

ASTRAL SUPREME BERHAD (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD ENDED 31 MAY 2015**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL		CUMULATIVE	
	Current Two month Ended 31 May 2015 RM'000	Preceding Year Corresponding Period Ended 31 May 2014 RM'000	Current 17 Months Ended 31 May 2015 RM'000	Preceding Year Corresponding Period Ended 31 May 2014 RM'000
Turnover	8,690	-	96,361	-
Cost of sales	(7,024)	-	(90,956)	-
Gross profits / (loss)	1,667	-	5,404	-
Other operating income	(41)	-	1,116	-
Selling and marketing expenses	(6)	-	(257)	-
Operating and administrative expenses	(2,174)	-	(6,199)	-
Gain on disposal of subsidiary	-	-	43	-
Profit / (loss) from operations	(553)	-	108	-
Finance costs	(25)	-	(288)	-
Profit / (loss) before taxation	(578)	-	(180)	-
Taxation	(44)	-	(735)	-
Total comprehensive income / (loss)	(622)	-	(916)	-
Total comprehensive income / (loss) attributable to :				
Owners of the parent	(622)	-	(916)	-
Non-controlling interest	-	-	-	-
	(622)	-	(916)	-
Earning /(loss) per-share	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
Basic	(0.21)	-	(0.31)	-
Diluted	(0.15)	-	(0.23)	-

** The Group changed the financial year end from 31 December to 31 May, consequently no comparative figures available for the preceding year corresponding period ended 31 May 2014.

The unaudited condensed consolidated statement of comprehensive income / financial performance should be read in conjunction with the audited financial statement for year ended 31 December 2013 and the accompanying explanatory notes of this interim financial report.

ASTRAL SUPREME BERHAD (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD ENDED 31 May 2015**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Current 17 Months Ended 31 May 2015 (UNAUDITED) RM'000	Financial Year ended 31 December 2013 (RESTATED) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	5,287	8,304
Investment in associated company	-	-
Deferred expenses	513	-
Deferred tax assets	16	21
	5,816	8,325
CURRENT ASSETS		
Inventories	4,752	4,719
Trade receivables	23,742	797
Others receivables and deposits	1,701	1,591
Amount due from associate company	-	500
Fixed deposit with licenced bank	52	3,550
Bank and cash equivalent	1,497	1,919
	31,744	13,077
TOTAL ASSETS	37,560	21,402
EQUITY		
Share capital	58,372	57,689
Capital reserve	5,527	5,527
ICLUS	331	621
Warrant reserve	4,418	4,418
Share premium	6,994	6,994
Accumulated losses	(59,542)	(58,626)
Total attributable to the parent equity holders	16,100	16,624
LIABILITIES		
NON-CURRENT LIABILITIES		
ICULS	18	82
Deferred Taxation	12	-
Term Loan	-	684
	30	766
CURRENT LIABILITIES		
Trade payables	15,959	1,661
Others payables	3,694	1,540
Amount due to directors	268	279
Finance lease liabilities	-	275
Provision for taxation	724	-
Term loan	785	258
	21,430	4,012
TOTAL LIABILITIES	21,460	4,778
TOTAL EQUITY AND LIABILITIES	37,560	21,402
NET ASSETS PER-SHARE	0.055	0.058

