENDED 30 JUNE 2014**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) CURRENT YEAR END 30-Jun-14 RM'000	(AUDITED) PRECEDING YEAR END 31-Dec-13 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	164,957	169,258
Biological assets	101,644	101,644
Investment Property	1,541	1,541
Investment in associated company	1,389	1,403
	<u>269,531</u>	<u>273,846</u>
Current assets		
Inventories	427	779
Amount due from customers	-	-
Trade receivables	1,085	3,744
Other receivables	6,271	581
Cash and cash equivalents	23,772	12,669
Tax Recoverable	28	134
	<u>31,583</u>	<u>17,907</u>
TOTAL ASSETS	<u>301,114</u>	<u>291,753</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	89,292	91,335
Accumulated losses	(51,611)	(55,771)
Total equity attributable to owners of the parent	<u>159,011</u>	<u>156,894</u>
Non-controlling Interests	68,443	68,822
TOTAL EQUITY	<u>227,454</u>	<u>225,716</u>
Non-current liabilities		
Hire purchase creditors	444	434
Deferred taxation	49,542	48,921
Long term bank borrowings (secured)	15,510	-
	<u>65,496</u>	<u>49,355</u>
Current liabilities		
Trade payables	756	2,667
Other payables	4,561	12,059
HP creditors	53	588
Amount due to associate company	565	565
Short term bank borrowings (secured)	1,606	0
Provision for Taxation	623	803
	<u>8,164</u>	<u>16,682</u>
TOTAL LIABILITIES	<u>73,660</u>	<u>66,037</u>
TOTAL EQUITY AND LIABILITIES	<u>301,114</u>	<u>291,753</u>

3(The Condensed Consolidated Statement of Financial Position should read in conjunction with the Annual Financial Report for the year ended 31st December 2011)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the parent →				Non- controlling Interest	Total Equity	
	Share Capital	Share Premium	Revaluation Reserve	Accumulated losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 January 2014	119,997	1,333	91,335	(55,771)	156,894	68,822	225,716
Net profit for the quarter							
Other Comprehensive income for the period							
Total Comprehensive income for the period			-	1,419	1,419	1,721	3,140
Revaluation reserve realised			(2,043)	2,043	0	-	-
Dividend paid to equity holders				-	0	-	-
Transferred from deferred tax				698	698		698
Dividend paid to non-controlling Interests				-	0	(2,100)	(2,100)
Balance as at 30 June 2014	<u>119,997</u>	<u>1,333</u>	<u>89,292</u>	<u>(51,611)</u>	<u>159,011</u>	<u>68,443</u>	<u>227,454</u>
As 1 January 2013	119,997	1,333	89,356	(56,368)	154,318	69,312	223,630
Net profit for the quarter							
Other Comprehensive income for the period							
Total Comprehensive income for the period			-	(1,173)	(1,173)	1,217	44
Dividend paid to equity holders					0	-	-
Dividend paid to non-controlling Interests						(2,100)	(2,100)
Balance as at 30 June 2013	<u>119,997</u>	<u>1,333</u>	<u>89,356</u>	<u>(57,541)</u>	<u>153,145</u>	<u>68,429</u>	<u>221,574</u>

ASTRAL ASIA BHD (374600-X)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
 FORTH QUARTER ENDED 30 JUNE 2014
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 MONTHS ENDED 30-Jun-14 RM'000	12 MONTHS ENDED 31-Dec-13 RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation	4,468	9,586
<i>Adjustments for:-</i>		
Non-cash items/non-operating items	917	2,486
Interest expense	43	58
Interest income	(91)	(480)
<i>Operating profit before working capital changes</i>	5,337	11,650
<i>Changes in working capital:-</i>		
Net Change In Current Assets / Current Liabilities	(553)	(7,219)
	4,784	4,431
Tax refund/(paid)	(1,319)	(3,271)
Interest received	91	480
Dividend paid to Non-controlling interests	(2,100)	(4,200)
Dividend paid	-	(1,800)
<i>Net cash (Used In)/ generated from operating activities</i>	1,456	(4,360)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from disposal of property, plant and equipment	425	85
Purchase of property, plant and equipment	(7,621)	(6,577)
Purchase of biological assets	-	(38)
<i>Net cash used in investing activities</i>	(7,196)	(6,530)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payment of hire purchase creditors	(231)	(762)
Interest paid	(43)	(58)
Drawdown of bank borrowings	17,116	-
<i>Net cash used in financing activities</i>	16,842	(820)
NET CHANGE IN CASH AND CASH EQUIVALENTS	11,102	(11,710)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	12,670	24,380
CASH AND CASH EQUIVALENTS AT END OF THE FIANACIAL PERIOD	23,772	12,670
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING:		
Cash and bank balances	22,738	9,422
Fixed Deposit placed with licensed banks	1,034	3,248
	23,772	12,670

5(The Condensed Consolidated Statement of Cash Flows should be read conjunction with the Annual Financial Report for the year ended 31st December 2011)

Notes to the Interim Financial Statement - 30 June 2014

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 2013. 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 2013.

To converge with International Financial Reporting Standards ("IFRSs") in 2012, the Malaysian Accounting Standards Board, the MASB had on 19 November 2011, issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), which are mandatory for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venture ("Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRSs for an additional one year. Consequently, adoption of the MFRSs by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope of Transitioning Entities and has opted to defer adoption of MFRSs. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2015.

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 2011, 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.

(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 2013 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

No dividend was paid out during the current quarter under review.

