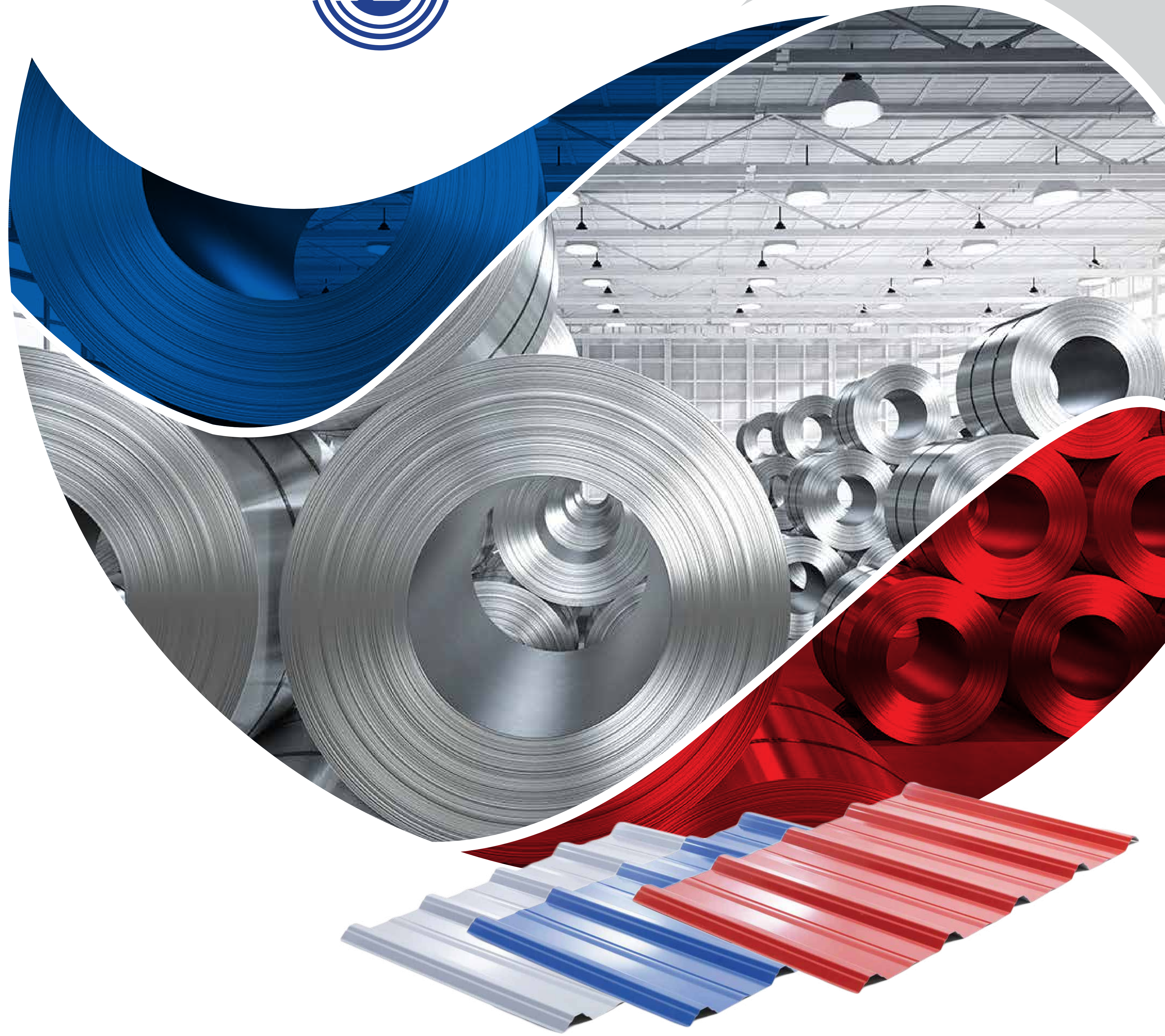
OUR
COMPANY

Astino Berhad has a strong foundation to offer outstanding and divergent technological solutions to fit the ever-changing needs of the markets around the world.

ASTINO®



ANNUAL **REPORTS** 2023

www.astino.com.my

Annual Reports

2023

Corporate Information

BOARD OF DIRECTORS

NG BACK TENG
Executive Chairman

NG HUNG SEH
Chief Executive Officer

NG HUNG WENG
Executive Director

DATO' HAJI MOHTAR BIN NONG
Senior Independent Non-Executive Director

LIM BEE LEE
Independent Non-Executive Director

CHEAH SWI CHUN
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

CHEAH SWI CHUN
Chairman –Independent Non-Executive Director

DATO' HAJI MOHTAR BIN NONG
Member- Senior Independent Non-Executive Director

LIM BEE LEE
Member- Independent Non-Executive Director

COMPANY SECRETARY

CH'NG LAY HOON
SSM PC No.: 201908000494
MAICSA 0818580

BUSINESS OFFICE

1218, Mukim 12, Jalan Serunai
Kawasan Perindustrian Valdor
14200 Sungai Bakap
Seberang Perai Selatan Penang

REGISTERED OFFICE

Suite 12-A Level 12, Menara Northam
No. 55 Jalan Sultan Ahmad Shah
10050 Georgetown Penang
Tel : 04-228 0511 Fax : 04-228 0518
Email : general@enetcorpsb.com

SHARE REGISTRAR

ALDPRO CORPORATE SERVICES SDN. BHD.
Level 5, Block B, Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam, Selangor.
Tel : 603-7890 0638 Fax : 603-7890 1032
Email : admin@aldpro.com.my

AUDITORS

Messrs Crowe Malaysia PLT
Chartered Accountants

BANKERS

Malayan Banking Berhad
United Overseas Bank (Malaysia) Bhd
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
CIMB Bank Berhad
Citibank Berhad

STOCK EXCHANGE

Main Market of the Bursa Malaysia
Securities Berhad

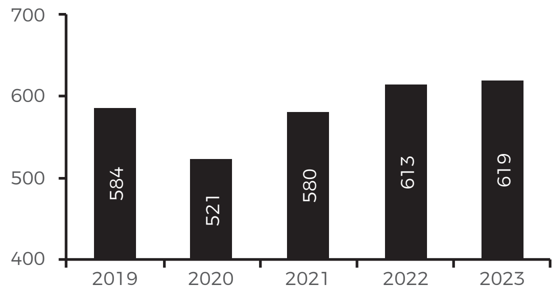
WEBSITE

www.astino.com.my

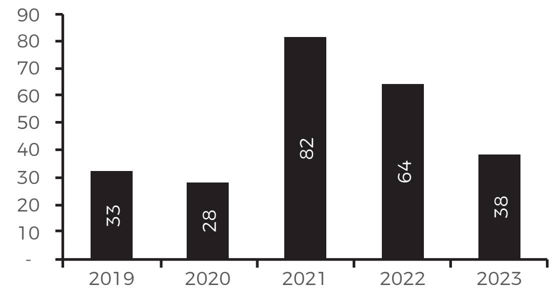
Group
Financial Highlight

YEAR	FY2019	FY2020	FY2021	FY2022	FY2023
(RM million)					
Turnover	584	521	580	613	619
Profit Before Taxation	33	28	82	64	38
Shareholders' fund	383	402	460	503	525
Net Earnings Per Share (SEN)	4.81	4.52	12.91	9.83	5.76
Net Dividend Per share (SEN)	1.00	1.50	1.00	1.00	1.00
Share dividend	N/A	N/A	1 : 50	N/A	N/A
Net Tangible Assets Per Share (SEN)	78	81	93	102	107
Debt to Equity Ratio	0.20	0.16	0.04	0.07	0.04

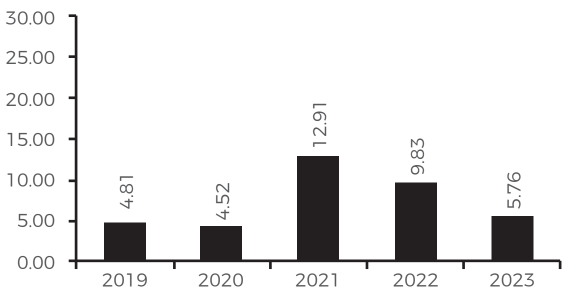
Turnover (RM million)



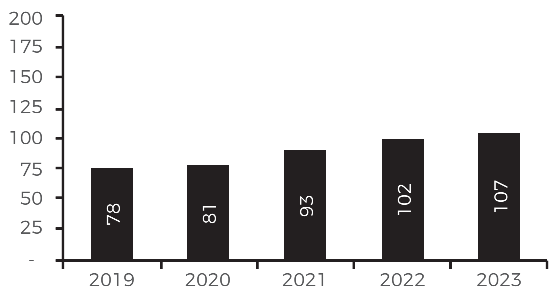
Profit Before Taxation (RM million)



Net Earnings Per Share (SEN)



Net Tangible Assets Per Share (SEN)



Management Discussion
And Analysis

OVERVIEW OF BUSINESS AND OPERATIONS

Astino Berhad is a Malaysian-based company principally engaged in the manufacturing and trading of metal building materials and other steel products. We were incorporated in year 2000 and subsequently became a public listed company in year 2003. Our main products are metal roofing, c-purlin, small c-purlin, truss and batten, piping, scaffolding, slitting and levelling coil, agro facilities and its related products.

Astino Group ("Astino" or "The Group") consists of seven subsidiaries and one associate company. The principle activities of the subsidiaries and associate company are disclosed in page 82 and 83.

The Group produces a wide range of products utilised in the construction, infrastructure, manufacturing, agricultural and poultry industries. Given the wide customer base and different industries served, the Group has an upper hand in being able to deliver specific requests as we have in-house facilities to undertake activities such as cutting, levelling, shearing, bending and welded steel pipe.

The Group's mission is to supply our customers with Top Quality and Innovative Products at reasonable cost and satisfying customer requirements through personalized, efficient and reliable services, and establishing a mutually rewarding relationship. Thus, the Group has set-up eight manufacturing plants to better service the increasing customer base. The plants are set up strategically at Sungai Bakap, Bukit Beruntung, Melaka and Temerloh to provide services to customer at different locations. The various plants also enable cost savings in transportation, effectively reducing the cost of sales.

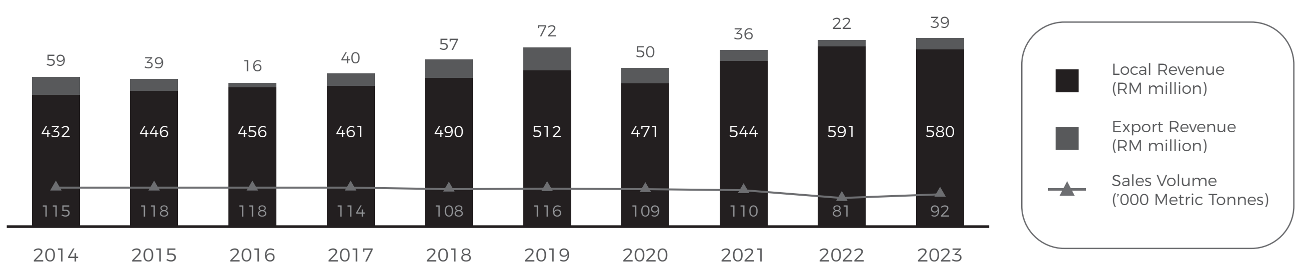
PERFORMANCE REVIEW

Despite the headwinds faced by the Group in 2023, our revenue for the financial year ended 31 July 2023 ("FY2023") increased by RM6.0 million to RM619 million compared with RM613 million for the preceding financial year ended 31 July 2022 ("FY2022"), and we also achieved a positive result with a profit before tax ("PBT") of RM38.0 million for FY2023, although it was substantially lower compared with the PBT of RM64.0 million recorded in FY2022.

a) Revenue

For the financial year 2023, the Group registered revenue of RM619 million, a slight increase of RM6 million (1%) as compared to RM613 million reported in the preceding year. This was mainly attributed to weaker average selling prices, partly offset by slightly higher sales volume. The sales volume increased from 81,000 metric tonnes to 92,000 metric tonnes, an increase of 13.6%.

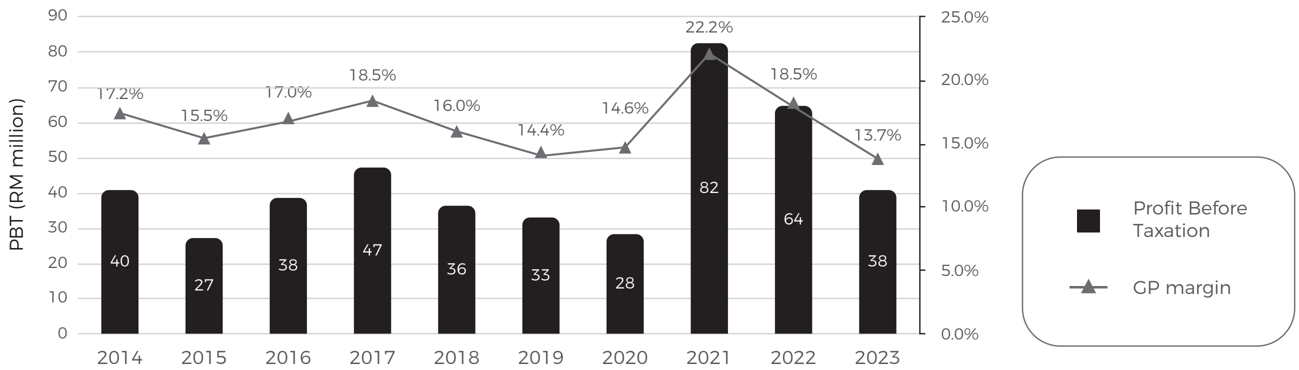
Segment Revenue (RM million) and Sales Volume ('000 Metric Tonnes)



b) Profit before Taxation

PBT decreased by 40.6% to RM38 million compared with RM64 million for FY2022, mainly due to the lower overall gross profit margin by 4.8 percentage points to 13.7% from 18.5% in FY2022. The Group's performance was greatly affected in the first half of FY2023, with the sharp decline of steel demand and weakening market sentiment in the first half of financial year 2023, which resulted in the increased cost of the Group not being fully reflected in selling prices.

Profit before Taxation (PBT) and Gross Profit Margin (GP Margin)

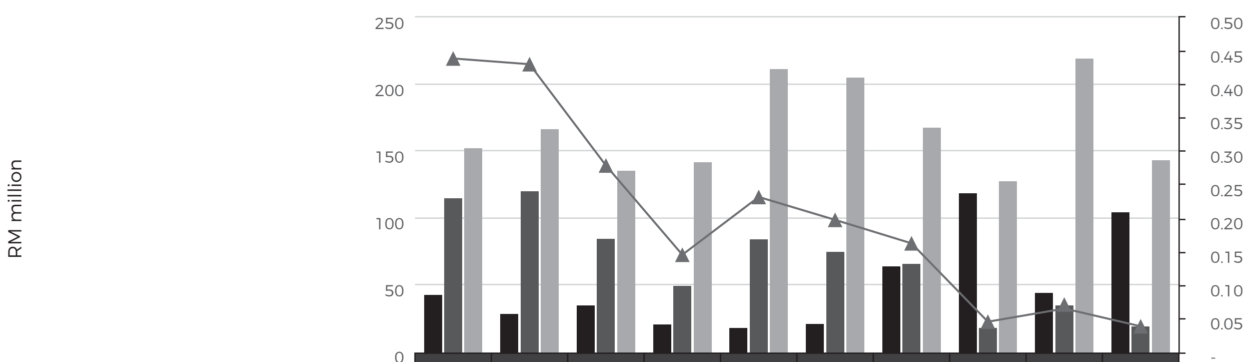


C) Cash Flows And Liquidity

The Group's cash & bank balances increased by RM60 million, and bank borrowing decreased by RM15 million as compared with the financial year 2022, mainly due to a decrease in inventories, which decreased by RM75 million as compared with the previous financial year.

The Group's debt to equity ratio still maintains a healthy and manageable level of 0.04 times at the end of the current financial year. Considering the challenging operating environment, the Board has elected to conserve adequate funds to meet the Group's financial obligations while still maintaining a healthy capital base for future earnings generation.

Cash & Bank Balances Vs. Loans and Borrowings Vs. Inventories Vs. Debt to Equity Ratio



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cash and Bank Balances	43	29	35	21	18	21	65	119	44	104
Loans & Borrowings	116	120	85	49	85	76	66	19	35	20
Inventory	152	166	135	142	211	205	168	128	219	144
Debt to Equity Ratio	0.44	0.43	0.28	0.14	0.24	0.20	0.16	0.04	0.07	0.04

OPERATION REVIEW

The Group had a year of unpredictability, with an unusual drop in raw material costs in the first part of the year. Higher inventory costs, along with a considerable drop in steel product selling prices, had a severe impact on the Group's earnings. The Group was able to turn around its performance and close the profit margin gap compared to the previous fiscal year due to the stability of material prices and decreased inventory costs in the second half of the year.

