

**ASTRAL SUPREME BERHAD** (442371-A)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2015****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 31 August 2015 RM'000	Preceding Year Corresponding Quarter Ended 31 August 2014 RM'000	Current Y-T-D Ended 31 August 2015 RM'000	Preceding Y-T-D Ended 31 August 2014 RM'000
<b>Turnover</b>	<b>10,250</b>	-	<b>10,250</b>	-
Cost of sales	(10,142)	-	(10,142)	-
<b>Gross profits</b>	<b>108</b>	-	<b>108</b>	-
Other operating income	107	-	107	-
Selling and marketing expenses	(7)	-	(7)	-
Operating and administrative expenses	(979)	-	(979)	-
<b>Loss from operations</b>	<b>(772)</b>	-	<b>(772)</b>	-
Finance costs	(23)	-	(23)	-
<b>Loss before taxation</b>	<b>(795)</b>	-	<b>(795)</b>	-
Taxation	(38)	-	(38)	-
<b>Total comprehensive loss</b>	<b>(833)</b>	-	<b>(833)</b>	-
<b>Total comprehensive loss attributable to :</b>				
Owners of the parent	(833)	-	(833)	-
Non-controlling interest	-	-	-	-
	<b>(833)</b>	-	<b>(833)</b>	-
<b>Loss per-share</b>	<b>sen</b>	<b>sen</b>	<b>sen</b>	<b>sen</b>
Basic	<b>(0.29)</b>	-	<b>(0.29)</b>	-
Diluted	<b>(0.21)</b>	-	<b>(0.21)</b>	-

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

The unaudited condensed consolidated statement of comprehensive loss should be read in conjunction with the 17 months audited financial statement ended 31 May 2015 and the accompanying explanatory notes of this unaudited interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2015**
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Current Year Quarter Ended 31 August 2015 (UNAUDITED) RM'000	17 Months Financial Period Ended 31 May 2015 (AUDITED) RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	5,689	5,287
Investment in associated company	-	-
Deferred expenses	528	513
Deferred tax assets	16	16
	<b>6,233</b>	<b>5,816</b>
<b>CURRENT ASSETS</b>		
Inventories	4,349	4,752
Trade receivables	22,381	18,492
Others receivables and deposits	7,200	6,951
Amount due from associate company	-	-
Fixed deposit with licenced bank	-	52
Bank and cash equivalent	1,508	1,497
	<b>35,437</b>	<b>31,744</b>
<b>TOTAL ASSETS</b>	<b>41,671</b>	<b>37,560</b>
<b>EQUITY</b>		
Share capital	58,372	58,372
Capital reserve	5,527	5,527
ICLUS	331	331
Warrant reserve	4,418	4,418
Share premium	6,994	6,994
Accumulated losses	(60,375)	(59,542)
Total attributable to the parent equity holders	<b>15,267</b>	<b>16,100</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
ICULS	18	18
Deferred Taxation	12	12
Hire Purchase Creditors	253	-
	<b>283</b>	<b>30</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	15,109	15,959
Others payables	8,473	3,251
Amount due to directors	579	555
Hire Purchase Creditor	138	-
Provision for taxation	1,037	880
Term loan	785	785
	<b>26,121</b>	<b>21,430</b>
<b>TOTAL LIABILITIES</b>	<b>26,404</b>	<b>21,460</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>41,671</b>	<b>37,560</b>
<b>NET ASSETS PER-SHARE</b>	<b>0.052</b>	<b>0.055</b>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the 17 months audited financial statement ended 31 May 2015 and the accompanying explanatory notes of this unaudited interim financial report.

