

ASTRAL ASIA BHD (374600-X)

Part A1 : Quarterly Report

Quarterly report for the financial period ended : 30.09.2016
 Quarter : 3rd 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 30/09/2016

| | Individual Quarter | | Cumulative Period | |
|--|---------------------------------------|---|---|---|
| | Current year quarter 30.09.2016 | Preceding year quarter 30.09.2015 | Current year to date 30.09.2016 | Preceding year to date 30.09.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| 1 Revenue | 7,449 | 7,846 | 19,450 | 18,709 |
| 2 Profit/(Loss) before tax | 419 | 435 | 1,947 | (2,228) |
| 3 Profit/(Loss) for the period | (378) | (565) | 77 | (3,690) |
| 4 Profit/(Loss) attributable to ordinary equity holders of the parent | (820) | (916) | (715) | (4,188) |
| 5 Basic earning / (loss) per shares (sen) | (0.12) | (0.14) | (0.11) | (0.63) |
| 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) | | 0.3068 | | 0.3086 |

Part A3 : Additional Information

| | Individual Quarter | | Cumulative Period | |
|---------------------------|---------------------------------------|---|---------------------------------------|---|
| | Current year quarter 30.09.2016 | Preceding year quarter 30.09.2015 | Current year to date 30.09.2016 | Preceding year to date 30.09.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| 1 Gross interest income | 1 | 104 | 35 | 128 |
| 2 Gross interest expenses | 193 | 120 | 678 | 279 |

ASTRAL ASIA BHD (374600-X)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR
THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

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>3rd Quarter</u> | <u>3rd Quarter</u> | <u>Todate</u> | <u>Todate</u> |
| | | <u>30-Sep-16</u> | <u>30-Sep-15</u> | <u>30-Sep-16</u> | <u>30-Sep-15</u> |
| | | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| <u>Continuing Operations</u> | | | | | |
| Revenue | | 7,449 | 7,846 | 19,450 | 18,709 |
| Cost of sales | | (4,400) | (4,874) | (14,188) | (14,112) |
| Gross profit | | <u>3,049</u> | <u>2,972</u> | <u>5,262</u> | <u>4,597</u> |
| Other income | | (174) | 988 | 4,543 | 1,315 |
| Administrative expenses | | (2,273) | (3,407) | (7,185) | (7,868) |
| Finance costs | | (183) | (118) | (673) | (273) |
| Share of profit/(loss) in associate | | - | - | - | - |
| Profit/(loss) before taxation | | <u>419</u> | <u>435</u> | <u>1,947</u> | <u>(2,228)</u> |
| Tax expense | 18 | (797) | (1,000) | (1,870) | (1,462) |
| Profit/(loss) after taxation | | <u>(378)</u> | <u>(565)</u> | <u>77</u> | <u>(3,690)</u> |
| Other Comprehensive income/(loss), net of tax | | - | - | - | - |
| Total comprehensive income/(loss) for the period | | <u>(378)</u> | <u>(565)</u> | <u>77</u> | <u>(3,690)</u> |
| Profit/(loss) attributable to: | | | | | |
| Owners of the parent | | (820) | (916) | (715) | (4,188) |
| Non-controlling interests | | 442 | 351 | 792 | 498 |
| Profit/(loss) for the period | | <u>(378)</u> | <u>(565)</u> | <u>77</u> | <u>(3,690)</u> |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent | | (820) | (916) | (715) | (4,188) |
| Non-controlling interests | | 442 | 351 | 792 | 498 |
| Total comprehensive income/(loss) for the period | | <u>(378)</u> | <u>(565)</u> | <u>77</u> | <u>(3,690)</u> |
| Earning Per Share attributable to owners of the parent: | | | | | |
| Earning/(loss) per share (Sen):- | 27 | (0.12) | (0.14) | (0.11) | (0.63) |