The fiscal year 2023 was fraught with numerous issues that impacted both the global and local economies. The rise in inflation and devaluation of the Ringgit versus major currencies, as well as sluggish business mood, have hampered Malaysia's economic growth. Weak market circumstances and increased competition in the construction sector impacted the Group's product demand and profit margins.

Despite the fact that global and local markets were sluggish in 2023, the Group was able to maintain its profit primarily thanks to the commitment of our senior management and the tenacity of our staff. Steel prices, which had recovered in the third quarter, also played a significant impact.

BUSINESS RISKS

The cost of steel, which is the Group's primary raw material, has had a significant effect on the Group's production costs. It accounts for approximately 90% of the total cost of production. Therefore, any fluctuations in steel commodity prices, foreign exchange rates and the availability of steel materials will have a significant impact on the Group's profitability. To address these issues, the Group is in close contact with suppliers and keeps a close eye on the cost of steel materials in order to respond quickly to any volatility. Additionally, a weekly pricing review is implemented to monitor any changes in the price of steel.

The Group's business operates in a highly competitive market, with severe competition from other local manufacturers as well as low-cost imports from low-cost manufacturing countries. In order to compete in the market, the Group has expanded capacity and upgraded facilities to assure the supply of quality products and the provision of the required service to our ever-discerning clients. To sustain our margins, the Group actively manages production costs while also boosting efficiency and recovery.

The Group provides trade receivables with trade credit terms that range from 30 to 60 days. Any significant payment delay or default by one of our key clients could result in potential credit losses, which could have a detrimental effect on our financial situation and bottom line. The credit terms and limits are regularly reviewed every six months in order to preventatively manage credit risk. In order to identify any slow-paying clients and take the proper steps for recovery and provisions as needed, we also diligently review ageing reports on a monthly basis.

FUTURE PROSPECT

In general, the industry has predicted that 2024 will be a difficult year. The ongoing slowdown in China and the modest and uneven recovery in the advanced economies are both expected to have a modestly positive impact on global economic growth.

Our pricing strategy is uncertain as a result of the fluctuating steel price. To ensure that both our profit margins and our selling prices are kept competitive in this regard, we will keep a close eye on changes in the price of steel.

The Group will continue to concentrate its efforts on increasing operational effectiveness as it looks into the possibility of producing new metal building material products to break into new local and international market segments.

DIVIDEND

In line with the Group’s performance and as recognition of your continuous support, the final single tier dividend of 1.0 sen per share in respect of the financial year ended 31 July 2023 will be proposed for shareholders’ approval at the forthcoming Annual General Meeting.

The dividend recommendation is consistent with our policy of building up reserves for expansion plans while at the same time giving reasonable return to our shareholders.

Director's Profile

NG BACK TENG

Executive Chairman

A Malaysian, aged 76, male, was appointed to the Board on 16 February 2003 as theExecutive Chairman & Managing Director, re-designated as the Executive Chairman & Chief Executive Officer on 8 March 2010 and currently holding the positon as the Executive Chairman of the Company, a position he held since 17 June 2016.

Mr. Ng Back Teng completed his upper secondary education in 1967. He has a total of 25 years of overseas working experience as a Mining Supervisor in British Phosphate Co. Ltd in Christmas Island, Australia and as a Production Executive for Elson Engineering Company. He is responsible for the growth of the Group's metal roofing and awning products.

NG HUNG SEH

Chief Executive Officer,

A Malaysian, aged 57, male, was appointed to the Board on 16 February 2003 as the Executive Director, re-designated as the Chief Operating Officer on 8 March 2010 and subsequently holding the position as Chief Executive Officer, a position he held since 17 June 2016.

Mr. Ng Hung Seh completed his lower secondary education in 1986. He is responsible for the marketing and sales of metal roofing and awning products for the Group. He has more than 20 years experience and expertise in the building related materials business.

NG HUNG WENG

Executive Director,

A Malaysian, aged 59, male, was appointed to the Board on 16 February 2003 as a Non-Independent Non-Executive Director and was re-designated as the Executive Director of the Company on 8 March 2010.

Mr. Ng Hung Weng has more than 20 years of experience and expertise in both the PVC door and metal roofing industries. He was instrumental in building up the Group to become one of the major suppliers of PVC doors in the country. He was previously in-charged of research and development for the Group's products and had successfully introduced many new products to the market.

DATO' HAJI MOHTAR BIN NONG

Senior Independent Non-Executive Director,
a Malaysian, aged 70, male, was appointed to the Board on 16 January 2006 and re-designated as the Independent Non-Executive Director of the Company on 17 June 2016.

Dato' Haji Mohtar holds an honours Bachelor Degree in Economics from Universiti Kebangsaan Malaysia (1978) and a Master Degree in Business Administration from Dubuque, Iowa, USA (1994).

Dato' Haji Mohtar joined the Terengganu State Civil Service in 1978 and retired on 15 August 2010. During his tenure with the Terengganu State, he has held various important posts such as District Officer of Setiu, Besut and Kuala Terengganu (1996 -1999), General Manager for Yayasan Pembangunan Usahawan Terengganu (2000), President of Majlis Perbandaran Kuala Terengganu (2001- 2002) and the State Secretary of Terengganu (2007 - 2010).

Dato' Haji Mohtar currently sits as a director on the Board of Wellcall Holdings Bhd and various private companies.

Dato' serves as the Chairman of the Nominating Committee and also a member of the Company's Audit & Risk Management Committee and the Remuneration Committee.

LIM BEE LEE

Independent Non-Executive Director,
a Malaysian, aged 68, female, was appointed as an Independent Non-Executive Director of the Company on 3 January 2019. A Chartered Accountant by profession, she is a member of the Malaysian Institute of Accountants and the Association of Chartered Certified Accountants (United Kingdom).

Ms. Lim has a vast working experience in the field of auditing and financial accounting in audit, financial institution, airline and properties industries.

Ms Lim is a member of the Audit & Risk Management Committee, Remuneration Committee and Nomination Committee.

CHEAH SWI CHUN

Independent Non-Executive Director,
a Malaysian, aged 50, male, was appointed to the Board on 31 May 2023.

Cheah Swi Chun granduated with a Bachelor of Commerce (Accounting) from La Trobe University, Australia in 1996. He has been a registered member of the Malaysia Institute of Accountants since 2002 and a member of CPA Australia since 2000. His professional journey began at Ernst & Young Corporate Advisory division in 1996. After gaining valuable experience there, he jointed B. Braun Medical Industries Sdn Bhd in 2000 as Corporate Controller for Asia Pacific region and subsequently, left to join Astino Berhad in 2002 as Accountant and Corporate Manager with primarily functions of overseeing the financial reporting, corporate planning and the listing exercise of the group. He left Astino Berhad in 2003 upon its successfully listing onto Bursa Malaysia Securities Berhad to co-establish several private companies with business activities in manufacturing and trading of building materials, and sub-contracting of building construction works.

With over 20 years of experience, his expertise extends to manufacturing operations in steel sector, as well as various business activities related to building construction works and building materials.

Mr. Cheah is also an Independent Non-Executive Director of HHRG Berhad, a public limited company listed on the ACE Market of Bursa Malaysia Securities Berhad.

Mr. Cheah serves as a Chairman of both the Company's Audit & Risk Management Committee and the Remuneration Committee. He is also a member of the Nomination Committee.

Save as disclosed below, there is no other family relationship with any other Directors or major shareholders of the Group and none of the Directors have any conflict of interest with the Company and have any conviction for offences within past five (5) years other than traffic offences, if any: -

Ng Back Teng, Ng Hung Seh and Ng Hung Weng are brothers. They are also the brothers of Ng Bak Seng, the major shareholder of the Company.

Senior Management Profile

NG BACK TENG

Executive Chairman

The Profile of Mr Ng Back Teng is listed in the Directors Profile on page 8.

NG HUNG SEH

Chief Executive Officer

The Profile of Mr Ng Hung Seh is listed in the Directors Profile on page 8.

NG HUNG WENG

Executive Director

The Profile of Mr Ng Hung Weng is listed in the Directors Profile on page 8.

MR. NG BAK SENG

A Malaysian, male, aged 67. the current Executive Director of Astino Southern Sdn. Bhd. and responsible for the daily operations of Astino Southern Sdn. Bhd. (Temerloh Branch), the wholly owned subsidiary of the Company. He joined the Group more than 20 years and has held various position in the Group.

In 2000, Mr Ng had assisted the Group in setting up Astino Southern Sdn Bhd, the manufacturing plant in Malacca.

Mr Ng is the brother of Mr Ng Bak Teng (Executive Chairman), Mr Ng Hung Seh (Chief Executive Officer), Mr Ng Hung Weng (Executive Director) and Mr Ng Bak Hiong.

MR. KHOO ENG SENG

A Malaysian, male, aged 63, the current Executive Director of Astino Southern Sdn. Bhd. and responsible for the daily operations of Astino Southern Sdn. Bhd. (Melaka Branch), the wholly owned subsidiary of the Company.

Mr. Khoo joined the Group in 2003 and has held various positions within the Group.

He has more than 30 years of hands-on experiences in building material businesses.

MR. NG BAK HIONG

A Malaysian, male, aged 64. the current Executive Director of Astino (M) Colour Steel Sheet Sdn. Bhd. (KL Branch) and responsible for the daily operations of Astino (M) Colour Steel Sheet Sdn. Bhd. (KL Branch), the wholly owned subsidiary of the Company. He joined the Group in 2010.

Mr Ng is the brother of Mr Ng Bak Teng (Executive Chairman), Mr Ng Hung Seh (Chief Executive Officer), Mr Ng Hung Weng (Executive Director) and Mr Ng Bak Seng.

MR. KEVIN NG FONG SOO

A Malaysian, male, aged 45, was appointed as the Executive Director of Astino Metal industries Sdn. Bhd. on 1 February 2019 who is responsible for the daily operation of Astino Metal Industries Sdn. Bhd, the wholly owned subsidiary of the Company. He joined the Group in year 2001 and has held various positions within the Group.

He has more than 20 years of experience in building materials industry.

Mr. Kevin is the nephew of our Executive Chairman, Mr. Ng Back Teng, Chief Executive Officer, Mr. Ng Hung Seh, Executive Director Mr. Ng Hung Weng, Mr Ng Bak Seng and Mr. Ng Bak Hiong.

All Senior management do not have any conviction for the past five years other than traffic offences; if any.

Notice Of
Annual General Meeting

NOTICE IS HEREBY GIVEN that the 23rd Annual General Meeting ("AGM") of ASTINO BERHAD ("the Company") will be held at Iconic 4, Level 7, Iconic Hotel, 71, Jalan Icon City, Icon City, 14000 Bukit Mertajam, Penang on Friday, 12 January 2024 at 10.30 a.m. or at any adjournment thereof, for the following purposes: -

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 July 2023 and Reports of the Directors and Auditors thereon.

2. To approve the payment of a final single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 July 2023. (Resolution 1)

3. To re-elect the following Directors who retire in accordance with Article 88 of the Company's Constitution, and being eligible have offered themselves for re-election:-

   3.1 Ms Lim Bee Lee (Resolution 2)
   3.2 Mr. Ng Hung Weng (Resolution 3)

4. To re-elect Mr. Cheah Swi Chun, the Independent Non-Executive Director who retire in accordance with Article 95 of the Company's Constitution, and being eligible has offered himself for re-election. (Resolution 4)

5. To approve the payment of Directors' Fees amounting to RM96,000 for the financial year ended 31 July 2023 (Resolution 5)

6. To approve the payment of Directors' Other Benefits up to RM26,700 from 13 January 2024 to 31 January 2025. (Resolution 6)

7. To re-appoint Messrs Crowe Malaysia PLT, the retiring Auditors, and to authorise the Directors to fix their remuneration. (Resolution 7)

SPECIAL BUSINESS

To consider and if thought fit, to pass the following as Ordinary Resolutions with or without modifications: -

8. **Authority to Issue Shares Pursuant to the Companies Act 2016**
   "THAT, subject always to the Companies Act 2016 ("Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the provisions of the Constitution of the Company and approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Board of Directors of the Company ("Board") be and is hereby empowered pursuant to Section 75 and 76 of the Act, to issue and allot shares in the capital of the Company, at any time upon such terms and conditions and for such purposes as the Board may, in its absolute discretion deem fit, provided that the aggregate number of the shares issued pursuant to this resolution does not exceed ten (10) per centum of the issued share capital of the Company for the time being and the Board be and is also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("Mandate") and that such authority shall continue in force until the conclusion of the next AGM of the Company;

THAT pursuant to Section 85 of the Act read together with Article 10 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company in respect of the allotment and issuance of new Shares pursuant to the Mandate AND THAT such new Shares when allotted shall rank pari passu in all respects with the existing class of ordinary shares;

AND FURTHER THAT the Board is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the allotment and issuance of new Shares pursuant to the Mandate." (Resolution 8)

9. **Proposed Renewal of Share Buy-Back Authority**

"THAT, subject to the provisions of the Act, rules, regulations, orders and guidelines made pursuant to the Act, provisions of the Company's Constitution, Bursa Securities' Main Market Listing Requirements and approvals of any relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and are hereby authorised to utilize an amount not exceeding the Company's retained profits, to purchase such number of ordinary shares of the Company provided the ordinary shares so purchased shall [in aggregate with the treasury shares as defined under Section 127 of the Act ("Treasury Shares") then still held by the Company] not exceed ten (10) per centum of the total issued and paid-up share capital of the Company for the time being AND THAT such authority shall commence upon the passing of this resolution until the conclusion of the next AGM of the Company unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting AND THAT the Directors may cancel the ordinary shares so purchased or retain same as Treasury Shares and my distribute the Treasury Shares as share dividend or may resell same in a manner they deem fit and expedient as prescribed by the Act and the applicable regulations and guidelines of Bursa Securities and any other relevant authorities for the time being in force AND THAT authority be and is hereby given to the Directors to take such steps as are necessary or expedient to implement, finalise and to give effect to the aforesaid transactions with full power to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things and upon such terms and conditions as the Directors may in their discretion deem fit and expedient in the best interest of the Company in accordance the Act, regulations and guidelines." (Resolution 9)

10. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT, subject always to the compliance with Bursa Securities' Main Market Listing Requirements, the Company's Constitution and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given to the Company and its subsidiaries ("Astino Group") to enter into any of the category of recurrent related party transactions of a revenue or trading nature as set out in Paragraph 2.4 of Part A of the Circular/Statement to Shareholders dated 30 November 2023 with the specific related parties mentioned therein ("Proposed Mandate") which are necessary for Astino Group's day-to-day operations on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until: -

(a) the conclusion of the next AGM of the Company following the AGM, at which time the Proposed Mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
(c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions contemplated and/or authorised by this Ordinary Resolution." (Resolution 10)

11. To transact any other ordinary business for which due notice has been given.

NOTICE IS HEREBY GIVEN that for purpose of determining a member who shall be entitled to attend this 23rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 5 January 2024. Only a depositor whose name appears on the Record of Depositors as at 5 January 2024 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that, subject to the approval of the shareholders at the 23rd Annual General Meeting, a final single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 July 2023 will be paid on 29 March 2024 respectively to depositors registered in the Records of Depositors on 8 March 2024.

A depositor shall qualify for entitlement only in respect of: -

(a) Shares transferred into the depositor's securities account before 4.00 p.m. on 8 March 2023 in respect of transfers; and
(b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

Ch'ng Lay Hoon
SSM PC No.: 201908000494 MAICSA 0818580
Company Secretary
Penang

30 November 2023

NOTES:

1. **Proxy**

    1.1 A member entitled to attend, speak and vote at the AGM is entitled to appoint proxy(ies) to attend, participate, speak and vote in his stead.
    1.2 Where a member is an authorised nominee ("AN") as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), the AN may appoint proxy(ies) in respect of each securities account it holds which is credited with ordinary shares of the Company.
    1.3 Where a member of the Company is an exempt authorised nominee ("EAN") as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), the EAN may appoint proxy(ies) in respect of each omnibus account it holds.
    1.4 Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
    1.5 The appointment of a proxy may be made in hard copy form or by electronic means and must be received by the Company not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjournment thereof. If the appointer is a corporation, under its common seal or in such other manner approved by its directors. Any alteration to the instrument appointing a proxy must be initialed.
    1.6 Pursuant to Paragraph 8.29A of the Bursa Securities Main Market Listing Requirements, all resolutions set out in the Notice of 23rd AGM will be put vote on a poll.

2. **Audited Financial Statements for the financial year ended 31 July 2023**
The audited financial statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not required shareholders' approval and hence, will not be put for voting.

