

ASTINO BERHAD

Condensed Consolidated Statements Of Comprehensive Income For

The Second Quarter Ended 31 January 2018

(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 |
| | 31/1/2018 | 31/1/2017 | 31/1/2018 | 31/1/2017 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 144,321 | 133,907 | 283,110 | 247,337 |
| Operating Expenses | (131,807) | (118,544) | (258,436) | (224,130) |
| Other Operating Income | 91 | 798 | 514 | 1,259 |
| Profit from Operations | 12,605 | 16,161 | 25,188 | 24,466 |
| Financial costs | (616) | (803) | (1,096) | (1,586) |
| Share of profit / (loss) of associate | (2) | 2 | (2) | 0 |
| Profit before tax | 11,987 | 15,360 | 24,090 | 22,880 |
| Taxation | (3,830) | (3,266) | (6,416) | (5,211) |
| Profit for the period | 8,157 | 12,094 | 17,674 | 17,669 |
| Other Comprehensive Income | | | | |
| -Fair Value Gain / (Loss) on Investment | (29) | 4 | (24) | 114 |
| Total Comprehensive Income for the period | 8,128 | 12,098 | 17,650 | 17,783 |
| Total Comprehensive Income Attributable to: | | | | |
| Owners of the parent | 8,128 | 12,098 | 17,650 | 17,783 |
| EPS - Basic (sen) | 2.987 | 4.422 | 6.471 | 6.461 |
| - Diluted (sen) | 2.987 | 4.422 | 6.471 | 6.461 |

(The Condensed Consolidated Financial Statements should be read in conjunction with the Annual Financial Statement for the year ended 31 July 2017)

ASTINO BERHAD**Condensed Consolidated Statements of Financial Position****As At 31 January 2018**

(The figures have not been audited)

| | As At 31/Jan/18 RM'000 | As At 31/Jul/17 RM'000 |
|--|---------------------------------------|---------------------------------------|
| Property, Plant and Equipment | 171,202 | 157,997 |
| Investment properties | 19,206 | 15,163 |
| Investment in associate | 2,976 | 2,877 |
| Available-for-sale financial assets | 231 | 255 |
| Deferred Tax Assets | 210 | 395 |
| Current Assets | | |
| Inventories | 165,481 | 141,983 |
| Receivables | 92,956 | 86,199 |
| Cash & Cash Equivalents | 18,972 | 20,921 |
| | <u>277,409</u> | <u>249,103</u> |
| Current Liabilities | | |
| Payables | 37,957 | 33,893 |
| Loans & Borrowings | 63,626 | 37,723 |
| Dividend Declared | - | - |
| Taxation | 2,670 | 2,773 |
| | <u>104,253</u> | <u>74,389</u> |
| Net Current Assets | 173,156 | 174,714 |
| Long Term Liabilities | | |
| Loans & Borrowings | 8,252 | 10,813 |
| Deferred Taxation | 4,510 | 3,732 |
| | <u>12,762</u> | <u>14,545</u> |
| | <u>354,219</u> | <u>336,856</u> |
| Share Capital | 138,274 | 138,274 |
| Treasury shares, at costs | (812) | (525) |
| Reserves | 216,757 | 199,107 |
| Shareholders' Fund | <u>354,219</u> | <u>336,856</u> |

(The Condensed Consolidated Financial Statements should be read in conjunction with the Annual Financial Statement for the year ended 31 July 2017)

ASTINO BERHAD

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR The Second Quarter Ended 31 January 2018

(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 |
|---|----------------------------|------------------------------|---|-------------------------------------|-----------------|
| 6 MONTHS ENDED 31-Jan-18 | | | | | |
| Balance at 1-8-2017 | 138,274 | (525) | 78 | 199,029 | 336,856 |
| Purchase of own shares | | (287) | - | | (287) |
| Total comprehensive income for the period | | | (24) | 17,674 | 17,650 |
| Balance at 31-1-2018 | <u>138,274</u> | <u>(812)</u> | <u>54</u> | <u>216,703</u> | <u>354,219</u> |
| 6 MONTHS ENDED 31-Jan-17 | | | | | |
| Balance at 1-8-2016 | 137,059 | (393) | 1,243 | 167,319 | 305,228 |
| Purchase of own shares | | (34) | - | | (34) |
| Total comprehensive income for the period | | | 114 | 17,669 | 17,783 |
| Balance at 31-1-2017 | <u>137,059</u> | <u>(427)</u> | <u>1,357</u> | <u>184,988</u> | <u>322,977</u> |