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statement for year ended 31 December 2013 and the accompanying explanatory notes of this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD ENDED 31 MAY 2015
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	NOTE	ATTRIBUTABLE TO THE OWNER OF THE PARENT					Accumulated Losses	TOTAL EQUITY
		Non-distributable				Distributable		
		Share Capital	Share Premium	Capital Reserve	ICLUS	Warrant Reserve		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 January 2014								
-As previously reported		57,689	6,994	5,527	1,106	4,418	(59,111)	16,623
-Prior year adjustments	A4	-	-	-	(485)	-	485	-
-As restated		57,689	6,994	5,527	621	4,418	(58,626)	16,623
Issuance of ordinary shares pursuant to conversion of ICLUS units by way of :-								
- Cash		420	-	-	(210)	-	-	209
- Merger 2 : 1		48	-	-	(48)	-	-	-
Profit / total comprehensive income for the 12 months ended 31 December 2014		-	-	-	-	-	668	668
As at 31 December 2014		58,157	6,994	5,527	363	4,418	(57,958)	17,500
Issuance of ordinary shares pursuant to conversion of ICLUS units by way of :-								
- Cash		215	-	-	(108)	-	-	107
Net Loss after taxation for the quarter ended 31 March 2015		-	-	-	-	-	(961)	(961)
As at 31 March 2015		58,372	6,994	5,527	255	4,418	(58,919)	16,646
Profit / total comprehensive income for the two months ended 31 May 2015		-	-	-	-	-	(622)	(622)
Recognition of ICLUS Liability and deferred tax assets		-	-	-	76	-	-	76
As at 31 May 2015		58,372	6,994	5,527	331	4,418	(59,542)	16,100
GROUP								
As at 1 January 2013								
-As previously reported		34,217	10,245	5,527	1,108	1,898	(33,524)	19,472
-Prior year adjustments	A4	-	-	-	(485)	-	485	-
-As restated		34,217	10,245	5,527	623	1,898	(33,039)	19,472
Issuance of ordinary shares pursuant to								
-Right Issue		23,467	-	-	-	-	-	23,467
-Conversion of ICLUS units		4	-	-	(2)	-	-	3
Issuance of Warrant B 13/18		-	(2,520)	-	-	2,520	-	-
Corporate exercise expenses relating to Right Issue		-	(731)	-	-	-	-	(731)
Profit / total comprehensive income for the financial year ended 31 December 2013		-	-	-	-	-	(25,587)	(25,587)
As at 31 December 2013		57,689	6,994	5,527	621	4,418	(58,626)	16,624

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statement for year ended 31 December 2013 and the accompanying explanatory notes of this interim financial report.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD ENDED 31 MAY 2015
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current 17 months ended 31 May 2015 (UNAUDITED) RM'000	Financial Year Ended 31 December 2013 (AUDITED) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers and others receivables	72,242	4,964
Cash payments to suppliers and employees	(76,843)	(16,142)
Cash flow from / (used in) operation	(4,601)	(11,178)
Tax payable	(735)	-
Tax refund / repayment	6	-
Net cash from / (used in) operating activities	(5,331)	(11,178)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	1	74
Proceed from sale of a subsidiary / fixed assets	1,700	65
Purchase of property, plant & equipment	(1,060)	(1,711)
Office renovation in progress	-	-
Research expenditure paid	-	(2,361)
Deferred expenses	(514)	-
Net cash from / (used in) investing activities	127	(3,933)
CASH FLOW FROM FROM FINANCING ACTIVITIES		
Interest paid	(195)	(139)
Amount due from associate company	1,300	(2,000)
Amount due to / (from) directors	268	(119)
Repayment of finance lease creditor / term loan	(406)	(732)
Net proceeds from right issue	-	23,467
Proceeds from conversion of ICLUS	317	4
Net cash from / (used in) financing activities	1,284	20,481
Net (decrease) / increase in cash and cash equivalents	(3,920)	5,370
Cash and cash equivalent at beginning of the period	5,469	59
Cash and cash equivalent at end of period	1,549	5,429
CASH AND CASH EQUIVALENT AT END OF PERIOD CONSISTS OF :-		
Cash and bank balances	1,497	1,919
Fixed deposit with licensed bank	52	3,550
	1,549	5,469
Less: Deposit pledged with a licensed bank	-	(40)
	1,549	5,429

The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statement for year ended 31 December 2013 and the accompanying explanatory notes of this interim financial report.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015****PART A : EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING
STANDARD (“MFRS”) 134 : INTERIM FINANCIAL REPORTING****A1) Basis of preparation**

The condensed financial statement are unaudited and have been prepared in accordance with the requirement of Malaysian Financial Reporting Standard (“MFRS”)134, Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

On 13 November 2014, the Company has announced that the change of financial year from 31 December to 31 May for the Company and its group subsidiaries. The first set of financial statement reflecting the change will be made up from 1 January 2014 to 31 May 2015, covering a period of 17 months results. In view of the change, the comparative figures for the cumulative 17 months financial period ended 31 May 2015 under review are not presented, where applicable.

The interim financial report contains condensed consolidated financial statement for the current two months and 17 months financial period ended 31 May 2015, and should be read in conjunction with the Group’s audited financial statements presented in the Annual Report for the year ended 31 December 2013. The notes include an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

A2) Significant accounting policies and application of MFRS

The significant accounting policies, method of computation and basis of consolidation adopted by the Group for the preparation of the interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 31 December 2013.