**ASTRAL SUPREME BERHAD (442371-A)**

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2015****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<b>GROUP</b>	<b>ATTRIBUTABLE TO THE OWNER OF THE PARENT</b>						<b>TOTAL EQUITY</b> RM'000
	<b>Non-distributable</b>				<b>Distributable</b>		
	<b>Share Capital</b> RM'000	<b>Share Premium</b> RM'000	<b>Capital Reserve</b> RM'000	<b>ICLUS</b> RM'000	<b>Warrant Reserve</b> RM'000	<b>Accumulated Losses</b> RM'000	
<b>As at 1 June 2015</b>	<b>58,372</b>	<b>6,994</b>	<b>5,527</b>	<b>331</b>	<b>4,418</b>	<b>(59,542)</b>	<b>16,100</b>
Total comprehensive loss for the 1st financial quarter ended 31 August 2015	-	-	-	-	-	(833)	(833)
<b>As at 31 August 2015</b>	<b>58,372</b>	<b>6,994</b>	<b>5,527</b>	<b>331</b>	<b>4,418</b>	<b>(60,375)</b>	<b>15,267</b>
<b>As at 1 January 2014</b>	<b>57,689</b>	<b>6,994</b>	<b>5,527</b>	<b>621</b>	<b>4,418</b>	<b>(58,626)</b>	<b>16,624</b>
Issuance of ordinary shares pursuant to conversion of ICULS units	683	-	-	(291)	-	-	392
Total comprehensive loss for the 17 months financial period ended 31 May 2015	-	-	-	-	-	(916)	(916)
<b>As at 31 May 2015</b>	<b>58,372</b>	<b>6,994</b>	<b>5,527</b>	<b>331</b>	<b>4,418</b>	<b>(59,542)</b>	<b>16,100</b>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the 17 months audited financial statement ended 31 May 2015 and the accompanying explanatory notes of this unaudited interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2015**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	Current Year Quarter Ended 31 August 2015 (UNAUDITED) RM'000	17 Months Financial Period Ended 31 May 2015 (AUDITED) RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers and others receivables	6,427	77,489
Cash payments to suppliers and employees	(6,148)	(81,189)
<b>Cash flow from / (used in) operation</b>	<b>280</b>	<b>(3,700)</b>
Tax payable	(38)	-
Compensation received	-	1,150
<b>Net cash from / (used in) operating activities</b>	<b>241</b>	<b>(2,550)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	-	17
Proceed from sale of property, plant & equipment	-	400
Purchase of property, plant & equipment	(635)	(700)
Cash flow from sale of a subsidiary	-	480
Cash flow from withdrawal of fixed deposit	52	-
Deferred expenses	(15)	-
<b>Net cash from / (used in) investing activities</b>	<b>(599)</b>	<b>196</b>
<b>CASH FLOW FROM FROM FINANCING ACTIVITIES</b>		
Interest paid	(22)	(194)
Amount due to / (from) associate company	-	(1,258)
Hire purchase creditor	414	-
Repayment of finance lease creditor / term loan	(23)	(432)
Proceeds from conversion of ICLUS	-	317
<b>Net cash from / (used in) financing activities</b>	<b>369</b>	<b>(1,566)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>11</b>	<b>(3,920)</b>
<b>Cash and cash equivalent at beginning of the period</b>	<b>1,497</b>	<b>5,429</b>
<b>Cash and cash equivalent at end of period</b>	<b>1,508</b>	<b>1,509</b>
<b>CASH AND CASH EQUIVALENT AT END OF PERIOD CONSISTS OF :-</b>		
Cash and bank balances	1,508	1,497
Fixed deposit with licensed bank	-	52
	1,508	1,549
Less: Deposit pledged with a licensed bank	-	(40)
	<b>1,508</b>	<b>1,509</b>

The unaudited condensed consolidated statement of cash flow should be read in conjunction with the 17 months audited financial statement ended 31 May 2015 and the accompanying explanatory notes of this unaudited interim financial report.



## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER** **ENDED 31 AUGUST 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 1st financial quarter ended 31 August 2015 under review are not presented, where applicable.

