

ASTINO BERHAD

Condensed Consolidated Statements Of Comprehensive Income For

The First Quarter Ended 31 October 2016

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding year corresponding quarter	Current Year To date	Preceding year corresponding period
	31/10/2016	31/10/2015	31/10/2016	31/10/2015
	RM'000	RM'000	RM'000	RM'000
Revenue	113,430	115,414	113,430	115,414
Operating Expenses	(105,586)	(109,880)	(105,586)	(109,880)
Other Operating Income	461	2,584	461	2,584
Profit from Operations	8,305	8,118	8,305	8,118
Financial costs	(783)	(1,336)	(783)	(1,336)
Share of profit / (loss) of associate	(2)	1	(2)	1
Profit before tax	7,520	6,783	7,520	6,783
Taxation	(1,945)	(1,706)	(1,945)	(1,706)
Profit for the year	5,575	5,077	5,575	5,077
Other Comprehensive Income				
-Fair Value Gain / (Loss) on Investment	110	27	110	27
Total Comprehensive Income for the period	5,685	5,104	5,685	5,104
Total Comprehensive Income Attributable to:				
Owners of the parent	5,685	5,104	5,685	5,104
EPS - Basic (sen)	2.038	1.854	2.038	1.854
- Diluted (sen)	2.038	1.854	2.038	1.854

(The Condensed Consolidated Financial Statements should be read in conjunction with the Annual Financial Statement for the year ended 31 July 2016)

ASTINO BERHAD

Condensed Consolidated Statements of Financial Position

As At 31 October 2016

(The figures have not been audited)

	As At 31/Oct/16 RM'000	As At 31/Jul/16 RM'000
Property, Plant and Equipment	147,126	146,783
Investment properties	12,889	12,889
Investment in associate	2,471	2,473
Available-for-sale financial assets	315	206
Deferred Tax Assets	176	340
Current Assets		
Inventories	130,734	134,581
Receivables	78,890	80,594
Cash & Cash Equivalents	23,865	35,005
	233,489	250,180
Current Liabilities		
Payables	5,530	16,644
Loans & Borrowings	58,492	73,708
Dividend Declared	-	-
Taxation	154	455
	64,176	90,807
Net Current Assets	169,313	159,373
Long Term Liabilities		
Loans & Borrowings	15,853	11,728
Deferred Taxation	5,524	5,108
	21,377	16,836
	310,913	305,228
Share Capital	137,059	137,059
Treasury shares, at costs	(393)	(393)
Reserves	174,247	168,562
Shareholders' Fund	310,913	305,228

(The Condensed Consolidated Financial Statements should be read in conjunction with the Annual Financial Statement for the year ended 31 July 2016)

ASTINO BERHAD

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR The First Quarter Ended 31 October 2016

(The figures have not been audited)

	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable Reserves RM'000	Distributable Reserves RM'000	TOTAL RM'000
3 MONTHS ENDED					
31-Oct-16					
Balance at 1-8-2016	137,059	(393)	1,243	167,319	305,228
Purchase of own shares		-	-		-
Total comprehensive income for the period			110	5,575	5,685
Dividend paid	-	-	-	-	-
Balance at 31-10-2016	<u>137,059</u>	<u>(393)</u>	<u>1,353</u>	<u>172,894</u>	<u>310,913</u>
3 MONTHS ENDED					
31-Oct-15					
Balance at 1-8-2015	137,059	-	1,187	142,306	280,552
Purchase of own shares		(129)	-		(129)
Total comprehensive income for the period			27	5,077	5,104
Dividend paid	-	-	-	-	-
Bonus Issue		-			-
Balance at 31-10-2015	<u>137,059</u>	<u>(129)</u>	<u>1,214</u>	<u>147,383</u>	<u>285,527</u>

(The Condensed Consolidated Financial Statements should be read in conjunction with the Annual Financial Statement for the year ended 31 July 2016)

ASTINO BERHAD

**Condensed Consolidated Statements of Cash Flow For
The First Quarter Ended 31 October 2016**

(The figures have not been audited)