For the financial year beginning on / after 1 January 2014, the following accounting standard, amendments to accounting standards and interpretations are applicable to the Group.

Effective for the financial periods beginning on or after 1 January 2014:

Amendment to MFRS 132

Offsetting Financial Assets and Liabilities

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015**

IC Interpretation 21 Recognition of a liability to pay levies

Effective for the financial periods beginning on or after 1 January 2015:

MFRS 9 Financial Instruments

The adoption of these accounting standards, amendments to accounting standards and interpretations are not expected to have a material impact to the interim financial statements of the Group.

A3) Audit report

The Auditors' Report for the Annual Financial Statement ("AFS") of the Group for the Financial Year ended 31 December 2013 was contains a qualified opinion by the auditor's with an emphasis of matter on the reversal of revenue of RM4.88 million due to unusual sales and unusual large payments alleged to be made by the former Managing Director of the Group.

The basis of qualification is due to the termination of a sales contract amounting to RM41.08 million, which caused uncertainty over the continued usage of Property, Plant and Equipment ("PPE") and inventory acquired for the contract purpose with carrying amount of RM2.73 million and RM2.41 million respectively. The auditor's was unable to obtain sufficient evidence to ascertain the recoverability of the PPE and the subsequent sales of the inventory as at 31 December 2013.

A4) Prior Year Adjustments

In prior years, the Group had charged out the deferred tax effects of the equity components of the Irredeemable Convertible Unsecured Loan Stocks 2011/2021 ("ICULS") of RM0.254 million and RM0.231 million for the financial years ended 31 December 2011 and 2012 respectively (collectively "PYA") into the Statement of Comprehensive Incomes. Accordingly, the deferred tax assets should have been set off against ICULS equity components upon conversion.

The recognition of the deferred tax assets effects has been applied retrospectively and the corresponding comparative figures for the financial year ended 31 December 2013 have been restated. The financial effects from the adjustments made are as follows:-

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015**

	As previously Reported RM'000	Prior Year Adjustments RM'000	31 Dec 2013 As restated RM'000
ICULS, Equity	1,106	(485)	621
Accumulated losses	(59,111)	485	(58,626)

A5) Seasonality or cyclicity operation

The Group's performance is not significantly affected by seasonal and cyclical factors.

A6) Individually significant items

There were no significant items effecting assets, liabilities, equity, net income or cash flows during the current two months financial period ended 31 May 2015 under review.

A7) Material changes in estimates used

There were no significant changes in the nature and amount of estimates reported in the prior interim period of the current financial period or prior years that have a material effect on the current two months financial period ended 31 May 2015 under review.

A8) Debt and equity securities

There were no issuance, cancellations, repurchase, resale and repayments of debts and equity securities during the current two months financial period ended 31 May 2015 and the Company had not engaged in any share buyback scheme or implemented any share cancellation.

A9) Dividend paid

No dividend was declared or paid during the current two months financial period ended 31 May 2015 under review.

A10) 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, construction and investment holding.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015**

The Group's segmental report for the current two months and cumulative 17 months financial period ended 31 May 2015 are as follows:-

	Individual		Cumulative	
	Current Two month Ended 31 May 2015 RM'000	Preceding Year Corresponding Period Ended 31 May 2014 RM'000	Current 17 months Ended 31 May 2015 RM'000	Preceding Year Corresponding Period Ended 31 May 2014 RM'000
<u>TURNOVER</u>				
Manufacturing	1,448	-	6,886	-
Construction	7,242	-	89,475	-
Investment holdings	214	-	2,681	-
Less: Inter-segment revenue	(214)	-	(2,681)	-
Total consolidated revenue	8,690	-	96,361	-
<u>RESULTS</u>				
Manufacturing	(1,258)	-	(2,160)	-
Construction	103	-	2,866	-
Investment holdings	603	-	(589)	-
	(551)	-	117	-
Other non-reportable segments	(2)	-	(10)	-
Provision for taxation	(44)	-	(735)	-
Interest expenses	(25)	-	(288)	-
Net profit / (loss) after tax	(622)	-	(916)	-
<u>SEGMENT ASSETS</u>				
Manufacturing			10,145	-
Construction			25,008	-
Investment holdings			30,157	-
			65,309	-
Others non-reportable segments			3	-
Elimination of inter-company balances			(27,752)	-
Consolidated total assets			37,560	-
<u>SEGMENT LIABILITIES</u>				
Manufacturing			23,393	-
Construction			22,136	-
Investment holdings			1,331	-
			46,859	-
Others non-reportable segments			23	-
Elimination of inter-company balances			(25,452)	-
Consolidated total liabilities			21,430	-

