

**ASTINO BERHAD**

**Condensed Consolidated Statements Of Comprehensive Income For**

**The Fourth Quarter Ended 31 July 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
	31/7/2017	31/7/2016	31/7/2017	31/7/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	124,821	111,881	500,590	472,731
Operating Expenses	(118,762)	(103,612)	(453,860)	(434,811)
Other Operating Income	1,503	2,996	2,734	4,669
Profit from Operations	7,562	11,265	49,464	42,589
Financial costs	(504)	(1,087)	(2,714)	(4,986)
Share of profit / (loss) of associate	0	3	1	5
Profit before tax	7,058	10,181	46,751	37,608
Taxation	(1,999)	(1,744)	(12,309)	(7,254)
Profit for the year	5,059	8,437	34,442	30,354
Other Comprehensive Income				
-Fair Value Gain / (Loss) on Investment	(40)	(7)	50	56
Total Comprehensive Income for the year	5,019	8,430	34,492	30,410
Total Comprehensive Income Attributable to:				
Owners of the parent	5,019	8,430	34,492	30,410
EPS - Basic (sen)	1.850	3.081	12.596	11.084
- Diluted (sen)	1.850	3.081	12.596	11.084

**(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 July 2017**

(The figures have not been audited)

	<b>As At 31/Jul/17 RM'000</b>	<b>As At 31/Jul/16 RM'000</b>
<b>Property, Plant and Equipment</b>	157,997	146,783
<b>Investment properties</b>	15,163	12,889
<b>Investment in associate</b>	2,874	2,473
<b>Available-for-sale financial assets</b>	256	206
<b>Deferred Tax Assets</b>	395	340
<b>Current Assets</b>		
Inventories	141,982	134,581
Receivables	86,210	80,594
Cash & Cash Equivalents	20,921	35,005
	<u>249,113</u>	<u>250,180</u>
<b>Current Liabilities</b>		
Payables	33,904	16,644
Loans & Borrowings	37,723	73,708
Dividend Declared	-	-
Taxation	2,773	455
	<u>74,400</u>	<u>90,807</u>
<b>Net Current Assets</b>	174,713	159,373
<b>Long Term Liabilities</b>		
Loans & Borrowings	10,813	11,728
Deferred Taxation	3,732	5,108
	<u>14,545</u>	<u>16,836</u>
	<u>336,853</u>	<u>305,228</u>
<b>Share Capital</b>	138,274	137,059
<b>Treasury shares, at costs</b>	(525)	(393)
<b>Reserves</b>	199,104	168,562
<b>Shareholders' Fund</b>	<u>336,853</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 Fourth Quarter Ended 31 July 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
<b>12 MONTHS ENDED 31-Jul-17</b>					
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 year			50	34,442	34,492
Dividend paid	-	-	-	(2,735)	(2,735)
Transfer of share premium	1,215	-	(1,215)		-
Balance at 31-7-2017	<u>138,274</u>	<u>(525)</u>	<u>78</u>	<u>199,026</u>	<u>336,853</u>
<b>12 MONTHS ENDED 31-Jul-16</b>					
Balance at 1-8-2015	137,059	-	1,187	142,306	280,552
Purchase of own shares		(393)	-		(393)
Total comprehensive income for the year			56	30,354	30,410
Dividend paid	-	-	-	(5,341)	(5,341)
Bonus Issue		-			-
Balance at 31-7-2016	<u>137,059</u>	<u>(393)</u>	<u>1,243</u>	<u>167,319</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 Cash Flow For  
The Fourth Quarter Ended 31 July 2017**

(The figures have not been audited)