	3 MONTHS ENDED 31/10/2016 RM'000	3 MONTHS ENDED 31/10/2015 RM'000
Profit before tax	7,520	6,783
Adjustments for non-cash flow items:-		
Non-cash items	10,592	9,949
Non-operating items	408	1,800
Operating profit before changes in working capital	<u>18,520</u>	<u>18,532</u>
Changes in working capital		
Inventories	(3,357)	15,076
Receivables	1,267	(4,316)
Payables	<u>(11,116)</u>	<u>(4,604)</u>
Cash From Operation	5,314	24,688
Tax paid	(2,228)	(1,684)
Net Cash From Operating Activities	<u>3,086</u>	<u>23,004</u>
Investing Activities		
- Equity investments	0	(0)
- Dividend received	-	-
- Other investments	(2,555)	(20,918)
- Interest received	114	52
Net Cash Used In Investing Activities	(2,441)	(20,866)
Financing activities		
- Bank Borrowings	(11,092)	(1,930)
- Proceeds from issued of shares net of listing expenses	-	-
- Treasury shares	-	(129)
- Dividend paid	-	-
- Interest paid	(783)	(1,336)
Net Cash Used In Financing Activities	(11,875)	(3,395)
Effects of exchange rate changes on cash and cash equivalents	90	(484)
Net Change In Cash & Cash Equivalents	<u>(11,140)</u>	<u>(1,741)</u>
Cash & Cash Equivalents At Beginning Of Year	35,005	28,984
Cash & Cash Equivalents At End Of Period	<u><u>23,865</u></u>	<u><u>27,243</u></u>

**(The Condensed Consolidated Financial Statements should be read in conjunction with the Annual
Financial Statement for the year ended 31 July 2016)**

ASTINO BERHAD
(Company No.: 523085-X)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2016

1. Basis of preparation of the Financial Statements

The Interim Financial Statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 July 2016.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 July 2016 except for the adoption of the following MFRSs during the current financial period:

MFRSs	Effective for annual periods beginning on or after
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 11 <i>Accounting for Acquisitions of Interest in Joint Operations</i>	1 January 2016
Amendments to MFRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116 & MFRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 116 & MFRS 141 <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRSs contained in the document entitled “ <i>Annual Improvements to MFRSs 2012 – 2014 Cycle</i> ”	1 January 2016

The adoption of the above pronouncements did not have any significant impact on the financial statements of the Group.

The Group have not applied the following MFRSs which have been issued but are not yet effective:

MFRSs	Effective for annual periods beginning on or after
MFRS 9 <i>Financial Instruments</i> (IFRS 9 <i>Financial Instruments</i> as issued by IASB in July 2014)	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
MFRS 16 <i>Leases</i>	1 January 2019
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 15 <i>Clarifications to MFRS 15 Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017

Management foresees that the initial application of the above MFRSs will not have any significant impact on the financial statements.

2. Disclosure of the qualification on the preceding annual financial statements

There was no qualification on the Group's preceding annual financial statements.

3. Seasonal or Cyclical Factors

The business of the Group was not affected significantly by cyclical factors as it does not have any distinguishable cycle.

4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flow that are unusual because of their size, or incidence

There was no items affecting assets, liabilities, equity, net income, or cash flow that are unusual because of their size, or incidence.

5. Changes in estimates of amounts reported in prior interim period of the current financial year or in prior financial years

There was no material changes in the estimates of amounts reported in prior interim period of the current financial year or in prior financial years.

6. Issuance, cancellations, repurchases, resale and repayments of debt and equity securities

There were no cancellation, repurchases, resale and repayment of debt and equity securities for the financial period ended 31 October 2016.

7. Dividend paid

No dividend had been paid for current financial quarter ended 31 October 2016.

8. Segmental Reporting

a) Operating Segment

Information about operating segments has not been reported separately as the Group's profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the manufacture and sale of metal building related products.

b) Geographical segment

	<u>Individual quarter ended</u>		<u>Cumulative quarter ended</u>	
	<u>31-10-2016</u>	<u>31-10-2015</u>	<u>31-10-2016</u>	<u>31-10-2015</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Revenue</u>				
- Local	110,444	112,776	110,444	112,776
- Overseas	2,986	2,638	2,986	2,638
	<u>113,430</u>	<u>115,414</u>	<u>113,430</u>	<u>115,414</u>

9. Material Events not reflected in the Financial Statements

There were no material subsequent events to be disclosed as at the date of this report.

10. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period to date.

11. Contingent Liabilities or Contingent Assets

As at the date of report the total corporate guarantee given by the Company to secure credit facilities to its subsidiary companies are RM349 million.

12. Capital commitments

Authorised capital commitments not provided for in the financial statements as at 31 October 2016:

	RM'000
Contracted but not provided for	19,162
	<u>19,162</u>

13. Review of Performance

The Group achieved total turnover of RM113.4 million for the current quarter ended 31 October 2016, a slightly decrease of 1.7% or RM2 million from RM115.4 million recorded in the preceding year's corresponding quarter. The decrease in Group turnover for the current quarter was mainly due to the decrease in local market demand.

The profit before tax for current quarter under review was 10.9% higher than the preceding year corresponding quarter ended 31 October 2015. These were mainly due to decrease in finance costs and increase of product margin.

