

ASTRAL ASIA BHD (374600-X)

Part A1 : Quarterly Report

Quarterly report for the financial period ended : 30.09.2014
 Quarter : 3rd 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 30/09/2014

	Individual Quarter		Cumulative Period	
	Current year quarter 30.09.2014 RM'000	Preceding year quarter 30.09.2013 RM'000	Current year to date 30.09.2014 RM'000	Preceding year to date 30.09.2013 RM'000
1 Revenue	7,735	8,928	23,359	23,280
2 Profit/(Loss) before tax	3,556	2,933	8,025	5,435
3 Profit/(Loss) for the period	2,501	1,853	5,642	2,823
4 Profit /(Loss) attributable to ordinary equity holders of the parent	1,282	855	2,702	608
5 Basic earning per shares (sen)	1.07	0.71	2.25	0.51
6 Proposed /Declared dividend per share (sen)	-	-	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)		1.3100		1.3075

Part A3 : Additional Information

	Individual Quarter		Cumulative Period	
	Current year quarter 30.09.2014 RM'000	Preceding year quarter 30.09.2013 RM'000	Current year to date 30.09.2014 RM'000	Preceding year to date 30.09.2013 RM'000
1 Gross interest income	53	1	144	281
2 Gross interest expenses	36	19	79	49

ASTRAL ASIA BHD (374600-X)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR
THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
		<u>Current Year</u> 2nd Quarter 30-Sep-14 RM'000	<u>Preceding Year</u> 30-Sep-13 RM'000	<u>Current Year</u> 30-Sep-14 RM'000	<u>Preceding Year</u> 30-Sep-13 RM'000
<u>Continuing Operations</u>					
Revenue		7,735	8,928	23,359	23,280
Cost of sales		(5,347)	(1,519)	(15,476)	(11,889)
Gross profit		2,388	7,409	7,883	11,391
Other income		1,877	391	4,261	1,278
Administrative expenses		(674)	(4,863)	(4,026)	(7,214)
Finance costs		(36)	(4)	(79)	(20)
Share of profit / (loss) in associate		(0)	0	(14)	0
Profit before taxation		3,556	2,933	8,025	5,435
Tax expense	18	(1,054)	(1,080)	(2,383)	(2,612)
Profit/(loss) after taxation		2,501	1,853	5,642	2,823
Other Comprehensive income/(loss), net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		2,501	1,853	5,642	2,823
Profit/(loss) attributable to:					
Owners of the parent		1,282	855	2,702	608
Non-controlling interests		1,219	998	2,940	2,215
Profit/(loss) for the period		2,501	1,853	5,642	2,823
Total comprehensive income attributable to:					
Owners of the parent		1,282	855	2,702	608
Non-controlling interests		1,219	998	2,940	2,215
Total comprehensive income/(loss) for the period		2,501	1,853	5,642	2,823
Earning Per Share attributable to owners of the parent:					
Earning per share (Sen):-		1.07	0.71	2.25	0.51

ASTRAL ASIA BHD (374600-X)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR
THE THIRD QUARTER ENDED 30 SEPTEMBER 2014****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(UNAUDITED) CURRENT YEAR END 30-Sep-14 RM'000	(AUDITED) PRECEDING YEAR END 31-Dec-13 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	166,125	169,258
Biological assets	101,788	101,644
Investment Property	1,541	1,541
Investment in associated company	1,409	1,403
	<u>270,863</u>	<u>273,846</u>
Current assets		
Inventories	1,129	779
Amount due from customers		-
Trade receivables	1,923	3,744
Other receivables	5,630	581
Cash and cash equivalents	20,169	12,669
Tax Recoverable	40	134
	<u>28,891</u>	<u>17,907</u>
TOTAL ASSETS	<u>299,754</u>	<u>291,753</u>
 <u>EQUITY AND LIABILITIES</u>		
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	(53,426)	(55,771)
Total equity attributable to owners of the parent	<u>157,196</u>	<u>156,894</u>
Non-controlling Interests	67,562	68,822
TOTAL EQUITY	<u>224,758</u>	<u>225,716</u>
Non-current liabilities		
Hire purchase creditors	279	434
Deferred taxation	49,333	48,921
Long Term bank borrowings (secured)	15,132	-
	<u>64,744</u>	<u>49,355</u>
Current liabilities		
Trade payables	458	2,667
Deposit	978	-
Other payables	4,283	12,059
HP creditors	1,105	588
Amount due to associate company	565	565
Short term bank borrowings (secured)	1,606	-
Provision for Taxation	206	803
Dividend payable	1,050	-
	<u>10,252</u>	<u>16,682</u>
TOTAL LIABILITIES	<u>74,996</u>	<u>66,037</u>
TOTAL EQUITY AND LIABILITIES	<u>299,754</u>	<u>291,753</u>