	<b>12 MONTHS ENDED 31/7/2017 RM'000</b>	<b>12 MONTHS ENDED 31/7/2016 RM'000</b>
Profit before tax	46,751	37,608
Adjustments for non-cash flow items:-		
Non-cash items	21,285	18,866
Non-operating items	2,035	4,175
Operating profit before changes in working capital	<u>70,071</u>	<u>60,649</u>
Changes in working capital		
Inventories	(20,110)	21,758
Receivables	(4,845)	3,126
Payables	17,260	2,084
Cash From Operation	<u>62,376</u>	<u>87,617</u>
Tax paid	(11,245)	(6,222)
Net Cash From Operating Activities	<u>51,131</u>	<u>81,395</u>
Investing Activities		
- Equity investments	(400)	(1,000)
- Dividend received	21	12
- Other investments	(22,826)	(29,521)
- Interest received	494	468
Net Cash Used In Investing Activities	(22,711)	(30,041)
Financing activities		
- Bank Borrowings	(36,447)	(34,770)
- Proceeds from issued of shares net of listing expenses	-	-
- Treasury shares	(132)	(393)
- Dividend paid	(2,735)	(5,341)
- Interest paid	(3,168)	(4,986)
Net Cash Used In Financing Activities	(42,482)	(45,490)
Effects of exchange rate changes on cash and cash equivalents	(22)	157
Net Change In Cash & Cash Equivalents	<u>(14,084)</u>	<u>6,021</u>
Cash & Cash Equivalents At Beginning Of Year	35,005	28,984
Cash & Cash Equivalents At End Of Year	<u><u>20,921</u></u>	<u><u>35,005</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 YEAR ENDED 31 JULY 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 year:

<b>MFRSs</b>	<b>Effective for annual periods beginning on or after</b>
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
Annual Improvements to MFRS Standards 2012 – 2014 Cycle	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:

<b>MFRSs (issues as at the end of the reporting period)</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 9 <i>Financial Instruments</i> (IFRS 9 <i>Financial Instruments</i> as issued by IASB in July 2014)	<b>1 January 2018</b>
MFRS 15 <i>Revenue from Contracts with Customers</i>	<b>1 January 2018</b>
MFRS 16 <i>Leases</i>	<b>1 January 2019</b>
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	<b>1 January 2018</b>
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	<b>1 January 2018</b>
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	<b>1 January 2018</b>
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	<b>Deferred</b>

<b>MFRSs</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 15 <i>Clarifications to MFRS 15 Revenue from Contracts with Customers</i>	<b>1 January 2018</b>
Amendments to MFRS 107 <i>Disclosure Initiative</i>	<b>1 January 2017</b>
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	<b>1 January 2017</b>
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	<b>1 January 2018</b>
Annual Improvements to MFRS standards 2014-2016 Cycle:-	
(i) Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	<b>1 January 2018</b>
(ii) Amendments to MFRS 12 <i>Disclosure of Interests in Other Entities</i>	<b>1 January 2017</b>
(iii) Amendments to MFRS 128 <i>Investments in Associates and Joint Ventures</i>	<b>1 January 2018</b>

Management foresees that the initial application of the above MFRSs will not have any significant impact on the financial statements except as follows:-

#### MFRS 9 Financial Instruments

MFRS 9 *Financial Instruments*, which replaces MFRS 139 *Financial Instruments: Recognition and Measurement*, sets out the requirements for recognising and measuring financial instruments. The major changes introduced by MFRS 9 (that are relevant to the Company) relate to the classification and measurement of financial assets. Under MFRS 9, financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the business model within which they are held and their contractual cash flow characteristics. Management foresees that the adoption of these new classifications will not result in any significant changes in the existing measurement bases of financial assets of the Company.

#### **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 year ended 31 July 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 singer-tier dividend of 1.0 sen per ordinary share of RM0.50 each in respect of the financial year ended 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>31-07-2017</u>	<u>31-07-2016</u>	<u>31-07-2017</u>	<u>31-07-2017</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue				
- Local	112,607	108,848	460,545	456,294
- Overseas	12,214	3,033	40,045	16,437
	<u>124,821</u>	<u>111,881</u>	<u>500,590</u>	<u>472,731</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 31 July 2017:

	<b>RM'000</b>
Contracted but not provided for	<u>35,547</u>
	<u>35,547</u>

## 13. Review of Performance

For the quarter under review, the Group achieved total turnover of RM124.8 million for the current quarter ended 31 July 2017, an increase of 11.5% or RM12.9 million from RM111.9 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 RM3 million to current quarter of RM12 million.

