

ASTRAL SUPREME BERHAD (442371-A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 MAY 2016**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 31 May 2016 RM'000	Preceding Year Corresponding Quarter Ended 31 May 2015 RM'000	Current Y-T-D Ended 31 May 2016 RM'000	Preceding Y-T-D Ended 31 May 2015 RM'000
Turnover	7,447	-	36,708	-
Cost of sales	(6,974)	-	(34,138)	-
Gross profits	473	-	2,570	-
Other operating income	1,940	-	2,047	-
Selling and marketing expenses	-	-	(7)	-
Operating and administrative expenses	(1,746)	-	(4,313)	-
Gain on disposal of a subsidiary	0	-	188	-
Profits from operations	667	-	485	-
Finance costs	(3)	-	(32)	-
Profits before taxation	664	-	453	-
Taxation	(4)	-	(340)	-
Total comprehensive profits	660	-	113	-
Total comprehensive profits attributable to :				
Owners of the parent	660	-	113	-
Non-controlling interest	-	-	-	-
	660	-	113	-
Loss per-share	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
Basic	0.23	-	0.04	-
Diluted	0.16	-	0.03	-

** 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 May 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 4TH QUARTER ENDED 31 MAY 2016
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Current Year Quarter Ended 31 May 2016 (UNAUDITED) RM'000	17 Months Financial Period Ended 31 May 2015 (AUDITED) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	2,080	5,287
Deferred expenses	528	513
Deferred tax assets	-	16
	2,608	5,816
CURRENT ASSETS		
Inventories	-	4,752
Trade receivables	9,305	18,492
Others receivables and deposits	11,337	6,951
Fixed deposit with licenced bank	-	52
Bank and cash equivalent	1,828	1,497
	22,470	31,744
TOTAL ASSETS	25,078	37,560
EQUITY		
Share capital	58,373	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	(59,429)	(59,542)
Total attributable to the parent equity holders	16,214	16,100
LIABILITIES		
NON-CURRENT LIABILITIES		
ICULS	18	18
Deferred taxation	-	12
Hire Purchase Creditors	311	-
	329	30
CURRENT LIABILITIES		
Trade payables	853	15,959
Others payables	6,434	3,251
Amount due to directors	593	555
Hire Purchase Creditors	205	-
Provision for taxation	450	880
Term loan	-	785
	8,535	21,430
TOTAL LIABILITIES	8,864	21,460
TOTAL EQUITY AND LIABILITIES	25,078	37,560
NET ASSETS PER-SHARE	0.0556	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)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 MAY 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 profit 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
Total comprehensive loss for the 4th financial quarter ended 31 May 2016	-	-	-	-	-	660	660
Issuance of shares pursuant to warrants exercised	1	-	-	-	-	-	1
As at 31 May 2016	58,373	6,994	5,527	331	4,418	(59,429)	16,214
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 4TH QUARTER ENDED 31 MAY 2016
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year Quarter Ended 31 May 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	40,845	77,489
Cash payments to suppliers and employees	(46,111)	(81,189)
Cash flow from / (used in) operation	(5,266)	(3,700)
Tax payable	(718)	-
Compensation received	-	1,150
Net cash from / (used in) operating activities	(5,984)	(2,550)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	-	17
Proceed from sale of property, plant & equipment	-	400
Purchase of property, plant & equipment	(991)	(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	3,846	196
CASH FLOW FROM FROM FINANCING ACTIVITIES		
Interest paid	(31)	(194)
Amount due to / (from) associate company	-	(1,258)
Amount due to / (from) director	1,985	-
Hire purchase creditor	544	-
Repayment of finance lease creditor / term loan	(29)	(432)
Proceeds from conversion of ICLUS	-	317
Net cash from / (used in) financing activities	2,469	(1,566)
Net (decrease) / increase in cash and cash equivalents	331	(3,920)
Cash and cash equivalent at beginning of the period	1,497	5,429
Cash and cash equivalent at end of period	1,828	1,509
CASH AND CASH EQUIVALENT AT END OF PERIOD CONSISTS OF :-		
Cash and bank balances	1,828	1,497
Fixed deposit with licensed bank	-	52
	1,828	1,549
Less: Deposit pledged with a licensed bank	-	(40)
	1,828	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 4TH QUARTER ENDED 31 MAY 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 provision of Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The unaudited interim financial report contains condensed consolidated financial statement for the 4th financial quarter from 1 March 2016 to 31 May 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

