Astron Limited
ACN 000 285 272

PRELIMINARY FINAL REPORT GIVEN TO THE ASX UNDER LISTING RULE 4.3A

Name of entity

ASTRON LIMITED

ABN 97 000 285 272

Reporting period	**Previous corresponding period**
30 June 2007	**30 June 2006**

Contents **Item**

Registered Office: Level 19, 2 Market Street, Sydney NSW 2000, Australia
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www.astronchem.com

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1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue from continuing operations	up	**24.7**	%	to	$	**188,500,813**
Profit(Loss) after income tax from continuing operations	down	**31.74**	%	to	$	**14,053,025**
Net profit (loss) for the period attributable to members	down	**31.74**	%	to	$	**14,053,025**

Dividends per Share	Amount per share	Franked amount per share at …% tax
Final	*20* cents	**Nil** Cents

Proposed payment date for the dividend **12 December 2007**

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2. COMMENTARY ON RESULTS

As forecast the company again achieved new record revenues. These revenues reflected a strong performance for all divisions and in particular reflect a very strong growth in the sale of Titanium slag to Ti02 producers across China.

Net profit was lower the forecast reflecting:

- Softening of the zircon sand market in China resulting in lower margins from sale of zircon sand
- Strong adverse movement in Foreign exchange between A$ and Chinese RMB
- Lower margins from Traded Titanium products
- Strong increases in freight for export and domestic sales and increases in tonnages moved
- Write-off of consulting and advisory fees and costs associated with sale of 4 companies in China to Imerys

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3. CONDENSED CONSOLIDATED INCOME STATEMENT

	Current Period A$	Previous corresponding period A$
Revenue from continuing operations - *refer 3.1 below*	188,500,813	151,162,673
Other income - *refer 3.2 below*	2,940,579	782,894
Expenses - *refer 3.3 below*	- 175,155,949	- 132,393,514
Finance costs - *refer 3.6 below*	-	-
Share of net profits(losses) of associates and joint venture entities	434,435	-
Profit(Loss) before income tax	16,719,878	19,552,053
Income tax (expense) gain	- 2,666,853	1,036,771
Profit(Loss) for the period from continuing operations	14,053,025	20,588,824
Profit(Loss) from discontinued operations	-	-
Profit(Loss) for the year	14,053,025	20,588,824
Profit(loss) attributable to minority interests	-	-
Profit(loss) for the period attributable to members	14,053,025	20,588,824
Basic Earnings Per Share	23.61 cents	35.43 cents
Diluted Earnings Per Share	23.61 cents	35.43 cents
Dividends Paid Per Share	20 cents	10 cents

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NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT

3.1 Revenue from continuing operations

	Current Period A$	Previous corresponding period A$
Revenue from Sales	188,368,240	150,731,069
Revenue from Services	-	-
Interest Revenue	132,573	431,604
	188,500,813	151,162,673

3.2 Other income

	Current Period A$	Previous corresponding period A$
Net gain on disposal of property, plant and equipment	-	-
Net gain on disposal of available-for-sale financial assets	775,580	386,844
Other Income	2,164,999	396,050
	2,940,579	782,894

3.3 Expenses

	Current Period A$	Previous corresponding period A$
Cost of sales	157,995,325	119,714,777
Distribution expenses	6,801,673	4,753,983
Marketing expenses	862,625	1,247,292
Occupancy expenses	295,403	350,577
Administrative expenses	7,348,726	6,204,017
Finance expenses	1,214,111	-
Other expenses	638,086	122,868
	175,155,949	132,393,514

Note: Included in the above expenses disclosed by function are depreciation and amortization expenses amounting to $2,317,430 for 2007 and $1,767,116 for 2006.