(The Condensed Consolidated Financial Statements should be read in conjunction with the Annual Financial Statement for the year ended 31 July 2017)

ASTINO BERHAD

**Condensed Consolidated Statements of Cash Flow For
The Second Quarter Ended 31 January 2018**

(The figures have not been audited)

| | 6 MONTHS ENDED 31/1/2018 RM'000 | 6 MONTHS ENDED 31/1/2017 RM'000 |
|---|--|--|
| Profit before tax | 24,090 | 22,880 |
| Adjustments for non-cash flow items:- | | |
| Non-cash items | 12,371 | 13,960 |
| Non-operating items | 1,319 | 1,276 |
| Operating profit before changes in working capital | 37,780 | 38,116 |
| Changes in working capital | | |
| Inventories | (31,619) | (14,340) |
| Receivables | (6,648) | (7,866) |
| Payables | 4,068 | 753 |
| Cash From Operation | 3,581 | 16,663 |
| Tax paid | (5,631) | (3,633) |
| Net Cash (Used In) / From Operating Activities | (2,050) | 13,030 |
| Investing Activities | | |
| - Equity investments | (100) | (0) |
| - Dividend received | - | - |
| - Other investments | (21,706) | (7,197) |
| - Interest received | 178 | 226 |
| Net Cash Used In Investing Activities | (21,628) | (6,971) |
| Financing activities | | |
| - Bank Borrowings | 23,343 | (7,649) |
| - Proceeds from issued of shares net of listing expenses | - | - |
| - Treasury shares | (287) | (34) |
| - Dividend paid | - | - |
| - Interest paid | (1,096) | (1,586) |
| Net Cash From / (Used In) Financing Activities | 21,960 | (9,269) |
| Effects of exchange rate changes on cash and cash equivalents | (231) | (65) |
| Net Change In Cash & Cash Equivalents | (1,949) | (3,275) |
| Cash & Cash Equivalents At Beginning Of Year | 20,921 | 35,005 |
| Cash & Cash Equivalents At End Of Period | 18,972 | 31,730 |

**(The Condensed Consolidated Financial Statements should be read in conjunction with the Annual
Financial Statement for the year ended 31 July 2017)**

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

NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2018

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 2017.

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 2017.

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

| <u>MFRSs (issues as at the end of the reporting period)</u> | <u>Effective for annual periods beginning on or after</u> |
|---|---|
| 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 |
| IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i> | 1 January 2018 |
| Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i> | 1 January 2018 |
| Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i> | 1 January 2018 |
| 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 140 <i>Transfers of Investment Property</i> | 1 January 2018 |
| Annual Improvements to MFRS standards 2014-2016 Cycle:- | |
| (i) Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i> | 1 January 2018 |
| (ii) Amendments to MFRS 128 <i>Investments in Associates and Joint Ventures</i> | 1 January 2018 |

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 period 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 31 January 2018 :-

The Company had bought back 305,000 of its own shares at a total cash consideration of RM287,203. The highest and the lowest price per share purchased were at RM0.89 and RM0.96 respectively.

7. Dividend paid

A final singer tier dividend of 1 sen per share in respect of the financial year ended 31 July 2017 was paid on 21 March 2018.

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>31-01-2018</u> | <u>31-01-2017</u> | <u>31-01-2018</u> | <u>31-01-2017</u> |
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| <u>Revenue</u> | | | | |
| - Local | 126,147 | 121,043 | 250,648 | 231,487 |
| - Overseas | 18,174 | 12,864 | 32,462 | 15,850 |
| | <u>144,321</u> | <u>133,907</u> | <u>283,110</u> | <u>247,337</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 RM370million.

12. Capital commitments

Authorised capital commitments not provided for in the financial statements as at 31 January 2018:

| | |
|---------------------------------|---------------|
| | RM'000 |
| Contracted but not provided for | 26,104 |
| | <u>26,104</u> |

13. Review of Performance

For the quarter under review, the Group achieved total turnover of RM144.3million for the current quarter ended 31 January 2018, an increase of 7.8% or RM10.4 million from RM133.9million recorded in the preceding year's corresponding quarter. The increase in Group turnover for the current quarter was mainly due to the increase in selling price and market demand.