Note : There was no comparative figures for the preceding year corresponding period due to the change of financial year end from 31 December to 31 May.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015****A11) Valuation of property, plant and equipment**

There was no valuation on any of the Group's property, plant & equipment during the current two month financial periods ended 31 May 2015 under review. The carrying value of property, plant and equipment are based on the amount incorporated in the annual financial statements for the year ended 31 December 2013.

A12) Significant events

There were no events of material nature to be disclosed in the interim financial statements for the current two months period ended 31 May 2015 under review and to the date of this report, save and except for :-

- a) On 29 July 2015, the Board announced the resignation of YB Datuk Nur Jazlan Bin Mohamed as the Chairman, Independent and Non Executive Director, Member of Audit Committee and Member of the Remuneration of the Company due to his appointment as the Deputy Home Minister.
- b) On 29 May 2015, the Board has announced the redesignation of Dato' Ng Aun Hooi position from Executive Director to Managing Director, and the redesignation of Datuk Chai Woon Chet position from Managing Director to Executive Director.
- c) On 8 August 2014, the Board announced the appointment of CHI to conduct an investigative review on the financial statements of Astral Group for the FYEs 31 December 2011, 2012 and 2013. The circumstances leading to the appointment of CHI is to carry out an investigative review on the financial statements of Astral Group for the past three (3) financial years other than those performed by PKFA for the financial year ended 31 December 2013. The scope of work by CHI will include other than those highlighted by MAAC and performed by PKFA for FYE 31 December 2013. However, equal emphasis of work on the unusual sales transactions, outstanding trade receivables, unusual large payments, deposit without supporting documentation and contra of property as partial settlement was carried out by CHI for the FYE 31 December 2011 and 2012 which also formed part of the further investigation mentioned in the PKFA Report.

On 28 November 2014, the Board announced that CHI had completed the Investigative Review. Based on the CHI findings the proposed audit adjustments and/or sales reversal proposed by the auditor's for AFS 31 December 2013 were fairly provided.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015**

However, on 2 March 2015, the Audit Committee of the Company had a meeting with Bursa Securities, wherein the Bursa Securities had requested CHI to submit an updated investigative report to the Board, to include among others, the key findings of the investigative review, its financial / operational impact together with the measurement taken. On 24 June 2015, the Board announced that CHI had completed their investigation based on extended scope of review for the three (3) financial years ended 31 December 2011 to 2013 of the Company and its subsidiaries companies other than those performed by Messrs PKF Advisory Sdn Bhd for the financial year ended 31 December 2013. Please refer to the Company's announcement dated 24 June 2015 for details of the CHI findings.

Nonetheless, In connection with the matters covered in the investigative review by CHI and PKF, the Board has filed a legal suit against the former managing director of the Company for inter-alia, breach of statutory duty under Section 132 of the Companies Act, 1965, breach of fiduciary duty and breach of duty of care that caused the Group to suffer losses of approximately RM15.51 million. On 28 October 2014, the Company has obtained judgment against the former managing director from the Kuala Lumpur High Court.

- d) As highlighted in the CHI findings, the Company is in the midst of executing the transfer of land title and the indicative value of the subject land of RM1.50 million would be utilized toward partial settlement of the outstanding sum due from Sing Guan Silk Screen (Cambodia) Co., Ltd, an 49% associate company to the Group.

A13) Material changes in the composition of the Group

There were no changes in the composition of the Group during the current two months financial period ended 31 May 2015 under review and up to the date of this report.