ASTRAL ASIA BHD (374600-X)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR
THE THIRD QUARTER ENDED 30 SEPTEMBER 2016****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| | (UNAUDITED) CURRENT QUARTER END 30-Sep-16 RM'000 | (AUDITED) PRECEDING YEAR END 31-Dec-15 RM'000 |
|---|---|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 304,608 | 315,122 |
| Biological assets | 50,891 | 50,837 |
| Investment Property | 23,250 | 15,500 |
| Investment in associated company | 1,326 | 1,326 |
| | <u>380,075</u> | <u>382,785</u> |
| Current assets | | |
| Inventories | 663 | 452 |
| Trade receivables | 3,040 | 3,464 |
| Other receivables | 3,614 | 3,097 |
| Cash and cash equivalents | 6,464 | 15,285 |
| Tax Recoverable | 58 | - |
| | <u>13,839</u> | <u>22,298</u> |
| TOTAL ASSETS | <u>393,914</u> | <u>405,083</u> |
| EQUITY AND LIABILITIES | | |
| Equity Attributable To Owners of the parent | | |
| Share Capital | 131,996 | 23,999 |
| Share Premium | - | 1,333 |
| Capital Reserve | - | 22,726 |
| Revaluation Reserve | 143,952 | 143,952 |
| AFS Fair Value Reserve | (84,414) | |
| Retained Earnings | 10,962 | 11,677 |
| Total equity attributable to owners of the parent | <u>202,496</u> | <u>203,687</u> |
| Non-controlling Interests | 91,551 | 92,859 |
| TOTAL EQUITY | <u>294,047</u> | <u>296,546</u> |
| Non-current liabilities | | |
| Borrowings | 13,809 | 19,925 |
| Hire purchase creditors | 361 | 587 |
| Deferred taxation | 75,361 | 75,361 |
| | <u>89,531</u> | <u>95,873</u> |
| Current liabilities | | |
| Trade payables | 2,776 | 876 |
| Other payables | 2,319 | 7,284 |
| Dividend payables | 2,100 | 1,575 |
| Borrowings | 836 | 1,134 |
| HP creditors | 746 | 696 |
| Amount due to associate company | 565 | 565 |
| Provision for Taxation | 994 | 534 |
| | <u>10,336</u> | <u>12,664</u> |
| TOTAL LIABILITIES | <u>99,867</u> | <u>108,537</u> |
| TOTAL EQUITY AND LIABILITIES | <u>393,914</u> | <u>405,083</u> |
| Net Assets per share attributable to owners of the parent (RM) | <u>0.3068</u> | <u>0.3086</u> |

ASTRAL ASIA BHD (374600-X)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | ← Attributable to owners of the parent → | | | | | | | | |
|--|--|------------------|--------------------|------------------------|---------------------------|----------------------|----------------|---------------------------------|-----------------|
| | ← Non-distributable → | | | | | | | | |
| | Share Capital | Share Premium | Capital Reserve | Revaluation Reserve | AFS Fair Value Reserve | Retained Earnings | Total | Non- controlling Interest | Total Equity |
| | RM'000 | RM'000 | 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 | | | | | | (715) | (715) | 792 | 77 |
| Other Comprehensive income for the period | | | | | | | | | |
| Total Comprehensive income for the period | | | | | | (715) | (715) | 792 | 77 |
| Dividend paid to equity holders | | | | | | | | | |
| Dividend paid to non-controlling Interests | | | | | | | | (2,100) | (2,100) |
| Issuance of bonus shares (See Note 21) | 107,997 | (857) | (22,726) | | (84,414) | | | | |
| Expenses incurred for the proposed bonus issue | | (476) | | | | | (476) | | (476) |
| Balance as at 30 September 2016 | 131,996 | | | 143,952 | (84,414) | 10,962 | 202,496 | 91,551 | 294,047 |
| 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
THIRD QUARTER ENDED 30 SEPTEMBER 2016
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