The profit before tax ("PBT") for current quarter under review was 22% lower than the preceding year corresponding quarter ended 31 January 2017. These were mainly due to current quarter's allowance for diminution in value of inventories was RM1.6 million higher than preceding year corresponding quarter and current quarter suffering loss on foreign exchange of RM0.9 million.

For the six months period ended 31 January 2018, the Group recorded a revenue of RM283.1 million and PBT of RM24 million as compared with a revenue and PBT of RM247.3 million and RM22.9 million respectively for the corresponding period of the financial year 2017. The higher revenue and profit was mainly due to the increase in local and overseas market demand.

14. Variation of results against preceding quarter

The Group's revenue has increased by 4.0% from RM138.8 million in the preceding quarter to RM144.3 million in this quarter. The increase in revenue is primarily due to increase in local and oversea market demand.

The Group registered a profit before taxation of RM12 million, a slightly decrease of RM0.1 million as compared to the preceding quarter ended 31 October 2017, which was recorded at RM12.1 million.

15. Prospects

The volatile steel price and foreign currency has caused uncertainties in our pricing policies. In this regard, we will continue to closely monitor the changes in steel price in order to ensure that our profit margins are reasonably protected as well as our selling prices remain competitive.

Barring any unforeseen circumstances, the Board expects the Group's performance to remain satisfactory for the financial year ending 31 July 2018.

16. Profit Forecast and Profit Guarantee

Not applicable.

17. Profit for the period

| | Current Quarter Ended 31 January 2018 RM'000 | Current Year To Date 31 January 2018 RM'000 |
|---|---|--|
| Profit before tax is arrived at after charging / crediting | | |
| Allowance / (Reversal) for diminution in value of inventories | 1,908 | 8,120 |
| Allowance / (Reversal) for impairment losses of receivables | (154) | (219) |
| Depreciation and amortization | 2,243 | 4,496 |
| Gain / (Loss) on disposal of property, plant & equipment | 23 | 43 |
| Gain / (Loss) on financial instrument | 33 | 32 |
| Gain / (Loss) on foreign exchange | (895) | (892) |
| Interest Expenses | 616 | 1,096 |
| Interest Income | 75 | 178 |
| Other Income | 11 | 277 |

18. Taxation

| | Current Quarter Ended 31 January 2018 RM'000 | Current Year To Date 31 January 2018 RM'000 |
|----------------|---|--|
| Income Tax | | |
| - Current year | (3,082) | (5,453) |
| - Prior year | 0 | 0 |
| | <u>(3,082)</u> | <u>(5,453)</u> |
| Deferred Tax | | |
| - Current year | 84 | (606) |
| - Prior year | (832) | (357) |
| | <u>(3,830)</u> | <u>(6,416)</u> |

The Group's effective tax rate for the period ended 31 January 2018 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 January 2018 are as follows: -

| | Unsecured RM'000 | Secured RM'000 | TOTAL RM'000 |
|------------------------------|-----------------------------|---------------------------|-------------------------|
| <i>Short term borrowings</i> | | | |
| Bank Overdrafts | - | - | - |
| Other borrowings | 63,626 | - | 63,626 |
| | <u>63,626</u> | <u>-</u> | <u>63,626</u> |
| <i>Long term borrowings</i> | | | |
| | 8,252 | - | 8,252 |
| | <u>71,878</u> | <u>-</u> | <u>71,878</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 January 2018.

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 final interim single-tier dividend of 1 sen per share in respect of the financial year ended 31 July 2017 was paid on 21 March 2018, there was no dividends being declared for the financial year ending 31 July 2018.

24. Earnings Per Share

| | Current Year Quarter 31-01-2018 | Preceding Year Corresponding Quarter 31-01-2017 | Current Year To Date 31-01-2018 | Preceding Year Corresponding period 31-01-2017 |
|---|--|--|--|---|
| a) Basic Earnings per share | | | | |
| Net profit attributable to shareholders (RM'000) | 8,157 | 12,094 | 17,674 | 17,669 |
| Weighted average no. of Ordinary shares in issue ('000) | 273,116 | 273,482 | 273,116 | 273,482 |
| Basic earnings per share (sen) | 2.987 | 4.422 | 6.471 | 6.461 |
| 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 | 254,242 | 235,582 |
| - Unrealised | 8,444 | 9,645 |
| | <hr/> | <hr/> |
| | 262,686 | 245,227 |
| Consolidation adjustments and eliminations | (45,983) | (46,198) |
| | <hr/> | <hr/> |
| Total retained profits as per statement of financial position | 216,703 | 199,029 |