

ASTINO BERHAD

Condensed Consolidated Statements Of Comprehensive Income For

The Third Quarter Ended 30 April 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
	30/4/2018	30/4/2017	30/4/2018	30/4/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	135,372	128,432	418,482	375,769
Operating Expenses	(126,117)	(110,968)	(384,553)	(335,098)
Other Operating Income	372	(28)	886	1,231
Profit from Operations	9,627	17,436	34,815	41,902
Financial costs	(763)	(624)	(1,859)	(2,210)
Share of profit / (loss) of associate	(1)	1	(3)	1
Profit before tax	8,863	16,813	32,953	39,693
Taxation	(104)	(5,099)	(6,520)	(10,310)
Profit for the period	8,759	11,714	26,433	29,383
Other Comprehensive Income				
-Fair Value Gain / (Loss) on Investment	(27)	(24)	(51)	90
Total Comprehensive Income for the period	8,732	11,690	26,382	29,473
Total Comprehensive Income Attributable to:				
Owners of the parent	8,732	11,690	26,382	29,473
EPS - Basic (sen)	3.209	4.284	9.684	10.746
- Diluted (sen)	3.209	4.284	9.684	10.746

(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 30 April 2018**

(The figures have not been audited)

	As At 30/Apr/18 RM'000	As At 31/Jul/17 RM'000
Property, Plant and Equipment	178,979	157,997
Investment properties	19,242	15,163
Investment in associate	3,075	2,877
Available-for-sale financial assets	204	255
Deferred Tax Assets	210	395
Current Assets		
Inventories	167,707	141,983
Receivables	86,300	86,199
Cash & Cash Equivalents	23,196	20,921
	<u>277,203</u>	<u>249,103</u>
Current Liabilities		
Payables	34,986	33,893
Loans & Borrowings	72,650	37,723
Dividend Declared	-	-
Taxation	-	2,773
	<u>107,636</u>	<u>74,389</u>
Net Current Assets	169,567	174,714
Long Term Liabilities		
Loans & Borrowings	6,973	10,813
Deferred Taxation	4,413	3,732
	<u>11,386</u>	<u>14,545</u>
	<u>359,891</u>	<u>336,856</u>
Share Capital	138,274	138,274
Treasury shares, at costs	(1,142)	(525)
Reserves	222,759	199,107
Shareholders' Fund	<u>359,891</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 Third Quarter Ended 30 April 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
9 MONTHS ENDED 30-Apr-18					
Balance at 1-8-2017	138,274	(525)	78	199,029	336,856
Purchase of own shares		(617)	-		(617)
Total comprehensive income for the period			(51)	26,433	26,382
Dividend paid	-	-	-	(2,730)	(2,730)
Balance at 30-4-2018	<u>138,274</u>	<u>(1,142)</u>	<u>27</u>	<u>222,732</u>	<u>359,891</u>
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)
Bonus Issue		-			-
Balance at 30-4-2017	<u>137,059</u>	<u>(525)</u>	<u>1,333</u>	<u>193,967</u>	<u>331,834</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 Third Quarter Ended 30 April 2018**

(The figures have not been audited)

	9 MONTHS ENDED 30/4/2018 RM'000	9 MONTHS ENDED 30/4/2017 RM'000
Profit before tax	32,953	39,693
Adjustments for non-cash flow items:-		
Non-cash items	14,914	15,713
Non-operating items	1,403	1,904
Operating profit before changes in working capital	49,270	57,310
Changes in working capital		
Inventories	(34,118)	(14,264)
Receivables	834	(5,455)
Payables	1,092	15,252
Cash From Operation	17,078	52,843
Tax paid	(9,146)	(7,848)
Net Cash From Operating Activities	7,932	44,995
Investing Activities		
- Equity investments	(200)	(200)
- Dividend received	8	-
- Other investments	(31,772)	(14,914)
- Interest received	281	395
Net Cash Used In Investing Activities	(31,683)	(14,719)
Financing activities		
- Bank Borrowings	31,087	(37,745)
- Proceeds from issued of shares net of listing expenses	-	-
- Treasury shares	(617)	(132)
- Dividend paid	(2,730)	(2,735)
- Interest paid	(1,859)	(2,210)
Net Cash From / (Used In) Financing Activities	25,881	(42,822)
Effects of exchange rate changes on cash and cash equivalents	145	(93)
Net Change In Cash & Cash Equivalents	2,275	(12,639)
Cash & Cash Equivalents At Beginning Of Year	20,921	35,005
Cash & Cash Equivalents At End Of Period	23,196	22,366

**(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 THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 APRIL 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>	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
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 30 April 2018 :-

The Company had bought back 698,700 of its own shares at a total cash consideration of RM617,451. The highest and the lowest price per share purchased were at RM0.80 and RM0.96 respectively.

7. Dividend paid

A final single 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>30-04-2018</u>	<u>30-04-2017</u>	<u>30-04-2018</u>	<u>30-04-2017</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Revenue</u>				
- Local	122,558	116,451	373,206	347,938
- Overseas	12,814	11,981	45,276	27,831
	<u>135,372</u>	<u>128,432</u>	<u>418,482</u>	<u>375,769</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 RM350million.