3. **Explanatory Notes On Special Business**
Resolution 8: Authority to Issue Shares
The proposed Resolution 8, if passed, will give a renewed mandate to the Directors of the Company, from the date of above AGM, authority to issue and allot shares in the Company up to and not exceeding in total ten (10) per centum of the issued share capital of the Company for the time being, for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors of the Company at the 22nd AGM held on 12 January 2023. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is obtained, the Company would make an announcement in respect of the purpose and utilization of the proceeds arising from such issue.

Resolution 9: Proposed Renewal of Share Buy-Back
The proposed Resolution 9, if passed, will provide the mandate for the Company to buy back its own shares up to a limit 10% of the total issued and paid-up share capital of the Company. The explanatory notes on Resolution 9 are set out in Part B of the Circular/Statement dated 30 November 2023 accompanying the Annual Report.

Resolution 10: Proposed Renewal Mandate for Recurrent Related Party Transactions
The proposed Resolution 10, if approved, will enable the Astino's Group to enter into recurrent related party transactions of a revenue or trading nature with related parties in accordance with paragraph 10.09 of Bursa Securities' Main Market Listing Requirements. The explanatory notes on Resolution 9 are set out in Part A of the Circular/Statement to Shareholders dated 30 November 2023 accompanying the Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27 (2) of the Main Market Listing Requirements of Bursa Securities

Save for re-election of Directors, there is no Director standing for election at the 23rd AGM of the Company.

The proposed Ordinary Resolution 8 for the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors of the Company at last AGM held on 12 January 2023.

Corporate Governance Overview Statement

INTRODUCTION

The Board of Directors ("Board") of Astino Berhad is committed to ensure that a high standard of corporate governance is practised throughout the Company and its subsidiaries in discharging its responsibilities with integrity, transparency and professionalism to protect the assets of the Group and enhance shareholders' value and the financial position of the Group. The Board has always been vigilant of the fiduciary duties entrusted upon the Board as a principle guide in discharging its duties.

The Board will constantly review its corporate governance practices in response to develop best practices and the changing needs of the Group. The Board hereby provides the following Corporate Governance Overview Statement, which outlines the practices adopted by the Company in compliance with the Principles and Recommendations set in the MCCG 2021 as well as the Main Market Listing Requirement of Bursa Securities ("MMLR").

The detailed application for each practice as set out in the Code is disclosed in the Corporate Governance Report ("CG Report") which is available on the Company's website: www.astino.com.my as well as via the Company's announcement made to Bursa Securities. The CG Report is prepared in compliance the MMLR.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

A.1 Board Leadership

Clear Functions of the Board and Management

The Board's role is to provide stewardship of the Company and direction for management, it is collectively responsible and accountable to the Company's shareholders for the long term success of the Group. The Board is guided by its Charter, Code of Ethics which outlines the duties and responsibilities of the Board, matters that are specifically reserved for the Board, as well as those which the Board may delegate to the relevant Board Committees.

The Board also delegated the authority and responsibility for managing the day-to-day business affairs of the Group to the Chief Executive Officer who is responsible for overseeing the business development, implementation of the corporate strategies and business plans, policies and controls. The responsibilities of the senior management team are clearly defined.

Clear Roles and Responsibilities of the Board

The Group is led by effective Board comprising members of high caliber. The Directors comprise of individuals from varied professional background with wide range of relevant business and financial experience who contribute independent judgement on issues pertaining to the strategy, risks, management performance, compliance and resources affecting the Group.

The role of the Board is to provide overall strategic guidance, effective oversight on the governance and management of the business affairs of the Company for the benefit of the stakeholders. Responsibilities of the Board includes:-

- Reviewing, adopting and monitoring the Company's major strategies, financial performance in respect of objectives and plans set;
- Decision making regarding matters of sensitive, extraordinary or strategic nature;
- Monitoring capital management and major expenditure;
- Approving the Group's annual budget, quarterly financial results and carrying out periodic review of the achievements by the various operating divisions against their respective business targets;
- Ensuring that the operating infrastructure, systems of control, system for risk identification, financial and operational controls are in place and properly implemented;
- Undertaking succession planning to identify suitable candidates for senior managerial positions to ensure continuity of key positions;
- Reporting to shareholders;
- Evaluation of Board processes and performance;
- Declaring dividends payment.

The Board also reviews the principal risks arising from all aspects of the Company's business that have significant impact on the Group's operations to ensure that there are systems in place to effectively monitor and manage these risks.

In discharging its fiduciary duties, Board Committees are formed to assist in the effective functioning of the Board. The Board delegated specific responsibilities to three (3) Committees, namely: -

A. Nomination Committee,
B. Audit & Risk Management Committee, and
C. Remuneration Committee.

The Board Committees are guided and operate within clearly defined terms of reference. All these Committee are mainly lead by Independent Non- Executive Directors of the Board. Management and third party are invited to attend or co-opted to such Committees as and when required.

Code of Conduct and implementation

The Board of Directors is guided by the Code of Ethics established by the Companies Commission of Malaysia for Company Directors. The Code of Ethics sets out the principles in relation to sincerity, integrity, responsibility and corporate social responsibility. The code is formulated to enhance the standard of corporate governance and corporate behavior of directors based on trustworthiness and values that can be accepted, and to uphold the spirit of responsibility and social responsibility in line with legislation, regulations and guidelines for administering the Company.

Whistleblowing Policy

In adhering to good corporate governance practices and with the introduction of the Whistleblower Protection Act 2010, the Board has put in place an avenue for employees and stakeholders to report genuine concerns about unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal. The detail of Whistleblowing Policy is available at the Company's website at www.astino.com.my.

Anti-Bribery and Anti-Corruption Policy

With the introduction of the new corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment 2018), effective from 1 June 2020, the Board has reviewed the Group's readiness to implement the Anti-Bribery and Anti-Corruption Policy in accordance with the compliance objective. The Company's Anti-Bribery and Anti-Corruption Policy is accessible on the Company's website at www.astino.com.my.

Board Charter

The Board has adopted a Board Charter which sets out the principal functions, composition, roles and responsibilities of the Board. The Board Charter is a source reference and primary induction literature, providing insights to respective Board members and Senior Management. Therefore, the Board Charter is reviewed periodically and updated in accordance with the needs of the Company to ensure its effectiveness. A summary of the current Board Charter is published on our website, www.astino.com.my.

Access to Information and Advice

The Board will be provided with an agenda and a set of Board papers containing information relevant to the business on a timely manner prior to the scheduled Board/Board Committees meeting. This is to enable the Directors to look at both qualitative and quantitative factors so that informed decisions are made.

The Board papers are circulated to Director at least seven (7) days in advance. This is to accord sufficient time for the Directors to peruse through the Board papers to enable them to effectively discharge their duties and responsibilities. All proceedings of Board Meetings are minuted and signed by the Chairman of the Meeting in accordance with the provision of the Companies Act, 2016 ("the Act"). Minutes of meeting of each Committee are also circulated to the Board Members for review.

The Directors have unrestricted access to the advice and services of the Company Secretary on compliance with the new statutory and regulatory requirements. The Board of Directors, whether as a full Board in their individual capacity, may upon approval of the Board of Directors, seek independent advice if required, in furtherance of their duties, at the Company's expense.

The Role of Chairman and CEO

There is a clear and distinct division of responsibilities between the Chairman and the CEO to ensure that there is an appropriate balance of power and role, responsibility and accountability at Board level.

The Code recommends that the Chairman must be of a non-executive member of the Board. However, the Nominating Committee has assessed, reviewed and determined that the chairmanship of Mr. Ng Back Teng remains based on the following justifications and aspects contributed by Mr. Ng Back Teng, as a member of the Board:

- His vast experience in managing the operations of the Group's enable him to provide the Board with a diverse set of experience, expertise and skills to better manage and run the Group;
- He has exercised his due care in the interest of the Company and shareholders during his tenure as an Executive Chairman of the Company; and
- He has provided objectivity in decision making and ensured effective check and balance in the proceedings of the Board.

The Board unanimously appointed Dato' Haji Mohtar Bin Nong , the Senior Independent Non- Executive Director, to be the senior member to address the shareholders concern, if any.

Qualified and Competent Company Secretaries

The Company Secretary, who is qualified, experienced and competent, will advise the Board on any new statutory requirements, guidelines and listing rules.

The Company Secretary or their representatives attend all the Board and Board Committee meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.

The Company Secretary also facilitates timely communication of decisions made by the Board at Board Meetings, to the Senior Management Team for action. The Company Secretary work closely with the Senior Management Team to ensure that there are timely and appropriate information flows within and to the Board and Board Committees, and between the Non-Executive Directors and Management.

A.2 Board Composition

The Board currently has six (6) members, comprising three (3) Independent Non-Executive Directors, and three (3) Executive Directors (including the Chairman). The composition of the Board complied with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") to have at least one third (1/3) of the Board consisting of independent director. A brief description of the background of each Director is presented on page 8 to 9.

The Board is well balanced with the presence of Independent Non-Executive Directors of caliber and collectively possesses sufficient experience and expertise in objective and independent decisions making. Although all the Directors have an equal responsibility for the Group's operations, the role of the Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the executives management are fully discussed and examined, and take account of the long term interests, not only of the shareholders, but also of employees, customers, suppliers, and the many communities in which the Group conducts business.

Board Committees

Board Committees are formed to assist in the effective functioning of the Board. The Board delegate specific responsibilities to three (3) Committees, namely the Audit & Risk Management Committee, the Nomination Committee and the Remuneration Committee, which operates within clearly defined terms of reference and are consistent with the recommendations of the Code. The Chairman of the various committees will report to the Board on matters deliberated at the committee meetings and such reports are incorporated in the minutes of the Board meetings. The Term of Reference ("TOR") of each Committee is published on our website, www.astino.com.my.

(A) Audit & Risk Management Committee

The Audit & Risk Management Committee of the Board comprises three (3) Independent Non-Executive Directors. The composition of the Audit & Risk Management Committee is in the compliance with the Listing Requirements and the Code which require all the Audit and Risk Management Committee members to be Non-Executive Directors with a majority of them being Independent Directors. Further detail of the Audit & Risk Management Committee are outlined on pages 43 to 44 of this Annual Report.

(B) Nomination Committee

The Nomination Committee for the financial year ended 31st July 2023, which comprises three (3) Independent Non-Executive Directors and they are as follows:-

Dato' Haji Mohtar Bin Nong *(Chairman – Senior Independent Non-Executive Director)*
Lim Bee Lee *(Member – Independent Non-Executive Director)*
Cheah Swi Chun *(Member –Independent Non-Executive Director)*

The Nominating Committee met once during the financial year where the Committee considered the Directors who were due for retirement and re-election at the Annual General Meeting. The Nominating Committee continuous reviews and evaluates its requirements for an appropriate mix of skills and core competencies to discharge its duties effectively. The Committee confirms that the present size and composition of the Board is appropriate to oversee the overall business of the Group.

(B.1) Appointment and Re-election to the Board

The Nominating Committee is empowered to identify and recommend to the Board for assessment and endorsement of candidates for new appointments to the Board. In this process, the Nominating Committee shall take into cognizance the following criteria :-

- Size, composition, mix of skills, experience, competencies and other qualities of the existing Board members, level of commitment, resources and time that the recommended candidate can contribute to the Board and Group;
- The candidate's skills, knowledge, expertise and experience, professionalism, integrity and, in the case of a candidate for the position of Independent Non-Executive Director, the independence as defined in the Listing Requirements – for the purpose to bring about independence and objectivity in judgement on issues considered and thence, the ability to discharge responsibilities as expected from an Independent Non-Executive Director,
- The candidate's understanding of the Group business; production and marketing activities; and factors that promote boardroom diversity, including gender diversity and other qualities of the Board

In accordance with the Company's Constitution, any additional Director appointed shall hold office only until the next following Annual General Meeting ("AGM") and shall then be eligible for re-election. The Articles also provide that at least one-third of the remaining Directors be subject to re-election by rotation at each AGM and all the Directors shall retire from office once in each three years but shall be eligible for re-election.

(B.2) Gender Diversity Policy

The Board acknowledges the importance of boardroom diversity and the recommendation of the Code pertaining to the establishment of a gender diversity policy. Hence, the Board had always been in support of a policy of non-discrimination on the basis of race, religion and gender. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with the competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company. Nevertheless, the Board will only set specific targets in relation to gender diversity if the situation so requires and if it is in the best interest of the Company to do so. The Board currently has one (1) female director.

(B.3) Annual Assessment

The Nominating Committee meets at least once a year and during the meeting which was held on 29th September 2023, the Nominating Committee conducted the Board Performance Evaluation via questionnaires which covers Board and Board Committees effectiveness assessment together with Directors' self and peer assessment. The Nominating Committee assessed the effectiveness of the Board and Board Committee in terms of composition, conduct, accountability, and responsibility of the Board and Board Committees in accordance with its terms of reference. The Directors self and peer assessment was conducted to evaluate the mix of skills, experience and the individual's Directors ability to contribute and exercise independent judgement towards the effective functioning of the Board. The Nominating Committee also evaluates the independence of the Independent Directors based on the criteria of "Independence" as prescribed in the Listing Requirements.

The Nominating Committee, pursuant to the annual review that was carried out, was satisfied that the size of the Board is optimum, well-balanced with the appropriate mix of skills and experience in the composition of the Board and its Committees and each Director has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of the Company. The Nominating Committee also reviewed and assessed the effectiveness of the Audit Committee in carrying out its duties as set out in its terms of reference.

(C) Remuneration Committee

The Remuneration Committee met once during the year where the Committee deliberated on the Directors' fees of the Non-Executive Directors, the remuneration package and bonus of the Executive Directors.

The members of the Remuneration Committee are:-

Cheah Swi Chun *(Chairman – Independent Non-Executive Director)*
Dato' Haji Mohtar Bin Nong *(Member –Senior Independent Non-Executive Director)*
Lim Bee Lee *(Member – Independent Non-Executive Director)*

Directors Remuneration

The Remuneration Committee of the Company recommends to the Board the policy framework of the Executives Directors' remuneration, and the remuneration package for each Executive Director in accordance with performance, service seniority, experience and scope of responsibilities. The Group performance and the country inflation rate are taken into consideration in determining the remuneration packages for Executive Directors.

The determination of the remuneration and entitlement of Non-Executive Directors will be a matter to be decided by the Board as a whole with the Directors concern abstaining from deliberations and voting on decision in respect of his individual remuneration.

The remuneration of Directors is set at level which would enable the Group to attract and retain Directors with relevant expertise and the experience necessary to run the Group effectively. Directors' fees are to be approved by the shareholders at the AGM.

In compliance with the Listing Requirements on disclosure of Directors' remuneration, details of the Directors' remuneration for the financial year ended 31st July 2023 are as follows:

	Salaries	Bonuses	Allowances	Benefits-in-kind	Fees
	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Directors					
Ng Back Teng	999	388	63	28	-
Ng Hung Seh	963	385	38	29	-
Ng Hung Weng	705	37	26	-	-
Non-Executive Directors					
Dato' Haji Mohtar Bin Nong			7		32
Lim Bee Lee			6		32
Cheah Swi Chun			1		5
Dr. Cheah Soo Jin			6		27

The number of Senior Management whose remuneration falls into the following bands comprises:

Remuneration bands	No of senior Management
Below RM50,000	-
RM400,001 to RM450,000	1
RM550,001 to RM600,000	1
RM750,001 to RM800,000	2
RM950,001 to RM1,000,000	1
RM1,400,001 to RM1,450,000	1
RM1,450,001 to RM1,500,000	1

Directors Training

At the date of this Statement, all Directors have successfully attended the Mandatory Accreditation Programme prescribed by Bursa Securities.

The Directors are mindful that they should receive continuous training to broaden their perspectives and keep abreast with the new statutory and regulatory requirements, and essential practices for effective corporate governance and risk management to enable the Directors to effectively discharge their duties. The Directors are empowered by the Board to evaluate and assess his own individual training needs and are encouraged to attend seminars and/or conferences to further enhance their business acumen and professionalism in discharging their duties effectively.

Throughout the year, the Directors have received updates from time to time on relevant new laws and regulations. The Company Secretary circulated the latest relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference. The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

During the financial year, the training programmes and seminars attended by the Directors are as follows:

Training Programmes & Seminars

- Macro and Markets Update: Navigating New Risks and Will This Derail The Fed's rate Hike Path
- Chapter 10-Transactions with 3rd Party and Related Party
- MFRS 16 Leases: What it entails and its effects (plus tax considerations)
- Strategic & Critical Thinking for Better Decision Making & Solutions
- Boss Finance Intensive
- Profit Maximizing Strategy
- Construction Industry Payment & Adjudication At 2012 (CIPAA)

Board Meetings

An effective Board leads and controls the Group. The Board is responsible for the overall performance of the Group and focuses mainly on the strategies, performance, standards of conduct and critical business issues.