| | 9 MONTHS ENDED 30-Sep-16 RM'000 | 12 MONTHS ENDED 31-Dec-15 RM'000 |
|---|--|---|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Profit before taxation | 1,947 | (2,931) |
| <i>Adjustments for:-</i> | | |
| Non-cash items/non-operating items | 7,467 | 6,085 |
| Interest expense | 678 | 406 |
| Interest income | (35) | (107) |
| <i>Operating profit before working capital changes</i> | 10,057 | 3,453 |
| <i>Changes in working capital:-</i> | | |
| Net Change In Current Assets / Current Liabilities | (12,626) | 253 |
| | (2,569) | 3,706 |
| Tax refund/(paid) | (1,468) | (1,603) |
| Interest received | 35 | 107 |
| Dividend Paid to Non-controlling interests | (1,575) | (1,575) |
| <i>Net cash (Used In)/ generated from operating activities</i> | (5,577) | 635 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | |
| Proceeds from disposal of property, plant and equipment | | 24 |
| Purchase of property, plant and equipment | (1,031) | (8,426) |
| Purchase of biological assets | | (94) |
| <i>Net cash used in investing activities</i> | (1,031) | (8,496) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | |
| Repayment of term / flexi loan | (1,161) | (2,154) |
| Repayment of hire purchase creditors | (374) | (613) |
| Interest paid | (678) | (406) |
| Drawdown of term loan | - | 6,375 |
| <i>Net cash used in financing activities</i> | (2,213) | 3,202 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (8,821) | (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 | 6,464 | 15,285 |
| CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING: | | |
| Cash and bank balances | 5,448 | 14,269 |
| Fixed Deposit placed with licensed banks | 1,016 | 1,016 |
| | 6,464 | 15,285 |

Notes to the Interim Financial Statement - 30 September 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>9 months financial period ended 30 September 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 | 17,765 | 1,685 | - | - | 19,450 |
| Inter-segment revenue | - | - | 3,900 | (3,900) | - |
| Total revenue | <u>17,765</u> | <u>1,685</u> | <u>3,900</u> | <u>(3,900)</u> | <u>19,450</u> |
| <u>Segment Results</u> | | | | | |
| Operating results | 4,083 | (1,417) | 3,854 | (3,900) | 2,620 |
| Share of results of associate company | - | - | - | - | - |
| Finance cost | (21) | (652) | - | - | (673) |
| Profit/(loss) before tax | 4,062 | (2,069) | 3,854 | (3,900) | 1,947 |
| Income tax expense | (1800) | (70) | - | - | (1,870) |
| | <u>2,262</u> | <u>(2,139)</u> | <u>3,854</u> | <u>(3,900)</u> | <u>77</u> |

**9 months financial period
ended 30 September 2015**

| | <u>Plantation</u> | <u>Construction, Property Development & Property Investment</u> | <u>Investment</u> | <u>Elimination</u> | <u>Consolidated</u> |
|---------------------------------------|-------------------|---|-------------------|--------------------|---------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Segment Revenue</u> | | | | | |
| External revenue | 17,717 | 992 | - | - | 18,709 |
| Inter-segment revenue | - | - | - | - | - |
| Total revenue | <u>17,717</u> | <u>992</u> | <u>-</u> | <u>-</u> | <u>18,709</u> |
| <u>Segment Results</u> | | | | | |
| Operating results | 2,910 | (4,433) | (432) | - | (1,955) |
| Share of results of associate company | - | - | - | - | - |
| Finance cost | (12) | (261) | - | - | (273) |
| Profit/(loss) before tax | <u>2,898</u> | <u>(4,694)</u> | <u>(432)</u> | <u>-</u> | <u>(2,228)</u> |
| Income tax expense | (1,476) | 14 | - | - | (1,462) |
| | <u>1,422</u> | <u>(4,680)</u> | <u>(432)</u> | <u>-</u> | <u>(3,690)</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 profit of RM 1.9 million on revenue of RM 19.5 million for the 9 months under review compared to a pre-tax loss of RM 2.2 million on revenue of RM 18.7 million for the corresponding period in 2015.

