

ASTINO BERHAD

Condensed Consolidated Statements Of Comprehensive Income For

The Fourth Quarter Ended 31 July 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
	31/7/2018	31/7/2017	31/7/2018	31/7/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	128,119	124,821	546,601	500,590
Operating Expenses	(123,916)	(118,762)	(508,469)	(453,860)
Other Operating Income	551	1,503	1,437	2,734
Profit from Operations	4,754	7,562	39,569	49,464
Financial costs	(907)	(504)	(2,766)	(2,714)
Share of (loss) / profit of associate	(824)	3	(827)	4
Profit before tax	3,023	7,061	35,976	46,754
Taxation	(620)	(1,999)	(7,140)	(12,309)
Profit for the year	2,403	5,062	28,836	34,445
Other Comprehensive Income				
-Fair Value Gain / (Loss) on Investment	(4)	(40)	(55)	50
Total Comprehensive Income for the year	2,399	5,022	28,781	34,495
Total Comprehensive Income Attributable to:				
Owners of the parent	2,399	5,022	28,781	34,495
EPS - Basic (sen)	0.88	1.85	10.56	12.60
- Diluted (sen)	0.88	1.85	10.56	12.60

(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 July 2018**

(The figures have not been audited)

	As At 31/Jul/18 RM'000	As At 31/Jul/17 RM'000
Property, Plant and Equipment	178,945	157,997
Investment properties	19,238	15,163
Investment in associate	2,251	2,877
Available-for-sale financial assets	200	255
Deferred Tax Assets	765	395
Current Assets		
Inventories	210,848	141,983
Receivables	86,628	86,199
Cash & Cash Equivalents	17,790	20,921
	<u>315,266</u>	<u>249,103</u>
Current Liabilities		
Payables	65,042	33,893
Loans & Borrowings	79,612	37,723
Dividend Declared	-	-
Taxation	917	2,773
	<u>145,571</u>	<u>74,389</u>
Net Current Assets	169,695	174,714
Long Term Liabilities		
Loans & Borrowings	5,693	10,813
Deferred Taxation	3,141	3,732
	<u>8,834</u>	<u>14,545</u>
	<u>362,260</u>	<u>336,856</u>
Share Capital	138,274	138,274
Treasury shares, at costs	(1,172)	(525)
Reserves	225,158	199,107
Shareholders' Fund	<u>362,260</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 Fourth Quarter Ended 31 July 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
12 MONTHS ENDED 31-Jul-18					
Balance at 1-8-2017	138,274	(525)	78	199,029	336,856
Redemption of preference shares			411	(411)	-
Purchase of own shares		(647)	-		(647)
Total comprehensive income for the year			(55)	28,836	28,781
Dividend paid	-	-	-	(2,730)	(2,730)
Balance at 31-7-2018	<u>138,274</u>	<u>(1,172)</u>	<u>434</u>	<u>224,724</u>	<u>362,260</u>
12 MONTHS ENDED 31-Jul-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 year			50	34,445	34,495
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>199,029</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 Cash Flow For
The Fourth Quarter Ended 31 July 2018**

(The figures have not been audited)

	12 MONTHS ENDED 31/7/2018 RM'000	12 MONTHS ENDED 31/7/2017 RM'000
Profit before tax	35,976	46,754
Adjustments for non-cash flow items:-		
Non-cash items	24,513	21,281
Non-operating items	2,286	2,035
Operating profit before changes in working capital	62,775	70,070
Changes in working capital		
Inventories	(83,654)	(20,110)
Receivables	644	(4,834)
Payables	31,132	17,250
Cash From Operation	10,897	62,376
Tax paid	(11,141)	(11,245)
Net Cash (Used In) / From Operating Activities	(244)	51,131
Investing Activities		
- Equity investments	(200)	(400)
- Dividend received	8	21
- Other investments	(33,741)	(22,826)
- Interest received	355	494
Net Cash Used In Investing Activities	(33,578)	(22,711)
Financing activities		
- Bank Borrowings	36,504	(36,447)
- Proceeds from issued of shares net of listing expenses	-	-
- Treasury shares	(647)	(132)
- Dividend paid	(2,730)	(2,735)
- Interest paid	(2,501)	(3,168)
Net Cash From / (Used In) Financing Activities	30,626	(42,482)
Effects of exchange rate changes on cash and cash equivalents	65	(22)
Net Change In Cash & Cash Equivalents	(3,131)	(14,084)
Cash & Cash Equivalents At Beginning Of Year	20,921	35,005
Cash & Cash Equivalents At End Of Year	17,790	20,921

**(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 YEAR ENDED 31 JULY 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:

MFRSs (issues as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 9 <i>Financial Instruments</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
MFRS 16 <i>Leases</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i> (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 3 <i>Previously Held Interest in a Joint Operation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	1 January 2018
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</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 11 <i>Previously Held Interest in a Joint Operation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 15 <i>Clarifications to MFRS 15 Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 112 <i>Income Tax Consequences of Payments on Financial Instruments Classified as Equity</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 123 <i>Borrowing Costs Eligible for Capitalisation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 128 <i>Investments in Associates and Joint Ventures</i> (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)	1 January 2018
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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 2018 :-

The Company had bought back 735,700 of its own shares at a total cash consideration of RM646,693. The highest and the lowest price per share purchased were at RM0.96 and RM0.79 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**

