

ASTRAL ASIA BHD (374600-X)

Part A1 : Quarterly Report

Quarterly report for the financial period ended : 31.03.2016
Quarter : 1st Quarter
Financial Year End : 31.12.2016
The Figures : Have not been audited

Part A2 : Summary of Key Financial Information for the financial period ended 31/03/2016

	Individual Quarter		Cumulative Period	
	Current year quarter 31.03.2016	Preceding year quarter 31.03.2015	Current year to date 31.03.2016	Preceding year to date 31.03.2015
	RM'000	RM'000	RM'000	RM'000
1 Revenue	5,589	4,524	5,589	4,524
2 Profit/(Loss) before tax	(1,751)	(2,045)	(1,751)	(2,045)
3 Profit/(Loss) for the period	(2,187)	(2,199)	(2,187)	(2,199)
4 Profit/(Loss) attributable to ordinary equity holders of the parent	(2,266)	(2,184)	(2,266)	(2,184)
5 Basic earning / (loss) per shares (sen)	(1.89)	(1.82)	(1.89)	(1.82)
6 Proposed /Declared dividend per share (sen)	-	-	-	-
	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)		1.6786		1.6974

Part A3 : Additional Information

	Individual Quarter		Cumulative Period	
	Current year quarter 31.03.2016	Preceding year quarter 31.03.2015	Current year to date 31.03.2016	Preceding year to date 31.03.2015
	RM'000	RM'000	RM'000	RM'000
1 Gross interest income	25	0	25	0
2 Gross interest expenses	246	23	246	23

ASTRAL ASIA BHD (374600-X)
**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR
THE FIRST QUARTER ENDED 31 MARCH 2016**
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
		Current	Preceding	Current	Preceding
		Year	Year	Year	Year
		1st Quarter		ToDate	
		31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
		RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>					
Revenue		5,589	4,524	5,589	4,524
Cost of sales		(4,592)	(3,997)	(4,592)	(3,997)
Gross profit		<u>997</u>	<u>527</u>	<u>997</u>	<u>527</u>
Other income		528	36	528	36
Administrative expenses		(3,031)	(2,585)	(3,031)	(2,585)
Finance costs		(245)	(23)	(245)	(23)
Share of profit/(loss) in associate		0	0	0	0
Profit/(loss) before taxation		<u>(1,751)</u>	<u>(2,045)</u>	<u>(1,751)</u>	<u>(2,045)</u>
Tax expense	18	(436)	(154)	(436)	(154)
Profit/(loss) after taxation		<u>(2,187)</u>	<u>(2,199)</u>	<u>(2,187)</u>	<u>(2,199)</u>
Other Comprehensive income/(loss), net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		<u><u>(2,187)</u></u>	<u><u>(2,199)</u></u>	<u><u>(2,187)</u></u>	<u><u>(2,199)</u></u>
Profit/(loss) attributable to:					
Owners of the parent		(2,266)	(2,184)	(2,266)	(2,184)
Non-controlling interests		79	(15)	79	(15)
Profit/(loss) for the period		<u><u>(2,187)</u></u>	<u><u>(2,199)</u></u>	<u><u>(2,187)</u></u>	<u><u>(2,199)</u></u>
Total comprehensive income attributable to:					
Owners of the parent		(2,266)	(2,184)	(2,266)	(2,184)
Non-controlling interests		79	(15)	79	(15)
Total comprehensive income/(loss) for the period		<u><u>(2,187)</u></u>	<u><u>(2,199)</u></u>	<u><u>(2,187)</u></u>	<u><u>(2,199)</u></u>
Earning Per Share attributable to owners of the parent:					
Earning/(loss) per share (Sen):-	27	(1.89)	(1.82)	(1.89)	(1.82)

ASTRAL ASIA BHD (374600-X)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR
THE FIRST QUARTER ENDED 31 MARCH 2016****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(UNAUDITED) CURRENT QUARTER END 31-Mar-16 RM'000	(AUDITED) PRECEDING YEAR END 31-Dec-15 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	313,969	315,122
Biological assets	50,858	50,837
Investment Property	15,500	15,500
Investment in associated company	1,326	1,326
	<u>381,653</u>	<u>382,785</u>
Current assets		
Inventories	934	452
Amount due from customers	-	-
Trade receivables	4,113	3,464
Other receivables	3,418	3,097
Cash and cash equivalents	11,733	15,285
Tax Recoverable	58	-
	<u>20,256</u>	<u>22,298</u>
TOTAL ASSETS	<u>401,909</u>	<u>405,083</u>
 EQUITY AND LIABILITIES		
Equity Attributable To Owners of the parent		
Share Capital	23,999	23,999
Share Premium	1,333	1,333
Capital Reserve	22,726	22,726
Revaluation Reserve	143,952	143,952
Accumulated losses	9,411	11,677
Total equity attributable to owners of the parent	<u>201,421</u>	<u>203,687</u>
Non-controlling Interests	92,938	92,859
TOTAL EQUITY	<u>294,359</u>	<u>296,546</u>
Non-current liabilities		
Borrowings	18,872	19,925
Hire purchase creditors	538	587
Deferred taxation	75,361	75,361
	<u>94,771</u>	<u>95,873</u>
Current liabilities		
Trade payables	3,055	876
Amount due to customers	-	-
Other payables	5,977	7,284
Dividend payables	1,050	1,575
Borrowings	836	1,134
HP creditors	529	696
Amount due to associate company	565	565
Provision for Taxation	767	534
	<u>12,779</u>	<u>12,664</u>
TOTAL LIABILITIES	<u>107,550</u>	<u>108,537</u>
TOTAL EQUITY AND LIABILITIES	<u>401,909</u>	<u>405,083</u>

