

**ASTINO BERHAD**

**Condensed Consolidated Statements Of Comprehensive Income For**

**The First Quarter Ended 31 October 2018**

(The figures have not been audited)

|   | INDIVIDUAL PERIOD       |  | CUMULATIVE PERIOD       |   |
|---|-------------------------|--|-------------------------|---|
|   | Current Year<br>Quarter | Preceding year<br>corresponding<br>quarter | Current Year To<br>date | Preceding year<br>corresponding<br>period |
|   | 31/10/2018              | 31/10/2017                                 | 31/10/2018              | 31/10/2017                                |
|   | RM'000                  | RM'000                                     | RM'000                  | RM'000                                    |
| Revenue                                     | 139,938                 | 138,789                                    | 139,938                 | 138,789                                   |
| Operating Expenses                          | (134,329)               | (126,629)                                  | (134,329)               | (126,629)                                 |
| Other Operating Income                      | 337                     | 423  | 337                     | 423                                       |
| Profit from Operations                      | 5,946                   | 12,583                                     | 5,946                   | 12,583                                    |
| Financial costs                             | (998)                   | (480)                                      | (998)                   | (480)                                     |
| Share of (loss) / profit of associate       | (184)                   | (0)  | (184)                   | (0)                                       |
| Profit before tax                           | 4,764                   | 12,103                                     | 4,764                   | 12,103                                    |
| Taxation                                    | (1,537)                 | (2,586)                                    | (1,537)                 | (2,586)                                   |
| Profit for the year                         | 3,227                   | 9,517                                      | 3,227                   | 9,517                                     |
| Other Comprehensive Income                  |                         |  |                         |   |
| -Fair Value (Loss) / Gain on Investment     | (45)                    | 5  | (45)                    | 5   |
| Total Comprehensive Income for the period   | 3,182                   | 9,522                                      | 3,182                   | 9,522                                     |
| Total Comprehensive Income Attributable to: |                         |  |                         |   |
| Owners of the parent                        | 3,182                   | 9,522                                      | 3,182                   | 9,522                                     |
| EPS - Basic (sen)                           | 1.18                    | 3.48                                       | 1.18                    | 3.48                                      |
| - Diluted (sen)                             | 1.18                    | 3.48                                       | 1.18                    | 3.48                                      |

**(The Condensed Consolidated Financial Statements should be read in conjunction with the Annual Financial Statement for the year ended 31 July 2018)**

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

(The figures have not been audited)

|  | <b>As At<br/>31/Oct/18<br/>RM'000</b> | <b>As At<br/>31/Jul/18<br/>RM'000</b> |
|--|---------------------------------------|---------------------------------------|
| <b>Property, Plant and Equipment</b>       | 185,852                               | 178,945                               |
| <b>Investment properties</b>               | 19,234                                | 19,238                                |
| <b>Investment in associate</b>             | 2,167                                 | 2,251                                 |
| <b>Available-for-sale financial assets</b> | 155                                   | 200                                   |
| <b>Deferred Tax Assets</b>                 | 451                                   | 765                                   |
| <b>Current Assets</b>                      |                                       |                                       |
| Inventories                                | 221,389                               | 210,848                               |
| Receivables                                | 86,127                                | 86,628                                |
| Cash & Cash Equivalents                    | 12,201                                | 17,790                                |
|  | <u>319,717</u>                        | <u>315,266</u>                        |
| <b>Current Liabilities</b>                 |                                       |                                       |
| Payables                                   | 62,766                                | 57,593                                |
| Loans & Borrowings                         | 86,048                                | 79,612                                |
| Dividend Declared                          | -                                     | -                                     |
| Contract Liabilities                       | 5,351                                 | 7,449                                 |
| Taxation                                   | 285                                   | 917                                   |
|  | <u>154,450</u>                        | <u>145,571</u>                        |
| <b>Net Current Assets</b>                  | 165,267                               | 169,695                               |
| <b>Long Term Liabilities</b>               |                                       |                                       |
| Loans & Borrowings                         | 4,413                                 | 5,693                                 |
| Deferred Taxation                          | 3,412                                 | 3,141                                 |
|  | <u>7,825</u>                          | <u>8,834</u>                          |
|  | <u>365,301</u>                        | <u>362,260</u>                        |
| <b>Share Capital</b>                       | 138,274                               | 138,274                               |
| <b>Treasury shares, at costs</b>           | (1,313)                               | (1,172)                               |
| <b>Reserves</b>                            | 228,340                               | 225,158                               |
| <b>Shareholders' Fund</b>                  | <u>365,301</u>                        | <u>362,260</u>                        |

