

ASTRAL SUPREME BERHAD (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2016**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 29 Feb 2016 RM'000	** Preceding Year Corresponding Quarter Ended 28 Feb 2015 RM'000	Current Y-T-D Ended 29 Feb 2016 RM'000	** Preceding Y-T-D Ended 28 Feb 2015 RM'000
Turnover	7,620	-	29,261	-
Cost of sales	(7,075)	-	(27,165)	-
Gross profits	545	-	2,096	-
Other operating income	-	-	107	-
Selling and marketing expenses	-	-	(7)	-
Operating and administrative expenses	(986)	-	(2,567)	-
Gain on disposal of a subsidiary	0	-	188	-
Loss from operations	(441)	-	(183)	-
Finance costs	(3)	-	(29)	-
Loss before taxation	(444)	-	(212)	-
Taxation	(69)	-	(336)	-
Total comprehensive loss	(513)	-	(548)	-
Total comprehensive loss attributable to :				
Owners of the parent	(513)	-	(548)	-
Non-controlling interest	-	-	-	-
	(513)	-	(548)	-
Loss per-share	sen	sen	sen	sen
Basic	(0.18)	-	(0.19)	-
Diluted	(0.13)	-	(0.14)	-

** 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 28 February 2015.

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 3RD QUARTER ENDED 29 FEBRUARY 2016
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Current Year Quarter Ended 29 Feb 2016 (UNAUDITED) RM'000	17 Months Financial Period Ended 31 May 2015 (AUDITED) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,927	5,287
Deferred expenses	528	513
Deferred tax assets	16	16
	2,471	5,816
CURRENT ASSETS		
Inventories	-	4,752
Trade receivables	12,731	18,492
Others receivables and deposits	10,742	6,951
Fixed deposit with licenced bank	-	52
Bank and cash equivalent	1,204	1,497
	24,677	31,744
TOTAL ASSETS	27,148	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	(60,089)	(59,542)
Total attributable to the parent equity holders	15,553	16,100
LIABILITIES		
NON-CURRENT LIABILITIES		
ICULS	18	18
Deferred taxation	12	12
Hire Purchase Creditors	230	-
	260	30
CURRENT LIABILITIES		
Trade payables	3,505	15,959
Others payables	5,502	3,251
Amount due to directors	1,607	555
Hire Purchase Creditors	164	-
Provision for taxation	557	880
Term loan	-	785
	11,335	21,430
TOTAL LIABILITIES	11,595	21,460
TOTAL EQUITY AND LIABILITIES	27,148	37,560
NET ASSETS PER-SHARE	0.0533	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.

ASTRAL SUPREME BERHAD (442371-A)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2016**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
Total comprehensive loss for the 3rd financial quarter ended 29 February 2016	-	-	-	-	-	(513)	(513)
As at 29 February 2016	58,372	6,994	5,527	331	4,418	(60,089)	15,553
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 3RD QUARTER ENDED 29 FEBRUARY 2016
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year Quarter Ended 29 Feb 2016 (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	30,566	77,489
Cash payments to suppliers and employees	(34,812)	(81,189)
Cash flow from / (used in) operation	(4,246)	(3,700)
Tax payable	(474)	-
Compensation received	-	1,150
Net cash from / (used in) operating activities	(4,720)	(2,550)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	-	17
Proceed from sale of property, plant & equipment	-	400
Purchase of property, plant & equipment	(777)	(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	4,060	196
CASH FLOW FROM FROM FINANCING ACTIVITIES		
Interest paid	(28)	(194)
Amount due to / (from) associate company	-	(1,258)
Hire purchase creditor	427	-
Repayment of finance lease creditor / term loan	(32)	(432)
Proceeds from conversion of ICLUS	-	317
Net cash from / (used in) financing activities	367	(1,566)
Net (decrease) / increase in cash and cash equivalents	(294)	(3,920)
Cash and cash equivalent at beginning of the period	1,497	5,429
Cash and cash equivalent at end of period	1,204	1,509
CASH AND CASH EQUIVALENT AT END OF PERIOD CONSISTS OF :-		
Cash and bank balances	1,204	1,497
Fixed deposit with licensed bank	-	52
	1,204	1,549
Less: Deposit pledged with a licensed bank	-	(40)
	1,204	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 3RD QUARTER ENDED 29 FEBRUARY 2016

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 3rd financial quarter ended 29 February 2016 under review are not presented, where applicable.

