

ASTINO BERHAD

Condensed Consolidated Statements Of Comprehensive Income For

The Third Quarter Ended 30 April 2017

(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
	30/04/2017	30/04/2016	30/04/2017	30/04/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	128,432	126,178	375,769	360,850
Operating Expenses	(110,968)	(112,594)	(335,098)	(331,199)
Other Operating Income	(28)	(573)	1,231	1,673
Profit from Operations	17,436	13,011	41,902	31,324
Financial costs	(624)	(1,288)	(2,210)	(3,899)
Share of profit / (loss) of associate	1	1	1	2
Profit before tax	16,813	11,724	39,693	27,427
Taxation	(5,099)	(1,805)	(10,310)	(5,510)
Profit for the period	11,714	9,919	29,383	21,917
Other Comprehensive Income				
-Fair Value Gain / (Loss) on Investment	(24)	4	90	63
Total Comprehensive Income for the period	11,690	9,923	29,473	21,980
Total Comprehensive Income Attributable to:				
Owners of the parent	11,690	9,923	29,473	21,980
EPS - Basic (sen)	4.284	3.621	10.746	8.001
- Diluted (sen)	4.284	3.621	10.746	8.001

(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 30 April 2017**

(The figures have not been audited)

	As At 30/Apr/17 RM'000	As At 31/Jul/16 RM'000
Property, Plant and Equipment	154,784	146,783
Investment properties	12,806	12,889
Investment in associate	2,674	2,473
Available-for-sale financial assets	296	206
Deferred Tax Assets	244	340
Current Assets		
Inventories	141,358	134,581
Receivables	84,787	80,594
Cash & Cash Equivalents	22,366	35,005
	<u>248,511</u>	<u>250,180</u>
Current Liabilities		
Payables	31,891	16,644
Loans & Borrowings	35,599	73,708
Dividend Declared	-	-
Taxation	2,927	455
	<u>70,417</u>	<u>90,807</u>
Net Current Assets	178,094	159,373
Long Term Liabilities		
Loans & Borrowings	12,093	11,728
Deferred Taxation	4,971	5,108
	<u>17,064</u>	<u>16,836</u>
	<u>331,834</u>	<u>305,228</u>
Share Capital	137,059	137,059
Treasury shares, at costs	(525)	(393)
Reserves	195,300	168,562
Shareholders' Fund	<u>331,834</u>	<u>305,228</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 CHANGES IN EQUITY FOR The Third Quarter Ended 30 April 2017

(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
9 MONTHS ENDED 30-Apr-17					
Balance at 1-8-2016	137,059	(393)	1,243	167,319	305,228
Purchase of own shares		(132)	-		(132)
Total comprehensive income for the period			90	29,383	29,473
Dividend paid	-	-	-	(2,735)	(2,735)
Balance at 30-4-2017	<u>137,059</u>	<u>(525)</u>	<u>1,333</u>	<u>193,967</u>	<u>331,834</u>
9 MONTHS ENDED 30-Apr-16					
Balance at 1-8-2015	137,059	-	1,187	142,306	280,552
Purchase of own shares		(139)	-		(139)
Total comprehensive income for the period			63	21,917	21,980
Dividend paid	-	-	-	(5,341)	(5,341)
Bonus Issue		-			-
Balance at 30-4-2016	<u>137,059</u>	<u>(139)</u>	<u>1,250</u>	<u>158,882</u>	<u>297,052</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 Third Quarter Ended 30 April 2017**

(The figures have not been audited)

	9 MONTHS ENDED 30/04/2017 RM'000	9 MONTHS ENDED 30/04/2016 RM'000
Profit before tax	39,693	27,427
Adjustments for non-cash flow items:-		
Non-cash items	15,713	15,687
Non-operating items	1,904	3,612
Operating profit before changes in working capital	<u>57,310</u>	<u>46,726</u>
Changes in working capital		
Inventories	(14,264)	26,246
Receivables	(5,455)	(11,782)
Payables	<u>15,252</u>	<u>(5,067)</u>
Cash From Operation	52,843	56,123
Tax paid	(7,848)	(4,814)
Net Cash From Operating Activities	<u>44,995</u>	<u>51,309</u>
Investing Activities		
- Equity investments	(200)	0
- Dividend received	-	0
- Other investments	(14,914)	(25,905)
- Interest received	395	321
Net Cash Used In Investing Activities	(14,719)	(25,584)
Financing activities		
- Bank Borrowings	(37,745)	(7,909)
- Proceeds from issued of shares net of listing expenses	-	-
- Treasury shares	(132)	(139)
- Dividend paid	(2,735)	(5,341)
- Interest paid	(2,210)	(3,899)
Net Cash Used In Financing Activities	(42,822)	(17,288)
Effects of exchange rate changes on cash and cash equivalents	(93)	70
Net Change In Cash & Cash Equivalents	<u>(12,639)</u>	<u>8,507</u>
Cash & Cash Equivalents At Beginning Of Year	35,005	28,984
Cash & Cash Equivalents At End Of Period	<u><u>22,366</u></u>	<u><u>37,491</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 30 APRIL 2017

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

Save as disclosed below, there were no cancellation, repurchases, resale and repayment of debt and equity securities for the financial period ended 30 April 2017 :-

The Company had bought back 182,000 of its own shares at a total cash consideration of RM132,645. The highest and the lowest price per share purchased were at RM0.74 and RM0.69 respectively.