ASTRAL ASIA BHD (374600-X)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the parent →				Total	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	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				2,702	2,702	2,940	5,642
Revaluation reserve realised			(2,043)	2,043	-		-
Dividend paid to equity holders				(2,400)	(2,400)	-	(2,400)
Transferred from deferred tax				-	0		-
Dividend paid / payable to non-controlling Interests					0	(4,200)	(4,200)
Balance as at 30 September 2014	119,997	1,333	89,292	(53,426)	157,196	67,562	224,758
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			-	608	608	2,215	2,823
Revaluation reserve realised							
Dividend paid to equity holders				(1,800)	(1,800)	-	(1,800)
Transferred from deferred tax							
Dividend paid to non-controlling Interests					-	(2,100)	(2,100)
Balance as at 30 September 2013	119,997	1,333	89,356	(57,560)	153,126	69,427	222,553

ASTRAL ASIA BHD (374600-X)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 30 SEPTEMBER 2014
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	9 MONTHS ENDED 30-Sep-14 RM'000	12 MONTHS ENDED 31-Dec-13 RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation	8,025	9,586
<i>Adjustments for:-</i>		
Non-cash items/non-operating items	444	2,486
Interest expense	79	58
Interest income	(144)	(480)
<i>Operating profit before working capital changes</i>	8,404	11,650
<i>Changes in working capital:-</i>		
Net Change In Current Assets / Current Liabilities	(6,139)	(7,219)
	2,265	4,431
Tax refund/(paid)	(2,768)	(3,271)
Interest received	144	480
Dividend Paid to Non-controlling interests	(3,150)	(4,200)
Dividend Paid	(2,400)	(1,800)
<i>Net cash (Used In)/ generated from operating activities</i>	(5,909)	(4,360)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from disposal of property, plant and equipment	-	85
Purchase of property, plant and equipment	(2,840)	(6,577)
Purchase of biological assets	-	(38)
<i>Net cash used in investing activities</i>	(2,840)	(6,530)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payment of hire purchase creditors	(410)	(762)
Interest paid	(79)	(58)
Drawdown of bank borrowings	16,738	
<i>Net cash used in financing activities</i>	16,249	(820)
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,500	(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	20,170	12,670
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING:		
Cash and bank balances	9,248	9,422
Fixed Deposit placed with licensed banks	10,921	3,248
	20,169	12,670

Notes to the Interim Financial Statement - 30 September 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 2013, 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

On 15 September 2014, the Company paid an interim dividend of 2.0 sen per ordinary share in respect of the financial year ending 2014.

9 Segmental reporting

Segmental information for the Group is presented as follows:

9 months financial period ended 30 September 2014	Plantation	Construction & Property Development	Investment	Elimination	Consolidated
Segment Revenue	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	22,930	429	-	-	23,359
Inter-segment revenue	-	-	7,800	(7,800)	-
Total revenue	22,930	429	7,800	(7,800)	23,359

Segment Results

Operating results	10,730	(2,626)	-	-	8,104
Share of results of associate company	-	-	-	-	0
Finance cost	(38)	(41)	-	-	(79)
Profit/(loss) before tax	10,692	(2,667)	0	-	8,025
Income tax expense	(2,292)	(91)	-	-	(2,383)
	8,400	(2,758)	0	-	5,642