(The Condensed Consolidated Financial Statements should be read in conjunction with the Annual Financial Statement for the year ended 31 July 2018)

## ASTINO BERHAD

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR The First Quarter Ended 31 October 2018

(The figures have not been audited)

|   | Share<br>Capital<br>RM'000 | Treasury<br>Shares<br>RM'000 | Non-Distributable<br>Reserves<br>RM'000 | Distributable<br>Reserves<br>RM'000 | TOTAL<br>RM'000 |
|---|----------------------------|------------------------------|---|-------------------------------------|-----------------|
| <b>3 MONTHS ENDED</b>                     |                            |                              |   |                                     |                 |
| <b>31-Oct-18</b>                          |                            |                              |   |                                     |                 |
| Balance at 1-8-2018                       | 138,274                    | (1,172)                      | 434                                     | 224,724                             | 362,260         |
| Redemption of preference shares           |                            |                              | -                                       | -                                   | -               |
| Purchase of own shares                    |                            | (141)                        | -                                       |                                     | (141)           |
| Total comprehensive income for the period |                            |                              | (45)                                    | 3,227                               | 3,182           |
| Balance at 31-10-2018                     | <u>138,274</u>             | <u>(1,313)</u>               | <u>389</u>                              | <u>227,951</u>                      | <u>365,301</u>  |
| <b>3 MONTHS ENDED</b>                     |                            |                              |   |                                     |                 |
| <b>31-Oct-17</b>                          |                            |                              |   |                                     |                 |
| Balance at 1-8-2017                       | 138,274                    | (525)                        | 78                                      | 199,029                             | 336,856         |
| Purchase of own shares                    |                            | 0                            | -                                       |                                     | 0               |
| Total comprehensive income for the period |                            |                              | 5                                       | 9,517                               | 9,522           |
| Dividend paid                             | -                          | -                            | -                                       | -                                   | -               |
| Transfer of share premium                 | -                          | -                            | -                                       |                                     | -               |
| Balance at 31-10-2017                     | <u>138,274</u>             | <u>(525)</u>                 | <u>83</u>                               | <u>208,546</u>                      | <u>346,378</u>  |

(The Condensed Consolidated Financial Statements should be read in conjunction with the Annual Financial Statement for the year ended 31 July 2018)

**ASTINO BERHAD**

**Condensed Consolidated Statements of Cash Flow For  
The First Quarter Ended 31 October 2018**

(The figures have not been audited)

|   | <b>3 MONTHS<br/>ENDED<br/>31/10/2018<br/>RM'000</b> | <b>3 MONTHS<br/>ENDED<br/>31/10/2017<br/>RM'000</b> |
|---|---|---|
| Profit before tax   | 4,764   | 12,103  |
| Adjustments for non-cash flow items:-                         |   |   |
| Non-cash items  | 8,762   | 8,402   |
| Non-operating items   | 912   | 350   |
| Operating profit before changes in working capital            | 14,438  | 20,855  |
| Changes in working capital                                    |   |   |
| Inventories   | (17,073)  | (18,484)  |
| Receivables   | 2,074   | 3,033   |
| Payables  | 3,055   | 7,347   |
| Cash From Operation   | 2,494   | 12,751  |
| Tax paid  | (3,337)   | (3,929)   |
| Net Cash (Used In) / From Operating Activities                | (843)   | 8,822   |
| Investing Activities  |   |   |
| - Equity investments  | (100)   | 0   |
| - Dividend received   | 8   | -   |
| - Other investments   | (8,789)   | (12,840)  |
| - Interest received   | 69  | 103   |
| Net Cash Used In Investing Activities                         | (8,812)   | (12,737)  |
| Financing activities  |   |   |
| - Bank Borrowings   | 5,156   | 617   |
| - Proceeds from issued of shares net of listing expenses      | -   | -   |
| - Treasury shares   | (141)   | 0   |
| - Dividend paid   | -   | -   |
| - Interest paid   | (998)   | (480)   |
| Net Cash From Financing Activities                            | 4,017   | 137   |
| Effects of exchange rate changes on cash and cash equivalents | 49  | 6   |
| Net Change In Cash & Cash Equivalents                         | (5,589)   | (3,772)   |
| Cash & Cash Equivalents At Beginning Of Year                  | 17,790  | 20,921  |
| Cash & Cash Equivalents At End Of Period                      | 12,201  | 17,149  |