The Board meets quarterly to review its quarterly performances and discuss new policies and strategies with additional meetings as and when necessary. A total of five (5) Board meetings were held for the last financial year ended 31st July 2023. All Directors fulfilled the requirement of the Listing Requirements of having attended at least 50% of the Board meetings held by the Company during the financial year. The attendance record of each Director for the last financial year ended 2023 is as follows:

Name of Directors	Attendance
Ng Back Teng	5/5
Ng Hung Seh	5/5
Ng Hung Weng	5/5
Dato' Haji Mohtar Bin Nong	5/5
Lim Bee Lee	5/5
Cheah Swi Chun	1/1
Dr. Cheah Soo Jin	4/4

Annual Assessment of Independent Directors

The criteria for Independence set out in the Listing Requirements form the basis for evaluation of independence of non-executive director. The Board and its Nominating Committee in their annual assessment concluded that each of the Independent Non-Executive Directors continuous to demonstrate conduct and behavior that are essential indicators of independence. Each of them continuous to fulfill the definition and criteria of independence as set out in Listing Requirements.

Tenure of Independence Directors and Shareholders' Approval for Re-Appointment of Independent Directors

The Code recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. In the event the Board intends to retain the Independent after service a cumulative term of nine (9) years, shareholders' approval shall be annually sought with justification through a two-tier voting process. The Board is mindful of the recent changes to the MMLR that an Independent Director who has served more than 12 years should be re-designated to Non-Independent Director or to vacate the position accordingly.

As at the date of this Annual Report, the Company do not have any Independent Non Executive Director who has served a tenure of more than nine (9) years.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Sound Risk Management Framework

The Board assumes responsibility for the effective stewardship and management of the Company with the strategic objective to build and deliver long term shareholder value whilst meeting the interests of shareholders and stakeholders. The Board provides strategic direction and formulates appropriate corporate policies to ensure the Group's resources and profitability is optimized. The Board is also responsible for assessing the integrity of the Group's financial information and the adequacy and effectiveness of the Group's internal control and risk management processes.

Internal Audit Function

The Board recognizes the importance of risk management and internal controls in the overall management process. The Group's Statement on Risk Management and Internal Control which provides an overview of the Group's risk management and state of internal controls is set out on pages 45 and 47 of the Annual Report.

Financial Reporting

In presenting annual financial statements and quarterly announcements to the shareholders, the Directors aim to present a balanced and comprehensive assessment of the Group's financial position and prospects. The Audit Committee assists the Board in ensuring the accuracy, adequacy and completeness of information for disclosure.

Statement of Directors' Responsibility for Preparing the Financial Statements

The Board is required by the Act to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flow for the year then ended.

The Board considers that in preparing the financial statements for the year ended 31 July 2023, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Board has responsibility for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group which enable them to ensure that the financial statements comply with the Act.

The Directors have overall responsibility for taking such steps as is reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

Suitability and Independence of External Auditors

The Board through the Audit Committee maintains a transparent and professional relationship with the Group's external auditors. The Audit Committee meets with the external auditor to discuss their audit plan and audit findings in relation to the Group's financial results. The Audit Committee will have a private session with the External Auditors without the presence of Executive Director and management, where necessary, to discuss the audit findings and any other observations they may have during the audit process. An assurance is provided by the External Auditors via their report to the Audit Committee, confirming their independence through the conduct of the audit engagement in accordance with the terms of relevant professional and regulatory requirement.

The External Auditors are invited to the AGM of the Company and are available to answer shareholders' queries on the conduct of the statutory audit. In addition, the External Auditors are also invited to attend the internal audit exit meeting to receive the internal audit report.

Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's TOR.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND STAKEHOLDER ENGAGEMENT

ASTINO values good communications with shareholders and investors. Its commitment, both in principle and practice, is to maximize transparency consistent with good governance, except where commercial confidentiality dictates otherwise.

Annual General Meetings

The AGM is the principal forum for dialogue and interaction with the shareholders of the Company. The Board encourages shareholders' active participation at the Company's AGM and endeavours to ensure all Board Members, Senior Management and the Group's External Auditors are in attendance to respond to shareholders' enquiries. At the AGM, the Board presents the performance of the Group as contained in the Annual Report and shareholders present are given the opportunity to present their views or to seek more information. Resolutions tabled and passed at the Meeting are released to Bursa Securities on the same day.

Annual Report

The Company has consistently published its Annual Report in a timely manner that enables the shareholders to review it prior to AGM. As an initiative to promote environmental sustainability and efficiencies, the mailing of printed copy of the Annual Report has been discontinued from this year onwards, However, the full version of the Annual Report is available online at the Group's website, www.astino.com.my and a printed full version will be provided to shareholders upon request within four (4) market days.

Investor Relations

The Board recognizes the importance of keeping shareholders and investors informed of the Group's businesses and corporate developments. The Board's primary contact with shareholders is via the Executive Chairman, who have regular dialogue with institutional investors.

The Group's website, www.astino.com.my also serves as a forum to communicate with shareholders and investors and to provide information on the Group's business activities. Information such as disclosures made to Bursa Securities (including interim and full year financial results, Annual Report and other announcements on relevant transactions undertaken by the Group) and the Group's business activities can be obtained from the website. Requests for information on the Company can be forwarded to the same website.

Announcements made by the Company to Bursa Securities are also accessible from www.bursamalaysia.com. As there may be instances where investors and shareholders may prefer to express their concerns to an independent director, the Board has appointed Dato' Haji Mohtar Bin Nong as the Senior Independent Non-Executive Director to whom concerns may be directed. At all times, investors and shareholders may contact the Company Secretary for information on the Company.

Corporate Disclosure Policy

The Company is committed to a policy which provides accurate, balanced, clear, timely and complete disclosure of corporate information to enable informed and orderly market decisions by investors. In this respect, the Company follows the Corporate Disclosure Guide and Best Practices as proposed by Bursa Securities.

Material information will in all cases be disseminated broadly and publicly via Bursa Securities, and other means. Copies of the full announcement are supplied to the shareholders and members of the public upon request. Interested parties can also obtain the full financial results and the Company's announcements from the Company's website at www.astino.com.my and also the Bursa Securities' website.

Sustainability Strategies

The Group is committed towards building an enduring business model that take into consideration the environment, community, workplace, marketplace and balance between business opportunity and risks in order to deliver lasting value for the shareholders and stakeholders. Details of the day-to-day business activities is disclosed in the Sustainability Statement in this Annual Report.

COMPLIANCE WITH THE CODE

The Board has taken necessary practical and appropriate steps to comply with the requirements of Listing Requirements in relation to applications of principles and adoption of best practices of good corporate governance principles and recommendations in its pursuit of achieving the highest level of transparency, accountability and integrity.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is required under paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Securities to issue a statement explaining its responsibility for preparing the annual audited financial statements.

The Board of Directors is also required by law to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and the Company as at the financial year end and of their results and cash flows for the financial year then ended.

The Board of Directors considers that, in preparing the financial statements of the Group and the Company for the financial year ended 31 July 2023, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates. The Board of Directors also considers that all applicable Financial Reporting Standards in Malaysia have been complied with and confirm that the financial statements have been prepared on a going concern basis.

The Board of Directors is responsible for ensuring that the Group and the Company maintains proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and the Company, and that the financial statements comply with the regulatory requirements.

This statement was made in accordance with the resolution of the Board of Directors dated 3 November 2023.

Sustainability
Statement FY2023

The Board of Directors ("Board") of Astino Berhad ("Astino" or the "Company") presents this Sustainability Statement ("Statement") which discusses and reports the progress of the economic, environmental, and social ("EES" or "sustainability") strategies, management, approaches, targets as well as the performance of Astino and its subsidiaries (the "Group").

In support of the Group's long-term value creation and mission to supply our customers with top-quality and innovative products, various initiatives and controls have been considered in our business activities and operations to address the sustainability risks and opportunities.

Reporting Scope and Period

The scope of this Statement includes information covering the Group's business of the trading and processing of metal building materials and other steel products across the Group's 5 wholly-owned subsidiaries, for the period from 1 August 2022 to 31 July 2023 ("FY2023"), unless otherwise stated.

This Statement has been prepared in accordance with the latest Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa") and has considered the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits.

Assurance

This Statement has not been subjected to internal review by the internal audit function, nor has external assurance been obtained. However, the Group has undertaken the necessary actions to perform internal validation on the data presented within this Statement.

Sustainability Governance Structure

Board of Directors

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Audit and Risk Management Committee

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CEO and Senior Management

At Astino Group, the ultimate responsibility to oversee sustainability strategies, which encompass the management of sustainability, as well as the establishment of EES strategies, priorities, and targets to facilitate the Group's long-term value creation, lies with the Board. In this regard, Astino's Board incorporates sustainability considerations in its stewardship for Astino's short and long-term business strategies, and it also ensures the governance structure of the Group supports its sustainability oversight. The Board also holds the responsibility to review and approve material sustainability matters ("MSMs") at least annually and oversees the Group's meaningful engagement and communication with internal and external stakeholders regarding the Group's sustainability strategies, priorities, targets, and performance.

The Audit and Risk Management Committee ("ARMC") plays a key role in supporting the Board in the overall management of the sustainability risks and opportunities. This responsibility includes overseeing and reviewing the development of sustainability strategies, priorities, targets, and sustainability risk management by the Senior Management. Besides, the ARMC is also responsible for reviewing the effectiveness and adequacy of the Group's overall stakeholder engagement efforts. The ARMC periodically reports and communicates the progress and results of the Group's MSMs and performance to the Board for their updates.

The CEO and Senior Management formulate the Group's sustainability strategies, priorities, and targets before reporting it to the ARMC for review and approval by the Board. The CEO and Senior Management lead the implementation of stakeholder engagement and the management of MSMs which are carried out by the relevant Management functions or personnel, as appropriate. They are additionally tasked with the identification, assessment, management, and reporting of risks and opportunities related to the Group's MSMs.

In providing leadership to the Management with respect to sustainability management, the CEO and the respective Senior Management members also regularly review the actions taken and the data collection process to ensure that the appropriate initiatives are implemented and that the reporting process is reliable and meaningful. The overall results pertaining to the Group's stakeholder engagement activities, materiality assessment, and the management and performance of MSMs are reported to the ARMC and the Board on an annual basis.

Stakeholder Engagement

We recognise that maintaining ongoing communication with our stakeholders is essential to support the Group's long-term value creation and sustainability strategy. To continue to understand the perspectives and expectations of our diverse groups of stakeholders concerning sustainability matters and our business operations, we have established various stakeholder engagement channels. Through stakeholder engagements, we obtain meaningful insights into sustainability issues that help us look at our business from various perspectives which allow us to strengthen business and improvement prospects. This practice further allows us to ensure that our business strategy and activities take into account our stakeholders' concerns and perspectives. The feedback of our stakeholders also plays a crucial role in shaping our reporting and disclosure, in addition to contributing to our materiality assessment process.

The following table provides a summary of our engagement methods for each of our key stakeholder groups, including the frequency of our engagements with our stakeholders, and their key areas of interest.

Stakeholder Group	Engagement Method	Frequency	Focus Area
Investors/ Shareholders	Quarterly Financial Result Announcement	Quarterly	• Financial Performance • Market Presence and Reputation • Corporate governance • Ethics and Integrity
	Company's website	On-going	
	Annual General Meeting	Annually	
Customers	Customer Feedback	As needed	• Product and Service Quality and Safety • Research and Development & Technology
	Customers' Visit	On-going	
	Product Exhibition	Adhoc	
Suppliers	Suppliers' visit	On-going	• Supply Chain Management • Product and Service Quality & Safety • Ethics and Integrity
	Suppliers' feedback	As needed	
Employees	Management meetings	Monthly	• Training and Development • Occupational Health and Safety • Human Rights and Labour Standards • Employee Welfare • Diversity, Inclusion and Equal Employment Opportunities
	Performance Appraisals	Half-yearly	
	Training program	As needed	
Communities/ Society	Donation and financial aid	As needed	• Waste Management
	Hire handicapped employee	On-going	
Banker/ Financiers	Corporate announcement	Adhoc	• Financial performance • Market Presence and Reputation • Corporate Governance • Ethics and Integrity
	Annual financial review	Annually	
	Media release	Adhoc	
Regulators, Authorities, and Government Agencies	Compliance Audit	Adhoc	• Product and Service Quality and Safety • Human Rights and Labour Standards • Occupational Health and Safety • Corporate Governance • Ethics and Integrity • Data Privacy and Security • Waste Management • Water Management • Energy and Emissions Management
	Licenses and permit renewal	Annually	
Media (including social media)	Online Media (e.g. Facebook/ Instagram/ YouTube)	On-going	• Product and Service Quality and Safety • Research and Development & Technology • Occupational Health and Safety
	Print Media (e.g. banner/ flyer/ magazine/ brochure)	On-going	
	Advertising Media (e.g. signboard/ billboard/ vehicle sticker plate)	On-going	

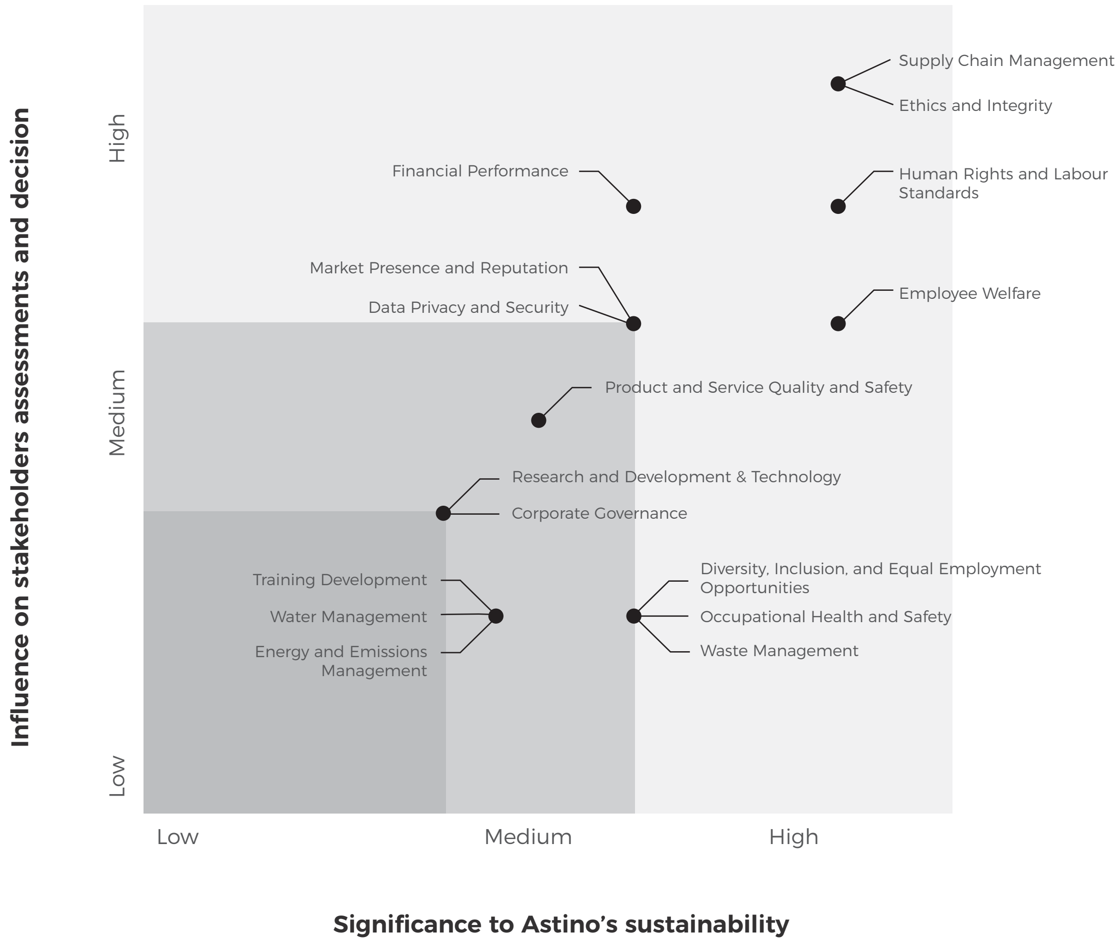
Material Sustainability Matters

To ensure that our material matters remain up to date and relevant to our sustainability strategy and stakeholders' priorities, a comprehensive materiality assessment has been undertaken in FY2023. The assessment process involved the active participation of our Senior Management and personnel who possess a deep understanding of our business's nature, as well as our stakeholder's concerns and viewpoints. The outcome of this assessment has been presented to the Board for its approval.

The Group's materiality assessment process is carried out considering the MMLR's definition of MSM. This year, we have further considered the common sustainability matters prescribed by the Bursa in its latest amendments to sustainability disclosures. The Group's MSMs are considered material if:

- reflects the Group's significant sustainability impacts; and
- influences the assessments and decisions of stakeholders.