12. Capital commitments

Authorised capital commitments not provided for in the financial statements as at 30 April 2018:

	RM'000
Contracted but not provided for	17,698
	<u>17,698</u>

13. Review of Performance

	Individual Period (3rd Quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter	Preceding Year Corresponding Quarter	Amount (RM000)	%	Current YTD	Preceding Year Corresponding Period	Amount (RM000)	%
	30-Apr-2018	30-Apr-17			30-Apr-18	30-Apr-17		
	RM 000	RM 000			RM 000	RM 000		
Revenue	135,372	128,432	6,940	5.4%	418,482	375,769	42,713	11.4%
Profit From Operations	9,627	17,436	(7,809)	-44.8%	34,815	41,902	(7,086)	-16.9%
Profit Before Tax	8,863	16,813	(7,949)	-47.3%	32,953	39,693	(6,739)	-17.0%
Profit After Tax	8,759	11,714	(2,955)	-25.2%	26,433	29,383	(2,950)	-10.0%

For the quarter under review, the Group achieved total turnover of RM135.4million for the current quarter ended 30 April 2018, an increase of 5.4% or RM7 million from RM128.4million recorded in the preceding year's corresponding quarter. The increase in Group turnover for the current quarter was mainly due to the selling price increased approximately 5% as compare with the preceding year's corresponding quarter.

The profit before tax ("PBT") for current quarter under review was 47.3% lower than the preceding year corresponding quarter ended 30 April 2017. These were mainly due to lower profit margin on higher costs of materials and weak market conditions which required competitive selling.

For the financial period to date. the Group reported higher revenue of RM418.5 million as compared to RM 375.8 million in the preceding year to date. However, the Group registered a lower PBT of RM33 million as compared to RM40 million in the corresponding period of the financial year 2017. These were due to lower profit margins as the market stabilises and the unfavourable foreign exchange movements during the period which resulted in an unrealized translation loss of RM 0.9 million as compared to a gain of RM0.5 million in the preceding year to date.

13. Variation of results against preceding quarter

	Current Quarter 30-Apr-2018 RM 000	Immediate Preceding Quarter 31-Jan-2018 RM 000	Changes	
			Amount (RM 000)	%
Revenue	135,372	144,321	(8,949)	-6.2%
Profit From Operations	9,627	12,605	(2,978)	-23.6%
Profit Before Tax	8,863	11,987	(3,124)	-26.1%
Profit After Tax	8,759	8,157	602	7.4%

The Group's revenue has decreased by 6.2% from RM144.3 million in the preceding quarter to RM135.4 million in this quarter. The decrease in revenue is primarily due to decrease in local and oversea market demand.

The Group registered a profit before taxation of RM8.9 million, a decrease of RM3.1 million as compared to the preceding quarter ended 31 January 2018, which was recorded at RM12 million. The decreased on the profit before tax for the current quarter under review was mainly due to decrease in sales and profit margin.

15. Prospects

Newly elected Federal Government has announced that reduced GST rate from six percent (6%) to zero percent (0%) effective on 1st Jun 2018. The domestic market demand may be affected as political and economic conditions in the country is in a state of flux with uncertainties and pending with the announcement and implementation of Sales and Service Tax as well as major economic reforms and possible policy changes.

Furthermore, 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 30 April 2018 RM'000	Current Year To Date 30 April 2018 RM'000
Profit before tax is arrived at after charging / crediting		
Allowance / (Reversal) for diminution in value of inventories	274	8,394
Allowance / (Reversal) for impairment losses of receivables	(18)	(237)
Depreciation and amortization	2,206	6,702
Gain / (Loss) on disposal of property, plant & equipment	1	44
Gain / (Loss) on financial instrument	(58)	(26)
Gain / (Loss) on foreign exchange	(46)	(938)
Interest Expenses	763	1,859
Interest Income	103	281
Other Income	53	330

18. Taxation

	Current Quarter Ended 30 April 2018 RM'000	Current Year To Date 30 April 2018 RM'000
Income Tax		
- Current year	(2,322)	(7,775)
- Prior year	2,120	2,120
	<u>(202)</u>	<u>(5,655)</u>
Deferred Tax		
- Current year	63	(543)
- Prior year	35	(322)
	<u>(104)</u>	<u>(6,520)</u>

The Group's effective tax rate for the period ended 30 April 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 30 April 2018 are as follows: -

	Unsecured RM'000	Secured RM'000	TOTAL RM'000
<i>Short term borrowings</i>			
Bank Overdrafts	-	-	-
Other borrowings	72,650	-	72,650
	<u>72,650</u>	<u>-</u>	<u>72,650</u>
<i>Long term borrowings</i>			
	6,973	-	6,973
	<u>79,623</u>	<u>-</u>	<u>79,623</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 30 April 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 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 30-04-2018	Preceding Year Corresponding Quarter 30-04-2017	Current Year To Date 30-04-2018	Preceding Year Corresponding period 30-04-2017
a) Basic Earnings per share				
Net profit attributable to shareholders (RM'000)	8,759	11,714	26,433	29,383
Weighted average no. of Ordinary shares in issue ('000)	272,955	273,427	272,955	273,427
Basic earnings per share (sen)	3.209	4.284	9.684	10.746
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.