The unaudited interim financial report contains condensed consolidated financial statement for the 3rd financial quarter from 1 December 2015 to 29 February 2016, 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 3RD QUARTER ENDED 29 FEBRUARY 2016

- 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;



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2016

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 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 of its core business from manufacturing to construction and property development. Nonetheless, the proposed diversification was approved by shareholders' in the Extraordinary General Meeting ("EGM") held on 13 January 2016.

A4) Seasonal or cyclical factors

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

A5) Individually significant items

There were no significant items affecting assets, liabilities, equity, net income or cash flows during the reporting quarter ended 29 February 2016.

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 29 February 2016 under review.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2016

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 29 February 2016 under review and the Company had not engaged in any share buyback scheme or implemented any share cancellation.

A8) **Dividend paid**

No dividend was declared or paid during the current financial quarter ended 29 February 2016 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 which was discontinued following the sale of its wholly owned subsidiary, Singatronics (Malaysia) Sdn Bhd announced and completed on 26 January 2016 and 29 January 2016 respectively.

The Group's segmental report for the current financial quarter ended 29 February 2016 under review are as follows:-



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2016

	Individual		Cumulative	
	Current Year Quarter Ended 29 Feb 2016 RM'000	Preceding Year Corresponding Quarter Ended 28 Feb 2015 RM'000	Current Y-T-D Ended 29 Feb 2016 RM'000	Preceding Y-T-D Ended 28 Feb 2015 RM'000
<u>TURNOVER</u>				
Construction	7,520	-	29,044	-
Investment holdings	302	-	947	-
Manufacturing (discontinued)	-	-	117	-
Less: Inter-segment revenue	(202)	-	(847)	-
Total consolidated revenue	7,620	-	29,261	-
<u>RESULTS</u>				
Construction	(89)	-	976	-
Investment holdings	(350)	-	(17,615)	-
Manufacturing (discontinued)	-	-	(730)	-
	(439)	-	(17,369)	-
Other non-reportable segments	(2)	-	(4)	-
Provision for taxation	(69)	-	(335)	-
Interest expenses	(3)	-	(29)	-
Gain on disposal of subsidiary	-	-	188	-
Consolidation adjustment	-	-	17,001	-
Net loss after tax	(513)	-	(548)	-
<u>SEGMENT ASSETS</u>				
Construction			19,984	-
Investment holdings			15,699	-
Manufacturing (discontinued)			-	-
			35,683	-
Others non-reportable segments			3	-
Elimination of inter-company balances			(8,538)	-
Consolidated total assets			27,148	-
<u>SEGMENT LIABILITIES</u>				
Construction			16,413	-
Investment holdings			2,694	-
Manufacturing (discontinued)			-	-
			19,107	-
Others non-reportable segments			26	-
Elimination of inter-company balances			(7,538)	-
Consolidated total liabilities			11,595	-

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 3RD QUARTER **ENDED 29 FEBRUARY 2016**

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 29 February 2016. 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 29 February 2016 and to the date of this report, save and except for :-

- a) On 26 January 2016, the Board announced that the Company had 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.

The disposal had been completed on 29 January 2016 and Singatronics ceased as the wholly owned subsidiary of the Company with immediate effect.

- 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.

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 29 February 2016 and up to the date of this report.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER
ENDED 29 FEBRUARY 2016

A13) Contingent liabilities and contingent assets

There were no material contingent liabilities or assets for the reporting quarter ended 29 February 2016 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 29 February 2016 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 29 February 2016.

A16) Related Party Transactions

The Group has carried out the following significant transactions with the related parties during the current financial quarter ended 29 February 2016.

	Individual		Cumulative	
	Current Year Quarter Ended 29 Feb 2016 RM'000	Preceding Year Corresponding Quarter Ended 28 Feb 2015 RM'000	Current Y-T-D Ended 29 Feb 2016 RM'000	Preceding Y-T-D Ended 28 Feb 2015 RM'000
(I) Progressive sub-contracting income for the Group construction project	3,210	-	3,210	-
(II) Project management services rendered	800		800	

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER
ENDED 29 FEBRUARY 2016****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 after taxation (“LAT”) of RM0.51 million for the current financial quarter ended 29 February 2016 under review. The LAT, in addition to the operating and administrative expenses remained high, was principally due to the losses of its then subsidiary, Singatronics (Malaysia) Sdn Bhd, which was discontinued following the sale announced and completed on 26 January 2016 and 29 January 2016 respectively. There was no suitable comparative data for preceding year corresponding financial quarter ended 28 February 2015 due to the change of financial year end from 31 December to 31 May.