Astino's FY2023 materiality matrix is summarised as follows:



In FY2023, a total of 16 MSMs were identified. Notably, this included the recognition of 5 new material matters, namely Diversity, Inclusion, and Equal Employment Opportunities, Corporate Governance, Data Privacy and Security, Water Management, and Energy and Emissions Management.

STRENGTHENING OUR BUSINESS, PRODUCTS AND SERVICES

Financial Performance

Astino Group places significant emphasis on upholding a strong and healthy financial position and performance as a primary objective in its pursuit of long-term, sustainable creation and safeguarding of the Group's financial value. Beyond ensuring essential financial capital for the operational needs of the Group, a sound and strong financial performance and position also help to build trust among shareholders and investors.

Further details of the information concerning the financial performance and position of the Group can be found in the **Management Discussion and Analysis** and **Audited Financial Statements** section of the Annual Report FY2023.

Market Presence and Reputation

The Group's mission is to deliver top-quality and innovative products to our customers at a reasonable price. To achieve this, we regularly conduct market surveys to assess our current market position and gain insights into customer needs and expectations regarding our products. By providing products and services that align with customer requirements, we not only create value for our products and services but also boost our competitiveness in the market. To enhance our market competitiveness, the Group also looks into the possibilities of expanding production capabilities and enhancing facilities.

The Group serves a large customer base ranging from construction, infrastructure, manufacturing, agriculture, poultry industry and hardware, and wholesalers and retailers. At Astino Group, our dedicated customer-facing team maintains close engagement with customers to provide service and advice regarding our products. Our close relationships with customers also enable us to respond quickly to their evolving preferences and requirements by continually improving and enhancing our existing products and introducing new products.

The Group regularly communicates its products and services strategy and directions to our various businesses, fostering an environment where all employees and functions work together towards a common direction, enhancing our product quality and service excellence. This is further supported by closely aligned business development plans, marketing strategies, and performance objectives.

Product and Service Quality and Safety

We are dedicated to consistently delivering high-quality products and services, and this dedication involves an ongoing commitment to improving our quality management system. Our commitment is aligned with the Group's Quality Policy, and we aim to provide value to our customers through competitive pricing while safeguarding the interests of our key stakeholders.

All 5 subsidiaries and 2 branches of Astino Group have obtained ISO 9001 Quality Management System ("QMS") certification. We are committed to the continuous adherence and fulfilment of all QMS requirements or procedures. The top management team is responsible for overseeing the QMS's performance and closely monitoring QMS-relevant performance, amongst others, through management reviews. In addition, process reviews through internal audit activities are also periodically conducted to objectively assess the integrity and effectiveness of the quality process. During the financial year under review, there were no major non-conformances noted with respect to QMS.

Apart from that, the Group regularly monitors and ensures that relevant licenses and permits essential to our business remain valid. This practice is important in providing our stakeholders with the confidence and assurance they require regarding the quality of our processes, products, and services.

The following are some highlights of the various approaches and initiatives that have been implemented to safeguard the quality of our products:

- customer requirements clearly stated in the work order;
- established processes to safeguard the quality of supplies procured;
- quality assurance ("QA") process for all products;
- frequent quality inspections;
- regular maintenance machines and equipment; and
- training for employees on standard operating procedures ("SOP") and technical capabilities.

Research and Development & Technology

We strive to continuously enhance product quality and expand our product portfolio in alignment with our customers' demands and to strengthen our competitive advantage. As such, we place efforts in research and development activities and promote innovation, focusing on enhancing growth opportunities, enhancing service quality, and leveraging technology to enhance operational efficiency.

In FY2022, we began investing in the Enterprise Resource Planning ("ERP") system to enhance our resource planning and supply chain management, which is also expected to improve the turnaround time and reduce human error in our day-to-day business operations. As at 31 July 2023, the ERP system has been implemented in one of our subsidiaries as a pilot migration project. Training was provided to relevant personnel to ensure a smooth transition and to enable the effective implementation of the ERP system. The ERP system will also potentially help us address the industry-wide and nation-wide challenges of labour shortage. The gradual rollout of the ERP system to other subsidiaries is currently underway.

Supply Chain Management

Astino Group's business operations are anchored on a reliable supply chain, where material providers and service providers are both important to support the delivery of products and services of consistent quality. We have a stringent supply chain management process where key suppliers and service providers are assessed to ensure they consistently meet our expectations. Amongst others, we consider the competitiveness of their pricing, the quality of their products and/or services, and the timeliness of delivery. reliability of service, etc. In order to mitigate the risk of concentration in our supply chain, we do not rely on a sole supplier to cater for our supply needs.

To maintain and uphold the quality of products provided by our suppliers, the Group conducts biannual assessments and evaluations of the performance of key suppliers we have selected. Suppliers falling short in their performance are required to enhance their operations and performance, with follow-up actions potentially being necessary.

Astino Group	Target	Performance	
		FY2022	FY2023
Overall average supplier performance scoring (%)	≥80.00	81.30	85.60

Supporting local economy

Astino Group also recognises the broader economic advantages of sourcing locally, even though our industry is one that is interconnected with the global commodities market. Where economically viable, we prioritise local procurement to support local businesses and the economy.

During the financial year under review, approximately 90% of the Group's procurements were from Malaysian suppliers. Beyond the support for local suppliers, our local procurement activities also have yielded additional benefits, such as strengthening our domestic supply chain and relationship with our suppliers, reducing lead time, and minimising emissions during the delivery process.

Astino Group	FY2022	FY2023
Proportion of spending on local suppliers* (%)	73	90

* local suppliers refer to the businesses and suppliers that registered in Malaysia

Suppliers or vendors

Establishing and maintaining strong and good relationships with customers, suppliers, and service providers is crucial for effective supply chain management. Meanwhile, Astino Group is also committed to fostering open and transparent communication with our shareholders, investors, business partners, analysts, and fund managers through in-person or video call business reviews. This allows us to keep our stakeholders informed about our strategies, performance, as well as ongoing business operations.

The Group upholds ethical procurement practices by implementing standard and equitable procedures for evaluating supplier and vendor qualifications. Our supplier and vendor selection process is meticulous, aimed at ensuring the integrity of our supply chain, and it is guided by a specific set of New Supplier Selection Criteria. Furthermore, due diligence on suppliers' financial performance is also conducted to assess their financial viability.

When engaging with suppliers or vendors, we consider the following requirements, laws, and regulations, including but not limited to:

- no involvement in fraud, bribery, corruption, extortion, or similar illegal conduct;
- no involvement in all forms of money laundering and terrorism financing activities;
- no conflict of interest with any of our business;
- ensure that all their stakeholders are in an equal, healthy and safe working environment;
- minimised impact of their operations on the environment such as proper management of waste disposal and pollution control measures;
- compliance with human rights and labour standards; and
- ensure the products supplied are in accordance with the Group's materials requirements and local requirements, certifications, laws, and regulations.

In accordance with our ISO 9001 QMS certification, we have implemented a Vendor Code of Conduct ("Vendor Code") to ensure that all our suppliers and vendors comply with applicable laws and regulations. We also require that our key suppliers and vendors sign an acknowledgement letter, confirming their awareness and understanding of our requirements, laws, and regulations. When there is any update to the Group's relevant code, policies, and procedures, it is the responsibility of relevant personnel to communicate these updates to our suppliers and vendors as necessary.

Customers

Maintaining a strong supply chain contributes positively to our customer relationships and service. Our sales team actively interacts with our customers to effectively manage their expectations and fulfilling their requirements. Astino Group has established procedures for tracking and overseeing delivery statuses, ensuring that the products are delivered to our customers on time. Our sales personnel also communicate the delivery process between internal stakeholders and customers, to provide regular updates on manufacturing progress and delivery status.

We regularly conduct customer surveys to assess their perception and level of satisfaction. These surveys play an important role in our continuous improvement efforts, which are augmented by various other initiatives aimed at monitoring and addressing customer complaints and feedback. We also actively work on developing improvement plans based on the feedback received.

When customers submit complaints or inquiries, they will promptly be directed to the designated person in charge ("PIC"), who is responsible for initiating investigations or action plans when necessary. Our sales personnel maintain active communication with customers, keeping them informed about the progress of improvements or remedial actions related to the issues raised.

The Group recorded overall customer complaint and satisfaction scores of 0.77% and 82.13%, respectively throughout the year, achieving our target of maintaining customer complaints at 2% or less and surpassing the customer satisfaction target rate at 75% or more.

Astino Group	Target	Performance	
		FY2022	FY2023
Customer complaint (%)	≤2.00	0.76	0.77
Customer satisfaction (%)	≥75.00	80.79	82.13

CONTRIBUTING TO EQUAL, HEALTH, AND SAFETY WORKPLACE

Workplace Environment

As at 31 July 2023, the Group's total workforce is comprised of 611 employees, with 405 (66%) of these employees being Malaysians and 206 (34%) foreign workers. In addition, we also engage approximately 24 non-employee workers, specifically security guards and cleaners, who are employees of our service providers for security and cleaning services at the Group's premises.

As at 31 July 2023					
Astino Group	Gender		Age		
No (%)	Male	Female	< 30	30 - 50	> 50
Board of Directors	5 (83%)	1 (17%)	0 (0%)	1 (17%)	5 (83%)
Employee Category					
Senior Managerial	14 (74%)	5 (26%)	0 (0%)	9 (47%)	10 (53%)
Managerial	45 (64%)	25 (36%)	4 (6%)	56 (80%)	10 (14%)
Executive/ Supervisor	71 (51%)	67 (49%)	34 (25%)	94 (68%)	10 (7%)
Non-Executive	328 (85%)	56 (15%)	156 (41%)	203 (53%)	25 (6%)
Total	**458 (75%)**	**153 (25%)**	**194 (32%)**	**362 (59%)**	**55 (9%)**

Astino Group	As at 31 July 2022	As at 31 July 2023
Bumiputera	161 (27%)	159 (26%)
Chinese	273 (46%)	246 (40%)
Foreigners	157 (27%)	206 (34%)

Diversity, Inclusion, and Equal Employment Opportunities

At Astino Group, we embrace inclusivity within our workforce and we believe that our business benefits from diversity through decision-making and management practices which are made considering diverse views and perspectives of cultural backgrounds, age groups, and mindsets.

We do not discriminate against anyone based on their gender, age, religion, or race. This is applied in all our employment practices such as recruitment, promotion, remuneration, and disciplinary actions.

For Astino's executive/ supervisor-level positions and above, we are seeing a more balanced gender representation. Nevertheless, a gender disparity persists among our non-executive employees due to job-related factors, with males often being better suited for roles that involve heavy lifting and handling of substantial items or products.

We firmly support the principle that individuals with disabilities should not face discrimination and should have equal opportunities when seeking employment. We have an employee with disabilities within our operation.

As at 31 July 2023, our workforce is comprised of 611 employees, where 597 are serving as permanent employees and 14 are working as contract employees.

Astino Group	As at 31 July 2022	As at 31 July 2023
Full-time permanent employees	580 (98%)	597 (98%)
Full-time contract employees	11 (2%)	14 (2%)

Turnover remained high, especially among non-executive employees due to the job market nature for this segment. In FY2023, we recorded a turnover rate of 31%, which failed to meet our target of 10% or less. A majority of the turnover occurred among non-executive level employees where market competition is fierce. To address the challenges with high turnover rates, we have been reviewing our compensation packages for employees. We have also been streamlining our reliance on workers by enhancing the adoption of technology in our processes.

On the other hand, our active recruitment activities have seen a new hire rate of 30% to fill in the gaps left by departing employees.

Astino Group	Target	Performance	
		FY2022	FY2023
New hire rate (%)	-	24.03	29.52
Turnover rate (%)	≤10	26.17	31.31

FY2023				
Astino Group	Employees turnover		New hires employees	
Employee Category	Turnover number	Turnover rate* (%)	New hires number	New hires rate* (%)
Senior Managerial	0	0	0	0
Managerial	11	14.67	3	4.00
Executive/ Supervisor	33	23.83	29	20.94
Non-Executive	149	38.75	150	39.01
Total	**193**	**31.31**	**182**	**29.52**

Note: * calculated using average employee numbers of 1 August 2022 and 31 July 2023 as denominators.

Human Rights and Labour Standards

At Astino, we are committed to complying with all relevant employment and labour laws and regulations within our business operations. We also steadfastly refrain from engaging in child labour or forced labour in our activities, and we strictly prohibit any form of sexual harassment within our operations. Furthermore, we diligently adhere to all applicable labour laws, including those governing the recruitment of foreign workers, guidelines related to worker housing and accommodations, as well as minimum wage requirements, such as our adjustment of employees' minimum wage to RM1,500, effective from 1 May 2022.

The Group periodically conducts briefings and training sessions to raise our employee awareness of human rights and labour standards. We are also subject to routine visits or audits conducted by our international customers who require their business partners to uphold acceptable levels of labour standards.

We have established a grievance channel for employees to voice work-related concerns or complaints, which include, but are not limited to, issues such as discrimination, bullying, sexual harassment, and unfair treatment. In cases of serious violations related to human rights or labour practices, employees can utilise the Group's whistleblowing mechanism to report such incidents.

During the financial year under review, there were no substantiated complaints concerning human rights and labour standards violations.

Astino Group	FY2022	FY2023
No. of substantiated complaints concerning human rights violations	0	0

Employee Welfare

We recognise the significance of investing in our employees and maintaining a high level of motivation throughout our entire workforce. The primary objective of the Group is to create a positive and encouraging work environment for our employees, as well as being part of our employee and talent retention efforts. We provide several employment benefits to support our employees, including Group personal accident and hospitalisation insurance, medical and health allowances, and annual medical check-ups for certain age groups of managers.

Additionally, we have established long-service awards to express gratitude and honour those employees who have served the Group for a long tenure. During the financial year under review, a total of 68 employees were honoured with long-service awards for their unwavering commitment and contributions to the Group.

Training and Development

We recognise that continuous learning is crucial for both the personal and professional growth of our employees and the enhancement of our Group's human capital value. By investing in our employees, we offer them opportunities to refine their skills and expand their knowledge, simultaneously cultivating a competitive and capable talent pool for the Group. We provide various forms of training, including in-house training and job-related skill development, to enhance our employees' competencies and capabilities.

In addition, the Group sponsors selected employees to attend external training, workshops, and seminars, ensuring that they stay well-informed about the latest updates and developments in their respective fields of expertise. For new employees, we conduct orientation programmes to acquaint them with their roles, responsibilities, and the operational processes in their respective areas. We also provide briefings and training sessions to keep employees informed about any updates to their roles and responsibilities.

The Human Resources ("HR") Department within our Group is responsible for driving human capital development initiatives. A performance evaluation is undertaken annually for all employees, encompassing various aspects such as their performance throughout the year, challenges encountered during their work, potential areas for improvement in the Group or on an employee level, and identification of any training needs. Upon completing the performance evaluations, the HR Department formulates an Annual Training Plan and arranges for the relevant training programmes. These programmes include technical skills, soft skills, people management skills, and more, in line with the needs and objectives identified during the evaluations.

The training topics provided to our employees in FY2023 are summarised as follows:

- Safety & Health Conference 2023 "Revamp Towards Safety Transformation;
- Course For Certified Environmental Professional in Scheduled Waste Management (Cepswam);
- Forklift Operator's Safety Training;
- Accident Investigation (Root Cause Analysis) Training;
- Production Supervisor in Action;
- Chemical Handling and Spillage Management;
- Occupational First Aid & CPR Training;
- Effective Warehouse Operation and Inventory Management;
- Understanding Tax Deductibility of Expenses;
- Withholding Tax in Malaysia- Principles and Latest Developments;
- Revised 2023 Budget: WEBINAR New Government, New Plans;
- Managing Misconduct in Employment;
- Heavy Vehicle Defensive Driving;
- Tweak Your Safety Mindset with Behavior-Based Safety;
- Mastering Transfer Pricing: Tools and Techniques for Effective Management;
- PDCA in Production Problem Solving;
- Behaviour-Based Safety For Employees;
- Overhead Crane Safety Training;
- Profit Maximizing Strategy;
- Managing Discipline at Workplace;
- Domestic Inquiry- Legal Compliance;
- Measurement And Calibration System;
- Strategic & Critical Thinking for Better Decision Making & Solutions;
- Electric Overhead Crane Training; and
- Welding Safety.

During the financial year under review, we dedicated substantial resources to training, amounting to a total of 3,434 training hours, or an average of 5.62 hours of training per employee. This signifies a 20.9% increase compared to FY2022. Similarly, we are pleased to report that we have exceeded our target to have more than a training-to-working ratio of more than 0.20%, at 0.24% for FY2023.