3.4 Individually Significant Items

	Current Period A$	Previous corresponding period A$
Reversal of overprovision of VAT raised in prior years	-	1,132,461
Reduction in overprovision of prior year incentive payments	-	862,743
Deferred tax asset brought to account on income tax losses	-	1,080,000
Write back of over provision for Chinese income tax raised in prior years on China subsidiary profits	-	1,131,206
Gains on sale of available-for-sale financial assets	775,580	
	775,580	4,206,410

3.5 Amortisation and Impairment Expenses

N/A

3.6 Capitalisation of Borrowing Costs

N/A

3.7 Comparison of Half-Year Profits

Consolidated profit(loss) after tax attributable to members reported for the 1st half yearly report	7,378,636	13,284,896
Consolidated profit(loss) after tax attributable to members for the 2nd half year	6,674,389	7,303,928

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4. CONDENSED CONSOLIDATED BALANCE SHEET

	Current Period A$'	Previous corresponding period A$
Current Assets		
Cash and cash equivalents	9,424,539	20,783,975
Trade and other receivables	28,655,332	21,454,460
Inventories	51,910,202	28,642,702
Available-for-sale financial assets	6,199,305	8,250,000
Total Current Assets	96,189,378	79,131,137
Non-Current Assets		
Property, plant and equipment	21,405,357	21,088,905
Deferred Tax	729,330	1,080,000
Intangible assets	24,316,697	18,338,220
Investments accounted for using the equity method	3,522,545	-
Other	1,871,329	310,918
Total Non-Current Assets	49,973,929	40,818,043
TOTAL ASSETS	146,163,307	119,949,180
Current Liabilities		
Trade and other payables	33,236,448	20,615,017
Short-term borrowings	13,605,354	3,477,163
Current tax liabilities	838,500	74,211
Total Current Liabilities	47,680,302	24,166,391
Non Current Liabilities		
Provisions	40,000	-
Deferred Tax	729,330	1,080,000
Total Non Current Liabilities	769,330	1,080,000
TOTAL LIABILITIES	48,449,632	25,246,391
NET ASSETS	97,713,675	94,702,787

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CONDENSED CONSOLIDATED BALANCE SHEET

Equity		
Contributed Equity	29,619,643	24,279,368
Reserves	(9,059,225)	672,745
Retained Earnings	75,451,487	67,230,674
Amounts recognised directly in equity in relation to assets classified as held for sale	1,701,770	2,520,000
Parent entity interest	97,713,675	94,702,787
Minority interests	-	-
Total Equity	97,713,675	94,702,787

NOTES TO THE CONDENSED CONSOLIDATED BALANCE SHEET

4.1 Consolidated Retained Earnings

	Current Period A$	Previous corresponding period A$
Retained Earnings at the beginning of the financial period	67,230,674	54,849,895
Net profit (loss) attributable to members	14,053,025	20,588,824
Net transfers from (to) reserves	-	- 2,399,091
Net effect of changes in accounting policies	-	-
Dividends and other equity distributions paid or payable	- 5,832,212	- 5,808,954
Retained Earnings at the end of the financial period	75,451,487	67,230,674

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5. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Period A$	Previous corresponding period A$
Cash flows related to operating activities		
Receipts from customers	181,818,395	151,283,983
Payments to suppliers and employees	- 184,146,047	- 135,362,688
Interest received	132,573	431,334
Interest paid	- 1,214,111	-
Income taxes paid	- 1,503,550	- 1,375,462
Other - Share of Profits - Joint Venture	-	-
Net operating cash flows	- 4,912,740	14,977,167
Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	- 4,489,996	- 6,755,496
Deferred exploration and evaluation expenditure	- 7,220,794	- 2,807,971
Payments for purchases of equity investments	- 2,174,113	-
Proceeds from sale of investments	-	2,395,594
Net investing cash flows	- 13,884,903	- 7,167,873
Cash flows related to financing activities		
Proceeds from issues of securities	-	1,769,862
Proceeds from borrowings	8,288,356	2,989,297
Dividends paid	- 1,107,491	- 5,808,954
Net financing cash flows	7,180,865	- 1,049,795
Net increase (decrease) in cash held	- 11,616,778	6,759,497
Cash at beginning of period - *refer 5.1 below*	20,783,975	13,428,900
Exchange rate adjustments to cash at beginning of period	257,342	595,577
Cash at end of period - *refer 5.1 below*	9,424,539	20,783,975

NOTES TO THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT

5.1 Reconciliation of Cash

	Current Period A$	Previous corresponding period A$
Cash on hand and at bank	**9,424,539**	**20,783,975**
Total cash at end of period	**9,424,539**	**20,783,975**

5.2 Non-Cash Financing and Investing Activities

N/A

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6.