The unaudited interim financial report contains condensed consolidated financial statement for the 1st financial quarter from 1 June 2015 to 31 August 2015, and should be read in conjunction with the Group’s audited financial statements presented in the Annual Report for the 17 months financial period ended 31 May 2015. 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 17 months financial period ended 31 May 2015.

#### **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 audited financial statements for the 17 months financial period ended 31 May 2015.

Amendments to accounting standards and interpretations that are effective for the Group and the Company’s financial year beginning on or after 1 January 2014 are as follows:-

- Amendments to MFRS 10, MFRS 12 and MFRS 127 Investment Entities;
  - Amendments to MFRS 132 Financial Instruments: Presentation;
  - Amendments to MFRS 136 Impairment of Assets;
  - Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting;
- and



## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER** **ENDED 31 AUGUST 2015**

- IC Interpretation 21 levies.

The above amendments to accounting standards and interpretations effective during the financial year do not have any significant impact to the financial results and position of the Group and the Company.

Accounting standards and amendments to accounting standards that are applicable for the Group and the Company in the following periods but are not yet effective:

### ***Annual periods beginning on/after 1 July 2014***

- Amendment to MFRS 1 First-time Adoption of Malaysian Financial reporting Standards;
- Amendment to MFRS 2 Share-based payment;
- Amendment to MFRS 3 Business combination;
- Amendment to MFRS 8 Operating segments;
- Amendment to MFRS 13 Fair value measurement;
- Amendment to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets;
- Amendment to MFRS 119 Employee Benefits;
- Amendment to MFRS 124 Related Party Disclosures; and
- Amendment to MFRS 140 Investment Property.

### ***Annual periods beginning on/after 1 January 2016***

- Amendment to MFRS 5 Non-Current Assets Held for Sale and Discontinued Operations;
- Amendment to MFRS 7 Financial Instruments: Disclosures;
- Amendment to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures;
- Amendment to MFRS 11 Joint Arrangements;
- Amendment to MFRS 101 Presentation of Financial Statements;
- Amendment to MFRS 116 Property, Plant and Equipment;
- Amendment to MFRS 119 Employee Benefits;
- Amendment to MFRS 127 Separate Financial Statements;
- Amendment to MFRS 134 Interim Financial Reporting; and
- Amendment to MFRS 138 Intangible Assets;

### ***Annual periods beginning on/after 1 January 2017***

- MFRS 15 Revenue from contracts with Customers;
- MFRS 9 Financial Instruments;

The Group is in the process of assessing the impact of MFRS 9 and MFRS 15 in the year of



## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER** **ENDED 31 AUGUST 2015**

initial application. Aside from the above mentioned, the adoption of the accounting standards and amendments to accounting standards are not expected to have any significant impact to the financial statements of the Group and the Company.

Nevertheless, the Group plans to adopt the above mentioned MFRS, IC Interpretation and amendments to MFRS, which are relevant to the Group's operation when they become effective.

### **A3) Audit report**

The Auditors' Report for the 17 months financial period ended 31 May 2015 ("FPE") of the Group was not qualified by the auditor's, but with an emphasis of matter which described the uncertainties related to the Corporate Proposal, to diversify its core business from manufacturing to construction and property development. The Corporate Proposal is being reviewed by Bursa Securities and is subject to the shareholders' approval.

### **A4) Seasonality or cyclical operation**

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

### **A5) Individually significant items**

There were no significant items effecting assets, liabilities, equity, net income or cash flows during the reporting quarter ended 31 August 2015

### **A6) 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 quarter or prior years that have a material effect on the current financial quarter ended 31 August 2015 under review.

### **A7) Debt and equity securities**

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



## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2015

### A8) **Dividend paid**

No dividend was declared or paid during the current financial quarter ended 31 August 2015 under review.

### A9) **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 construction, electronic and electrical consumer and investment holding.

