

ASTRAL SUPREME BERHAD (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2015**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 30 Nov 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 Nov 2014 RM'000	Current Y-T-D Ended 30 Nov 2015 RM'000	Preceding Y-T-D Ended 30 Nov 2014 RM'000
Turnover	11,391	-	21,641	-
Cost of sales	(9,947)	-	(20,089)	-
Gross profits	1,444	-	1,552	-
Other operating income	-	-	107	-
Selling and marketing expenses	-	-	(7)	-
Operating and administrative expenses	(602)	-	(1,581)	-
Gain on disposal of a subsidiary	188	-	188	-
Profit from operations	1,029	-	257	-
Finance costs	(3)	-	(26)	-
Profit before taxation	1,027	-	232	-
Taxation	(228)	-	(266)	-
Total comprehensive income / (loss)	799	-	(35)	-
Total comprehensive income / (loss) attributable to :				
Owners of the parent	799	-	(35)	-
Non-controlling interest	-	-	-	-
	799	-	(35)	-
Loss per-share	sen	sen	sen	sen
Basic	0.27	-	(0.01)	-
Diluted	0.20	-	(0.01)	-

** 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 30 November 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 30 NOVEMBER 2015
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Current Year Quarter Ended 30 Nov 2015 (UNAUDITED) RM'000	17 Months Financial Period Ended 31 May 2015 (AUDITED) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,976	5,287
Deferred expenses	528	513
Deferred tax assets	16	16
	2,520	5,816
CURRENT ASSETS		
Inventories	-	4,752
Trade receivables	18,130	18,492
Others receivables and deposits	11,032	6,951
Fixed deposit with licenced bank	-	52
Bank and cash equivalent	409	1,497
	29,571	31,744
TOTAL ASSETS	32,091	37,560
EQUITY		
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	(59,576)	(59,542)
Total attributable to the parent equity holders	16,065	16,100
LIABILITIES		
NON-CURRENT LIABILITIES		
ICULS	18	18
Deferred Taxation	12	12
Hire Purchase Creditors	272	-
	301	30
CURRENT LIABILITIES		
Trade payables	8,422	15,959
Others payables	5,433	3,251
Amount due to directors	939	555
Hire Purchase Creditors	164	-
Provision for taxation	765	880
Term loan	-	785
	15,724	21,430
TOTAL LIABILITIES	16,026	21,460
TOTAL EQUITY AND LIABILITIES	32,091	37,560
NET ASSETS PER-SHARE	0.0550	0.0552

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.

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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2nd QUARTER ENDED 30 NOVEMBER 2015**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

GROUP	ATTRIBUTABLE TO THE OWNER OF THE PARENT						TOTAL EQUITY RM'000
	Non-distributable				Distributable		
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	ICLUS RM'000	Warrant Reserve RM'000	Accumulated Losses RM'000	
As at 1 June 2015	58,372	6,994	5,527	331	4,418	(59,542)	16,100
Total comprehensive loss for the 1st financial quarter ended 31 August 2015	-	-	-	-	-	(833)	(833)
As at 31 August 2015	58,372	6,994	5,527	331	4,418	(60,375)	15,267
Total comprehensive loss for the 2nd financial quarter ended 30 November 2015	-	-	-	-	-	799	799
As at 30 November 2015	58,372	6,994	5,527	331	4,418	(59,576)	16,066
As at 1 January 2014	57,689	6,994	5,527	621	4,418	(58,626)	16,624
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)
As at 31 May 2015	58,372	6,994	5,527	331	4,418	(59,542)	16,100

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 30 NOVEMBER 2015
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year Quarter Ended 30 Nov 2015 (UNAUDITED) RM'000	17 Months Financial Period Ended 31 May 2015 (AUDITED) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers and others receivables	17,258	77,489
Cash payments to suppliers and employees	(22,565)	(81,189)
Cash flow from / (used in) operation	(5,308)	(3,700)
Tax payable	(266)	-
Compensation received	-	1,150
Net cash from / (used in) operating activities	(5,574)	(2,550)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	-	17
Proceed from sale of property, plant & equipment	-	400
Purchase of property, plant & equipment	(762)	(700)
Cash flow from sale of a subsidiary	4,800	480
Cash flow from withdrawal of fixed deposit	52	-
Deferred expenses	(15)	-
Net cash from / (used in) investing activities	4,075	196
CASH FLOW FROM FROM FINANCING ACTIVITIES		
Interest paid	(25)	(194)
Amount due to / (from) associate company	-	(1,258)
Hire purchase creditor	471	-
Repayment of finance lease creditor / term loan	(35)	(432)
Proceeds from conversion of ICLUS	-	317
Net cash from / (used in) financing activities	411	(1,566)
Net (decrease) / increase in cash and cash equivalents	(1,088)	(3,920)
Cash and cash equivalent at beginning of the period	1,497	5,429
Cash and cash equivalent at end of period	409	1,509
CASH AND CASH EQUIVALENT AT END OF PERIOD CONSISTS OF :-		
Cash and bank balances	409	1,497
Fixed deposit with licensed bank	-	52
	409	1,549
Less: Deposit pledged with a licensed bank	-	(40)
	409	1,509