The turnover for the current financial quarter ended 29 February 2016 was RM7.62 million and was mainly contributed from the construction activities for Tawau and Kota Belud projects 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 29 February 2016 as compared with the immediate preceding quarter:-

Current Year Quarter Ended	Immediate Preceding Quarter Ended	Variance
29 Feb 2016	30 Nov 2015	
RM'000	RM'000	RM'000

Revenue	7,620	11,391	(33.11%)
Profit / (loss) before taxation	(444)	1,027	(143.23%)

Decrease in sales revenue for the current financial quarter under review as compared to immediate preceding quarter was due to lower progressive claims and it is the industry norm for construction business because of the festival season, hence resultant lower revenue recognized for the construction projects undertaken during the quarter under review,

The profit before taxation decreased by approximately 143.23% was mainly due to the lower progressive revenue recognized for the construction projects undertaken and increase in operating and administrative expenses.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2016

B3) Future prospects

The Group's registered encouraging financial results i.e. improved revenue and decreased losses during the 17-months FPE 31 May 2015, which were attributed mainly by the commencement of its construction activities of the Melaka Projects in March 2014. 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) The 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 are expected to contribute positively to the earning of the Group moving forward. 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 to expand its existing business in the construction and development sectors. 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 existing construction activities and contribute positively to the Group's future financial performance.

B4) Variance on profit forecast / profit guarantee

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



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2016

B5) Taxation

	Individual		Cumulative	
	Current Year Quarter Ended 29-Feb-2016 RM'000	Preceding Year Corresponding Quarter Ended 28-Feb-2015 RM'000	Current Y-T-D ended 29-Feb-2016 RM'000	Preceding Y-T-D Ended 28-Feb-2015 RM'000
In respect of current quarter:-				
Income Tax	69	-	336	-
Deferred Tax	-	-	-	-
	69	-	336	-

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 29 Feb 2016 RM'000	Preceding Year Corresponding Quarter Ended 28 Feb 2015 RM'000	Current Y-T-D Ended 29 Feb 2016 RM'000	Preceding Y-T-D Ended 28 Feb 2015 RM'000
Building and office rental	43	-	232	-
Depreciation of Property, plant and equipment ("PPE")	63	-	354	-
Interest expenses	3	-	29	-
Inventories written off	-	-	-	-
Loss on disposal of inventories	-	-	33	-
Gain on disposal of a subsidiary	-	-	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 28 February 2015.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2016

B7) Corporate Proposals

a) On 30 July 2014, 12 September 2014, 30 September 2014, 17 February 2015, 13 November 2015, 3 December 2015 and 25 February 2016 on behalf of the Board, TA Securities Holdings Sdn Bhd (“TA Securities”) announced that the Company proposes to undertake multiple proposals for corporate exercise 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 following proposals:-

- i) Proposed Par Value Reduction
- ii) Proposed Capital Reserve Reduction
- iii) 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) Due to the comments received from Bursa Securities and recent development on the Company corporate proposals for the “Proposed Diversification”, which have the shareholders’ approval at the EGM held on 13 January 2016 and announced on the same day, 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 29 February 2016 are as follows:-

	<u>Current</u>	<u>Non-current</u>
	RM'000	RM'000
Secured	164	230
Unsecured	-	
Total	164	230



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2016

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, Cherg 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 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 had fixed this matter for the next case management on 31 May 2016.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2016

B10) Dividends

No dividend has been proposed and paid for during the current financial quarter ended 29 February 2016 and the previous 17 months audited financial period ended 31 May 2015.

B11) Earnings / (loss) per share

	Individual		Cumulative	
	Current Year Quarter Ended 29 Feb 2016	Preceding Year Corresponding Quarter Ended 28 Feb 2015	Current Y-T-D Ended 29 Feb 2016	Preceding Y-T-D Ended 28 Feb 2015
a) <u>Basis loss per-share</u>				
Loss attributable to the owners of parent ('000)	(513)	-	(548)	-
Total weighted average number of ordinary shares in issue ('000)	291,859	-	291,859	-
Basis loss per share (sen)	(0.18)	-	(0.19)	-
b) <u>Diluted loss per-share</u>				
Loss attributable to the owners of parent ('000)	(513)	-	(548)	-
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)	(0.13)	-	(0.14)	-

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 28 February 2015.

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.



ASTRAL SUPREME BERHAD

(Company No.442371-A)
Incorporated in Malaysia

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 29 FEBRUARY 2016

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 22 April 2016.