A14) Contingent liabilities and contingent assets

There were no material contingent liabilities or assets for the 17 months financial period ended 31 May 2015 save and except as follows:-

- a) The Company has provided corporate guarantee in favour of Hong Leong Bank Berhad for Hire Purchase / Term Loan Facilities amount to RM1.330 million granted to Singatronics (Malaysia) Sdn Bhd ("Singatronics"), a wholly owned subsidiary of the Company. The outstanding balance of the term loan as at 31 May 2015 was RM0.78 million; and

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015**

- b) The Company has issued a Letter's of Guarantee on 9 June 2015, in favour of Magnalite Sdn Bhd for an on behalf of Singatronics and guarantee to pay in full the outstanding rental from 1 November 2014 till 31 March 2015 and its future rental from 1 April 2015 till 31 July 2015 in one lump sum of approximately RM0.30 million on or before 1 August 2015, in the event that Singatronics has not paid.

A15) Material events subsequent to the end of the interim financial report

The management is not aware of any material events subsequent to the end of the interim financial report that have not been reflected in the financial statements for the current two months period ended 31 May 2015, save and except for on 10 Jul 2015, the Board has announced the interest payment on Irredeemable Convertible Unsecured Loan Stocks 2011/2021 ("ICULS") for the period 9 August 2014 to 8 August 2015 at the rate of 3.0% per-annum, and has fixed the entitlement and payment dates of the interest to be 31 July 2015 and 11 August 2015 respectively.

A16) Capital commitments

The amounts of capital commitment not provided for in the interim financial statement are as follows:-

	RM'000
Approved and contracted for:	
Purchase of motor vehicle	592

Apart from the above, there was no commitment for the purchase of property, plant and equipment not provided for in the current two months financial period ended 31 May 2015 under review.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015****PART B : ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENT OF THE BURSA MALAYSIA SECURITIES BERHAD****B1) Review of performance**

The Group recorded a Loss before taxation (“LBT”) of RM0.62 million and RM0.92 million for the current two month and cumulative 17 months financial period (“FP”) ended 31 May 2015.

There was no suitable comparative data for previous financial period due to the change of financial year end from 31 December to 31 May.

The turnover for the current two months and cumulative 17 months FP ended 31 May 2015, were RM8.69 million and RM96.36 million respectively. The turnover was mainly contribute from the construction activities undertaken by the Group and its represent of approximately 83.34% and 92.85% of the total turnover of the Group for the current two months and cumulative 17 months FP ended 31 May 2015 respectively. Notwithstanding, the construction segment of the Group, registering a revenue of RM7.24 million and 89.48 million for the current two months and cumulative 17 months FP ended 31 March 2015 respectively, the LBT for the current two months and cumulative 17 months FP ended 31 March 2015 respectively were due to lower sales and performance of the electronics and electrical segment, higher administrative expenses incurred in respect of professional fees for special audit and investigative review, legal fees to defend on-going litigation, depreciation charge for renovation to the Group new corporate office, as well as the loss on disposal of the property, plant and equipment (“PPE”) of Singatronics (M) Sdn Bhd, a wholly owned subsidiary of the Group.

During the current two months under review, the Group also recovered RM0.80 million arising from the transfer of property and utilised as partial settlement to the amount due from its associated company, Sing Guan Silk Screen (Cambodia) Co., Ltd which had previously impaired.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015**

- B2) **Material change in the profit before taxation for the current two months FP ended 31 May 2015 as compared with the immediate preceding quarter:-**

Current Two Month Ended	Immediate Preceding Quarter	Variance
31 May 2015	31 March 2015	
RM'000	RM'000	RM'000

Revenue	8,690	19,049	(10,359)
Loss before taxation	622	270	352

There was no suitable comparative data for previous financial period, as the current financial period only covered for the month of April and May 2015.

The Group's revenue for the current two months ended 31 May 2015 was lower by RM10.36 million as compared to the preceding quarter's revenue of RM19.05 million, the decrease was mainly due to acceleration work done in the previous quarter under the work programmed for the construction projects. The loss before taxation was increased by RM0.35 million for the current two months as compared to the preceding quarter. The increased of loss was mainly due to the loss on disposal of the property, plant and equipment ("PPE") of Singatronics (M) Sdn Bhd, a wholly owned subsidiary of the Group.

- B3) **Future prospect**

The Board anticipate that the Group's electrical and electronic business will continue to remain challenging and is working on a restructuring plan to sustain and improve the electrical and electronic business which includes rationalisation of operations and collaborations with different business partners to secure more projects.