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 2ND QUARTER ENDED 30 NOVEMBER 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 2nd financial quarter ended 30 November 2015 under review are not presented, where applicable.

The unaudited interim financial report contains condensed consolidated financial statement for the 2nd financial quarter from 1 September 2015 to 30 November 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;



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2015

- Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting; and
- 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;



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2015

- MFRS 9 Financial Instruments;

The Group is in the process of assessing the impact of MFRS 9 and MFRS 15 in the year of 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 for proposed diversification its core business from manufacturing to construction and property development. The proposed diversification was approved by shareholders' in the Group Extraordinary General Meeting ("EGM") held on 13 January 2016.

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 30 November 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 30 November 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 30 November 2015 under review and the Company had not engaged in any share buyback scheme or implemented any share



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2015

cancellation.

A8) **Dividend paid**

No dividend was declared or paid during the current financial quarter ended 30 November 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 and investment holding, and its other segment business include electronic and electrical consumer and industrial products.

The Group's segmental report for the current financial quarter ended 30 November 2015 under review are as follows:-



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2015

	Individual		Cumulative	
	Current Year Quarter Ended 30 Nov 2015 RM'000	Preceding Year Corresponding Quarter Ended 30 Nov 2014 RM'000	Current Y-T-D Ended 30 Nov 2015 RM'000	Preceding Y-T-D Ended 30 Nov 2014 RM'000
<u>TURNOVER</u>				
Construction	11,391	-	21,524	-
Investment holdings	342	-	646	-
Manufacturing	-	-	117	-
Less: Inter-segment revenue	(342)	-	(646)	-
Total consolidated revenue	11,391	-	21,641	-
<u>RESULTS</u>				
Construction	913	-	1,066	-
Investment holdings	(17,071)	-	(17,265)	-
Manufacturing	-	-	(730)	-
	(16,159)	-	(16,929)	-
Other non-reportable segments	(1)	-	(3)	-
Provision for taxation	(228)	-	(266)	-
Interest expenses	(3)	-	(26)	-
Gain on disposal of subsidiary	188	-	188	-
Consolidation adjustment	17,001	-	17,001	-
Net loss after tax	798	-	(35)	-
<u>SEGMENT ASSETS</u>				
Construction			24,591	-
Investment holdings			15,374	-
Manufacturing			-	-
			39,965	-
Others non-reportable segments			3	-
Elimination of inter-company balances			(7,876)	-
Consolidated total assets			32,091	-
<u>SEGMENT LIABILITIES</u>				
Construction			20,931	-
Investment holdings			1,945	-
Manufacturing			-	-
			22,877	-
Others non-reportable segments			24	-
Elimination of inter-company balances			(6,876)	-
Consolidated total liabilities			16,025	-

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 2ND QUARTER ENDED 30 NOVEMBER 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 30 November 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 30 November 2015 and to the date of this report, save and except for :-

- a) On 26 January 2016, the Board announced have entered into a Shares Sale Agreement for the disposal of its 100% equity interest in the wholly owned subsidiary, Singatronics (Malaysia) Sdn Bhd ("Singatronics") comprising 18,000,000 ordinary shares for a total consideration of RM3,600,000 to be satisfied in cash.
- b) On 13 January 2016, the Board announced that the Ordinary Resolutions of 1,2 & 3 (which carried the Proposed Diversification, Proposed Award and Proposed Shareholders' Mandate) tabled at the EGM of the Company held on the same day were duly passed on a poll.
- c) On 3 November 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 RM80.53 Million in relation to Program Perumahan Rakyat ("PPR") Project at Ulu Perasan, Kota Belud, Sabah ("Kota Belud Project")
- d) On 2 November 2015, the Borad announced that the Court of Appeal has on 22 October 2015, allowed the Plaintiff's appeal against the Company in the Tay Chye Huat vs Astral Supreme Berhad suit and had order a sum of RM600,000 with interest of 5% per annum from the date of the Writ i.e.6 August 2013 until the full realization together with costs for the Court of Appeal and High Court, jointly at RM20,000. Please refer to the Material Litigation under Part B Clause B9(a) for details of the case.
- e) On 13 October 2015, the Board announced the appiontment of Datuk Raman Bin Ismail as the new member of the Audit Committee and Nomination Committee.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2015