9 months financial period ended 30 September 2013	Plantation	Construction & Property Development	Investment	Elimination	Consolidated
Segment Revenue	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	22,543	737	-	-	23,280
Inter-segment revenue	-	-	3,900	(3,900)	-
Total revenue	22,543	737	3,900	(3,900)	23,280

Segment Results

Operating results	8,923	(3,234)	3,666	(3,900)	5,455
Share of results of associate company	-	0	-	-	0
Finance cost	-	(20)	-	-	(20)
Profit/(loss) before tax	8,923	(3,254)	3,666	(3,900)	5,435
Income tax expense	(2,593)	(19)	-	-	(2,612)
	6,330	(3,273)	3,666	(3,900)	2,823

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 8.0 million on revenue of RM 23.3 million for the 9 months under review compared to pre-tax profit of RM 5.4 million on revenue of RM 23.2 million for the corresponding period in 2013.

The 1.6 % increase in the revenue of the plantation division to RM 22.5 million for the 9 months under review was due to the lower FFB production but offsetted by 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 5.8 % to RM 2,466 per M/T (2013: RM 2,330 per M/T). However, the Group's total FFB harvested during the 9 months under review had decreased by 8.0 % to 38,851 M/T (2013: 42,240 M/T) compared to the corresponding period in 2013.

The construction and development divisions' loss before tax of RM 2.7 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 3.5 million was higher compared to the result in the preceding quarter profit of RM 2.5 million was mainly due to higher FFB production output but cushioned by lower CPO prices.

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 bearish CPO prices which are currently trading at around RM2,200 per m/t.

17 Profit forecast

Not applicable as there was no profit forecast published.

18 Taxation

	<u>Individual Quarter</u> 3 months ended		<u>Cumulative Quarter</u> 6 months ended	
	30.09.2014 RM'000	30.9.2013 RM'000	30.09.2014 RM'000	30.9.2013 RM'000
Current Taxation	1,054	1,080	2,383	2,612
Under/(Over) provision of tax in prior year	-	-	-	-
	<u>1,054</u>	<u>1,080</u>	<u>2,383</u>	<u>2,612</u>
Deferred Tax	-	-	-	-
Share of taxation of subsidiary	-	-	-	-
Total income tax expense	<u>1,054</u>	<u>1,080</u>	<u>2,383</u>	<u>2,612</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 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	15,132
Long term bank borrowings	<u>1,606</u>
Total	<u>16,738</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)

	<u>As at</u> <u>30.9.2014</u> <u>RM'000</u>	<u>As at</u> <u>30.9.2013</u> <u>RM'000</u>
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(22,143)	(21,830)
- Unrealised	<u>(53,922)</u>	<u>(52,991)</u>
	<u>(76,065)</u>	<u>(74,821)</u>
Total accumulated losses from associate company:		
- Realised	(1,047)	(1,010)
	<u>(77,112)</u>	<u>(75,831)</u>
Less: Consolidated adjustments	<u>23,686</u>	<u>20,071</u>
Total group retained profits / (accumulated losses) as per consolidated accounts	<u>(53,426)</u>	<u>(55,760)</u>

25 Material Litigation

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

26 Dividend Payable

No dividend has been proposed for the financial quarter under review.

27 Earnings per share

	<u>Individual Quarter</u> <u>3 months ended</u>		<u>Cumulative Quarter</u> <u>9 months ended</u>	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
Profit attributable to ordinary equity holders of the parent (RM'000)	2,501	855	5,642	608
Weighted average number of ordinary share in issue ('000)	119,997	119,997	119,997	119,997
Basic earning per share (sen)	1.07	0.71	2.25	0.51

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> <u>3 months ended</u>		<u>Cumulative Quarter</u> <u>9 months ended</u>	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
Profit before tax is arrived at after charging / (crediting):	RM'000	RM'000	RM'000	RM'000
Interest Income	(53)	(1)	(144)	(281)
Interest expense	36	19	79	49
Depreciation and amortization	577	686	1,732	1,588

29 Capital Expenditure contracted but 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.