(a) Standards issued and effective

Amendments to accounting standards that are effective for the Group and the Company’s financial year beginning on or after 1 January 2015 are as follows:

- Amendments to MFRS 1, “First-time Adoption of Malaysian Financial Reporting Standards” (Annual Improvements 2011-2013 Cycle)
- Amendments to MFRS 2, “Share-based Payment” (Annual-Improvements 2010-2012 Cycle)
- Amendments to MFRS 3, “Business Combinations” (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
- Amendments to MFRS 8, “Operating Segments” (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 13, “Fair Value Measurement” (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
- Amendments to MFRS 116, “Property, Plant and Equipment” and MFRS 138, “Intangible Assets” (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 119, “Defined Benefit Plans Employee Contribution”
- Amendments to MFRS 124, “Related Party Disclosures” (Annual Improvements 2010-2012 Cycle)



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 MAY 2016

A2) Significant accounting policies and application of MFRS (Cont'd)

(a) Standards issued and effective (Cont'd)

- Amendments to MFRS 140, "Investment Property" (Annual Improvements 2011-2013 Cycle)

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

(b) Standards issued but not yet effective

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 January 2016

- Amendments to MFRS 5 Non-Current Assets Held for Sale and Discontinued Operations
- Amendments to MFRS 7 Financial Instruments: Disclosures
- Amendments to MFRS 11 Joint Arrangements
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 116 Property, plant and equipment
- Amendments to MFRS 119 Employee Benefits
- Amendments to MFRS 127 Separate Financial Statements
- Amendments to MFRS 134 Interim Financial Reporting
- Amendments to MFRS 138 Intangible assets

Annual periods beginning on/after 1 January 2018

- MFRS 9 Financial Instruments
- MFRS 15 Revenue from Contracts with Customers



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 MAY 2016

A2) **Significant accounting policies and application of MFRS (Cont'd)**

(c) Standards issued but effective date yet to be determined by the Malaysian Accounting Standards Board

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

The Group and Company are 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.

(d) Standards not relevant and not yet effective

Accounting standards and amendments to accounting standards that are not relevant and not yet effective for the Group and the Company are as follows:

- Amendments to MFRS 10, MFRS 12 and MFRS 128, "Investment Entities: Applying the Consolidation Exception"
- MFRS 14, "Regulatory Deferral Accounts"
- Amendments to MFRS 116 and MFRS 141, "Agriculture: Bearer Plants"

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 31 May 2016.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER **ENDED 31 MAY 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 31 May 2016 under review.

A7) Debt and equity securities

Save as disclosed below, there were no other issuance, cancellations, repurchase, resale and repayments of debts and equity securities during the current financial quarter ended 31 May 2016 under review and the Company had not engaged in any share buyback scheme or implemented any share cancellation.

- a) On 21st March, 2016, 5,000 new ordinary shares of RM0.20 each were issued pursuant to the exercise of warrants 2011/2016 during the financial period under review at the exercise price of RM0.20 per share.

A8) Dividends paid

No dividends were declared or paid during the current financial quarter ended 31 May 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 segment businesses are construction and investment holding, and its other segment businesses include electronic and electrical consumer and industrial products which were 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 31 May 2016 under review are as follows:-



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 MAY 2016

A9) Segmental reporting (Cont'd)

	Individual		Cumulative	
	Current Year Quarter Ended 31 May 2016 RM'000	Preceding Year Corresponding Quarter Ended 31 May 2015 RM'000	Current Y-T-D Ended 31 May 2016 RM'000	Preceding Y-T-D Ended 31 May 2015 RM'000
<u>TURNOVER</u>				
Construction	7,398	-	36,443	-
Investment holdings	207	-	1,154	-
Manufacturing (discontinued)	-	-	117	-
Less: Inter-segment revenue	(158)	-	(1,006)	-
Total consolidated revenue	7,447	-	36,708	-
<u>RESULTS</u>				
Construction	(388)	-	589	-
Investment holdings	1,056	-	(16,558)	-
Manufacturing (discontinued)	-	-	(730)	-
	668	-	(16,699)	-
Other non-reportable segments	(1)	-	(6)	-
Provision for taxation	(4)	-	(340)	-
Interest expenses	(3)	-	(32)	-
Gain on disposal of subsidiary	-	-	188	-
Consolidation adjustment	-	-	17,002	-
Net loss after tax	660	-	113	-
<u>SEGMENT ASSETS</u>				
Construction			17,094	-
Investment holdings			16,493	-
Manufacturing (discontinued)			-	-
			33,587	-
Others non-reportable segments			3	-
Elimination of inter-company balances			(8,512)	-
Consolidated total assets			25,078	-
<u>SEGMENT LIABILITIES</u>				
Construction			13,898	-
Investment holdings			2,450	-
Manufacturing (discontinued)			-	-
			16,348	-
Others non-reportable segments			29	-
Elimination of inter-company balances			(7,513)	-
Consolidated total liabilities			8,864	-