	Issued capital	Retained earnings	Other Reserves	Total
Equity as at beginning of period	22,509,506	52,450,806	(3,180,260)	71,780,052
Prior period adjustments				
Transitional adjustment with respect to available for sale financial assets at 1 July 2005	-	-	451,500	451,500
Adjusted at 1 July 2005	22,509,506	52,450,806	(2,728,760)	72,231,552
Exchange differences on translation of foreign operations	-	-	3,853,005	3,853,005
Gains of available-for-sale financial assets	-	-	2,455,344	2,455,344
Gains on disposal of available-for-sale financial assets credited to Income Statement	-	-	(386,844)	(386,844)
Total income and expense for the year recognised directly in equity	-	-	5,921,505	5,921,505
Profit for the year	-	20,588,824	-	20,588,824
Total income and expense for the year	-	20,588,824	5,921,505	26,510,329
Shares issued during the year	1,789,366	-	-	1,789,366
Transaction costs	(19,504)	-	-	(19,504)
Dividends paid or provided for	-	(5,808,954)	-	(5,808,954)
Equity as at 30 June 2006	**24,279,368**	**67,230,674**	**3,192,745**	**94,702,787**
As at 1 July 2006	24,279,368	67,230,674	3,192,745	94,702,787
Exchange differences on translation of foreign operations	-	-	(12,002,939)	(12,002,939)
Loss of available-for-sale financial assets	-	-	(42,650)	(42,650)
Gains on disposal of available-for-sale financial assets credited to Income Statement	-	-	(775,580)	(775,580)
Share of contributions by other Joint Venture party in investments accounted for using the equity method	-	-	2,270,969	2,270,969
Total income and expense for the year recognised directly in equity	-	-	(10,550,200)	(10,550,200)
Profit for the year	-	14,053,025	-	14,053,025
Total income and expense for the year	-	14,053,025		14,053,025
Shares issued during the year	5,353,306	-	-	5,353,306
Transaction costs	(13,031)	-	-	(13,031)
Dividends paid or provided for	-	(5,832,212)	-	(5,832,212)
Equity as at 30 June 2007	**29,619,643**	**75,451,487**	**(7,357,455)**	**97,713,675**

OTHER NOTES TO THE CONDENSED FINANCIAL STATEMENTS

	Current Period	Previous corresponding period
7. NET TANGIBLE ASSETS PER ORDINARY SHARE (NTA backing)	1.21	1.32

8. DETAILS OF SUBSIDIARIES

8.1 Control Gained Over Entities During the Period

Name of entity	Yingkou Astron Mineral Resources Co Ltd	
Date control acquired, i.e. date from which profit(loss) has been calculated	31/12/2006	
Profit (loss) of the subsidiary (or group of entities) during the current period since the date on which control was acquired	$ -	$-
Profit (loss) of the subsidiary (or group of entities) for the whole of the previous corresponding period	$ -	$-

8.2 Loss of Control of Entities During the Period

N/A

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9. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

9.1 Equity Accounted Associates and Joint Venture Entities

	%Ownership Interest		Contribution to Net Profit	
	Current Period %	**Previous Corresponding Period %**	**Current Period A$**	**Previous Corresponding Period A$**
Carnegie Astron Joint Venture	50%	50%	434,435	-

9.2 Aggregate Share of Profits(Losses) of Associates and Joint Venture Entities

Group's Share of Associates and Joint Venture Entities:	**Current Period A$**	**Previous Corresponding Period A$**
Profit(Loss) before income tax	434,435	-
Income tax expense	-	-
Net profit(loss)	434,435	-
Adjustments	-	-
Share of net profit(loss) of associates and joint venture entities	**434,435**	-

10. DIVIDENDS

10.1 Dividends Paid per Share

Final

	Amount per share		Franked amount per share at …% tax		Amount per share of foreign source dividend	
- current period	20	cents	Nil	cents	20	cents
- previous corresponding period	-	cents	Nil	cents	-	cents

10.2 Total Proposed Dividends

	Current Period A$	Previous Corresponding Period A$
Final dividend payable on 12 December 2007	12,086,922	5,832,212

All dividends reflected as distributions above were paid during the period.