ASTRAL ASIA BHD (374600-X)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the parent →					Non- controlling Interest	Total Equity	
	← Non- distributable →							
	Share Capital	Share Premium	Capital Reserve	Revaluation Reserve	Accumulated losses			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
As at 1 January 2016	23,999	1,333	22,726	143,952	11,677	203,687	92,859	296,546
Net profit/(loss) for the quarter					(2,266)	(2,266)	79	(2,187)
Other Comprehensive income for the period								
Total Comprehensive income for the period					(2,266)	(2,266)	79	(2,187)
Revaluation reserve realised								
Dividend paid to equity holders								
Dividend paid to non-controlling Interests								
Balance as at 31 March 2016	23,999	1,333	22,726	143,952	9,411	201,421	92,938	294,359
As 1 January 2015	119,997	1,333		140,429	(56,145)	205,614	90,973	296,587
Par value reduction	(95,998)		22,726		73,272	-		
Net profit/(loss) for the financial year					(5,450)	(5,450)	332	(5,118)
Other Comprehensive income for the period				3,523		3,523	3,654	7,177
Total Comprehensive income for the period	(95,998)		22,726	3,523	67,822	(1,927)	3,986	2,059
Dividend paid to equity holders								
Dividend paid to non-controlling Interests							(2,100)	(2,100)
Balance as at 31 December 2015	23,999	1,333	22,726	143,952	11,677	203,687	92,859	296,546

ASTRAL ASIA BHD (374600-X)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST QUARTER ENDED 31 MARCH 2016
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	3 MONTHS ENDED 31-Mar-16 RM'000	12 MONTHS ENDED 31-Dec-15 RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation	(1,751)	(2,931)
<i>Adjustments for:-</i>		
Non-cash items/non-operating items	1,182	6,085
Interest expense	246	406
Interest income	(25)	(107)
<i>Operating profit before working capital changes</i>	(348)	3,453
<i>Changes in working capital:-</i>		
Net Change In Current Assets / Current Liabilities	(1,293)	253
	(1,641)	3,706
Tax refund/(paid)	(261)	(1,603)
Interest received	25	107
Dividend Paid to Non-controlling interests	(525)	(1,575)
<i>Net cash (Used In)/ generated from operating activities</i>	(2,402)	635
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from disposal of property, plant and equipment		24
Purchase of property, plant and equipment	(262)	(8,426)
Purchase of biological assets		(94)
<i>Net cash used in investing activities</i>	(262)	(8,496)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Repayment of term / flexi loan	(552)	(2,154)
Repayment of hire purchase creditors	(90)	(613)
Interest paid	(246)	(406)
Drawdown of term loan	-	6,375
<i>Net cash used in financing activities</i>	(888)	3,202
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,552)	(4,659)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	15,285	19,944
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	11,733	15,285
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING:		
Cash and bank balances	10,717	14,269
Fixed Deposit placed with licensed banks	1,016	1,016
	11,733	15,285

Notes to the Interim Financial Statement - 31 March 2016

1 Statement of compliance

The interim financial report is unaudited and has been prepared in compliance with Financial Reporting Standard ("FRS") 134 *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board and Paragraph 9.22 of the Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements.

2 Accounting policies

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015. The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2015.

3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2015 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>3 months financial period</u> <u>ended 31 Mar 2016</u>	<u>Plantation</u>	<u>Construction, Property Development & Property Investment</u>	<u>Investment</u>	<u>Elimination</u>	<u>Consolidated</u>
<u>Segment Revenue</u>	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	4,851	738	-	-	5,589
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>4,851</u>	<u>738</u>	<u>-</u>	<u>-</u>	<u>5,589</u>
 <u>Segment Results</u>					
Operating results	645	(1,949)	(202)	-	(1,506)
Share of results of associate company	-	-	-	-	-
Finance cost	(7)	(238)	-	-	(245)
Profit/(loss) before tax	638	(2,187)	(202)	-	(1,751)
Income tax expense	(413)	(23)	-	-	(436)
	<u>225</u>	<u>(2,210)</u>	<u>(202)</u>	<u>-</u>	<u>(2,187)</u>