Astino Group	Target	Performance	
		FY2022	FY2023
Percentage of training hours/ total hours worked (%)	≥0.20	0.21	0.24
Average hours of training per employee	-	4.65	5.62

FY2023		
Astino Group	Total training hours	Average training hours
Senior Managerial	137	7.21
Managerial	857	12.24
Executive/ Supervisor	1,185	8.59
Non-Executive	1,255	3.27
Total	**3,434**	**5.62**

Occupational Health and Safety

The Group has developed an Environment, Occupational Safety and Health ("ESH") Policy to ensure the provision of a safe and healthy workplace for all employees. Additionally, a Vendor Code has been established and communicated to all our vendors. Amongst others, the Vendor Code expresses Astino's expectation for vendors to adhere to safety and health regulations to safeguard the responsibility and integrity of Astino's value chain.

To oversee and monitor the performance of occupational safety and health, the Safety and Health Committee ("SHC") is established in accordance with relevant occupational safety and health laws and regulations. The SHC conducts Hazard Identification, Risk Assessment and Risk Control ("HIRARC") to pinpoint potential safety and health hazards within the Group's operations and oversee the establishment of appropriate measures and controls to mitigate and manage these hazards or risks.

The SHC members consist of both management and working-level representatives, ensuring voices and concerns of the working level can be escalated and taken into consideration in the deliberations of the SHC.

In addition to the controls integrated into our SOPs, employees who are exposed to such risks are obligated to wear personal protective equipment provided by the Group.

The SHC is tasked with providing essential training to employees to enable them to practice workplace safety and avoid occupational safety and health risks to themselves and others. The SHC is also responsible for ensuring that the safety systems and equipment within the buildings are in proper working order and well-maintained. During the financial year under review, there were a total of 175 employees trained on health and safety standards.

Astino Group	FY2023
No. of substantiated complaints concerning human rights violations	175

Astino Group classifies workplace incidents into medical treatment cases, minor injury cases, major injury cases, permanent disability, and fatality cases. During the financial year under review, we reported nine serious injuries and no work-related fatalities within our operations. These injuries were a result of incidents involving machinery operations, transportation of goods, and faulty equipment. Investigations were undertaken for the incidents and we have implemented additional controls to safeguard employees' safety, including the provision of additional PPE, covering sharp edges of products, enhancing workflow, and conducting regular inspections on equipment and tools, amongst others. These efforts aim to enhance workplace safety and prevent the recurrence of similar injuries cases.

Astino Group	Target	Performance	
		FY2022	FY2023
Serious injuries (cases)	<10	1	9
Work-related fatalities (cases)	0	0	0
Lost time incident rate (%)	-	3.93	18.99

Contributing to Local Communities

Astino Group is supportive of corporate community investment activities which have the potential to generate significant positive impacts for vulnerable and disadvantaged communities, as well as the broader society.

In FY2023, the Group donated RM52,300 to a variety of community investment programmes and projects, such as RM25,000 on fundraising for SJK (C) Keow Kuang and RM11,000 for PIBG SMJK Choong Hua. An estimated 1,746 individuals benefited from the support provided through the Group's contribution. In addition, we have also extended our support to schools for construction, celebrated Teacher's Day, and donated to the local Fire Department for a large fire truck and foundation fund. Besides, the Group has been involved in fundraising efforts for initiatives such as roof replacement, the establishment of dialysis centre, rebuilding campaign, building fund, and support for the Perak Association for Intellectually Disabled.

Astino Group	FY2023
Amount invested in the community (RM)	52,300
No. of beneficiaries of the investment in communities	1,746

OPERATING RESPONSIBLY

Corporate Governance

The Group is committed to upholding a high standard of corporate governance throughout its operations. This commitment involves carrying out our responsibility with integrity, transparency, and professionalism, aimed at safeguarding the Group's assets and Astino's business integrity.

The Board is also committed to regularly assessing its corporate governance procedures to adopt practices which are appropriate and suitable for the Group. In this regard, the Board ensures that our practices are in compliance with the MMLR of Bursa and have considered sufficiently the Principles and Practices of the Malaysian Code on Corporate Governance (as at 28 April 2021).

Further detail of the information concerning the corporate governance of the Group can be found in the **Corporate Governance Overview Statement** section of the Annual Report FY2023 and **Corporate Governance Report FY2023**.

Ethics and Integrity

Code of Ethics

The Group has established a Code of Ethics ("COE") for employees, which regulates their ethical behaviour and business conduct. This COE prohibits activities that could harm the Group's reputation or interests, such as soliciting or collecting contributions or donations without management's approval, using the Group's resources for personal gain, and accepting valuable gifts or favours from anyone involved in business with the Group. The COE also expects employees to refrain from entering into conflict of interest situations and require disclosure if conflict of interest situations occur.

Conflicts of Interest

A Policy and Procedures on Conflicts of Interest has been developed by the Group with the purpose of preventing or effectively addressing situations where personal interests intersect with the company's best interests. This may involve issues like family relationships, company shareholdings, or employment positions. All employees are required to disclose any real or potential conflicts of interest they may have in relation to the Group and its operations. Significant conflict of interest situations will be reviewed by the ARMC in accordance with the Group's established guidelines, as outlined in the MMLR.

Vendor Code of Conduct

The Vendor Code applies to all vendors, encompassing both suppliers and service providers. The Vendor Code sets out the Group's expectations of its vendors, which encompass adherence to laws and regulations, equitable competition, avoidance of intellectual property violations, anti-corruption, and anti-bribery measures. This Vendor Code also address matters related to conflict of interest and anticipates that vendors will make reasonable approaches to safeguard stakeholder safety and health, reduce environmental impacts, and uphold labour standards.

Data Privacy and Security

The Group acknowledges its responsibility in safeguarding the business data and personal data of its stakeholders such as employees, customers, vendors, etc. In this regard, Astino's handling and processing of data is governed by various policies and controls, including those governing the access and transfer of sensitive data, cyber hygiene practices to safeguard the Group's internal IT and data systems, and others.

On the other hand, we also invest in cyber security to protect the integrity of our IT systems through firewalls, anti-virus and anti-malware software, and backup practices.

Anti-Bribery and Corruption Policy

The Group has adopted an Anti-Bribery and Corruption ("ABC") Policy, and we are committed to conducting business ethically and in accordance with all applicable and relevant anti-bribery and corruption laws and regulations in every country where we operate. We are dedicated to continuously improving our anti-bribery and corruption measures, including regular risk assessment process to identify potential and actual risks in this regard. All our operations have been assessed for bribery and corruption-related risks and corruption risk also forms part of the Group's annual risk assessment review.

Astino Group	FY2021	FY2022	FY2023
% of operations assessed for corruption-related risks	100	100	100

To ensure that our employees fully understand the expectations and procedures of the ABC Policy, we require all our employees to read and sign an acknowledgement form related to the ABC Policy. We also have a gift declaration process and gift declaration form for employees to declare when they receive gifts permissible under the Group's ABC Policy.

Due diligence is conducted for candidates in key employment positions and key business associates to ensure we understand the background of the companies or persons we will work with. Due diligence reviews will also be conducted to assess, on an ongoing basis, the bribery and corruption risks that may affect our business associates or personnel.

To oversee and monitor the adequacy and integrity of the Group's internal controls pertaining to anti-bribery and anti-corruption, periodic audits are conducted by the internal auditors, and the results of these audits are reported to the Board.

We communicate with employees and key business associates on the Group's expectations of no corruption. The Group's ABC Policy, embedded in the Adequate Procedures to Combat Corruption is publicly available on Astino's corporate website. Anti-corruption training is further provided to selected employees. As at 31 July 2023, all our employees have received training on anti-bribery and anti-corruption.

As at 31 July 2023		
Astino Group	Employees who have received training on anti-corruption	
Employee Category	Number	Percentage
Senior Managerial	19 / 19	100
Managerial	70 / 70	100
Executive/ Supervisor	138 / 138	100
Non-Executive	384 / 384	100
Total	**611 / 611**	**100**

Whistle Blowing Policy

The Group has a Whistle Blowing Policy and is committed to meeting and maintaining high standards of behaviour within our operations. We actively encourage our employees and stakeholders to report genuine concerns regarding unethical conduct, malpractices, illegal activities, or non-compliance with regulatory requirements without fear of reprisal. The Whistle Blowing Policy safeguards those who make reports in good faith, ensuring they are shielded from any form of reprisal. To support this, the Whistle Blowing Policy also allows anonymous reporting.

During the financial year under review, the Group is pleased to report that there were no confirmed incidents of corruption reported. We also did not receive any substantiated complaints concerning breaches of customer privacy and losses of customer data.

Astino Group	FY2023
Confirmed incidents of corruption (no)	0
Substantiated complaints concerning breaches of customer privacy and losses of customer data	0

PROTECTING THE ENVIRONMENT

Water Management

Water management holds a relatively low rating of materiality for Astino Group, primarily because our operations do not involve significant water consumption. The Group also does not operate in water-stressed areas. The water we use is entirely purchased from municipal water sources and we do not engage in illegal water withdrawal activities.

During the financial year under review, the Group purchased 22,872 m^3 of water across our operations.

Astino Group	FY2023
Water used (m^3)	22,872

Energy and Emissions Management

This year, Astino begins to develop processes to collect energy data, in view of global trends and needs to address the climate change topic which is closely connected to energy sources and consumption patterns.

We are committed to minimising environmental pollution and reducing our carbon footprint, and this commitment is aligned with the ESH Policy set by the Group.

On the other hand, the Group's preliminary assessment indicated that electricity, which is identified as the key source of direct energy consumption by the Group, does not constitute a substantial portion of the Group's operations, from a cost basis. As such, the Group's potential possibilities identified for reducing energy consumption and greenhouse gas emissions are limited and may not have compelling cost-benefit advantages. We will continue to perform more in-depth assessments to ensure comprehensive considerations have been taken into account.

This year, we report the Group's energy consumption associated with purchased electricity, obtained from electricity bills by Tenaga Nasional Berhad ("TNB") which is the sole supplier of electricity for the Group's purchased electricity. In March 2023, Astino Metal Industries Sdn Bhd, a subsidiary of the Group located in Changkat, Penang, has completed the installation of a solar panels system. This solar panels system generated approximately 152,254 kWh of electricity where 106,791 kWh was utilised to power the factory's own operations, while the remaining electricity was sold to TNB and the proceeds were used to offset our electricity bills with TNB. We also estimate the Group's Scope 2 emissions, as follows.

Astino Group	FY2023
Electricity consumption (kWh)	4,981,825
Energy consumption from solar panels system (kWh) *	106,791
Scope 2 Emissions (tCO_2e)**	3,885.82

Note :

* since March 2023
** estimated using Peninsular Malaysia's Grid Emission Factor of 0.78 Gg CO2e/ GWh for FY2019.
Source: https://meih.st.gov.my/documents/10620/384e88c1-b782-49a1-8dff-74c836b3a3f7

During the financial year under review, the Group managed to avoid the release of approximately 83.3 tonnes of CO_2e through the use of electricity generated by our newly installed solar panels system.

Waste Management

At Astino Group, we are dedicated to responsibly handling the waste generated by our business operations, including hazardous and non-hazardous waste. Our primary focus is to effectively manage and reduce the environmental impact that could potentially arise from our operating processes and manufacturing activities. This commitment is aligned with the Group's ESH Policy, which requires to minimisation of the environmental impact of our operations, including proper waste disposal management and pollution control measures.

In fulfilment of our environmental responsibilities, we have put in place a range of measures to decrease waste generation and mitigate environmental consequences. These efforts include improving monitoring practices to minimise waste production, promoting paper use reduction among our employees, and maintaining recycling initiatives within our workplace. The Group also regularly assesses its environmental objectives and goals, continuously enhancing our strategies for environmental safeguarding and pollution control. Our Vendor Code also encourages our suppliers to adopt environmentally responsible practices, specifically emphasising effective waste disposal management and pollution control measures.

We adhere to well-established policies and procedures for the proper handling and management of both hazardous and non-hazardous waste in our operations. Hazardous waste materials are stored in designated areas and are disposed of by licensed service contractors. In contrast, non-hazardous waste, such as scrap metal and paper, is sold to external parties who then process these materials for recycling.

During the financial year under review, the Group collected data on hazardous and non-hazardous waste generated at our office and manufacturing sites. The recycling rates for hazardous and non-hazardous waste are also summarised in the following table.

FY2023					
Astino Group	Generated (tonnes)	Diverted from disposal (tonnes)		Directed to disposal (tonnes)	
		Reused	Recycled	Incineration	Landfill
Overall total waste generated					
Total	**1,752.09**	**1,665.82**		**86.27**	
Hazardous waste					
SW305 Used Lubricating Oil	0.81	0	0.78	0	0.03
SW306 Used Hydraulic Oil	2.83	0	2.71	0	0.12
SW307 Used Coolant	8.10	0	0	0	8.10
SW322 Used solvent/thinner	1.17	0	1.17	0	0
SW409 Contaminated Container	116.84	0.33	116.51	0	0
SW410 Contaminated Gloves & Rags	1.64	0	0.52	0.41	0.71
SW429 Off-Specification Chemical	3.37	0	0	0	3.37
Subtotal	**134.76**	**0.33**	**121.69**	**0.41**	**12.33**
Total	**134.76**	**122.02**		**12.74**	
Non-hazardous waste					
Paper	173.30	0	173.30	0	0
Plastic	5.27	0.29	4.98	0	0
Metal	1,338.27	302.44	1,035.83	0	0
Domestic Waste	100.49	0	26.96	0	73.53
Subtotal	**1,617.33**	**302.73**	**1,241.07**	**0**	**73.53**
Total	**1,617.33**	**1,543.80**		**73.53**	

We have established processes to collect and reuse non-hazardous waste generated in our operations to enable them to be reused or recycled. Our employees segregate these wastes into those which we can reuse in our operations and those that we are unable to reuse. Where we are unable to reuse them in our operations, they are sold to third parties for recycling or reuse. Where the waste cannot be reused or recycled either by us or third parties, we ensure the disposal is undertaken legally and responsibly.

Audit And Risk Management Committee Report

PURPOSE

The Audit and Risk Management Committee assists the Board in carrying out its responsibilities and meeting the Corporate Governance requirements. It reviews the quarterly financial information before recommending to the Board for adoption and release to Bursa Malaysia Securities Berhad, the Securities Commission and shareholders. In addition to this, the Audit and Risk Management Committee reviews the system of internal controls which management and the Board of Directors have established, and makes recommendations to the management on actions to be taken, if any, based on the reports of the independent Internal and External Auditors.

MEMBERS

The members of the Audit and Risk Management Committee for the financial year ended 31 July 2023 comprise:

Cheah Swi Chun *(Chairman, Independent Non-Executive Director)*
Dato' Haji Mohtar Bin Nong *(Member, Senior Independent Non-Executive Director)*
Lim Bee Lee *(Member, Independent Non-Executive Director)*

ATTENDANCE OF MEETINGS

During the financial year ended 31 July 2023, the Audit and Risk Management Committee held five (5) meetings to discuss matters relating to the accounting and reporting practices of the Group and the Company. Details of attendance of each Audit and Risk Management Committee member are as follows: -

Name of Directors	Attendance
Cheah Swi Chun	1/1
Dato' Haji Mohtar Bin Nong	5/5
Lim Bee Lee	5/5
Dr. Cheah Soo Jin	4/4

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

During the financial year ended 31 July 2023, the Audit and Risk Management Committee had discharged its functions and carried out its duties as set out in Term of Reference which is published on our website, www.astino.com.my.

The Audit and Risk Management Committee had also met up the External Auditors without the presence of all the Executive Directors of the Company during the financial year.

The following activities were undertaken by the Audit and Risk Management Committee for the financial year ended 31 July 2023:-

a) Reviewed the Audit Planning Memorandum, which includes reporting responsibilities and deliverables, audit approach and audit scope with the external auditors prior to commencing of audit;

b) Reviewed the audited financial statements of the Company together with the external auditor's report and their audit findings prior to tabling to the Board for approval.

   In the review of the annual audited financial statements, the Audit and Risk Management Committee had discussed with Management and the External Auditors the accounting principles and standards that were applied and their judgment of the items that may affect the financial statements as well as issues and reservations arising from the statutory audit.

c) Reviewed the unaudited quarterly results of the Group focusing particularly on the significant and unusual events before recommending them for approval by the Board of Directors for announcement to Bursa Malaysia Securities Berhad;

d) Reviewed the recurrent related party transactions on quarterly basis and considered conflict of interest situations that may arise within the Group;

e) Reviewed the following in respect of Internal Audit:

   - adequacy of scope, functions and resources of the internal audit department and that it has the necessary authority to carry out its work.
   - internal audit programme
   - the major findings of internal audit investigations and management's responses, and ensure that appropriate actions are taken on the recommendations of the internal audit function
   - assessed the performance of the internal audit function

f) Considered the adequacy of management actions taken on internal and external audit reports;

g) Reviewed risk assessment process to ensure effectiveness and consistence;

h) Monitored action taken by management in response to risk;

i) Made recommendations to the Board on appropriate policies and procedures relating to risk management governance, risk management practices and risk control infrastructure for the Group; and

j) Considered the appointment of External Auditors and their request for increase in audit fees.