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 4TH QUARTER **ENDED 31 MAY 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 31 May 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 a material nature to be disclosed in the interim financial statements for the current financial quarter ended 31 May 2016 and to the date of this report.

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 May 2016 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 31 May 2016 save and except that the Company has provided a 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 31 May 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 31 May 2016.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER
ENDED 31 MAY 2016

A16) Related Party Transactions

The Group has carried out the following significant transactions with the related parties during the current financial quarter ended 31 May 2016.

	Individual		Cumulative	
	Current Year Quarter Ended 31 May 2016 RM'000	Preceding Year Corresponding Quarter Ended 31 May 2015 RM'000	Current Y-T-D Ended 31 May 2016 RM'000	Preceding Y-T-D Ended 31 May 2015 RM'000
(I) Progressive sub-contracting income for the Group construction project	2,422	-	5,632	-
(II) Project management services rendered	-	-	800	-



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER
ENDED 31 MAY 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 – Current Quarter vs Preceding Quarter

The Group recorded revenue of RM7.45 million and profit before tax of RM0.66 million for the current quarter ended 31 May 2016, compared to revenue of RM7.62 million and loss before tax of RM0.44 million in the preceding financial quarter. The lower revenue was mainly due to lower billings from the building projects as some of them were near their completion stage. The increase in the operating and administrative expenses was principally due to the impairment of the receivables from previously owned subsidiaries, Singatronics (Malaysia) Sdn Bhd and Astral – GMO Sdn Bhd. There was no suitable comparative data for the preceding year corresponding financial quarter ended 31 May 2015 due to the change of financial year end from 31 December to 31 May.

The turnover for the current financial quarter ended 31 May 2016 was RM7.45 million and the main contribution was from construction activities for the Tawau and Kota Belud projects undertaken by the Group during the current financial quarter under review.

B2) Material changes in the profit before taxation for the current financial quarter ended 31 May 2016 as compared with the immediate preceding quarter:-

Current Year Quarter Ended	Immediate Preceding Quarter Ended	Variance
31 May 2016	29 Feb 2016	
RM'000	RM'000	%

Revenue	7,447	7,620	(2.27%)
Profit / (Loss) before taxation	664	(444)	249.55%

Decrease in sales revenue for the current financial quarter under review was due to lower progressive claims as some of the projects were near their completion stage, resulting in lower revenues recognized for the construction projects undertaken during the quarter under review.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 MAY 2016

B2) Material changes in the profit before taxation for the current financial quarter ended 31 May 2016 as compared with the immediate preceding quarter:- (Cont'd)

Profit before taxation of RM0.664 million in this quarter compared to RM0.44 million losses in the preceding financial quarter was mainly due to increase in other revenues in the Group but this was partially offset by the impairment of receivables from previously owned subsidiaries. The operating and administrative expenses of the group was consistent.

B3) Future prospects

The Group's registered encouraging financial results with improved performance for the financial year ended 31 May 2016.