<u>3 months financial period ended 31 Mar 2015</u>	<u>Plantation</u>	<u>Construction, Property Development & Property Investment</u>	<u>Investment</u>	<u>Elimination</u>	<u>Consolidated</u>
<u>Segment Revenue</u>	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	4,260	264	-	-	4,524
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>4,260</u>	<u>264</u>	<u>-</u>	<u>-</u>	<u>4,524</u>
<u>Segment Results</u>					
Operating results	116	(2,029)	(109)	-	(2,022)
Share of results of associate company	-	-	-	-	-
Finance cost	(5)	(18)	-	-	(23)
Profit/(loss) before tax	111	(2,047)	(109)	-	(2,045)
Income tax expense	(154)	0	-	-	(154)
	<u>(43)</u>	<u>(2,047)</u>	<u>(109)</u>	<u>-</u>	<u>(2,199)</u>

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 loss of RM 1.8 million on revenue of RM 5.6 million for the Q1 under review compared to pre-tax loss of RM 2.0 million on revenue of RM 4.5 million for the corresponding period in 2015.

The 13.9 % increase in the revenue of the plantation division to RM 4.9 million for the Q1 under review was due to both the higher FFB production and 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 7.1 % to RM 2,428 per M/T (2015: RM 2,268 per M/T). The Group's total FFB harvested during the Q1 under review had increased by 7.2 % to 8,226 M/T (2015: 7,671 M/T) compared to the corresponding year in 2015.

The construction, property development and property investment divisions' losses before tax of RM 2.2 million was mainly due to higher Group's operating overheads costs and the development cost of Kuantan Hi-Tech Park development project.

15 Comparison with the immediate preceding quarter's results

There were no material changes to the losses before tax for the current quarter of RM 1.8 million compared to the preceding quarter losses of RM 2.0 million.

16 Commentary on prospects

The Group expects the results of the Group in 2016 financial year will improve as crude palm oil prices have recovered since September 2015 and are currently trading at around RM2,600 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		3 months ended	
	31.03.2016	31.3.2015	31.03.2016	31.3.2015
	RM'000	RM'000	RM'000	RM'000
Current Taxation	436	154	436	154
Under/(Over) provision of tax in prior year	-	-	-	-
	<u>436</u>	<u>154</u>	<u>436</u>	<u>154</u>
Deferred Tax	-	-	-	-
Share of taxation of subsidiary	-	-	-	-
Total income tax expense	<u>436</u>	<u>154</u>	<u>436</u>	<u>154</u>

The provision for income tax for the Group is mainly due to the chargeable income from the Plantation Division. The tax charge is higher than the statutory tax rate owing to certain expenses not deductible for tax purpose.

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 proposals as at the date of this report except:

Proposed Bonus Issue

On 26.1.2016, Astral Asia Berhad ("AAB") proposes to undertake a bonus issue of 539,986,500 new ordinary shares of RM0.20 each on the basis of nine (9) Bonus Shares for every two (2) existing ordinary shares of RM0.20 each in AAB held. The Proposed Bonus Issue will be effected by the capitalisation of RM107,997,300 from the Company's share premium, capital reserve and available-for-sale fair value reserve arising from the revaluation of its subsidiary companies.

AAB had engaged an independent valuer and a registered property valuer to conduct valuations on the Company's investments in its subsidiaries and properties held by certain subsidiaries of the Company respectively, in order to revalue AAB's investments in its subsidiaries. The Company's investments in the subsidiary companies have not been revalued in the past.

The Proposed Bonus Issue is expected to be completed by May 2016.

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	836
Long term bank borrowings	<u>18,872</u>
	<u>19,708</u>

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

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 31.3.2016 RM'000	As at 31.12.2015 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(15,866)	(13,864)
- Unrealised	(6,845)	(6,845)
	(22,711)	(20,709)
Total accumulated losses from associate company:		
- Realised	(1,124)	(1,124)
	(23,835)	(21,833)
Less: Consolidated adjustments	33,246	33,510
Total group retained profits / (accumulated losses) as per consolidated accounts	9,411	11,677

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

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
Profit / (loss) attributable to ordinary equity holders of the parent (RM'000)	(2,266)	(2,184)	(2,266)	(2,184)
Weighted average number of ordinary share in issue ('000)	119,997	119,997	119,997	119,997
Basic earning / (loss) per share (sen)	(1.89)	(1.82)	(1.89)	(1.82)

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

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2016 RM'000	31.3.2015 RM'000	31.3.2016 RM'000	31.3.2015 RM'000
Profit before tax is arrived at after charging / (crediting):				
Interest Income	25	0	25	0
Interest expense	246	23	246	23
Depreciation and amortization	1160	613	1160	613

29 Capital Commitment not provided for in the Financial Statements

The Group did not have any capital commitment as at the end of the current financial quarter under review.