INTERNAL AUDIT FUNCTION

During the financial year ended 31 July 2023, the internal audit function was outsourced and carried out by an independent professional consulting firm, Messrs. Tricor Axcelasia Sdn. Bhd. The internal audit function of the Group was carried out by the appointed internal auditors in order to assist the Committee in discharging its duties and responsibilities. The internal audit activities were carried out in accordance with the internal audit plan which comprises the following:

- Reviewed internal controls systems and ascertain the extent of compliance with the established policies, procedures and statutory requirements, and

- Identified areas to improve controls of operations and processes in the Group.

The findings by the internal audit function have been presented to the Committee who has taken steps to ensure that appropriate actions are being taken to improve the current internal control systems.

Statement On
Risk Management & Internal Control

INTRODUCTION

Pursuant to paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Main Market and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ('the Guidelines"), the Board of Directors ("the Board") of Astino Berhad is pleased to include a statement on the state of the Group's system of risk management and internal control in this annual report.

BOARD'S RESPONSIBILITIES

The Board recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board acknowledges that its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and integrity. In addition, the Board has also received assurance from the Chief Executive Officer ("CEO") and Senior Accounts and Finance Manager that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects.

Due to inherent limitations in any risk management and internal control system, such systems put into effect by Management are designed to manage rather than eliminate risks that may impede the achievement of the Group's business objectives. Therefore, the risk management and internal control system can only provide reasonable and not absolute assurance against material misstatement, error or loss.

The Group's system of risk management and internal control applies principally to the Group and its subsidiaries but do not apply to the associate. The Group's interest in the associate is served through Board representation. This representation also provides the Board with timely information on the financial performance of the associate.

KEY FEATURES OF THE GROUP's RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Key elements of the Group's risk management and internal control system that have been established to facilitate the proper conduct of the Group's businesses are described below:

1. Risk Management System

   The Board is dedicated to strengthen the Group's risk management by managing its key business risks within the Group and to implement appropriate controls to manage these risks. Whilst the Board maintains ultimate control over risk and control issues, it has been delegated to the Audit and Risk Management Committee the implementation of the system of risk management and internal control within an established framework. While the Sub Risk Management Committee, which consist of the head of department and key management staff are delegated with the responsibility to manage identified risks within defined parameters and standards.

The Sub Risk Management Committee has met on 22 August 2022, 16 November 2022, 10 April 2023,18 July 2023 and 23 July 2023 to discuss key risks and the mitigating controls. On 30 September 2022 the Audit and Risk Management Committee updated the Board on the key risks, risk rating and the corresponding controls to manage risks of the Group accordingly.

The abovementioned risk management process has been in place for the year under review and up to the date of approval of this statement for inclusion in the annual report.

2. Internal Control System

The Group has appointed an independent professional service firm, Tricor Axcelasia Sdn Bhd to assists the Board and Audit and Risk Management Committee ("ARMC") by providing an independent assessment of the adequacy and effectiveness of the Group's internal controls.

The internal audit engagement is currently headed by Ms. Melissa Koay ("Ms. Melissa") who is a Certified Internal Auditor (USA) and a member of Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. She is also a Certified Internal Auditor (USA). Ms. Melissa has diverse professional experience in internal audits, risk management and corporate governance advisory.

The number of staff deployed for the internal audit reviews consist of 3-4 staffs including the Engagement Director during the financial year under review. The staff involved in the internal audit reviews possesses professional qualifications and/or a university degree. Most of them are members of the Institute of Internal Auditors Malaysia. The internal audit staffs on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work.

The internal audit reviews were conducted using a risk-based approach and were guided by the International Professional Practice Framework. During the FYE 31 July 2023, the Internal Auditors performed audit reviews in accordance with the approved annual audit plan covering procurement management and inventory management.

The result of the audit review was discussed with the Senior Management and subsequently, the audit findings, management action plans as well as the implementation progress of previous auditable processes were reported to the ARMC. The Board through the ARMC received and reviewed the internal audit reports at the scheduled quarterly meetings.

The costs incurred for the Internal Audit Function for FYE 31 July 2023 was RM58,830 (FYE 31 July 2022: RM69,960)

OTHER KEY ELEMENTS OF INTERNAL CONTROL

i. A well-defined organisational structure with clear delegation of responsibilities and accountability provide a sound framework within the Group and its subsidiaries in facilitating check and balances for proper decision making at the appropriate authority levels, including matters that require the Board's approval.
ii. A documented delegation of authority that sets out decisions that need to be taken and the appropriate levels of Management involved including matters that require the Board's approval.
iii. The Board and ARMC meet at least on a quarterly basis to review and deliberate financial reports, annual financial statements and internal audit reports. Discussions with Management were held to deliberate on the actions that are required to be taken to address internal control issues identified. The Board also plays an active role in discussing and reviewing the business plans, strategies, performance and risks faced by the Group.
iv. The Executive Directors are involved in the running of business and operations of the Group and they report to the Board on significant changes in the business and external environment, which affects the operations of the Group at large.
v. The Group has a budgeting process which establishes plans and targets for performances to be measured on an on-going basis. Budget variances are analyzed and reported internally, and, on a quarterly basis variance are reported to the Board.
vi. Internal policies and procedures had been established for key business units with the Group. Certain subsidiaries within the Group adhered to and applied ISO Quality Policies and Procedures and other programs implemented through its ISO accreditation programme. With this certification, audits were conducted by independent ISO consultant to ensure compliance with ISO procedures or manual.

CONCLUSION

The Board is of the view that the Group's system of internal control and risk management for the year under review and as at the date of this statement is sound and adequate to safeguard the shareholders' investments and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group system of internal control and risk management framework.

The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report in the financial year ended 31 July 2023 pursuant to Audit and Assurance Practice Guide 3 issued by the Malaysian Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control intended to be included in the annual report is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the statement factually inaccurate.

This statement was approved by the Board of Directors on 3 November 2023.

Additional Corporate Information

1. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests which were still subsisting at the end of the financial year or entered into since the end of the previous financial year.

2. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

Details of the recurrent related party transactions of revenue nature have been duly disclosed in Note 28 of the Notes to the Financial Statements for the financial year ended 31 July 2023.

The Company is proposing to seek a renewal shareholders' mandate at its forthcoming Annual General Meeting pursuant to paragraph 10.09 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements for recurrent related party transactions of a revenue or trading nature. Details of the proposal are being disclosed in the Circular/Statement to Shareholders dated 30 November 2023.

3. AUDIT NON-AUDIT FEES

During the financial year, the audit fees and non-audit fees paid/payable to the Company's external auditors by the Company and by the Group incurred for services rendered are as follows: -

Type of Fees	Company (RM)	Group (RM)
Audit Fees	35,000	168,200
Non-Audit Fees	4,000	40,500

Astino Berhad

200001020478 (523085-X)
(Incorporated in Malaysia)

Reports & Financial Statement

For The Financial Year Ended 31 July 2023

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Directors’ Reports

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 July 2023. All values shown in this report are rounded to the nearest thousand (“RM’000”) unless otherwise indicated.

Principal activities

The principal activities of the Company are those of investment holding and provision of management services to its subsidiaries. The principal activities and other details of the subsidiaries are disclosed in Note 8 to the financial statements.

Results	Group RM’000	Company RM’000
Profit for the financial year	28,334	7,448

Dividends

During the financial year, the Company paid a final single tier dividend of 1 sen per share amounting to RM4,920,000 in respect of the financial year ended 31 July 2022.

A final single tier dividend of 1 sen per share in respect of the financial year ended 31 July 2023 will be proposed for shareholders’ approval at the forthcoming annual general meeting.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year.

Issue of shares or debentures

The Company did not issue any shares or debentures during the financial year.

Share options

The Company did not grant any share options during the financial year.

Bad and doubtful debts

Before the financial statements were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent.

Current assets

Before the financial statements were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the financial statements misleading.

Valuation methods

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group or the Company misleading or inappropriate.

Contingent and other liabilities

At the date of this report, there does not exist:-

i) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

ii) any contingent liability which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group or the Company to meet their obligations when they fall due.

Change of circumstances

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

Items of an unusual nature

The results of the operations of the Group and the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

Directors

The directors in office since the beginning of the financial year are:-

Directors of the Company

Ng Back Teng	Dr. Cheah Soo Jin (resigned on 31.5.2023)
Ng Hung Seh	Lim Bee Lee
Ng Hung Weng	Cheah Swi Chun (appointed on 31.5.2023)
Dato' Haji Mohtar Bin Nong	

Directors of subsidiaries (other than directors of the Company)

Ng Bak Seng	Khoo Eng Seng
Ng Bak Hiong	Ng Fong Soo

Directors' interests

According to the register of directors' shareholdings, the interests in shares in the Company of the directors in office at the end of the financial year are as follows:-

Number of ordinary shares

	Direct interest				Indirect/Deemed interest	
Name of director	Balance at 1.8.2022/*	Bought	Sold	Balance at 31.7.2023	Balance at 1.8.2022/*	Balance at 31.7.2023
Ng Back Teng	38,914,451	156,000	0	39,070,451	55,080	55,080
Ng Hung Seh	26,155,299	0	0	26,155,299	4,822,311	4,822,311
Ng Hung Weng	2,003,636	252,900	0	2,256,536	0	0
Cheah Swi Chun	*2,244,799	0	0	2,244,799	*0	0

** Date of appointment*

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than the directors' remuneration as disclosed in Note 23 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of certain related party transactions as disclosed in Note 28 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and insurance for directors and officers

There was no indemnity given to or liability insurance effected for any director or officer of the Group or the Company during the financial year.

Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office. The auditors' remuneration is disclosed in Note 22 to the financial statements. There was no indemnity given to or liability insurance effected for the auditors during the financial year.

Signed in accordance with a resolution of the directors dated 3 November 2023

Ng Back Teng **Ng Hung Seh**

Statement
By Directors

In the opinion of the directors, the financial statements set out on pages 59 to 98 give a true and fair view of the financial position of the Group and the Company as at 31 July 2023 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed in accordance with a resolution of the directors dated 3 November 2023

Ng Back Teng

Ng Hung Seh

Statutory
Declaration

I, Chua Phaik See (MIA membership no.: 18687), being the officer primarily responsible for the financial management of Astino Berhad, do solemnly and sincerely declare that the financial statements set out on pages 59 to 98 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Chua Phaik See at George Town in the State of Penang on this 3 November 2023

Chua Phaik See
Senior Accounts & Finance Manager

Before me
Shamini A/P M Shanmugam
No. P157
Commissioner for Oaths

Independent Auditors' Report

To the members of Astino Berhad
200001020478 (523085-X)
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Astino Berhad, which comprise the statements of financial position as at 31 July 2023 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 59 to 98.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 July 2023, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group and the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and the Company of the current period. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter

<u>Valuation of inventories (Refer to Notes 3 and 12 to the financial statements)</u>
 	
The Group carries significant inventories. Management periodically reviews the inventories for potential write-downs by considering their aging profile, estimation of market price fluctuations and net realisable value. These reviews involve judgements and estimation uncertainty in forming expectations about future consumptions, sales and demands.
	Our audit procedures included, among others:-
	• Obtaining an understanding of:-
	  • the Group's inventory management process;
	  • how the Group identifies and assesses inventory write-downs; and
	  • how the Group makes the accounting estimates for inventory write-downs.
	• Reviewing the ageing analysis of inventories and testing the reliability thereof.
	• Examining the perpetual records for inventory movements and to identify slow moving aged items.
	• Making inquiries of management regarding the action plans to clear slow moving aged and obsolete inventories.
	• Reviewing the net realisable value of major inventories.
	• Evaluating the reasonableness and adequacy of the resulting inventory write-downs recognised.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the directors' report (but does not include the financial statements of the Group and the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements of the Group and the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and request that a correction be made. If the directors refuse to make the correction, we shall take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom our auditors' report is prepared.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and the Company, including the disclosures, and whether the financial statements of the Group and the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and the Company of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Eddy Chan Wai Hun
02182/10/2025 J
Chartered Accountant

Date: 3 November 2023

Penang

Consolidated Statement of Financial Position

Consolidated statement of financial position as at 31 July 2023

	Note	2023 RM'000	2022 RM'000
Non-current assets			
Property, plant and equipment	4	177,057	185,347
Investment properties	5	47,722	42,226
Right-of-use assets	6	14,309	14,958
Intangible assets	7	0	865
Investment in associate	9	2,453	2,259
Other investments	10	174	179
Deferred tax assets	11	52	216
		241,767	246,050
Current assets			
Inventories	12	144,433	218,764
Receivables	13	76,959	73,209
Prepayments		9,109	5,958
Current tax assets		6,376	2,181
Cash and cash equivalents	14	104,330	43,777
		341,207	343,889
Current liabilities			
Payables	15	19,568	24,462
Loans and borrowings	16	7,173	14,260
Lease liabilities	17	992	1,044
Contract liabilities	18	13,520	22,543
Current tax liabilities		114	1,282
		41,367	63,591
Net current assets		**299,840**	**280,298**
Non-current liabilities			
Deferred tax liabilities	11	5,241	3,805
Loans and borrowings	16	9,000	16,140
Lease liabilities	17	2,759	3,125
		17,000	23,070
Net assets		**524,607**	**503,278**
Equity			
Share capital	19	138,274	138,274
Treasury shares	19	(2,086)	(1)
Capital reserve		30,123	30,123
Retained profits		358,296	334,882
Total equity		**524,607**	**503,278**

The annexed notes form an integral part of these financial statements

Consolidated Statement
of Comprehensive Income

Consolidated statement of comprehensive income for the financial year ended 31 July 2023

	Note	2023 RM'000	2022 RM'000
Revenue	20	618,702	612,987
Cost of sales		(533,634)	(499,790)
Gross profit		85,068	113,197
Impairment gains on financial assets	21	263	126
Interest income		2,397	863
Other income		1,737	3,261
Administrative and general expenses		(34,538)	(39,119)
Selling and distribution expenses		(15,775)	(13,259)
Finance costs		(1,018)	(732)
Share of associate's loss		(354)	(178)
Profit before tax	22	37,780	64,159
Tax expense	24	(9,446)	(15,672)
Profit for the financial year		28,334	48,487
Other comprehensive income for the financial year		0	0
Comprehensive income for the financial year		28,334	48,487
Earnings per share:-	25		
- Basic (sen)		5.76	9.83
- Diluted (sen)		5.76	9.83

The annexed notes form an integral part of these financial statements

Consolidated Statement of Changes In Equity

Consolidated statement of changes in equity for the financial year ended 31 July 2023

			Non-distributable	Distributable	
	Share capital RM'000	Treasury shares RM'000	Capital reserve RM'000	Retained profits RM'000	Total equity RM'000
Balance at 1 August 2021	138,274	(1)	30,123	291,329	459,725
Dividend (representing total transactions with owners) (Note 26)	0	0	0	(4,934)	(4,934)
Profit (representing comprehensive income) for the financial year	0	0	0	48,487	48,487
Balance at 31 July 2022	138,274	(1)	30,123	334,882	503,278
Purchase of own shares	0	(2,085)	0	0	(2,085)
Dividend (Note 26)	0	0	0	(4,920)	(4,920)
Total transactions with owners	0	(2,085)	0	(4,920)	(7,005)
Profit (representing comprehensive income) for the financial year	0	0	0	28,334	28,334
Balance at 31 July 2023	138,274	(2,086)	30,123	358,296	524,607

The annexed notes form an integral part of these financial statements

Consolidated Statement of Cash Flows

Consolidated statement of cash flows for the financial year ended 31 July 2023

	Note	2023 RM'000	2022 RM'000
Cash flows from operating activities			
Profit before tax		37,780	64,159
Adjustments for:-			
Amortisation and depreciation		11,890	12,519
Dividend income		(5)	(21)
Fair value losses on financial instruments		5	25
Gain on dilution of interest in associate		(548)	0
Gain on disposal of investment properties		(89)	0
Gain on disposal of property, plant and equipment		(135)	(2,128)
Impairment gains on financial assets		(263)	(126)
Interest expense		1,018	732
Interest income		(2,397)	(863)
Inventories written down		13,528	16,588
Property, plant and equipment written off		15	46
Share of associate's loss		354	178
Unrealised loss/(gain) on foreign exchange		349	(108)
Operating profit before working capital changes		61,502	91,001
Changes in:-			
Inventories		60,319	(108,804)
Receivables		(3,488)	(23,996)
Prepayments		(3,151)	(819)
Payables		(4,894)	4,831
Contract liabilities		(9,023)	6,591
Cash generated from/(absorbed by) operations		101,265	(31,196)
Tax paid		(13,209)	(20,238)
Net cash from/(used in) operating activities		88,056	(51,434)
Cash flows from investing activities			
Acquisition of intangible assets		0	(43)
Acquisition of property, plant and equipment		(6,589)	(24,935)
Acquisition of right-of-use assets	27	(7)	(9,927)
Dividend received		5	21
Interest received		2,397	863
Proceeds from disposal of investment properties		165	0
Proceeds from disposal of property, plant and equipment		147	2,894
Subscription for shares in associate		0	(220)
Net cash used in investing activities		(3,882)	(31,347)

