

ASTINO BERHAD

Condensed Consolidated Statements Of Comprehensive Income For

The Second Quarter Ended 31 January 2019

(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
	31/1/2019	31/1/2018	31/1/2019	31/1/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	149,979	144,321	289,917	283,110
Operating Expenses	(139,754)	(131,807)	(274,083)	(258,436)
Other Operating Income	359	91	696	514
Profit from Operations	10,584	12,605	16,530	25,188
Financial costs	(946)	(616)	(1,944)	(1,096)
Share of (loss) / profit of associate	(71)	(2)	(255)	(2)
Profit before tax	9,567	11,987	14,331	24,090
Taxation	(3,186)	(3,830)	(4,723)	(6,416)
Profit for the year	6,381	8,157	9,608	17,674
Other Comprehensive Income				
-Fair Value (Loss) / Gain on Investment	-	(29)	-	(24)
Total Comprehensive Income for the period	6,381	8,128	9,608	17,650
Total Comprehensive Income Attributable to:				
Owners of the parent	6,381	8,128	9,608	17,650
EPS - Basic (sen)	2.34	2.99	3.52	6.47
- Diluted (sen)	2.34	2.99	3.52	6.47

(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 January 2019**

(The figures have not been audited)

	As At 31/Jan/19 RM'000	As At 31/Jul/18 RM'000
Property, Plant and Equipment	187,387	178,945
Investment properties	19,279	19,238
Investment in associate	2,215	2,251
Available-for-sale financial assets	162	200
Deferred Tax Assets	522	765
Current Assets		
Inventories	195,623	210,848
Receivables	96,751	86,628
Cash & Cash Equivalents	18,784	17,790
	<u>311,158</u>	<u>315,266</u>
Current Liabilities		
Payables	48,019	57,593
Loans & Borrowings	91,504	79,612
Dividend Declared	-	-
Contract Liabilities	1,883	7,449
Taxation	781	917
	<u>142,187</u>	<u>145,571</u>
Net Current Assets	168,971	169,695
Long Term Liabilities		
Loans & Borrowings	3,132	5,693
Deferred Taxation	3,677	3,141
	<u>6,809</u>	<u>8,834</u>
	<u>371,727</u>	<u>362,260</u>
Share Capital	138,274	138,274
Treasury shares, at costs	(1,313)	(1,172)
Reserves	234,766	225,158
Shareholders' Fund	<u>371,727</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 Second Quarter Ended 31 January 2019

(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-19					
Balance at 1-8-2018	138,274	(1,172)	434	224,724	362,260
Redemption of preference shares			(11)	11	-
Purchase of own shares		(141)	-		(141)
Total comprehensive income for the period				9,608	9,608
Balance at 31-1-2019	<u>138,274</u>	<u>(1,313)</u>	<u>423</u>	<u>234,343</u>	<u>371,727</u>
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>

(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 Second Quarter Ended 31 January 2019**

(The figures have not been audited)

	6 MONTHS ENDED 31/1/2019 RM'000	6 MONTHS ENDED 31/1/2018 RM'000
Profit before tax	14,331	24,090
Adjustments for non-cash flow items:-		
Non-cash items	13,957	12,371
Non-operating items	1,943	1,319
Operating profit before changes in working capital	<u>30,231</u>	<u>37,780</u>
Changes in working capital		
Inventories	5,429	(31,619)
Receivables	(9,486)	(6,648)
Payables	<u>(15,146)</u>	<u>4,068</u>
Cash From Operation	11,028	3,581
Tax paid	(4,754)	(5,631)
Net Cash From / (Used In) Operating Activities	<u>6,274</u>	<u>(2,050)</u>
Investing Activities		
- Equity investments	(220)	(100)
- Dividend received	8	-
- Other investments	(12,465)	(21,706)
- Interest received	156	178
Net Cash Used In Investing Activities	(12,521)	(21,628)
Financing activities		
- Bank Borrowings	9,331	23,343
- Proceeds from issued of shares net of listing expenses	-	-
- Treasury shares	(141)	(287)
- Dividend paid	-	-
- Interest paid	<u>(1,944)</u>	<u>(1,096)</u>
Net Cash From Financing Activities	7,246	21,960
Effects of exchange rate changes on cash and cash equivalents	(5)	(231)
Net Change In Cash & Cash Equivalents	<u>994</u>	<u>(1,949)</u>
Cash & Cash Equivalents At Beginning Of Year	17,790	20,921
Cash & Cash Equivalents At End Of Period	<u><u>18,784</u></u>	<u><u>18,972</u></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
(Company No.: 523085-X)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 JANUARY 2019

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 January 2019 :-

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 January 2019.