**(The Condensed Consolidated Financial Statements should be read in conjunction with the Annual  
Financial Statement for the year ended 31 July 2018)**

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

**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE PERIOD ENDED 31 OCTOBER 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 2018.

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 2018.

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 16 <i>Leases</i>   | 1 January 2019  |
| MFRS 17 <i>Insurance Contracts</i>  | 1 January 2021  |
| IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>  | 1 January 2019  |
| 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 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 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>Long-term Interests in Associates and Joint Ventures</i>  | 1 January 2019  |
| Amendments to References to the Conceptual Framework in MFRS Standards  | 1 January 2020  |

**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 October 2018 :-

The Company had bought back 188,000 of its own shares at a total cash consideration of RM140,766. The highest and the lowest price per share purchased were at RM0.78 and RM0.70 respectively.

**7. Dividend paid**

No dividend had been paid for current financial quarter ended 31 October 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>31-10-2018</u>               | <u>31-10-2017</u> | <u>31-10-2018</u>               | <u>31-10-2017</u> |
|                | <u>RM'000</u>                   | <u>RM'000</u>     | <u>RM'000</u>                   | <u>RM'000</u>     |
| <u>Revenue</u> |                                 |                   |                                 |                   |
| - Local        | 129,697                         | 124,501           | 129,697                         | 124,501           |
| - Overseas     | 10,241                          | 14,288            | 10,241                          | 14,288            |
|                | <u>139,938</u>                  | <u>138,789</u>    | <u>139,938</u>                  | <u>138,789</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 RM344million.

**12. Capital commitments**

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

|                                 |               |
|---------------------------------|---------------|
|                                 | <b>RM'000</b> |
| Contracted but not provided for | <u>13,900</u> |
|                                 | <u>13,900</u> |

### 13. Review of Performance

|                        | Individual Period       |  | Changes            |        | Cumulative Period |   | Changes            |        |             |             |
|------------------------|-------------------------|--|--------------------|--------|-------------------|---|--------------------|--------|-------------|-------------|
|                        | (1st Quarter)           |  | Amount<br>(RM'000) | %      | Current YTD       | Preceding Year<br>Corresponding<br>Period | Amount<br>(RM'000) | %      |             |             |
|                        | Current Year<br>Quarter | Preceding Year<br>Corresponding<br>Quarter |                    |        |                   |   |                    |        | 31-Oct-2018 | 31-Oct-2017 |
|                        | RM'000                  | RM'000                                     |                    |        |                   |   |                    |        | RM'000      | RM'000      |
| Revenue                | 139,938                 | 138,789                                    | 1,149              | 0.8%   | 139,938           | 138,789                                   | 1,149              | 0.8%   |             |             |
| Profit From Operations | 5,946                   | 12,583                                     | (6,637)            | -52.7% | 5,946             | 12,583                                    | (6,637)            | -52.7% |             |             |
| Profit Before Tax      | 4,764                   | 12,103                                     | (7,339)            | -60.6% | 4,764             | 12,103                                    | (7,339)            | -60.6% |             |             |
| Profit After Tax       | 3,227                   | 9,517                                      | (6,290)            | -66.1% | 3,227             | 9,517                                     | (6,290)            | -66.1% |             |             |

For the quarter under review, the Group achieved total turnover of RM139.9million for the current quarter ended 31 October 2018, an increase of 0.8% or RM1.1 million from RM138.8million recorded in the preceding year's corresponding quarter. The increase in Group turnover for the current quarter was mainly due to increase in local sales.

The profit before tax ("PBT") for current quarter under review was 60.6% lower than the preceding year corresponding quarter ended 31 October 2017. These were mainly due to the lower profit margin on higher costs of materials and weak market conditions which required competitive selling.