The Group's segmental report for the current financial quarter ended 31 August 2015 under review are as follows:-



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER**  
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	Individual		Cumulative	
	Current Year Quarter Ended 31 Aug 2015 RM'000	Preceding Year Corresponding Quarter Ended 31 Aug 2014 RM'000	Current Y-T-D Ended 31 Aug 2015 RM'000	Preceding Y-T-D Ended 31 Aug 2014 RM'000
<b><u>TURNOVER</u></b>				
Manufacturing	117	-	117	-
Construction	10,134	-	10,134	-
Investment holdings	304	-	304	-
Less: Inter-segment revenue	(304)	-	(304)	-
<b>Total consolidated revenue</b>	<b>10,250</b>	<b>-</b>	<b>10,250</b>	<b>-</b>
<b><u>RESULTS</u></b>				
Manufacturing	(730)	-	(730)	-
Construction	153	-	153	-
Investment holdings	(194)	-	(194)	-
	<b>(770)</b>	<b>-</b>	<b>(770)</b>	<b>-</b>
Other non-reportable segments	(2)	-	(2)	-
Provision for taxation	(38)	-	(38)	-
Interest expenses	(23)	-	(23)	-
<b>Net loss after tax</b>	<b>(833)</b>	<b>-</b>	<b>(833)</b>	<b>-</b>
<b><u>SEGMENT ASSETS</u></b>				
Manufacturing			9,532	-
Construction			29,560	-
Investment holdings			28,542	-
			<b>67,633</b>	<b>-</b>
Others non-reportable segments			3	-
Elimination of inter-company balances			(25,965)	-
<b>Consolidated total assets</b>			<b>41,671</b>	<b>-</b>
<b><u>SEGMENT LIABILITIES</u></b>				
Manufacturing			23,120	-
Construction			26,584	-
Investment holdings			1,639	-
			<b>51,344</b>	<b>-</b>
Others non-reportable segments			25	-
Elimination of inter-company balances			(24,965)	-
<b>Consolidated total liabilities</b>			<b>26,404</b>	<b>-</b>

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



## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER** **ENDED 31 AUGUST 2015**

### **A10) Valuation of property, plant and equipment**

There was no valuation on any of the Group's property, plant & equipment during the reporting quarter ended 31 August 2015, save and except for the investment properties which are based on valuation carried out by an independent professional valuer during the 17 months financial period ended 31 May 2015. The carrying value of property, plant and equipment are based on the amount incorporated in the audited financial statement for the 17 months financial period ended 31 May 2015.

### **A11) Significant events**

There were no events of material nature to be disclosed in the interim financial statements for the current financial quarter ended 31 August 2015 and to the date of this report, save and except for :-

- a) On 1 October 2015, the Board announced the appointment of Datuk Raman Bin Ismail as the new Chairman, Independent and Non Executive Director of the Company to replace Datuk Nur Jazlan Bin Mohamed, who had resigned on 29 Jul 2015 due to his appointment as Deputy Home Minister;
- b) On 30 September 2015, the Board announced that the Ordinary Resolution 1,2,3,4 and the Audited Financial Statements for the 17 months financial period ended 31 May 2015 tabled at the seventeenth Annual General Meeting (17<sup>th</sup> AGM) of the Company held on the same day were duly passed. The Ordinary Resolution included the Re-election of Directors of Datuk Chai Woon Chet and Mr Wong Kwai Wah, the re-appointment of Messrs Morison Anuarul Azizan Chew as Auditors of the Company for the ensuing year and the Authority to issue shares under Section 132D of the Companies Act, 1965; and
- c) On 28 August 2015 and 3 September 2015, the Board announced that Astral Supreme Construction Sdn Bhd ("ASC"), the wholly owned subsidiary of the Company had received Letter of Award to undertake subcontract works for a total contract value of RM38.50 Million for the Program Perumahan Rakyat ("PPR") project at Tawau, Sabah.

### **A12) Material changes in the composition of the Group**

There were no changes in the composition of the Group during the reporting quarter ended 31 August 2015 and up to the date of this report.



## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER** **ENDED 31 AUGUST 2015**

### **A13) Contingent liabilities and contingent assets**

There were no material contingent liabilities or assets for the reporting quarter ended 31 August 2015 save and except that the Company has provided corporate guarantee in favour of Hong Leong Bank Berhad for Term Loan Facilities amounting 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 August 2015 was RM0.79 million;

### **A14) 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 financial quarter ended 31 August 2015 under review.

### **A15) Capital commitment**

There was no commitment for the purchase of property, plant and equipment not provided for in the current financial quarter ended 31 August 2015.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER**  
**ENDED 31 AUGUST 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 RM0.83 million for the current financial quarter ended 31 August 2015 under review. There was no suitable comparative data for preceding year corresponding financial quarter ended 31 August 2014 due to the change of financial year end from 31 December to 31 May.

The turnover for the current financial quarter ended 31 August 2015, was RM10.25 million. The turnover was mainly contribute from the construction activities undertaken by the Group and its represent approximately 98.87% of the total turnover of the Group for the current financial quarter ended 31 August 2015.

The LBT for the current financial quarter was due to the lower sales and performance of the electronics and electrical segment, acceleration of work done in the previous quarter under the work programmed for the Group existing two construction projects and higher administrative expenses incurred during the reporting quarter.

**B2) Material change in the profit before taxation for the current financial quarter ended 31 August 2015 as compared with the immediate preceding quarter:-**

<b>Current Year Quarter Ended</b>	<b>Immediate Preceding Quarter Ended</b>	<b>Variance</b>
31 Aug 2015	31 May 2015	
RM’000	RM’000	RM’000

Revenue	<b>10,250</b>	-	<b>N/A</b>
Loss before taxation	<b>(795)</b>	-	<b>N/A</b>

Due to the change of financial year end from 31 December to 31 May, there was no suitable comparative data for the immediate preceding quarter, as the immediate preceding financial period only covered for the month of April and May 2015.

**B3) Future prospect**

The Board anticipate that the Group’s electrical and electronic business financial performance for the years 2015/2016 remain challenging due to depreciation of Ringgit Malaysia against USD; rising operating costs and administrative expenses; and declining sales orders caused by



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER**  
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softening of global economy.

Meanwhile, the contribution from the Group’s construction activities for the past 17 months has been remarkable. Moving forward, the Group will focus on property development and construction activities to drive its growth and profitability

On 28 August 2015, the Board announced that, Astral Supreme Construction Sdn Bhd (“ASC”), the wholly owned subsidiary of the Company, had received the Letter of Award to undertake subcontract works for a total contract value of RM38.50 million for the Program Perumahan Rakyat (“PPR”) project at Tawau, Sabah (“Tawau Project”). The Tawau Project will potentially provide the Group with an additional stream of revenue and shall increase the Group’s earnings base

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

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

**B5) Taxation**

	Individual		Cumulative	
	Current Year Quarter Ended 31-Aug-2015 RM’000	Preceding Year Corresponding Quarter Ended 31-Aug-2014 RM’000	Current Y-T-D ended 31-Aug-2015 RM’000	Preceding Y-T-D Ended 31-Aug-2014 RM’000
<b>In respect of current quarter:-</b>				
Income Tax	38	-	38	-
Deferred Tax	-	-	-	-
	<b>38</b>	<b>-</b>	<b>38</b>	<b>-</b>



## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2015

### B6) Additional notes to the Comprehensive Income Statement

The following items have been charged and crediting in arriving at the loss before taxation:-

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 31-Aug-2015 RM'000	Preceding Year Corresponding Quarter Ended 31-Aug-2014 RM'000	Current Y-T-D Ended 31-Aug-2015 RM'000	Preceding Y-T-D Ended 31-Aug-2014 RM'000
Building and office rental	146	-	-	-
Depreciation of Property, plant and equipment ("PPE")	233	-	-	-
Interest expenses	22	-	-	-
Inventories written off	59	-	-	-
Loss on disposal of inventories	33	-	-	-
Reliased gains on foreign exchange	7	-	-	-

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 quarter ended 31 August 2014.