The profit before tax (“PBT”) for current quarter under review was 30.6% lower than the preceding year corresponding quarter ended 31 July 2016. These were mainly due to current quarter’s allowance for diminution in value of inventories was RM2.7 million higher than preceding year corresponding quarter.

For the financial year ended 31 July 2017, the Group recorded a revenue of RM500.6 million and PBT of RM46.8 million as compared with a revenue and PBT of RM472.7 million and RM37.6 million respectively for the corresponding year 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 2.8% from RM128.4 million in the preceding quarter to RM124.8 million in this quarter. The decrease in revenue is primarily due to decrease in local market demand.

The Group registered a profit before taxation of RM7.1 million, a decrease of RM9.7 million as compared to the preceding quarter ended 30 April 2017, which was recorded at RM16.8 million. The decreased on the profit before tax for the current quarter under review was mainly due to allowance for diminution in value of inventories amounted to RM5.2 million and decrease in gross 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 year

	Current Quarter Ended 31 July 2017 RM'000	Current Year To Date 31 July 2017 RM'000
<b>Profit before tax is arrived at after charging / crediting</b>		
Allowance / (Reversal) for diminution in value of inventories	5,222	12,708
Allowance / (Reversal) for impairment losses of receivables	(387)	(963)
Depreciation and amortization	2,284	9,393
Gain / (Loss) on disposal of property, plant & equipment	75	201
Gain / (Loss) on financial instrument	(68)	(234)
Gain / (Loss) on foreign exchange	(119)	441
Interest Expenses	439	2,649
Interest Income	99	494
Other Income	148	128



## 18. Taxation

	Current Quarter Ended 31 July 2017 RM'000	Current Year To Date 31 July 2017 RM'000
Income Tax		
- Current year	(3,388)	(12,849)
- Prior year	0	(890)
	<u>(3,388)</u>	<u>(13,739)</u>
Deferred Tax		
- Current year	1,438	963
- Prior year	(49)	467
	<u>(1,999)</u>	<u>(12,309)</u>

The Group's effective tax rate for the year ended 31 July 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 year under review.

## 20. Group Borrowings and Debt Securities

a) Group borrowings as at 31 July 2017 are as follows: -

	Unsecured RM'000	Secured RM'000	TOTAL RM'000
<i>Short term borrowings</i>			
Bank Overdrafts	-	-	-
Other borrowings	37,723	-	37,723
	<u>37,723</u>	<u>-</u>	<u>37,723</u>
<i>Long term borrowings</i>			
	10,813	-	10,813
	<u>48,536</u>	<u>-</u>	<u>48,536</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 year ended 31 July 2017.

## 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 ended 31 July 2017 was paid on 22 March 2017, there was no dividends being declared for the financial year ended 31 July 2017.

## 24. Earnings Per Share

	<b>Current Year Quarter 31-07-2017</b>	<b>Preceding Year Corresponding Quarter 31-07-2016</b>	<b>Current Year To Date 31-07-2017</b>	<b>Preceding Year Corresponding period 31-07-2016</b>
<b>a) Basic Earnings per share</b>				
Net profit attributable to shareholders (RM'000)	5,059	8,437	34,442	30,354
Weighted average no. of Ordinary shares in issue ('000)	273,427	273,846	273,427	273,846
Basic earnings per share (sen)	1.850	3..081	12.596	11.084

### **b) Diluted Earnings per share**

The Group has no dilution in its earnings per ordinary share in the year 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 year, 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:

	<b>Current financial year RM'000</b>	<b>As at end of last financial year RM'000</b>
Total retained earnings of the Group		
- Realised	235,582	205,820
- Unrealised	9,645	9,192
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	245,227	215,012
Consolidation adjustments and eliminations	(46,201)	(47,693)
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Total retained profits as per statement of financial position	199,026	167,319