

ASTRAL ASIA BHD (374600-X)

Part A1 : Quarterly Report

Quarterly report for the financial period ended : 30.09.2018
Quarter : 3rd Quarter
Financial Year End : 31.12.2018
The Figures : Have not been audited

Part A2 : Summary of Key Financial Information for the financial period ended 30/09/2018

	Individual Quarter		Cumulative Period	
	Current year quarter 30.09.2018	Preceding year quarter 30.09.2017	Current year to date 30.09.2018	Preceding year to date 30.09.2017
	RM'000	RM'000	RM'000	RM'000
1 Revenue	6,948	8,025	23,055	22,858
2 Profit/(Loss) before tax	(1,493)	2,195	(6,701)	2,792
3 Profit/(Loss) for the period	(1,172)	1,089	(7,373)	63
4 Profit/(Loss) attributable to ordinary equity holders of the parent	(519)	224	(6,043)	(1,904)
5 Basic earning / (loss) per shares (sen)	(0.08)	0.03	(0.92)	(0.29)
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)		0.3110		0.3119

Part A3 : Additional Information

	Individual Quarter		Cumulative Period	
	Current year quarter 30.09.2018	Preceding year quarter 30.09.2017	Current year to date 30.09.2018	Preceding year to date 30.09.2017
	RM'000	RM'000	RM'000	RM'000
1 Gross interest income	347	4	356	31
2 Gross interest expenses	396	175	639	559

ASTRAL ASIA BHD (374600-X)
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current Year 30-Sep-18 RM'000	Preceding Year 30-Sep-17 RM'000	Current Year 30-Sep-18 RM'000	Preceding Year 30-Sep-17 RM'000
<u>Continuing Operations</u>					
Revenue		6,948	8,025	23,055	22,858
Cost of sales		(5,495)	(4,048)	(16,971)	(12,901)
Gross profit		1,453	3,977	6,084	9,957
Other income		1,786	528	1,786	1,444
Administrative expenses		(3,298)	(2,138)	(12,732)	(8,057)
Other expenses		(1,205)	0	(1,205)	0
Finance costs		(229)	(172)	(634)	(552)
Profit/(loss) before taxation		(1,493)	2,195	(6,701)	2,792
Tax income/(expense)	18	321	(1,106)	(672)	(2,729)
Profit/(loss) after taxation		(1,172)	1,089	(7,373)	63
Other Comprehensive income/(loss), net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		(1,172)	1,089	(7,373)	63
Profit/(loss) attributable to:					
Owners of the parent		(519)	224	(6,043)	(1,904)
Non-controlling interests		(653)	865	(1,330)	1,967
Profit/(loss) for the period		(1,172)	1,089	(7,373)	63
Total comprehensive income attributable to:					
Owners of the parent		(519)	224	(6,043)	(1,904)
Non-controlling interests		(653)	865	(1,330)	1,967
Total comprehensive income/(loss) for the period		(1,172)	1,089	(7,373)	63
Earning Per Share attributable to owners of the parent:					
Earning / (loss) per share (Sen)	26	(0.08)	0.03	(0.92)	(0.29)

ASTRAL ASIA BHD (374600-X)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR
THE THIRD QUARTER ENDED 30 SEPTEMBER 2018****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(UNAUDITED)	(AUDITED)
	CURRENT	(RESTATED)
	QUARTER END	PRECEDING
	30-Sep-18	YEAR END
	RM'000	31-Dec-17
		RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	365,113	362,518
Investment property	15,733	15,733
Investment in associated company	1,281	1,281
	<u>382,127</u>	<u>379,532</u>
Current assets		
Inventories	456	270
Consumable biological assets	4,767	6,133
Trade receivables	1,257	2,920
Other receivables	5,323	3,591
Cash and cash equivalents	5,008	8,205
Tax recoverable	143	-
	<u>16,954</u>	<u>21,119</u>
TOTAL ASSETS	<u>399,081</u>	<u>400,651</u>
 <u>EQUITY AND LIABILITIES</u>		
Equity Attributable To Owners of the parent		
Share capital	131,997	131,997
Reserves	73,280	73,839
Total equity attributable to owners of the parent	<u>205,277</u>	<u>205,836</u>
Non-controlling Interests	92,909	95,149
TOTAL EQUITY	<u>298,186</u>	<u>300,985</u>
Non-current liabilities		
Borrowings	11,810	12,609
Hire purchase creditors	233	296
Deferred taxation	75,620	75,132
	<u>87,663</u>	<u>88,037</u>
Current liabilities		
Trade payables	3,722	2,010
Other payables	4,206	6,430
Dividend payables	-	-
Borrowings	4,199	958
HP creditors	540	545
Amount due to associate company	565	565
Provision for Taxation	-	1,121
	<u>13,232</u>	<u>11,629</u>
TOTAL LIABILITIES	<u>100,895</u>	<u>99,666</u>
TOTAL EQUITY AND LIABILITIES	<u>399,081</u>	<u>400,651</u>