7. Dividend paid

A first interim single-tier dividend of 1.0 sen per ordinary share of RM0.50 each in respect of the financial year ending 31 July 2017 was paid on 22 March 2017.

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>30-04-2017</u>	<u>30-04-2016</u>	<u>30-04-2017</u>	<u>30-04-2016</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Revenue</u>				
- Local	116,451	119,133	347,938	347,446
- Overseas	11,981	7,045	27,831	13,404
	<u>128,432</u>	<u>126,178</u>	<u>375,769</u>	<u>360,850</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 RM371million.

12. Capital commitments

Authorised capital commitments not provided for in the financial statements as at 30 April 2017:

	RM'000
Contracted but not provided for	35,092
	<u>35,092</u>

13. Review of Performance

For the quarter under review, the Group achieved total turnover of 128.4 million for the current quarter ended 30 April 2017, an increase of 1.7% or RM2.2 million from RM126.2 million recorded in the preceding year's corresponding quarter. The increase in Group turnover for the current quarter was mainly due to the increase in overseas sales from preceding year's corresponding quarter of RM7 million to current quarter of RM12 million.

The profit before tax ("PBT") for current quarter under review was 43.4% higher than the preceding year corresponding quarter ended 30 April 2016. These were mainly due to the increase in sales and profit margin.

For the nine months period ended 30 April 2017, the Group recorded a revenue of RM375.8 million and PBT of RM39.7 million as compared with a revenue and PBT of RM360.9 million and RM27.4 million respectively for the corresponding period of the financial year 2016. The higher revenue and profit was mainly due to the increase in steel price and overseas market demand.

14. Variation of results against preceding quarter

The Group's revenue has decreased by 4.1% from RM133.9 million in the preceding quarter to RM128.4 million this quarter. The decrease in revenue is primarily due to decrease in both local and oversea market demand.

The Group registered a profit before taxation of RM16.8 million, an increase of RM1.4 million as compared to the preceding quarter ended 31 January 2017, which was recorded at RM15.4 million. The increased on the profit before tax for the current quarter under review was mainly due to increase in profit margin.

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 30 April 2017 RM'000	Current Year To Date 30 April 2017 RM'000
Profit before tax is arrived at after charging / crediting		
Allowance / (Reversal) for diminution in value of inventories	(1)	7,486
Allowance / (Reversal) for impairment losses of receivables	(613)	(576)
Depreciation and amortization	2,384	7,109
Gain / (Loss) on disposal of property, plant & equipment	1	126
Gain / (Loss) on financial instrument	(5)	(166)
Gain / (Loss) on foreign exchange	(233)	560
Interest Expenses	624	2,210
Interest Income	169	395
Other Income	(78)	(20)

18. Taxation

	Current Quarter Ended 30 April 2017 RM'000	Current Year To Date 30 April 2017 RM'000
Income Tax		
- Current year	(4,327)	(9,461)
- Prior year	(890)	(890)
	<u>(5,217)</u>	<u>(10,351)</u>
Deferred Tax		
- Current year	118	(475)
- Prior year	-	516
	<u>(5,099)</u>	<u>(10,310)</u>

The Group's effective tax rate for the period ended 30 April 2017 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 30 April 2017 are as follows: -

	Unsecured RM'000	Secured RM'000	TOTAL RM'000
<i>Short term borrowings</i>			
Bank Overdrafts	-	-	-
Other borrowings	35,599	-	35,599
	<u>35,599</u>	<u>-</u>	<u>35,599</u>
<i>Long term borrowings</i>			
	12,093	-	12,093
	<u>47,692</u>	<u>-</u>	<u>47,692</u>

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

The details of the outstanding derivative financial instruments of the Group with maturity date less than 1 year, as at 30 April 2017 are as follows:

<u>Forward foreign exchange contracts</u>	<u>Notional amount</u> <u>RM'000</u>	<u>Fair Value</u> <u>RM'000</u>	<u>Fair Value Net gain / (loss)</u> <u>RM'000</u>
- Bank Sell USD	818	816	(2)
- Bank Buy USD	713	698	15

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

Save for the first interim single-tier dividend of 1.0 sen per ordinary share of RM0.50 each in respect of the financial year ending 31 July 2017 was paid on 22 March 2017, there was no dividends being declared for the financial year ending 31 July 2017.

24. Earnings Per Share

	Current Year Quarter 30-04-2017	Preceding Year Corresponding Quarter 30-04-2016	Current Year To Date 30-04-2017	Preceding Year Corresponding period 30-04-2016
a) Basic Earnings per share				
Net profit attributable to shareholders (RM'000)	11,714	9,919	29,383	21,917
Weighted average no. of Ordinary shares in issue ('000)	273,427	273,915	273,427	273,915
Basic earnings per share (sen)	4.284	3.621	10.746	8.001
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	233,841	205,820
- Unrealised	8,850	9,192
	<hr/> 242,691	<hr/> 215,012
Consolidation adjustments and eliminations	(48,724)	(47,693)
Total retained profits as per statement of financial position	<hr/> 193,967	<hr/> 167,319