The 0.3 % increase in the revenue of the plantation division to RM 17.8 million for the 9 months under review was due to the higher CPO prices realised compared to the corresponding period last year. The average CPO prices realised during 9 months under review had increased by 19.1 % to RM 2,551 per M/T (2015: RM 2,142 per M/T). The Group's total FFB harvested during the 9 months under review had decreased by 18.2% to 28,155 M/T (2015: 34,410 M/T) compared to the corresponding period in 2015.

The construction, property development and property investment divisions' losses before tax of RM2.1 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 significant lower profit before tax for the current quarter of RM 0.4 million compared to the preceding quarter's profit before tax of RM 3.3 million was mainly due to the recognition of a construction contract final Arbitration Award in favour of a subsidiary company amounting to RM 2.98 million during the preceding quarter.

16 Commentary on prospects

The Group anticipates the plantation division to record higher profit in the current financial year due to the recovery of crude palm oil prices which are currently traded around RM 2,800 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> | |
|--|---------------------------|--------------|---------------------------|--------------|
| | <u>3 months ended</u> | | <u>9 months ended</u> | |
| | 30.09.2016 | 30.9.2015 | 30.09.2016 | 30.9.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current Taxation | 797 | 1,000 | 1,870 | 1,462 |
| Under/(Over) provision of tax in prior | - | - | - | - |
| | <u>797</u> | <u>1,000</u> | <u>1,870</u> | <u>1,462</u> |
| Deferred Tax | - | - | - | - |
| Share of taxation of subsidiary | - | - | - | - |
| Total income tax expense | <u>797</u> | <u>1,000</u> | <u>1,870</u> | <u>1,462</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 proposal

There was no uncompleted corporate proposal as at the date of this report. The Proposed Bonus Issue as announced on 26.01.2016 had been completed following the listing and quotation of 539,986,500 Bonus Shares on the Main Market of Bursa Securities on 30.05.2016.

22 Borrowings and debts securities

The Goup'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>13,809</u> |
| | <u>14,645</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 30.9.2016 RM'000 | As at 31.12.2015 RM'000 |
|--|---------------------------------------|--|
| Total accumulated losses of the Company and its subsidiaries: | | |
| - Realised | (15,700) | (13,864) |
| - Unrealised | (6,845) | (6,845) |
| | (22,545) | (20,709) |
| Total accumulated losses from associate company: | | |
| - Realised | (1,124) | (1,124) |
| | (23,669) | (21,833) |
| Less: Consolidated adjustments | 34,631 | 33,510 |
| Total group retained profits / (accumulated losses) as per consolidated accounts | 10,962 | 11,677 |

25 Material Litigation

There were no pending material litigation claims against the Group as at the 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 9 months ended | |
|--|--|-----------|--|-----------|
| | 30.9.2016 | 30.9.2015 | 30.9.2016 | 30.9.2015 |
| Profit / (loss) attributable to ordinary equity holders of the parent (RM'000) | (820) | (916) | (715) | (4,188) |
| Weighted average number of ordinary share in issue ('000) | 659,984 | 659,984 | 659,984 | 659,984 |
| Basic earning / (loss) per share (sen) | (0.12) | (0.14) | (0.11) | (0.63) |

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 9 months ended | |
|---|--|---------------------|--|---------------------|
| | 30.9.2016 RM'000 | 30.9.2015 RM'000 | 30.9.2016 RM'000 | 30.9.2015 RM'000 |
| Profit before tax is arrived at after charging / (crediting): | | | | |
| Interest Income | (1) | (104) | (35) | (128) |
| Interest expense | 193 | 120 | 678 | 279 |
| Depreciation and amortization | 1290 | 2286 | 3724 | 3642 |

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.