ASTRAL ASIA BHD (374600-X)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

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	Available-for-sales Fair Value Reserve	Other Reserve	Accumulated Profit			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
As at 1 January 2018	131,997			148,308	(84,414)		9,945	205,836	95,149	300,985
Transactions with owners:-										
Dividend paid to non-controlling Interests									(910)	(910)
Total transactions with owners									(910)	(910)
Profit / (loss) for the period						(6,043)	(6,043)	(1,330)		(7,373)
Other Comprehensive income for the period										
Revaluation of leasehold land and buildings and biological assets, net of tax										
Total Comprehensive income for the period						(6,043)	(6,043)	(1,330)		(7,373)
Effects on adoption of MFRS				1,545	84,414	(80,475)		5,484		5,484
Balance as at 30 September 2018	131,997			149,853	0	(80,475)	3,902	205,277	92,909	298,186
As at 1 January 2017	131,997			145,087	(84,414)		11,681	204,351	94,001	298,352
Transactions with owners:-										
Issuance of bonus shares										
Share issuance expenses										
Dividend paid to non-controlling Interests									(3,150)	(3,150)
Total transactions with owners									(3,150)	(3,150)
Profit / (loss) for the financial year						(1,736)	(1,736)	2,729		993
Other Comprehensive income for the financial year										
Revaluation of leasehold land and buildings and biological assets, net of tax				3,221				3,221	1,569	4,790
Total Comprehensive income for the financial year				3,221		(1,736)	1,485	4,298		5,783
Balance as at 31 December 2017	131,997			148,308	(84,414)		9,945	205,836	95,149	300,985

ASTRAL ASIA BHD (374600-X)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD QUARTER ENDED 30 SEPTEMBER 2018
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	9 MONTHS ENDED 30-Sep-18 RM'000	12 MONTHS ENDED 31-Dec-17 RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation	(6,701)	4,576
<i>Adjustments for:-</i>		
Non-cash items/non-operating items	6,730	5,350
Interest expense	639	724
Interest income	(356)	(121)
<i>Operating profit before working capital changes</i>	312	10,529
<i>Changes in working capital:-</i>		
Net Change In Current Assets / Current Liabilities	2,429	3,778
Tax refund/(paid)	(1,936)	(3,207)
<i>Net cash (Used In)/ generated from operating activities</i>	805	11,100
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest received	356	121
Proceeds from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	(1,987)	(339)
Purchase of biological assets	-	(49)
<i>Net cash used in investing activities</i>	(1,631)	(267)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Dividend Paid to Non-controlling interests	(910)	(4,200)
Repayment of term / flexi loan	(799)	(1,011)
Repayment of hire purchase creditors	(23)	(708)
Interest paid	(639)	(724)
Drawdown of term loan	-	-
Share issuance expenses	-	-
<i>Net cash used in financing activities</i>	(2,371)	(6,643)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,197)	4,190
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	8,205	4,015
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	5,008	8,205
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING:		
Cash and bank balances	3,008	8,205
Fixed Deposit placed with licensed banks	2,000	-
	5,008	8,205

Notes to the Interim Financial Statement - 30 September 2018

1 Statement of compliance

The interim financial report is unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard ("MFRS") 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 and basis of preparation

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2017. 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 2017.

The accounting policies are consistent with the recent audited financial statements for the year ended 31 December 2017 except for the adoption of the new Malaysian Financial Reporting Standards, interpretations and amendments to standards to be applied by all Entities Other Than Private Entities for the financial period beginning on or after 1 January 2018:

- Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards
- MFRS 141: Agriculture
- MFRS 15: Revenue from Contracts with Customers

The Group and the Company have used fair value in its opening MFRS statements of financial position as deemed cost for investment in subsidiaries, the revaluation gains and losses previously recognised are adjusted to Other Reserve.

The Group has adopted MFRS 141 since 1 January 2018. The standard requires a change of accounting policy to capitalisation and amortisation method. Replanting expenditure charged as an expense in prior years are to be retrospectively added back as cost and amortised according to the useful lives of the biological asset. The produce growing on trees will be treated as a consumable biological asset. Agricultural produce harvested from the Group's biological asset shall be measured at fair value less cost to sell as the period of harvest. Gains and losses are recognised in profit or loss for the period in which it arises.