The existing 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 4TH QUARTER ENDED 31 MAY 2016

B5) Taxation

	Individual		Cumulative	
	Current Year Quarter Ended 31-May-2016 RM'000	Preceding Year Corresponding Quarter Ended 31-May-2015 RM'000	Current Y-T-D ended 31-May-2016 RM'000	Preceding Y-T-D Ended 31-May-2015 RM'000
In respect of current quarter:-				
Income Tax	-	-	336	-
Deferred Tax	4	-	4	-
	4	-	340	-

B6) Additional notes to the Comprehensive Income Statement

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

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter Ended 31 May 2016 RM'000	Preceding Year Corresponding Quarter Ended 31 May 2015 RM'000	Current Y-T-D Ended 31 May 2016 RM'000	Preceding Y-T-D Ended 31 May 2015 RM'000
Building and office rental	43	-	276	-
Depreciation of Property, plant and equipment ("PPE")	61	-	415	-
Interest expenses	3	-	32	-
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 31 May 2015.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 MAY 2016

B7) Corporate Proposals

On 30 July 2014 and 12 September 2014, TA Securities had, on behalf of the Board, announced that the Company proposed to undertake a corporate exercise involving multiple proposals. An additional listing application for the Proposals was submitted to Bursa Securities on 30 September 2014. The multiple proposals include the following:

- (1) Proposed Par Value Reduction
- (2) Proposed Capital Reserve Reduction
- (3) Proposed Share Premium Reduction
- (4) Proposed Diversification
- (5) Proposed Rights issue with Warrants
- (6) Proposed Establishment of a Shares Issuance Scheme(SIS)
- (7) Proposed Amendments to the Memorandum of Association

On 17 February 2015, 13 November 2015 and 21 April 2016, TA Securities had, on behalf of the Board, announced certain revisions to the Proposed Rights Issue with Warrants. Following thereto, the revised additional listing applications for the Proposals were submitted to Bursa Securities on 25 February 2016 and 25 April 2016, respectively.

TA Securities had, on 26 May 2016, announced on behalf of the Board announced that Bursa Securities had, vide its letter dated 26 May 2016, granted its approval for the following:

- (a) admission to the Official List and the listing and quotation of up to 404,535,800 Warrants-C to be issued pursuant to the Proposed Rights Issue with Warrants;
- (b) the listing and quotation of up to 809,071,600 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- (c) the listing and quotation of up to 2,938,070 Adjusted Warrants-A arising from the Adjustment;
- (d) the listing and quotation of up to 5,341,764 Adjusted Warrants-B arising from the Adjustment;
- (e) the listing and quotation of up to 412,815,634 new ordinary shares of RM0.10 each to be issued pursuant to the exercise of the Warrants-C, Adjusted Warrants-A and Adjusted Warrants-B; and



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 MAY 2016

B7) Corporate Proposals (Cont'd)

- (f) the listing of such number of new ordinary shares of RM0.10 each to be issued pursuant to the Proposed SIS, representing up to 15% of the issued and paid-up ordinary share capital of Astral on the Main Market of Bursa Securities. The said approval from Bursa Securities was obtained vide its letter dated 26 May 2016, subject to the conditions as set out in the letter.

TA Securities had on 1 July 2016, announced on behalf of the Board the revision to the Group's utilisation of the proceeds from the Proposed Rights Issue with Warrants (under the Maximum Scenario) for future development activities to be identified by the Group.

TA Securities had on July 12 2016, on behalf of the Board, submitted the revised draft circular incorporating Bursa Securities' comments and the corresponding changes to the Proposed Rights Issue with Warrants following the Announcements.

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

B8) Group Borrowings

Details of the Group's bank borrowings as at 31 May 2016 are as follows:-

	<u>Current</u>	<u>Non-current</u>
	RM'000	RM'000
Secured	205	311
Total	205	311

B9) Material litigations

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



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 MAY 2016

B9) Material litigations (Cont'd)

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 29 August 2016.

B10) Dividends

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



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 MAY 2016

B11) Earnings / (loss) per share

	Individual		Cumulative	
	Current Year Quarter Ended 31 May 2016	Preceding Year Corresponding Quarter Ended 31 May 2015	Current Y-T-D Ended 31 May 2016	Preceding Corresponding Y-T-D Ended 31 May 2015
a) <u>Basis loss per-share</u>				
Loss attributable to the owners of parent ('000)	660	-	113	-
Total weighted average number of ordinary shares in issue ('000)	291,864	-	291,864	-
Basis loss per share (sen)	0.23	-	0.04	-
b) <u>Diluted loss per-share</u>				
Loss attributable to the owners of parent ('000)	660	-	113	-
Total weighted average number of ordinary shares in issue ('000)	291,864	-	291,864	-
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	-
	404,541	-	404,541	-
Diluted loss per-share (sen)	0.16	-	0.03	-

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 May 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.

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 21 July 2016.