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>31-01-2019</u>	<u>31-01-2018</u>	<u>31-01-2019</u>	<u>31-01-2018</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Revenue</u>				
- Local	130,130	126,147	259,827	250,648
- Overseas	19,849	18,174	30,090	32,462
	<u>149,979</u>	<u>144,321</u>	<u>289,917</u>	<u>283,110</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 January 2019:

	RM'000
Contracted but not provided for	<u>12,900</u>
	<u>12,900</u>

13.Review of Performance

	Individual Period (2nd Quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter	Preceding Year Corresponding Quarter	Amount (RM'000)	%	Current YTD	Preceding Year Corresponding Period	Amount (RM'000)	%
	31-Jan-2019	31-Jan-2018			31-Jan-2019	31-Jan-2018		
	RM'000	RM'000	RM'000	RM'000				
Revenue	149,979	144,321	5,658	3.9%	289,917	283,110	6,807	2.4%
Profit From Operations	10,584	12,605	(2,021)	-16.0%	16,530	25,188	(8,658)	-34.4%
Profit Before Tax	9,567	11,987	(2,420)	-20.2%	14,331	24,090	(9,759)	-40.5%
Profit After Tax	6,381	8,157	(1,776)	-21.8%	9,608	17,674	(8,066)	-45.6%

For the quarter under review, the Group achieved total turnover of RM150.0million for the current quarter ended 31 January 2019, an increase of 3.9% or RM5.7 million from RM144.3million recorded in the preceding year's corresponding quarter. The increase in Group turnover for the current quarter was mainly due to increase in both local & overseas sales.

The profit before tax ("PBT") for current quarter under review was 20.2% lower than the preceding year corresponding quarter ended 31 January 2018. These were mainly due to the lower profit margin on higher costs of materials and weak market conditions which required competitive pricing.

For the financial period to date, the Group reported slightly higher revenue of RM290.0 million as compared to RM283.1 million in the preceding year to date. However, the Group registered a lower PBT of RM14.3 million as compared to RM24.1million in the corresponding period of the financial year 2018. These was due to lower profit margins.

13.Variation of results against preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	31-Jan-2019	31-Oct-2018	Amount	%
	RM'000	RM'000	(RM'000)	
Revenue	149,979	139,938	10,041	7.2%
Profit From Operations	10,584	5,946	4,638	78.0%
Profit Before Tax	9,567	4,764	4,803	100.8%
Profit After Tax	6,381	3,227	3,154	97.7%

The Group's revenue has increased by 7.2% from RM139.9 million in the preceding quarter to RM150.0 million in this quarter. The increase in revenue is primarily due to increase in oversea demand from RM10.2million in preceding quarter to this quarter RM19.8million.

The Group registered a profit before taxation of RM9.6million, an increase of RM4.8 million as compared to the preceding quarter ended 31 October 2018, which was recorded at RM4.8 million. The increased on the profit before tax for the current quarter under review was mainly due to decrease of allowance for diminution in value of inventories.

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 Quarter Ended 31 January 2019 RM'000	Current Year To Date 31 January 2019 RM'000
Profit before tax is arrived at after charging / crediting		
Allowance / (Reversal) for diminution in value of inventories	3,262	9,795
Allowance / (Reversal) for impairment losses of receivables	(236)	(132)
Depreciation and amortization	2,090	4,027
Gain / (Loss) on disposal of property, plant & equipment	0	53
Gain / (Loss) on financial instrument	1	5
Gain / (Loss) on foreign exchange	(192)	(12)
Interest Expenses	946	1,944
Interest Income	87	156
Other Income	326	357

18. Taxation

	Current Quarter Ended 31 January 2019 RM'000	Current Year To Date 31 January 2019 RM'000
Income Tax		
- Current year	(2,993)	(3,945)
- Prior year	-	-
	<hr/>	<hr/>
	(2,993)	(3,945)
Deferred Tax		
- Current year	(227)	(785)
- Prior year	34	7
	<hr/>	<hr/>
	(3,186)	(4,723)

The Group's effective tax rate for the period ended 31 January 2019 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 January 2019 are as follows: -

	Unsecured RM'000	Secured RM'000	TOTAL RM'000
<i>Short term borrowings</i>			
Bank Overdrafts	-	-	-
Other borrowings	91,504	-	91,504
	<u>91,504</u>	<u>-</u>	<u>91,504</u>
<i>Long term borrowings</i>			
	3,132	-	3,132
	<u>94,636</u>	<u>-</u>	<u>94,636</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 2019.

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 a first & final single tier dividend of 1 sen per share in respect of the financial year ended 31 July 2018 will pay on 4 April 2019, there was no dividends being declared for the financial year ending 31 July 2019.

24. Earnings Per Share

	Current Year Quarter 31-01-2019	Preceding Year Corresponding Quarter 31-01-2018	Current Year To Date 31-01-2019	Preceding Year Corresponding period 31-01-2018
a) Basic Earnings per share				
Net profit attributable to shareholders (RM'000)	6,381	8,157	9,608	17,674
Weighted average no. of Ordinary shares in issue ('000)	272,789	273,116	272,789	273,116
Basic earnings per share (sen)	2.34	2.99	3.52	6.47
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.