

ASTRAL SUPREME BERHAD
UNAUDITED QUARTERLY REPORT ON THE CONSOLIDATED RESULTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31-Mar-14 RM'000	31-Mar-13 RM'000	31-Mar-14 RM'000	31-Mar-13 RM'000
Turnover	552	2,556	552	2,556
Cost of sales	(1,143)	(1,938)	(1,143)	(1,938)
Gross profit / (loss)	<u>(591)</u>	<u>618</u>	<u>(591)</u>	<u>618</u>
Other operating income	983	17	983	17
Administrative expenses	(1,168)	(407)	(1,168)	(407)
Selling and marketing expenses	(25)	(111)	(25)	(111)
Profit/(Loss) from operations	<u>(801)</u>	<u>117</u>	<u>(801)</u>	<u>117</u>
Finance cost	(20)	(33)	(20)	(33)
Profit/(Loss) before taxation	<u>(821)</u>	<u>84</u>	<u>(821)</u>	<u>84</u>
Taxation	-	-	-	-
Profit/(Loss) for the financial period	<u><u>(821)</u></u>	<u><u>84</u></u>	<u><u>(821)</u></u>	<u><u>84</u></u>
Attributable to:				
Owners of the Parent	(821)	84	(821)	84
Non-Controlling Interest	-	-	-	-
Profit/(Loss) for the financial period	<u><u>(821)</u></u>	<u><u>84</u></u>	<u><u>(821)</u></u>	<u><u>84</u></u>
	Sen	Sen	Sen	Sen
Earnings per share				
Basic	(0.28)	0.05	(0.28)	0.05
Diluted	(0.20)	0.05	(0.20)	0.05

(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

ASTRAL SUPREME BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Quarter ended 31-Mar-14 (Unaudited) RM'000	Year ended 31-Dec-13 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	8,042	8,304
Investment in associated company	-	-
Deferred tax assets	21	21
	<u>8,063</u>	<u>8,325</u>
Current Assets		
Inventories	4,910	4,719
Trade receivables	948	798
Other receivables	2,435	1,591
Amount due from associated company	500	500
Fixed deposit with a licensed bank	-	3,550
Deposits, bank and cash equivalents	3,514	1,919
	<u>12,307</u>	<u>13,077</u>
TOTAL ASSETS	<u><u>20,370</u></u>	<u><u>21,402</u></u>
EQUITY		
Share capital	57,689	57,689
Reserves	(41,886)	(41,065)
Total equity attributable to the parent's equity holders	<u>15,803</u>	<u>16,624</u>
LIABILITIES		
Non-Current Liabilities		
ICULS	82	82
Deferred taxation	1	1
Term Loan	623	684
	<u>706</u>	<u>767</u>
Current Liabilities		
Trade Payables	1,272	1,660
Other payables	1,876	1,540
Amount due to directors	279	279
Finance lease liabilities	176	275
Term Loan	258	257
	<u>3,861</u>	<u>4,011</u>
Total Liabilities	<u>4,567</u>	<u>4,778</u>
TOTAL EQUITY AND LIABILITIES	<u><u>20,370</u></u>	<u><u>21,402</u></u>
	RM	RM
NET ASSETS PER SHARE	0.0548	0.0972

(The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Parent						Warrant Reserve	Total equity
	Share capital	Share premium	ICULS	Capital Reserve	(Accumulated losses)	Total		
<u>3 months ended 31 March 2014</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	57,689	6,994	1,107	5,527	(59,111)	12,206	4,418	16,624
Total comprehensive income for the period	-	-	-	-	(821)	(821)	-	(821)
At 31 March 2014	57,689	6,994	1,107	5,527	(59,932)	11,385	4,418	15,803

	Attributable to Owners of the Parent						Warrant Reserve	Total equity
	Share capital	Share premium	ICULS	Capital Reserve	(Accumulated losses)	Total		
<u>3 months ended 31 March 2013</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2013	34,217	10,245	1,109	5,527	(33,524)	17,574	1,898	19,472
Iculs Conversion	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	84	84	-	84
At 31 March 2013	34,217	10,245	1,109	5,527	(33,440)	17,658	1,898	19,556