10.3 Dividend Reinvestment Plans

The Company runs a DRP the details are available from the Company Share Registry

11. ACCOUNTING STANDARDS

All applicable accounting standards have been applied in preparing this Appendix 4E

12, OTHER INFORMATION REGARDING THE ACCOUNTS

12.1 The information contained in this Appendix 4E is based on accounts which:

- have been audited	
- are in the process of being audited	X
- have not yet been audited	

12.2 Audit Disputes or Qualifications

N/A

13. OTHER SIGNIFICANT INFORMATION

N/A

14 Significant Accounting Policies

Statement of Significant Accounting Policies

(a) General information

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the economic entity of Astron Limited and controlled entities, and Astron Limited as an individual parent entity. Astron Limited is a listed public company, incorporated and domiciled in Australia

The financial report of Astron Limited and controlled entities, and Astron Limited as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which fair value basis of accounting has been applied.

(c) Principals of Consolidation

A controlled entity is an entity Astron Limited has the power to control the financial and operating policies so as to obtain benefits from its activities.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

(d) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(e) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on a first-in first-out basis.

(h) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the Group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions and reference to similar instruments.

(i) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

(i) Property

Land and buildings are measured on a cost basis. It is the policy of the consolidated entity to have an independent valuation every three years, with annual appraisals being made by the directors. At each balance date, the value of each asset in this class is reviewed to ensure that it does not differ materially from the asset's cost value at that date. Where necessary, the asset is revalued to reflect its fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

(ii) Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

(iii) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding land, is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful lives used for each class of depreciable assets are:

Class of Asset	
Land and Buildings	30 years
Plant and Equipment	5-10 Years

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(k) Interests in Joint Ventures

(i) Joint Venture Entities

Interests in joint venture entities are accounted for in the consolidated financial statements using the equity method. Under the equity method, the share of profits or losses of the entities are recognised in the consolidated income statement and the share of movements in reserves are recognised in the consolidated balance sheet.

(ii) Joint Venture Operations

The proportionate share of the Group's interests in the assets, liabilities, income and expenses of joint venture operations have been incorporated in the financial statements under the appropriate headings.

(l) Exploration and Evaluation Expenditure

i Costs Carried Forward

Costs arising from exploration and evaluation activities are carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not, at reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. Expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

ii Costs - abandoned area

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon that area is made.

iii Costs - production commences

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

iv Regular review

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

v Costs of site restoration

Costs of site restoration are to be provided over the life of the mine from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

(m) Intangibles

Research and Development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is capitalised if the product or service is technically feasible, adequate resources are available to complete the project, it is probable that future economic benefits will be generated and expenditure attributable to the project can be measured reliably. Expenditure capitalised comprises costs of services and direct labour. The carrying value of development costs is reviewed annually when the asset is not yet available for use, or when events or circumstances indicate that the carrying value may be impaired.

(n) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income statement in the period in which they are incurred.

(p) Revenue

Revenue is recognised at the fair value of the consideration received or receivable, net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from the sale of goods is recognised when control of the goods is passed to the buyer.

Interest revenue is recognised when control of the right to receive the interest payment is obtained.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting in the Group.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.

(r) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(s) Employee Benefits

Equity-settled compensation

The Group provides benefits to employees of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares.

(t) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. Collectibility of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An estimate for doubtful debts is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Trade receivables are generally receivable as follows:

- Chinese sales 0 – 90 day terms

- Foreign sales 30 – 90 day terms

Receivables from related parties are recognised and carried at the nominal amount due.

(u) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the group. These liabilities are non interest bearing liabilities and are generally payable on 30 - 90 day terms.

Payables to related parties are carried at the principal amount.

(v) Share Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the company.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

(w) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to members of Astron Limited by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(x) Dividends

Provision is made for dividends declared and no longer at the discretion of the Group, on or before the end of the financial year but not distributed at balance date.

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