A12) Material changes in the composition of the Group

On 26 January 2016, the Company has entered into a Share Sale Agreement (“SSA”) to disposed off its 100% equity interest in the wholly owned subsidiary, Singatronics (Malaysia) Sdn Bhd (“Singatronics”) comprising 18,000,000 ordinary shares for a total consideration of RM3,600,000 to be satisfied in cash. The proceeds from disposal will be utilised as additional working capital for the Company and its group of subsidiaries.

Saved for the above, there were no changes in the composition of the Group during the reporting quarter ended 30 November 2015 and up to the date of this report.

A13) Contingent liabilities and contingent assets

There were no material contingent liabilities or assets for the reporting quarter ended 30 November 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 then wholly owned subsidiary of the Company.

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 30 November 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 30 November 2015.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER
ENDED 30 NOVEMBER 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 profit after taxation (“PAT”) of RM0.80 million for the current financial quarter ended 30 November 2015 under review. There was no suitable comparative data for preceding year corresponding financial quarter ended 30 November 2014 due to the change of financial year end from 31 December to 31 May.

The turnover for the current financial quarter ended 30 November 2015 was RM11.39 million and was principally contributed from the construction activities undertaken by the Group during the current financial quarter under review.

B2) Material change in the profit before taxation for the current financial quarter ended 30 November 2015 as compared with the immediate preceding quarter:-

Current Year Quarter Ended	Immediate Preceding Quarter Ended	Variance
30 Nov 2015	31 Aug 2015	
RM'000	RM'000	RM'000

Revenue	11,391	10,250	10.01%
Profit / (loss) before taxation	1,027	(795)	177.41%

Increased in sales revenue for the current quarter under reviewed as compared to immediate preceding quarter was due to contribution derived from its new construction projects undertaken during the current quarter.

The Profit / (Loss) before taxation increased of approximately 177.41% was mainly due to the deconsolidation of the results and/or performance of the electronics and electrical segment for the Group former subsidiary which incurred losses before taxation of approximately RM0.73 million for the immediate preceding quarter ended 31 August 2015.

B3) Future prospects



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2015

Driven by the Group's encouraging financial results i.e. improved revenue and decreased losses during the 17-months FPE 31 May 2015, which were attributed mainly by contribution derived from its construction activities. Moving forward, the Group will focus on property development and construction activities to drive its growth and profitability

On 28 August 2015 and 3 November 2015 respectively, the Board announced that, Astral Supreme Construction Sdn Bhd ("ASC"), the wholly owned subsidiary of the Company, had received the Letters of Award to undertake the following new subcontract works:-

- i) The Program Perumahan Rakyat ("PPR") Project at Tawau, Sabah ("Tawau Project") for a total contract value of RM38.50 million; and
- ii) TheThe Program Perumahan Rakyat ("PPR") Project at Ulu Perasan, Kota Belud, Sabah ("Kota Belud Project") for a total contract value of RM80.53 million.

The Tawau and Kota Belud projects will potentially provide the Group with an additional stream of revenue and shall increase the Group's earnings base. This is in line with the Group's strategy to strengthen its financial position.

The Group will continue to seek and secure new business opportunities and expand its existing business namely in the construction sector. The new subcontract works demonstrates the Board's initiative in pursuing continuing growth in its construction business. The Board believes the new subcontract works will lead to an expansion of the Group's construction activities in the future and contribute positively to the Group's financial performance.

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 30-Nov-2015 RM'000	Preceding Year Corresponding Quarter Ended 30-Nov-2014 RM'000	Current Y-T-D ended 30-Nov-2015 RM'000	Preceding Y-T-D Ended 30-Nov-2014 RM'000
In respect of current quarter:-				
Income Tax	228	-	266	-
Deferred Tax	-	-	-	-



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2015

228	-	266	-
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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 30-Nov-2015 RM'000	Preceding Year Corresponding Quarter Ended 30-Nov-2014 RM'000	Current Y-T-D Ended 30-Nov-2015 RM'000	Preceding Y-T-D Ended 30-Nov-2014 RM'000
Building and office rental	43	-	189	-
Depreciation of Property, plant and equipment ("PPE")	57	-	291	-
Interest expenses	3	-	25	-
Inventories written off	-	-	59	-
Loss on disposal of inventories	-	-	33	-
Gain on disposal of subsidiary	(188)	-	(188)	-
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 30 November 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, 12 September 2014, 30 September 2014, 17 February 2015 and 13 November 2015, 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"). The Multiple Proposals include the