3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2017 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 2018</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	17,378	6,180		(503)	23,055
Inter-segment revenue			1,690	(1,690)	
Total revenue	<u>17,378</u>	<u>6,180</u>	<u>1,690</u>	<u>(2,193)</u>	<u>23,055</u>
<u>Segment Results</u>					
Operating results	(3,110)	(2,621)	1,472	(1,808)	(6,067)
Share of results of associate company					
Finance cost	(18)	(616)			(634)
Profit/(loss) before tax	<u>(3,128)</u>	<u>(3,237)</u>	<u>1,472</u>	<u>(1,808)</u>	<u>(6,701)</u>
Tax (expense)/income	(672)				(672)
	<u>(3,800)</u>	<u>(3,237)</u>	<u>1,472</u>	<u>(1,808)</u>	<u>(7,373)</u>

<u>9 months financial period ended 30 September 2017</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	22,385	473			22,858
Inter-segment revenue			3,900	(3,900)	
Total revenue	<u>22,385</u>	<u>473</u>	<u>3,900</u>	<u>(3,900)</u>	<u>22,858</u>
<u>Segment Results</u>					
Operating results	8,404	(4,685)	3,641	(4,016)	3,344
Share of results of associate company					
Finance cost	(14)	(538)			(552)
Profit/(loss) before tax	8,390	(5,223)	3,641	(4,016)	2,792
Tax (expense)/income	(2,769)	40			(2,729)
	<u>5,621</u>	<u>(5,183)</u>	<u>3,641</u>	<u>(4,016)</u>	<u>63</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 6.7 million on revenue of RM 23.1 million for the 9 months under review compared to pre-tax profit of RM 2.8 million on revenue of RM 22.9 million for the corresponding period in Year 2017.

The construction, property development and property investment divisions' losses before tax of RM 3.2 million was mainly due to Group's operating overheads costs.

The 22.3 % decrease in the revenue of the plantation division from RM22.4 million to RM 17.4 million for the 9 months under review was due to the lower Crude Palm Oil ("CPO") prices realised compared to the corresponding period last year. The average CPO prices realised during the period under review had decreased by 16.5 % to RM 2,353 per M/T (2017: RM 2,817 per M/T). In addition, the Group's total Fresh Fruit Bunches ("FFB") harvested for the 9 months under review had decreased by 1.5% to 31,238 M/T (2017: 31,716 M/T). The FFB production and yield of the Group's estates were:-

Table of FFB production and yield

Estate	Planted area as at 30.09.2018			FFB production (m/t)		Yield (m/t / ha)	
	Mature (hectares)	Immature (hectares)	Total (hectares)	9 months ended	9 months ended	9 months ended	9 months ended
				30.09.2018	30.09.2017	30.09.2018	30.09.2017
Bukit Kuin 1	711	0	711	4,887	3,377	6.9	9.2
Bukit Kuin 2	191	0	191	2,709	2,825	14.2	14.8
Kertau	1,616	0	1,616	12,729	13,553	7.9	8.5
Sungai Pejing	1,143	0	1,143	10,913	11,961	9.5	10.5
	3,661	0	3,661				
Buildings, roads and others			358				
Total area (hectares)			4,019				
Total FFB production (m/t)				31,238	31,716		

15 Comparison with the immediate preceding quarter's results

There was no material change in the loss before tax for the current quarter of RM 1.5 million compared to the immediate preceding quarter's loss before tax of RM 2.4 million.

16 Commentary on prospects

Barring unforeseen circumstances, the Group expects the plantation division to incur further losses in the current financial year due to lower commodities prices in year 2018.

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> 9 months ended	
	30.09.2018 RM'000	30.09.2017 RM'000	30.09.2018 RM'000	30.09.2017 RM'000
Current Taxation	321	(1,106)	(672)	(2,729)
Over provision of tax in prior year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred Tax	321	(1,106)	(672)	(2,729)
Share of taxation of subsidiary	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Tax income/(expense)	<u>321</u>	<u>(1,106)</u>	<u>(672)</u>	<u>(2,729)</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 were no quoted securities held as at end of the current quarter.

21 Status of uncompleted corporate proposals

There were no uncompleted corporate proposals as at end of the current quarter.

22 Borrowings and debts securities

The Group's borrowings and debts securities were as follows:

	As at 30.09.2018 RM'000	As at 31.12.2017 RM'000
Short term bank borrowings	4,199	958
Long term bank borrowings	11,810	12,609
	<hr/>	<hr/>
	<u>16,009</u>	<u>13,567</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 Material Litigation

There were no pending material litigation claims against the Group as at end of this quarter.

25 Dividend Payable

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

26 Earnings per share

	<u>Individual Quarter</u> 3 months ended		<u>Cumulative Quarter</u> 9 months ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Profit / (loss) attributable to ordinary equity holders of the parent (RM'000)	(519)	224	(6,043)	(1,904)
Weighted average number of ordinary share in issue ('000)	659,984	659,984	659,984	659,984
Basic earning / (loss) per share (sen)	(0.08)	0.03	(0.92)	(0.29)

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

27 Additional notes to the Statement of Comprehensive Income

	<u>Individual Quarter</u> 3 months ended		<u>Cumulative Quarter</u> 9 months ended	
	30.09.2018 RM'000	30.09.2017 RM'000	30.09.2018 RM'000	30.09.2017 RM'000
Profit before tax is arrived at after charging / (crediting):				
Interest Income	347	4	356	31
Interest expense	396	175	639	559
Depreciation and amortization	1860	1275	5453	3821

28 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.