(The condensed consolidated statement of changes of equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	3 months ended	3 months ended
	31-Mar-14	31-Mar-13
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from debtors	2,209	1,956
Cash payments to suppliers and employees	(4,338)	(2,202)
Cash flow used in operations	<u>(2,129)</u>	<u>(246)</u>
Taxation paid	-	-
Taxation refund	-	-
Net operating cash flow	<u>(2,129)</u>	<u>(246)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2	-
Proceeds from conversion of ICULS	-	-
Net investing cash flow	<u>2</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(20)	(33)
Amount due to related parties	350	463
Repayment of hire purchase loan	(158)	(155)
Net financing cash flow	<u>172</u>	<u>275</u>
CHANGES IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	(1,955)	29
CASH AND CASH EQUIVALENT AT BEGINNING OF THE FINANCIAL PERIOD	5,469	98
CASH AND CASH EQUIVALENT AT THE END OF THE FINANCIAL PERIOD	<u>3,514</u>	<u>127</u>

(The condensed consolidated statement of cash flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

NOTES TO THE FINANCIAL INFORMATION

1) Basis of preparation

This interim financial statements are unaudited and prepared in accordance with the requirements under the MFRS 134 - "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

This interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2013. It contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the previous financial year.

2) Significant Accounting Policies and Application of MFRS

The accounting policies, methods of computation and basis of consolidation adopted by the Group in this unaudited financial report are consistent with those used in the preparation of the audited financial statements for the financial year ended 31 December 2013.

3) Auditors' Report

The Auditors' Report on the Audited Financial Statements of the Group for the FYE 31 December 2013 was subject to qualification.

4) Seasonality or cyclicity of interim operations

The Group's operations were not significantly affected by seasonal and cyclical factors.

5) Individually significant items

There were no significant items for the current financial period under review.

6) Material changes in estimates used

There were no significant changes in the nature and amount of estimates of amounts reported in prior interim periods of the current financial year or prior financial years that have a material effect in the current interim period.

7) Debt and equity securities

There were no issuances, cancellations, repurchases, resale and other repayments of debt and equity securities during the current quarter,

8) Dividends paid

There were no dividends paid for the current quarter and last year's corresponding quarter.

9) Segmental reporting

Segment information is presented in respect of the Group's business segments which are based on the internal reporting structure presented to the management of the Company.

The Group's principal segments business are electronic and electrical consumer and industrial products, and investment holding.

Business segment analysis	Electronic and electrical products RM'000	Investment holding and others RM'000	Consolidated RM'000
Individual Quarter			
<u>3 months ended 31 March 2014</u>			
Revenue	552	120	672
Inter-segment revenue	120	(120)	(120)
	<u>672</u>	<u>-</u>	<u>552</u>
Results from operations	995	(1,796)	(801)
Finance Cost	(20)	-	(20)
Profit/(Loss) before taxation	<u>975</u>	<u>(1,796)</u>	<u>(821)</u>
Cumulative Quarter			
<u>3 months ended 31 March 2014</u>			
Revenue	552	120	672
Inter-segment revenue	120	(120)	(120)
	<u>672</u>	<u>-</u>	<u>552</u>
Results from operations	995	(1,796)	(801)
Finance Cost	(20)	-	(20)
Profit/(Loss) before taxation	<u>975</u>	<u>(1,796)</u>	<u>(821)</u>
Individual Quarter			
<u>3 months ended 31 March 2013</u>			
Revenue	2,556	120	2,676
Inter-segment revenue	(120)	(120)	(120)
	<u>2,436</u>	<u>-</u>	<u>2,556</u>
Results from operations	108	9	117
Finance Cost	(33)	-	(33)
Profit/(Loss) before taxation	<u>75</u>	<u>9</u>	<u>84</u>
Cumulative Quarter			
<u>3 months ended 31 March 2013</u>			
Revenue	2,556	120	2,676
Inter-segment revenue	(120)	(120)	(120)
	<u>2,436</u>	<u>-</u>	<u>2,556</u>
Results from operations	108	9	117
Finance Cost	(33)	-	(33)
Profit/(Loss) before taxation	<u>75</u>	<u>9</u>	<u>84</u>

10) Carrying value of revalued property, plant and equipment

The carrying value of property, plant and equipment is based on the valuation incorporation in the annual financial statements for the year ended 31 December 2013.