14. Variation of results against preceding quarter

The Group's revenue has slightly increased by 1.34% from RM111.9 million in the preceding quarter to RM113.4 million this quarter. The increase in revenue is primarily due to increase in local market demand.

The Group registered a profit before taxation of RM7.5 million, a decrease of RM2.7 million as compared to the preceding quarter ended 31 July 2016, which was recorded at RM10.2 million. The decreased on the profit before tax for the current quarter under review was mainly due to lower product margin impacted from the higher raw material cost.

15. Prospects

The global economies are expected to grow moderately in tandem with the ongoing slowdown in China as well as modest and uneven recovery in the advanced economies. The local steel industries are expected to face a squeeze in profit margin due to the weak domestic demand, high production costs and volatility of foreign currency.

To meet the challenges ahead, the Group will continue to focus its efforts on improving its operational efficiencies and explore the possibility of producing new metal building material products to penetrate into new market segments of local and overseas.

16. Profit Forecast and Profit Guarantee

Not applicable.

17. Profit for the period

	Current Quarter Ended 31 October 2016 RM'000	Current Year To Date 31 October 2016 RM'000
Profit before tax is arrived at after charging / crediting		
Allowance / (Reversal) for diminution in value of inventories	7,203	7,203
Allowance / (Reversal) for impairment losses of receivables	(667)	(667)
Depreciation and amortization	2,339	2,339
Gain / (Loss) on disposal of property, plant & equipment	125	125
Gain / (Loss) on financial instrument	(24)	(24)
Gain / (Loss) on foreign exchange	173	173
Interest Expenses	783	783
Interest Income	114	114
Other Income	37	37

18. Taxation

	Current Quarter Ended 31 October 2016 RM'000	Current Year To Date 31 October 2016 RM'000
Income Tax		
- Current year	(1,365)	(1,365)
- Prior year	-	-
	<u>(1,365)</u>	<u>(1,365)</u>
Deferred Tax		
- Current year	(613)	(613)
- Prior year	33	33
	<u>(1,945)</u>	<u>(1,945)</u>

The Group's effective tax rate for the period ended 31 October 2016 was higher than the statutory tax rate mainly due to certain expenses which are not deductible for tax purposes.

19. Corporate Proposals

There was no corporate proposal being carried out during the period under review.

20. Group Borrowings and Debt Securities

a) Group borrowings as at 31 October 2016 are as follows: -

	Unsecured RM'000	Secured RM'000	TOTAL RM'000
Short term borrowings			
Bank Overdrafts	-	-	-
Other borrowings	58,492	-	58,492
	<u>58,492</u>	<u>-</u>	<u>58,492</u>
Long term borrowings			
	15,853	-	15,853
	<u>74,345</u>	<u>-</u>	<u>74,345</u>

21. Financial Assets / (Liabilities) At Fair Value Through Profit Or Loss

There were no financial instruments with off balance sheet risk for the financial period ended 31 October 2016.

22. Changes in Material Litigation

As at the date of this report, neither the Company nor any of its subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant and the Directors of the Company are not aware of any proceedings pending or threatened against the Company or its subsidiary companies or of any other facts likely to give rise to any proceedings which might materially or adversely affect the position or business of the Group financially or otherwise.

23. Dividends

There was no dividends have been declared for the financial year ending 31 July 2017.

24. Earnings Per Share

	Current Year Quarter 31-10-2016	Preceding Year Corresponding Quarter 31-10-2015	Current Year To Date 31-10-2016	Preceding Year Corresponding period 31-10-2015
a) Basic Earnings per share				
Net profit attributable to shareholders (RM'000)	5,575	5,077	5,575	5,077
Weighted average no. of Ordinary shares in issue ('000)	273,511	273,846	273,511	273,846
Basic earnings per share (sen)	2.038	1.854	2.038	1.854
b) Diluted Earnings per share				

The Group has no dilution in its earnings per ordinary share in the period under review / financial year-to-date as there are no dilutive potential ordinary shares.

25. Realised and Unrealised Profit or (Losses) Disclosure

The breakdown of the retained profits of the Group as at the end of the reporting **period**, into realised and unrealised profit or (losses), is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010. Total retained profits / (accumulated losses) of the Company and its subsidiary companies are analysed as follows:

	Current financial year RM'000	As at end of last financial year RM'000
Total retained earnings of the Group		
- Realised	211,962	205,820
- Unrealised	8,568	9,192
	<hr/> 220,530	<hr/> 215,012
Consolidation adjustments and eliminations	(47,636)	(47,693)
Total retained profits as per statement of financial position	<hr/> 172,894	<hr/> 167,319