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2015

following proposals:-

- i) Proposed Par Value Reduction
- ii) Proposed Capital Reserve Reduction
- lii) Proposed Share Premium Reduction
- iv) Proposed Diversification
- v) Proposed Right Issue with Warrants
- vi) Proposed Establishment of a Shares Issuance Scheme (SIS)
- vii) Proposed Amendment to the Memorandum of Association

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

- b) On 28 August 2015, the Board announced that its Company wholly owned subsidiary, Astral Supreme Construction Sdn Bhd ("ASC") has on even day received a Letter of Award ("LOA") from Wira Syukur (M) Sdn Bhd to undertake subcontract works for a total contract value of RM38.50 million for Program Perumahan Rakyat Project at Jalan Merotai, Tawau, Sabah ("Proposed Award"). Pursuant to Paragraph 10.08 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, the undertaking of the subcontract works by ASC on the Proposed Award is classified as a related party transaction ("RPT"). The Proposed Award is subject to the approvals being obtained from the shareholders of the Company at an extraordinary general meeting ("EGM") to be convened.
- c) On 3rd December 2015, on behalf of the Board, TA Securities announced that the Proposed Diversification under the "Multiple Proposals" as mentioned in (a) above is to be included in the Circular to shareholders for the Proposed Award, which a notice for the EGM to undertake the Proposed Diversification and the Proposed Award. The Proposed Award is conditional upon the Proposed Diversification, however the Proposed Diversification is not conditional to any of the Proposals. Hence, it is appropriate that the approval from the shareholders of the Company will be sought for the Proposed Diversification and Proposed Award at the same EGM.
- d) On 22 December 2015, the Board announced that the Company proposes to seek the approval of the Company shareholders at the EGM to be held on 13 January 2016 on the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate").
- e) On 13 January 2016, the Board announced that the Ordinary Resolutions of 1,2 & 3 (which carried the Proposed Diversification, Proposed Award and Proposed Shareholders'



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2015

Mandate) tabed at the EGM of the Company held on the same day were duly passed by a poll.

- f) Following the comments received from Bursa Securities and recent development on the Company corporate proposals, the Company is currently updating the Draft Circulars for the Multiple Proposal and will be submitting to Bursa Securities for clearance in due course.

B8) **Group Borrowings**

Details of the Group's bank borrowings as at 30 November 2015 are as follows:-

	<u>Current</u> RM'000	<u>Non-current</u> RM'000
Secured	165	272
Unsecured	-	
Total	165	272

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:

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.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2015

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 above 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. However, the Court of Appeal has on 22 October 2015, allowed the Plaintiff's appeal against the Company and had order a sum of RM600,000 with interest of 5% per annum from the date of the Writ i.e.6 August 2013 until the full realization together with costs for the Court of Appeal and High Court, jointly at RM20,000.

The Company has filed a motion for leave to appeal to the Federal Court on 19 November 2015. The solicitor are of the opinion that there is a fairly good chance in obtaining the leave as the proposed questions of law are good arguable novel points of law and are matters of public importance as the case involved a public listed company. Furthermore, the solicitors are of the view that upon successfully obtaining leave to appeal to the Federal Court, the Company would have a good arguable case in the appeal proper. The Court has has fixed this matter for the next case management on 3rd March 2016.

B10) Dividends

No dividend has been proposed and paid for during the current financial quarter ended 30 November 2015 and the previous 17 months audited financial period ended 31 May 2015.

B11) Earnings / (loss) per share



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Incorporated in Malaysia

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30 NOVEMBER 2015

	Individual		Cumulative	
	Current Year Quarter Ended 30 Nov 2015	Preceding Year Corresponding Quarter Ended 30 Nov 2014	Current Y-T-D Ended 30 Nov 2015	Preceding Corresponding Y-T-D Ended 30 Nov 2014
a) Basis loss per-share				
Loss attributable to the owners of parent ('000)	799	-	(35)	-
Total weighted average number of ordinary shares in issue ('000)	291,859	-	291,859	-
Basis loss per share (sen)	0.27	-	(0.01)	-
b) Diluted loss per-share				
Loss attributable to the owners of parent ('000)	799	-	(35)	-
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 loss per-share (sen)	0.20	-	(0.01)	-

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 30 November 2014.

B12) Status of utilisation of proceeds

There were no proceeds raised from any corporate proposals during the last audited financial statement for the 17 months financial period ended 31 May 2015 and to the date of this report.

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 27th January 2016.