11) Subsequent event

The management is not aware of any material events subsequent to the end of the period reported on that have not been reflected in the financial statements for the interim period.

12) Material changes in the composition of the Group

There were no material changes in the composition of the Group for the current quarter up to the date of this report.

13) Contingent liabilities and contingent assets

There were no material contingent liabilities or assets at the period ended 31 March 2014 except as disclosed below:

- i. ASB has provided corporate guarantee in favour of RHB Bank Berhad for Hire Purchase Facilities of RM3.354 million to Singatronics (Malaysia) Sdn Bhd a subsidiary company of ASB.
- ii. ASB has provided corporate guarantee in favour of Hong Leong Bank Berhad for Hire Purchase Facilities of RM1.330 million to Singatronics (Malaysia) Sdn Bhd a subsidiary company of ASB.

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NOTES ON INFORMATION REQUIRED UNDER THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

1) Review of performance

The turnover for the current quarter and year-to-date under review was RM0.552 million as compared to RM2.556 million in the respective period in year 2013. The turnover for the current quarter decreased by 78.4% when compared to the corresponding period in year 2013.

The Group posted loss before taxation of RM0.821 million for the current quarter and year-to-date respectively as compared to profit before taxation of RM0.084 million in the corresponding period in year 2013.

2) Material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter

Turnover for the current quarter of RM0.552 million has decreased by 64.08% as compared to immediate preceding quarter of RM1.537 million. The decreased in turnover was due to lower sales for electronic and electrical products.

The loss before taxation of the current quarter was RM0.821 million compared to loss before taxation of RM9.463 million for the immediate preceding quarter.

3) Future prospect

The Group is currently negotiating and exploring for new customers base to improve the Electronic and Electrical division. Astral Supreme Construction Sdn.Bhd, a wholly owned subsidiary was awarded construction contracts amounting RM105 million in March 2014. This subsidiary is expected to contribute positively to the Group in the second quarter.

4) (a) Variance in profit forecast

This is not applicable in the reporting quarter.

(b) Shortfall in profit guarantee

This is not applicable in the reporting quarter.

5) Taxation

	3 month ended		3 month ended	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	RM'000	RM'000	RM'000	RM'000
In respect of current period/year	0	0	0	0
- income tax	0	0	0	0
- Deferred tax	0	0	0	0
- (Under)/over provision in prior years	0	0	0	0

6) Additional notes to the Statement of Comprehensive Income

	3 months ended		3 months ended	
	31-Mar-14 RM'000	31-Mar-13 RM'000	31-Mar-14 RM'000	31-Mar-13 RM'000
(Loss) / profit for the period / year is arrived at after charging / (crediting) :				
Interest Income	-2	-	-2	-
Interest Expenses	20	33	20	33
Depreciation and amortization	257	189	257	189
Foreign exchange (gain) / loss	18	-17	18	-17
Write back trade receivable	-450	0	-450	0
Write back other receivable	-775	0	-775	0
Other operating expenses	1,758	0	1,758	0

7) Corporate Proposals

Status of Corporate Proposals

The Company had on 28 June 2013 announced that the following Corporate Proposals were completed.

- i) a renounceable rights issue of up 217,039,750 new ordinary shares of RM0.20 each in Astral ('Astral Share') ('Right Share') at an issue price of RM0.20 per Rights Share on the basis of one (1) existing Astral Share held on an entitlement date to be determined later ('Entitlement Date'), together with up to 130,223,850 free detachable new warrants ('New Warrants') on the basis of three (3) New Warrants for every five (5) Rights Shares subscribed by the entitled shareholders ('Proposed Rights Issue of Shares with Warrants'); and
- ii) an increase in the authorised share capital of the Astral from RM100,000,000 comprising 500,000,000 Astral Shares to RM500,000,000 comprising 2,500,000,000 Astral Shares ('Proposed Increase in Authorised Share Capital').