Meanwhile, the contribution from the Group's diversification into construction and property development activities for the past 17 months has been remarkable. The Group is currently exploring business opportunities and in negotiating to secure more construction projects and is confident of achieving better performance in the ensuring financial year.

- B4) **Variance on profit forecast / profit guarantee**

The group is not subject to any profit forecast and/or profit guarantee.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015**

B5) Taxation

	Individual		Cumulative	
	Current Two Months Ended 31-May-2015 RM'000	Preceding Year Corresponding Period Ended 31-May-2014 RM'000	Current 17 months ended 31-May-2015 RM'000	Preceding Year Corresponding Period Ended 31-May-2014 RM'000
In respect of current period:-				
Income Tax	33	-	724	-
Deferred Tax	11	-	11	-
	44	-	735	-

B6) Additional notes to the Comprehensive Income Statement

The following items have been charged and crediting in arriving at the Profit / (Loss) before taxation:-

	INDIVIDUAL		CUMULATIVE	
	Current Two months Ended 31-May-2015 RM'000	Preceding Year Corresponding Period Ended 31-May-2014 RM'000	Current 17 months Ended 31-May-2015 RM'000	Preceding Corresponding Period Ended 31-May-2014 RM'000
Allowance for impairment loss on:-				
- Trade receivables	67	-	67	-
- Other receivables & deposits	8	-	58	-
- Amount owing by associated	(800)	-	958	-
- PPE	127	-	127	-
Depreciation of Property, plant and equipment ("PPE")	214	-	1,919	-
Interest expenses	11	-	195	-
Building and office rental	98	-	523	-
PPE written off	7	-	41	-
Gain on disposal of investment in a subsidiary	-	-	22	-
Loss on disposal of PPE	1,288	-	1,288	-
Loss on foreign exchange	82	-	186	-
Interest income	-	-	3	-
Write back of other receivables	(5)	-	(1,155)	-

The Group changed the financial year end from 31 December to 31 May and consequently there are no comparative figures available for the preceding year corresponding period ended 31 May 2014.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015****B7) Corporate Proposals**

There are no corporate proposals announced but not completed as at the reporting date save and except that:-

a) On 30 July 2014 and 12 Sep 2014, on behalf of the Board, TA Securities Holdings Sdn Bhd (“TA Securities”) announced that the Company proposes to undertake multiple proposals for corporate exercised and the establishment of a Share Issuance Scheme for the eligibility Directors and employees of the Company and its subsidiaries respectively (collectively referred to as “Multiple Proposals”). On 30 September 2014, on behalf of the Board, TA Securities Holdings Berhad announced that the listing application in relation to the Company Multiple Proposals as summary follows, has been submitted to Bursa securities for approval.

i) **Proposed Par Value Reduction**

Proposed reduction of the issued and paid up share capital of the Company pursuant to Section 64 of The Companies ACT, 1965 (“ACT”) involving the cancellation of RM0.10 of the Par value of each existing ordinary share of RM0.20 each in the Company;

ii) **Proposed Capital Reserve Reduction**

Proposed reduction of RM5,527,459 from the Capital Reserve Account of the Company;

iii) **Proposed Share Premium Reduction**

Proposed reduction of up to RM11,411,553 from the Share Premium Account of the Company pursuant to Sections 60(2) and 64(1) of The ACT;

iv) **Proposed Diversification**

Proposed ratification for the diversification of the principal activities of the Company and its subsidiaries (“the Group”) to include construction, property development and property investment activities;

v) **Proposed Right Issue with Warrants**

Proposed renounceable rights issue of up to 809,486,620 new shares in the Company (“Rights Shares”) on the basis of two (2) rights shares for every one (1) existing shares held in the Company on an entitlement date to be determined later, together with up to 404,743,310 free detachable new Warrants (“Warrants-C”) on the basis of one (1) Warrants-C for every two (2) Rights Shares subscribed by the

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015**

entitled Shareholders;

vi) **Proposed Establishment of a Shares Issuance Scheme (SIS)**

Proposed establishment of a Share Issuance Scheme of up to Fifteen Percent (15%) of the issued and paid up share capital of the Company (excluding treasury shares, if any) at any one time during the duration of the Scheme for the eligibility Directors and employees of the Company and its subsidiaries; and

vii) **Proposed Amendment to the Memorandum of Association**

Proposed amendment to the Memorandum of Association of the Company to facilitate the implementation of the Proposed Capital Reduction.