	Individual quarter ended		Cumulative quarter ended	
	31-07-2018	31-07-2017	31-07-2018	31-07-2017
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Local	116,966	112,607	490,172	460,545
- Overseas	11,153	12,214	56,429	40,045
	<u>128,119</u>	<u>124,821</u>	<u>546,601</u>	<u>500,590</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 year 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 31 July 2018:

	RM'000
Contracted but not provided for	<u>20,191</u>
	<u>20,191</u>

13. Review of Performance

	Individual Period (4th Quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter	Preceding Year Corresponding Quarter	Amount (RM000)	%	Current YTD	Preceding Year Corresponding Period	Amount (RM000)	%
	31-Jul-2018 RM 000	31-Jul-17 RM 000			31-Jul-18 RM 000	31-Jul-17 RM 000		
Revenue	128,119	124,821	3,298	2.6%	546,601	500,590	46,011	9.2%
Profit From Operations	4,754	7,562	(2,808)	-37.1%	39,569	49,464	(9,895)	-20.0%
Profit Before Tax	3,023	7,061	(4,038)	-57.2%	35,976	46,754	(10,778)	-23.1%
Profit After Tax	2,403	5,062	(2,659)	-52.5%	28,836	34,445	(5,609)	-16.3%

For the quarter under review, the Group achieved total turnover of RM128.1million for the current quarter ended 31 July 2018, an increase of 2.6% or RM3 million from RM124.8million 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 3% as compare with the preceding year's corresponding quarter.

The profit before tax (“PBT”) for current quarter under review was 57.2% lower than the preceding year corresponding quarter ended 31 July 2017. These were due to lower profit margins as the market stabilises and current quarter allowance for diminution in value of inventories was RM1.2 million higher than preceding year corresponding quarter.

For the financial year to date, the Group reported higher revenue of RM546.6 million as compared to RM 500.6 million in the preceding year to date. However, the Group registered a lower PBT of RM36 million as compared to RM47 million in the preceding year 2017. These were mainly due to the lower profit margin on higher costs of materials and weak market conditions which required competitive selling. In addition, current quarter allowance for diminution in value of inventories was RM2 million higher than preceding year and the unfavourable foreign exchange movements during the year which resulted in an unrealized translation loss of RM 0.7 million as compared to a gain of RM0.4 million in the preceding year to date.

13. Variation of results against preceding quarter

	Current Quarter 31-Jul-2018 RM 000	Immediate Preceding Quarter 30-Apr-2018 RM 000	Changes	
			Amount (RM 000)	%
Revenue	128,119	135,372	(7,253)	-5.4%
Profit From Operations	4,754	9,627	(4,873)	-50.6%
Profit Before Tax	3,023	8,863	(5,840)	-65.9%
Profit After Tax	2,403	8,759	(6,356)	-72.6%

The Group’s revenue has decreased by 5.4% from RM135.4 million in the preceding quarter to RM128.1 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 RM3million, a decrease of RM5.8 million as compared to the preceding quarter ended 30 April 2018, which was recorded at RM8.9 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 was RM6.1 million higher than the immediate preceding quarter.

15. Prospects

Sales and Service Tax was implemented on 1st September 2018, the domestic market demand may be affected as political and economic conditions in the country is in a state of flux with uncertainties.

Furthermore, the rising US-China trade tension and 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 Group will strive for a commendable performance for the new financial year

16. Profit Forecast and Profit Guarantee

Not applicable.

17. Profit for the year

	Current Quarter Ended 31 July 2018 RM'000	Current Year To Date 31 July 2018 RM'000
Profit before tax is arrived at after charging / crediting		
Allowance / (Reversal) for diminution in value of inventories	6,395	14,789
Allowance / (Reversal) for impairment losses of receivables	374	137
Depreciation and amortization	2,029	8,731
Gain / (Loss) on disposal of property, plant & equipment	(6)	38
Gain / (Loss) on financial instrument	2	(24)
Gain / (Loss) on foreign exchange	217	(721)
Interest Expenses	907	2,766
Interest Income	74	355
Other Income	18	348

18. Taxation

	Current Quarter Ended 30 July 2018 RM'000	Current Year To Date 30 July 2018 RM'000
Income Tax		
- Current year	(2,446)	(10,221)
- Prior year	-	2,120
	<u>(2,446)</u>	<u>(8,101)</u>
Deferred Tax		
- Current year	1,381	838
- Prior year	445	123
	<u>(620)</u>	<u>(7,140)</u>

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

20. Group Borrowings and Debt Securities

a) Group borrowings as at 31 July 2018 are as follows: -

	Unsecured RM'000	Secured RM'000	TOTAL RM'000
Short term borrowings			
Bank Overdrafts	-	-	-
Other borrowings	79,612	-	79,612
	<u>79,612</u>	<u>-</u>	<u>79,612</u>
Long term borrowings			
	5,693	-	5,693
	<u>85,305</u>	<u>-</u>	<u>85,305</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 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

A final single tier dividend of 1 sen per share in respect of the financial year ended 31 July 2018 will be proposed for shareholder's approval at the forthcoming Annual General Meeting.

24. Earnings Per Share

	Current Year Quarter 31-07-2018	Preceding Year Corresponding Quarter 31-07-2017	Current Year To Date 31-07-2018	Preceding Year Corresponding period 31-07-2017
a) Basic Earnings per share				
Net profit attributable to shareholders (RM'000)	2,403	5,062	28,836	34,445
Weighted average no. of Ordinary shares in issue ('000)	272,946	273,427	272,946	273,427
Basic earnings per share (sen)	0.88	1.85	10.56	12.60
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.