9 Segmental reporting

Segmental information for the Group is presented as follows:

<u>6 months financial period</u> <u>ended 30 JUNE 2014</u>	<u>Construction &</u>				<u>Consolidated</u> RM'000
	<u>Plantation</u> RM'000	<u>Property Development</u> RM'000	<u>Investment</u> RM'000	<u>Elimination</u> RM'000	
Segment Revenue					
External revenue	15,460	164	-	-	15,624
Inter-segment revenue	-	-	3,900	(3,900)	-
Total revenue	15,460	164	3,900	(3,900)	15,624

Segment Results					
Operating results	6,234	(1,543)	3,734	(3,900)	4,525
Share of results of associate company	-	-	-	-	(14)
Finance cost	(16)	(27)	-	-	(43)
Profit/(loss) before tax	6,218	(1,570)	3,734	(3,900)	4,468
Income tax expense	(1,301)	(27)	-	-	(1,328)
	4,917	(1,597)	3,734	(3,900)	3,140

<u>6 months financial period</u> <u>ended 30 June 2013</u>	<u>Construction &</u>				<u>Consolidated</u> RM'000
	<u>Plantation</u> RM'000	<u>Property Development</u> RM'000	<u>Investment</u> RM'000	<u>Elimination</u> RM'000	
Segment Revenue					
External revenue	14,352	0	-	-	14,352
Inter-segment revenue	-	-	3,900	(3,900)	-
Total revenue	14,352	0	3,900	(3,900)	14,352

Segment Results					
Operating results	4,953	(3,215)	3,754	(3,900)	1,592
Share of results of associate company	-	0	-	-	0
Finance cost	-	(16)	-	-	(16)
Profit/(loss) before tax	4,953	(3,231)	3,754	(3,900)	1,576
Income tax expense	(1,476)	(56)	-	-	(1,532)
	3,477	(3,287)	3,754	(3,900)	44

The Group principally operates within Malaysia.

10 Valuation of Property, Plant & Equipment

There were no material 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 4.4 million on revenue of RM 15.6 million for the 6 months under review compared to pre-tax profit of RM 1.6 million on revenue of RM 14.3 million for the corresponding year in 2013.

The 7.7 % increase in the revenue of the plantation division to RM 15.4 million for the 6 months under review was due to the higher CPO prices realised compared to the corresponding period last year. The average CPO prices realised during the period under review had increased by 13.1 % to RM 2,627 per M/T (2013: RM 2,321 per M/T). However, the Group's total FFB harvested during the 6 months under review had decreased by 10.2 % to 24,336 M/T (2013: 27,109 M/T) compared to the corresponding year in 2013.

The construction and development divisions' loss before tax of RM 1.57 million was mainly due to the Group's operating overheads and the development cost of Kuantan Hi-Tech Park development project.

15 Comparison with the immediate preceding quarter's results

The profit before tax for the current quarter of RM 2.5 million was higher compared to the result in the preceding quarter due to higher FFB production output in Q2.

16 Commentary on prospects

The Group anticipates a significant lower profit contribution from the plantation division for the remaining financial year in view of the prevailing bearish CPO prices which are trading at the lowest level in nearly 5 years at around RM2,000 per m/t.

17 Profit forecast

Not applicable as there was no profit forecast published.

18 Taxation

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		6 months ended	
	30.06.2014	30.6.2013	30.06.2014	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Current Taxation	760	515	1,328	1,532
Under/(Over) provision of tax in prior year	-	-	-	-
	<u>760</u>	<u>515</u>	<u>1,328</u>	<u>1,532</u>
Deferred Tax	-	-	-	-
Share of taxation of subsidiary	-	-	-	-
Total income tax expense	<u>760</u>	<u>515</u>	<u>1,328</u>	<u>1,532</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 under review.

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 was 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

The Group's borrowings and debts securities as at the end of the current quarter were as follows :

	RM'000
Short term bank borrowings	1,606
Long term bank borrowings	<u>15,510</u>
Total	<u>17,116</u>

The above bank borrowings are secured by the properties of the subsidiary company and the corporate guarantee of the Company and are denominated in Malaysian currency.

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)

	30.6.2014	As at RM'000	As at 30.6.2013 RM'000
Total accumulated losses of the Company and its subsidiaries:			
- Realised		(17,681)	(23,611)
- Unrealised		<u>(52,991)</u>	<u>(52,991)</u>
		(70,672)	(76,602)
Total accumulated losses from associate company:			
- Realised		(1,010)	(1,010)
		<u>(71,682)</u>	<u>(77,612)</u>
Less: Consolidated adjustments		<u>20,071</u>	<u>20,071</u>
Total group retained profits / (accumulated losses) as per consolidated accounts		<u>(51,611)</u>	<u>(57,541)</u>

25 Material Litigation

There were no pending material litigation as at end of this quarter.

26 Dividend Payable

On 16 June 2014, the Company declared an interim dividend of 2.0 Sen per ordinary share (single tier tax exempt dividend) in respect of the financial year 2014 and this dividend is payable on 15 September 2014.

27 Earnings per share

	<u>Individual Quarter</u> 3 months ended		<u>Cumulative Quarter</u> 6 months ended	
	31.6.2014	30.6.2013	31.6.2014	30.6.2013
Profit attributable to ordinary equity holders of the parent (RM'000)	1,792	(225)	3,140	44
Weighted average number of ordinary share in issue ('000)	119,997	119,997	119,997	119,997
Basic earning per share (sen)	0.69	(0.46)	1.18	(0.98)

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

28 Additional notes to the Statement of Comprehensive Income

	<u>Individual Quarter</u> 3 months ended		<u>Cumulative Quarter</u> 6 months ended	
	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000
Profit before tax is arrived at after charging / (crediting):				
Interest Income	(4)	(140)	(91)	(280)
Interest expense	5	20	43	30
Depreciation and amortization	647	426	1,155	902

29 Capital Expenditure not provided for in the Financial Statements

The Group's capital commitments as at the end of the current financial quarter under review amounted to RM1,200,000.