### 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;



## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER** **ENDED 31 AUGUST 2015**

- ii) **Proposed Capital Reserve Reduction**  
Proposed reduction of RM5,527,459 from the Capital Reserve Account of the Company;
- lii) **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 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) Following comments received from Bursa Securities, the Company have submitted updated Draft Circulars for the Corporate Proposal and is currently pending approval.



## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2015

### B8) Group Borrowings

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

	<u>Current</u> RM'000	<u>Non-current</u> RM'000
Secured	923	253
Unsecured	-	
<b>Total</b>	<b>923</b>	<b>253</b>

### 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:

#### 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.





## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER** **ENDED 31 AUGUST 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 with interest and cost for goods purportedly sold and delivered by the Plaintiff to Singatronics.

The Plaintiff had filed an application enter a summary judgment against Singatronics under Order 14 of the Rules of Court 2012 (“Summary Judgment Application”) to expedite the matter against Singatronics.

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 Singatronic. 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 currently anticipating and/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 Judgement 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



## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER** **ENDED 31 AUGUST 2015**

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)**

Magnalite Sdn Bhd ("Magnalite") has presented a petition to wind up Singatronics. As Singatronics is indebted to Magnalite for the sum of RM99,000 being the outstanding monthly rental due to Magnalite from November 2014 to January 2015.

On behalf of Singatronics, the Company has, via its undertaking letter dated 22 April 2015, proposed to settle the outstanding sum and its future rental from 1 April 2015 till 31 July 2015 in one lump sum of RM297,000 on or before 1 August 2015. In view of the proposed settlement arrangement, Magnalite has agreed to withhold the legal proceeding until 1 August 2015.

The Company also undertakes to pay and/or reimburse legal fees incurred by Magnalite in aggregate sum not exceeding RM30,000 upon presenting of the lawyer's invoice. As at the date of this interim report, the Company has fully settled the payment of RM297,000 with Magnalite.

B10) **Dividends**

No dividend has been proposed and paid for during the current financial quarter ended 31 August 2015 and the previous 17 months audited financial period ended 31 May 2015.



# ASTRAL SUPREME BERHAD

(Company No.442371-A)  
Incorporated in Malaysia

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 AUGUST 2015

### B11) Earnings / (loss) per share

	Individual		Cumulative	
	Current Year Quarter Ended 31 Aug 2015	Preceding Year Corresponding Quarter Ended 31 Aug 2014	Current Y-T-D Ended 31 Aug 2015	Preceding Corresponding Y-T-D Ended 31 Aug 2014
<b>a) Basis loss per-share</b>				
Loss attributable to the owners of parent ('000)	(833)	-	(833)	-
Total weighted average number of ordinary shares in issue ('000)	291,859	-	291,859	-
<b>Basis loss per share (sen)</b>	<b>(0.29)</b>	-	<b>(0.29)</b>	-
<b>b) Diluted loss per-share</b>				
Loss attributable to the owners of parent ('000)	(833)	-	(833)	-
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	-
	<b>404,536</b>	-	<b>404,536</b>	-
<b>Diluted loss per-share (sen)</b>	<b>(0.21)</b>	-	<b>(0.21)</b>	-

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 quarter ended 31 August 2014.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER**  
**ENDED 31 AUGUST 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>	<b>Proposed utilisation RM'000</b>	<b>Actual Utilisation As At 31-Aug-2015 RM'000</b>	<b>Excess/ (shortfall) RM'000</b>
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	-
<b>TOTAL</b>	<b>23,468</b>	<b>23,468</b>	<b>-</b>

**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 29th October 2015.