Please refer to the Company's announcement dated 30 September 2014 for details of the multiple proposals.

- b) The Company has submitted an updated Draft Circular for the Corporate Proposal following the comments received from Bursa Securities on 28 November 2014 and 3 April 2015, and is pending their further comments and/or approval in due course.

B8) Group Borrowings

Details of the Group's bank borrowings as at 31 May 2015 are as follows:-

	<u>Current</u> RM'000	<u>Non-current</u> RM'000
Secured	785	-
Unsecured	-	-
Total	785	-

B9) Material litigations

Save as disclosed below, 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 and the Board is not aware of any proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group at the date of this report:

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015****a) Tay Chye Huat vs Astral Supreme Berhad and 2 others
(Kuala Lumpur High Court Suit No. 22NCVC-482-08/2013)**

The Plaintiff is claiming a sum of RM1,400,000 together with interest and cost for 2 loan agreements, a total of RM1,000,000 ("1st Loan") and RM600,000 ("2nd Loan") respectively, executed between the Plaintiff and S.G. Silk Screen Industries Sdn Bhd (SG Silk), a former subsidiary of the Company. The Plaintiff is alleging that the Company and its director, Cherng Chin Guan (resigned on 7 Nov 2014), had misrepresented to the Plaintiff that the Company will provide a corporate guarantee to the Plaintiff as a security for the loans and such representations had induced him to provide the 2nd Loan to SG Silk.

On 14 January 2015, the Board has announced that, the High Court of Kuala Lumpur had on 7 January 2015 dismissed the Plaintiff's claim in the "Tay Chye Huat vs Astral Supreme Berhad and 2 others" suit with costs of RM 10,000 to be paid to the defendants.

On 5 February 2015, the Plaintiff has filed an appeal against the decision of the High Court Judge pronounced on 7 January 2015. Both, the Appellant's and Respondent's have submitted their Written Submissions on 8 July 2015 and 7 July 2015 respectively and the Court of Appeal has fixed the hearing on 22 October 2015.

**b) Sweng Maju Sdn Bhd vs Singatronics (M) Sdn Bhd
(Pulau Pinang High Court Suit No. 22NCVC-60-04/2014)**

The Plaintiff is claiming for the recovery of the sum of RM1,536,871.30 with interest and cost for goods purportedly sold and delivered by the Plaintiff to Singatronics (till pendingM) Sdn Bhd, ("Defendant") a wholly-owned subsidiary of the Company. The Plaintiff had filed an application enter a summary judgment against Defendant under Order 14 of the Rules of Court 2012 ("Summary Judgment Application") to expedite the matter against Defendant.

The Company solicitors acting for Defendant have in turn, filed an application for an order to amend its Defence ("Amendment Application") to include a Counterclaim against the Plaintiff. The proposed Counterclaim raises triable issues which may avert the Plaintiff from obtaining the Summary Judgment against Defendant. The Court has fixed the matter for further case management on 1 October 2014 for the Defendant to file a further affidavit and submission in respect of the Amendment Application.

The solicitors for Defendant have since filed and served the Defendant's further affidavit and submission in respect of the Amendment Application on the Solicitors for Plaintiff and are

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
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currently anticipating ans/or awaiting the service of the Plaintiff's affidavit in reply to the aforesaid affidavit.

The Amendment Application was dismissed by Yang Arif Dato Azmi on 26 February 2015 with no order as to costs. In relation to the appeal of the Summary of Judgment Application, both parties still pending the next case management date to be provided by the Court of Appeal.

c) **Astral Supreme Berhad vs Ong Tai Chin @ Wong Tai Chin
(Kuala Lumpur High Court Suit No. 22NCC-293-08/2014)**