Prior to that the Company had on 20 June 2013 announced that the total valid acceptances and excess applications received for the Rights Issue of Shares with Warrants was 117,336,600, which represents a subscription rate of 68.58% over the total of 171,086,850 Rights Shares available for subscription.

The Gross proceeds from the above Corporate Proposals of RM23,467,320 were utilised as follows:

Purpose	Proposed Utilisation RM'000	Actual utilisation as at 31/03/2014 RM'000	Balance to utilise RM'000	Intended timeframe for utilisation
1 Working capital	14,818	12,920	1,898	within 24 months
2 Repayment of borrowing	800	2,558	-1,758	within 6 months
3 Renovation of factory & purchase of new equipment	3,150	1,415	1,735	within 12 months
4 R & D	4,000	2,361	1,639	within 24 months
5 Defray estimated expense in relation to the Proposals	700	700	0	within 1 month
TOTAL	23,468	19,954	3,514	

8) Group Borrowings

Details of the Group's bank borrowings as at 31 Mar 2014 are as follows:-

	<u>Current</u>	<u>Non</u>
	RM'000	RM'000
Secured	258	623
Unsecured	176	-
	<u>434</u>	<u>623</u>

9) Material litigations

As at the date of this report, the management is not aware of any pending material litigation which will have a material effect on the financial position or the business of the Group, save and except as below:

The Company & others ("Company") had on 19 August 2013 being served a Writ of Summons and Statement of Claim both dated 6 August 2013 from Messrs Gideon Tan Razali Zaini, the solicitor acting on behalf of Tay Chye Huat ("TCH").

TCH has commenced a legal action against the Company vide Kuala Lumpur High Court Suit No. 22NCVC-482-08/2013 claiming the outstanding loan sum amounting to RM1,400,000.00 together with interest thereon on a purported loan given to S.G. Silk Screen Industries Sdn. Bhd., a former subsidiary of the Company. The Company had engaged solicitor to defend the matter and had been advised that the hearing date is fixed on 14 July 2014.

Singatronics (Malaysia) Sdn.Bhd., the wholly-owned subsidiary company of Astral Supreme Berhad had on 7 May 2014 been served with the Writ of Summons and statement of Claim from Messrs Khwa Seng Chuan & Jeffrey Peh, the solicitor acting on behalf of Sweng Maju. claiming the outstanding sum of RM1,536,871.30. The Company had engaged solicitor to defend the matter.

10) Dividends

- (a) (i) No dividend has been declared for the current quarter
(ii) Previous corresponding period - Nil

- (b) The total dividend for the current financial period - Nil

11) Earnings per share

	3 month ended		3 month ended	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
(a) Basic earnings per share				
Profit/(Loss) attributable to the Owners of the parent (RM'000)	(821)	84	(821)	84
Weighted average number of ordinary shares in issues ('000)	288,445	171,087	288,445	171,087
Basic earning per share (sen)	(0.28)	0.05	(0.28)	0.05
(b) Diluted earnings per share				
Profit/(Loss) attributable to the Owners of the parent (RM'000)	(821)	84	(821)	84
Weighted average number of ordinary shares in issues ('000)	288,445	171,087	288,445	171,087
Adjusted for full conversion of ICULS	7,204	-	7,204	-
Adjusted for full exercise of Warrants A 11/16	38,727	-	38,727	-
Adjusted for full exercise of Warrants B 13/18	70,402	-	70,402	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>404,778</u>	<u>171,087</u>	<u>404,778</u>	<u>171,087</u>
Diluted earnings per share (sen)	<u>(0.20)</u>	<u>0.05</u>	<u>(0.20)</u>	<u>0.05</u>