#### 13. Variation of results against preceding quarter

|                        | Current<br>Quarter | Immediate<br>Preceding<br>Quarter | Changes            |       |
|------------------------|--------------------|-----------------------------------|--------------------|-------|
|                        | 31-Oct-2018        | 31-Jul-2018                       | Amount<br>(RM'000) | %     |
|                        | RM'000             | RM'000                            |                    |       |
| Revenue                | 139,938            | 128,119                           | 11,819             | 9.2%  |
| Profit From Operations | 5,946              | 4,754                             | 1,192              | 25.1% |
| Profit Before Tax      | 4,764              | 3,023                             | 1,741              | 57.6% |
| Profit After Tax       | 3,227              | 2,403                             | 824                | 34.3% |

The Group's revenue has increased by 9.2% from RM128.1 million in the preceding quarter to RM139.9 million in this quarter. The increase in revenue is primarily due to increase in local market demand.

The Group registered a profit before taxation of RM4.8million, an increase of RM1.8 million as compared to the preceding quarter ended 31 July 2018, which was recorded at RM3.0 million. The increased on the profit before tax for the current quarter under review was mainly due to increase in sales.

## 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 Group will continue to strive for a commendable performance to maintain the Group's competitiveness in the long term.

## 16. Profit Forecast and Profit Guarantee

Not applicable.

## 17. Profit for the year

|   | Current<br>Quarter Ended<br>31 October 2018<br>RM'000 | Current Year To<br>Date<br>31 October 2018<br>RM'000 |
|---|---|--|
| <b>Profit before tax is arrived at after charging / crediting</b> |   |  |
| Allowance / (Reversal) for diminution in value of inventories     | 6,533   | 6,533  |
| Allowance / (Reversal) for impairment losses of receivables       | 104   | 104  |
| Depreciation and amortization                                     | 1,937   | 1,937  |
| Gain / (Loss) on disposal of property, plant & equipment          | 53  | 53   |
| Gain / (Loss) on financial instrument                             | 4   | 4  |
| Gain / (Loss) on foreign exchange                                 | 180   | 180  |
| Interest Expenses   | 998   | 998  |
| Interest Income   | 69  | 69   |
| Other Income  | 31  | 31   |

## 18. Taxation

|                | Current<br>Quarter Ended<br>31 October 2018<br>RM'000 | Current Year<br>To Date<br>31 October 2018<br>RM'000 |
|----------------|---|--|
| Income Tax     |   |  |
| - Current year | (952)   | (952)  |
| - Prior year   | -   | -  |
|                | <u>(952)</u>  | <u>(952)</u>   |
| Deferred Tax   |   |  |
| - Current year | (558)   | (558)  |
| - Prior year   | (27)  | (27)   |
|                | <u>(1,537)</u>  | <u>(1,537)</u>                                       |

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

|                              | <b>Unsecured<br/>RM'000</b> | <b>Secured<br/>RM'000</b> | <b>TOTAL<br/>RM'000</b> |
|------------------------------|-----------------------------|---------------------------|-------------------------|
| <i>Short term borrowings</i> |                             |                           |                         |
| Bank Overdrafts              | -                           | -                         | -                       |
| Other borrowings             | 86,048                      | -                         | 86,048                  |
|                              | <u>86,048</u>               | <u>-</u>                  | <u>86,048</u>           |
| <i>Long term borrowings</i>  |                             |                           |                         |
|                              | 4,413                       | -                         | 4,413                   |
|                              | <u>90,461</u>               | <u>-</u>                  | <u>90,461</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 October 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 first & 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

|   | <b>Current<br/>Year<br/>Quarter<br/>31-10-2018</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter<br/>31-10-2017</b> | <b>Current<br/>Year To<br/>Date<br/>31-10-2018</b> | <b>Preceding Year<br/>Corresponding<br/>period<br/>31-10-2017</b> |
|---|--|--|--|---|
| <b>a) Basic Earnings per share</b>                      |  |  |  |   |
| Net profit attributable to shareholders (RM'000)        | 3,227  | 9,517  | 3,227  | 9,517   |
| Weighted average no. of Ordinary shares in issue ('000) | 272,789  | 273,329  | 272,789  | 273,329   |
| Basic earnings per share (sen)                          | 1.18   | 3.48   | 1.18   | 3.48  |
| <b>b) Diluted Earnings per share</b>                    |  |  |  |   |

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.