On 12 August 2014, Astral had filed a legal suit at the Kuala Lumpur High Court against Ong Tai Chin @ Wong Tai Chin ("OTC") in his capacity as the former Managing Director of Company for, inter-alia, breach of statutory duty under Section 132 of the Companies Act, 1965, breach of fiduciary duty and breach of duty of care that caused the Group suffered losses of RM15.51 million ("Losses"). The Losses were discovered by MAAC, the External Auditors and PKFA, the Special Auditors for the Company AFS for FYE 2013. The Company is claiming for general damages of the Losses suffered of RM15.51 million together with the interest of 5% per annum calculated from the date of judgment sum until the date of full settlement from OTC. On 29 October 2014, the Company had obtained judgment against OTC due to his failure to enter appearance and the Court had allowed Company claim and had awarded Company a sum of RM15,506,000 together with the interest of 5% per annum to be calculated from the date of judgment until the full and final settlement of the same, cost of RM1,850, damages to be assessed by the Court for breach of fiduciary duties of OTC and general damages to be assessed by the Court for negligence on OTC's part which has caused the Company to suffer losses.

c) **Magnalite Sdn Bhd vs Singatronics (M) Sdn Bhd
(Kuala Lumpur High Court, Companies Winding-up No. 28NCC-274-04/2015)**

The Plaintiff is claiming for the recovery of the sum of RM99,000 being outstanding monthly rental due and owing by Singatronics (M) Sdn Bhd, ("Defendant") a wholly-owned subsidiary of the Company. The Plaintiff had filed a Statutory Notice of Demand Pursuant to Section 218(2) of the Companies Act 1965 and a Petition for Winding Up proceeding to the High Court, Kuala Lumpur on 29 January 2015 and 9 April 2015 respectively. The High Court has fixed for Case Management on 23 April 2015 and Hearing on 12 June 2015.

The Winding-up proceedings has been withdrawn by the Plaintiff on 27 April 2015 based on Letter's of Undertaking and Letter of Guarantee dated 22 April 2015 and 9th June 2015 respectively issued by Company, undertake to settlement of the outstanding sums and its

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015**

future rental from 1 April 2015 till 31 July 2015 of RM0.30 million on or before 1 August 2015. In addition, the Company has also undertake to pay and/or reimburse legal fee in aggregate sum not exceeding RM30,000 to the Plaintiff for and on behalf of the Defendant.

B10) Dividends

No dividend has been proposed and paid for during the current two months and cumulative 17 months financial periods ended 31 May 2015 and the previous financial year ended 31 December 2013.

B11) Earnings / (loss) per share

	Individual		Cumulative	
	Current Two Months Ended 31 May 2015	Preceding Year Corresponding Period Ended 31 May 2014	Current 17 months Ended 31 May 2015	Preceding Corresponding Period Ended 31 May 2014
a) Basis earning / (loss) per-share				
Profit / (loss) attributable to the owners of parent ('000)	(623)	-	(916)	-
Total weighted average number of ordinary shares in issue ('000)	291,859	-	291,859	-
Basis earning / (loss) per share (sen)	(0.21)	-	(0.31)	-
b) Diluted earning / (loss) per-share				
Profit / (loss) attributable to the owners of parent ('000)	(623)	-	(916)	-
Total weighted average number of ordinary shares in issue ('000)	291,859	-	291,859	-
Adjusts for:				
Assuming full conversion of ICLUS	3,548	-	3,548	-
Assuming full conversion of Warrants A 11/16	38,727	-	38,727	-
Assuming full conversion of Warrants B 13/18	70,402	-	70,402	-
	404,536	-	404,536	-
Diluted earning / (loss) per-share (sen)	(0.15)	-	(0.23)	-

The Group changed the financial year end from 31 December to 31 May and consequently there are no comparative figures available for the preceding year corresponding period ended 31 May 2014.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 17 MONTHS PERIOD
ENDED 31 MAY 2015**

B12) Status of utilisation of proceeds

The status of the utilisation of proceeds from the right issue completed on 28 June 2013 amounting RM23.47 million were utilised as follows:

<u>Purpose</u>	Proposed utilisation RM'000	Actual Utilisation As At 31-May-2015 RM'000	Excess/ (shortfall) RM'000
1 Working capital	14,818	16,238	(1,420)
2 Repayment of bank borrowing	800	2,754	(1,954)
3 Factory renovation and acquire of new equipment	3,150	1,415	1,735
4 R & D expenditure	4,000	2,361	1,639
5 Deferred expenses in relation to the proposal	700	700	-
TOTAL	23,468	23,468	-

B13) Authorisation for issue

The interim financial report were authorised for issue by the Board of Directors in accordance with resolution of the directors on 31 July 2015.