The annexed notes form an integral part of these financial statements

Consolidated Statement of Cash Flows (Cont'd)

Consolidated statement of cash flows for the financial year ended 31 July 2023

	Note	2023 RM'000	2022 RM'000
Cash flows from financing activities			
(Decrease)/Increase in short-term loans and borrowings	27	(4,992)	4,979
Dividend paid		(4,920)	(4,934)
Drawdown of revolving credit	27	0	15,000
Interest paid		(1,029)	(720)
Payment of lease liabilities	27	(1,023)	(1,017)
Purchase of own shares		(2,085)	0
Repayment of revolving credit	27	(3,000)	0
Repayment of term loans	27	(6,224)	(6,224)
Net cash (used in)/from financing activities		(23,273)	7,084
Currency translation differences		(348)	105
Net increase/(decrease) in cash and cash equivalents		60,553	(75,592)
Cash and cash equivalents brought forward		43,777	119,369
Cash and cash equivalents carried forward		104,330	43,777

The annexed notes form an integral part of these financial statements

Statement Of
Financial Position

Statement of financial position as at 31 July 2023

	Note	2023 RM'000	2022 RM'000
Non-current assets			
Property, plant and equipment	4	72	144
Right-of-use assets	6	51	0
Investments in subsidiaries	8	201,988	201,988
Deferred tax assets	11	52	126
		202,163	202,258
Current assets			
Prepayments		75	54
Cash and cash equivalents	14	1,746	1,499
		1,821	1,553
Current liabilities			
Payables	15	575	846
Lease liabilities	17	51	0
Current tax liabilities		5	55
		631	901
Net current assets		1,190	652
Net assets		203,353	202,910
Equity			
Share capital	19	138,274	138,274
Treasury shares	19	(2,086)	(1)
Retained profits		67,165	64,637
Total equity		203,353	202,910

The annexed notes form an integral part of these financial statements

Statement Of
Comprehensive Income

Statement of comprehensive income for the financial year ended 31 July 2023

	Note	2023 RM'000	2022 RM'000
Revenue	20	12,141	15,092
Interest income		11	20
Other income		0	245
Administrative and general expenses		(4,581)	(4,852)
Finance costs		(2)	0
Profit before tax	22	7,569	10,505
Tax expense	24	(121)	(57)
Profit for the financial year		7,448	10,448
Other comprehensive income for the financial year		0	0
Comprehensive income for the financial year		7,448	10,448

The annexed notes form an integral part of these financial statements

Statement Of
Changes in Equity

Statement of changes in equity for the financial year ended 31 July 2023

	Share capital RM'000	Treasury shares RM'000	Retained profits RM'000	Total equity RM'000
Balance at 1 August 2021	138,274	(1)	59,123	197,396
Dividend (representing total transactions with owners) (Note 26)	0	0	(4,934)	(4,934)
Profit (representing comprehensive income) for the financial year	0	0	10,448	10,448
Balance at 31 July 2022	138,274	(1)	64,637	202,910
Purchase of own shares	0	(2,085)	0	(2,085)
Dividend (Note 26)	0	0	(4,920)	(4,920)
Total transactions with owners	0	(2,085)	(4,920)	(7,005)
Profit (representing comprehensive income) for the financial year	0	0	7,448	7,448
Balance at 31 July 2023	138,274	(2,086)	67,165	203,353

The annexed notes form an integral part of these financial statements

Statement Of
Cash Flows

Statement of cash flows for the financial year ended 31 July 2023

	Note	2023 RM'000	2022 RM'000
Cash flows from operating activities			
Profit before tax		7,569	10,505
Adjustments for:-			
Depreciation		109	89
Dividend income		(7,300)	(10,500)
Gain on disposal of property, plant and equipment		0	(245)
Interest expense		2	0
Interest income		(11)	(20)
Operating profit/(loss) before working capital changes		369	(171)
Changes in:-			
Prepayments		(21)	27
Payables		(271)	316
Cash generated from operations		77	172
Tax paid		(97)	(147)
Net cash (used in)/from operating activities		(20)	25
Cash flows from investing activities			
Acquisition of property, plant and equipment		0	(136)
Acquisition of right-of-use assets	27	(7)	0
Dividends received		7,300	10,500
Interest received		11	20
Proceeds from disposal of property, plant and equipment		1	313
Subscription for shares in subsidiary		0	(10,000)
Net cash from investing activities		7,305	697
Cash flows from financing activities			
Dividend paid		(4,920)	(4,934)
Interest paid		(2)	0
Payment of lease liabilities	27	(31)	0
Purchase of own shares		(2,085)	0
Net cash used in financing activities		(7,038)	(4,934)
Net increase/(decrease) in cash and cash equivalents		247	(4,212)
Cash and cash equivalents brought forward		1,499	5,711
Cash and cash equivalents carried forward		1,746	1,499

The annexed notes form an integral part of these financial statements

Notes To The Financial Statements 31 July 2023

1. General information

The Company is a public company limited by shares, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are those of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 8.

The registered office of the Company is located at Suite 12-A, Level 12, Menara Northam, 55, Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia and its principal place of business is located at Lot 1499 (Lot Baru 10030) & 1500, Mukim 11, Jalan Changkat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang, Malaysia.

The consolidated financial statements set out on pages 59 to 63 together with the notes thereto cover the Company and its subsidiaries ("Group") and the Group's interest in an associate. The separate financial statements of the Company set out on pages 64 to 67 together with the notes thereto cover the Company solely.

The presentation currency of the financial statements is Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") unless otherwise indicated.

The financial statements were authorised for issue in accordance with a resolution of the directors dated 3 November 2023.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Group and the Company are prepared under the historical cost convention, modified to include other bases of measurement as disclosed in other sections of the significant accounting policies, and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia

The following MFRSs became effective for the financial year under review:-

MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

The initial application of the above MFRS did not have any significant impacts on the financial statements.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation of financial statements (Cont'd)

During the financial year ended 31 July 2022, the Group and the Company had early applied the Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current* which are effective for annual periods beginning on or after 1 January 2024. These amendments allow the Group to classify its revolving credit obligation as non-current when it has the right at the end of the reporting period to roll over the obligation for at least twelve months after the reporting period, even if it would otherwise be due within a shorter period.

The Group and the Company have not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective:-

MFRS (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred
Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to MFRS 17 *Insurance Contracts*	1 January 2023
Amendment to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 - Comparative Information*	1 January 2023
Amendments to MFRS 101 *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*	1 January 2024
Amendments to MFRS 108 *Definition of Accounting Estimates*	1 January 2023
Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 112 *International Tax Reform - Pillar Two Model Rules*	1 January 2023

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

2.2 Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. If the assets acquired are not a business, the transaction or other event is accounted for as an asset acquisition.

Business combinations are accounted for using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

2. **Significant accounting policies (Cont'd)**

2.2 Business combinations (Cont'd)

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:-

(a) the aggregate of:-

(i) the acquisition-date fair value of the consideration transferred;
(ii) the amount of any non-controlling interests; and
(iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.

(b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

2.3 Basis of consolidation

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary are recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10.

Freehold land and capital work-in-progress are not depreciated. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:-

Buildings	2%
Plant, machinery, tools and equipment	10%
Furniture, fittings and office equipment	10% - 33%
Motor vehicles	20%
Scaffolding	25%

The residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

2. Significant accounting policies (Cont'd)

2.5 Investment properties

Investment property is property held (by the owner or the lessee as a right-of-use asset) to earn rentals or for capital appreciation or both. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10.

Freehold land is not depreciated. Buildings are depreciated on a straight-line basis over their estimated useful lives of 50 years.

2.6 Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Lessor accounting

When the Group or the Company acts as a lessor, it classifies each lease as either an operating lease or a finance lease. A finance lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, whereas an operating lease does not.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term. The Group and the Company have not entered into any finance lease.

Lessee accounting

Initial recognition and measurement

When the Group or the Company acts as a lessee, it recognises a right-of-use asset (representing its right to use the underlying leased asset) and a lease liability (representing its obligation to make lease payments) at the commencement date. The Group and the Company have elected not to apply such recognition principle to short-term leases (which have a lease term of 12 months or less) and leases of low-value assets. The lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term.

A right-of-use asset is initially recognised at cost, which comprises the initial amount of lease liability, any lease payments made at or before the commencement date (less any lease incentives), any initial direct costs and any estimated dismantling, removing and restoring costs.

A lease liability is initially recognised at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The unpaid lease payments included in the measurement of lease liability comprise fixed payments (less any lease incentives), variable lease payments linked to an index or a rate, expected amounts payable under residual value guarantees, the exercise price of a purchase option reasonably certain to be exercised and the penalties of a termination option reasonably certain to be exercised.

Subsequent measurement

A right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The impairment policy is disclosed in Note 2.10.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that a purchase option will be exercised, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of its useful life. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term.

A lease liability is subsequently measured at amortised cost, and remeasured to reflect any reassessment (arising from changes to the lease payments) or lease modifications.

2. Significant accounting policies (Cont'd)

2.7 Intangible assets

Computer software which is not an integral part of the related hardware is treated as intangible assets. Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10.

Intangible assets are amortised on a straight-line basis over the estimated useful lives of the assets using an annual rate of 33%.

The useful life and amortisation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

2.8 Investments in subsidiaries

As required by the Companies Act 2016, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investments in subsidiaries are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.10.

2.9 Investment in associate

An associate is an entity over which an investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In the consolidated financial statements, investment in associate is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. After application of the equity method, the investment is assessed for any objective evidence of impairment. If any such evidence exists, the carrying amount of the investment is tested for impairment in accordance with Note 2.10.

2.10 Impairment of non-financial assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than deferred tax assets and inventories, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss.

An impairment loss on an asset, other than goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. The reversal is recognised in profit or loss. An impairment loss on goodwill is not reversed.

2.11 Inventories

Inventories are valued at the lower of cost (determined principally on the weighted average basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

2. Significant accounting policies (Cont'd)

2.12 Contract assets and contract liabilities

A contract is presented in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A contract asset is an entity's right to consideration in exchange for goods or services transferred to a customer when that right is conditioned on something other than the passage of time. The asset is subject to impairment assessment on the same basis as trade receivables as disclosed in Note 2.13. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

2.13 Financial assets

Financial assets of the Group and the Company consist of investments in equity instruments, receivables and cash and cash equivalents.

Initial recognition and measurement

A financial asset is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets is recognised or derecognised using settlement date accounting. Trade receivables that do not contain a significant financing component are initially recognised at their transaction price (as defined in Note 2.18). Other financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss in accordance with their classification on the basis of both the business model within which they are held and their contractual cash flow characteristics.

(i) Amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All receivables and cash and cash equivalents are classified under this category. Any gain or loss is recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

(ii) Fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is to both collect contractual cash flows and sell financial assets and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group and the Company do not have any financial assets classified under this category.

(iii) Fair value through profit or loss

A financial asset is measured at fair value through profit or loss if it does not meet the criteria to be measured at amortised cost or fair value through other comprehensive income. All investments in equity instruments are classified under this category. Any gain or loss is recognised in profit or loss.

2. Significant accounting policies (Cont'd)

2.13 Financial assets (Cont'd)

Impairment

At each reporting date, the Group and the Company recognise a loss allowance for expected credit losses on a financial asset measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. Any adjustment to the loss allowance is recognised in profit or loss as an impairment gain or loss.

Irrespective of whether there is any significant increase in credit risk since initial recognition, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9 Financial Instruments. Such lifetime expected credit losses are calculated using a provision matrix based on historical credit loss experience and adjusted for reasonable and supportable forward-looking information that is available without undue cost or effort.

The expected credit losses for a credit-impaired financial asset are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The gross carrying amount of a credit-impaired financial asset is directly written off when there is no reasonable expectation of recovery.

Derecognition

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or all the risks and rewards of ownership are substantially transferred. A direct write-off of gross carrying amount when there is no reasonable expectation of recovering a financial asset constitutes a derecognition event.

2.14 Financial liabilities

Financial liabilities of the Group and the Company consist of payables, loans and borrowings and financial guarantee contracts.

Initial recognition and measurement

A financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs.

Subsequent measurement

All payables and loans and borrowings are subsequently measured at amortised cost. Any gain or loss is recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance and the amount initially recognised less any cumulative income recognised.

Derecognition

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

2.15 Foreign currency transactions and translation

The consolidated financial statements and separate financial statements of the Company are presented in Ringgit Malaysia, which is also the Company's functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

2. Significant accounting policies (Cont'd)

2.15 Foreign currency transactions and translation (Cont'd)

A foreign currency transaction is recorded in the functional currency using the exchange rate at transaction date. At the end of the reporting period, foreign currency monetary items are translated into the functional currency using the closing rate. Foreign currency non-monetary items measured at cost are translated using the exchange rate at transaction date, whereas those measured at fair value are translated using the exchange rate at valuation date. Exchange differences arising from the settlement or translation of monetary items are recognised in profit or loss. Any exchange component of the gain or loss on a non-monetary item is recognised on the same basis as that of the gain or loss, i.e. in profit or loss or in other comprehensive income.

2.16 Share capital

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Own shares purchased are held as treasury shares in accordance with the requirements of Section 127 of the Companies Act 2016. The total amount of consideration paid, including directly attributable costs, is recognised directly in equity. When treasury shares are distributed as share dividends, the cost of the shares distributed is applied in the reduction of distributable reserves. When treasury shares are resold in the open market, the difference between the sale consideration and the cost of the shares resold is adjusted to share capital. When treasury shares are cancelled, the cost of the shares cancelled is applied in the reduction of distributable reserves and the issued share capital is diminished by the shares so cancelled.

Dividends on shares declared and unpaid at the end of the reporting period are recognised as a liability, whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

2.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following or a combination thereof:-

(i) Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.

(ii) Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.

(iii) Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

(i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

(ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

(iii) Level 3 - unobservable inputs for the asset or liability.

2. Significant accounting policies (Cont'd)

2.17 Fair value measurement (Cont'd)

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

Non-financial assets

The fair values of land and buildings are measured using the market comparison approach. Under this approach, the fair values are derived from observable market data such as prices per square foot for comparable properties in similar locations (i.e. Level 2).

Financial assets and financial liabilities

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2).

The fair values of quoted investments are directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

The fair values of financial guarantee contracts are estimated based on probability-adjusted discounted cash flow analysis after considering the probability of default by the debtors (i.e. Level 3).

2.18 Revenue from contracts with customers

The Group and the Company recognise revenue (by applying the following steps) to depict the transfer of promised goods or services to customers at the transaction price.

(i) Step 1: Identify contract - A contract is an agreement between two or more parties that creates enforceable rights and obligations.

(ii) Step 2: Identify performance obligations - Each promise to transfer distinct goods or services is identified as a performance obligation and accounted for separately.

(iii) Step 3: Determine transaction price - The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. It is adjusted for the effects of variable consideration (e.g. discounts, rebates, incentives or penalties), significant financing component, non-cash consideration and consideration payable to customer.

(iv) Step 4: Allocate transaction price to performance obligations - The transaction price is allocated to each performance obligation on the basis of the relative (estimated) stand-alone selling prices of each distinct good or service promised in the contract.

(v) Step 5: Recognise revenue - Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). Revenue is recognised either over time or at a point in time depending on the timing of transfer of control.

Sale of goods

The Group determines that the transfer of control of promised goods generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of goods is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

2. Significant accounting policies (Cont'd)

2.18 Revenue from contracts with customers (Cont'd)

Rendering of services

The Company determines that the transfer of control of promised services generally coincides with the Company's performance as the customer simultaneously receives and consumes the benefits of the performance as the Company performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed. The Company measures the progress towards complete satisfaction of the performance obligation using an output method, i.e. time elapsed.

2.19 Other income

Dividend income is recognised in profit or loss only when the entity's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

Interest income is recognised in profit or loss using the effective interest method.

Operating lease income is recognised in profit or loss on a straight-line basis over the lease term.

2.20 Government grants

Government grants are recognised when there is reasonable assurance that the Group or the Company will comply with the conditions attaching to the grants and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group or the Company recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets are deducted in arriving at the carrying amount of the related asset in the statement of financial position. Grants related to income are deducted in reporting the related expense in the statement of comprehensive income.

2.21 Employee benefits

Short-term employee benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss or included in the cost of an asset, where appropriate, in the period in which the associated services are rendered by the employee.

Defined contribution plans

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). Contributions to defined contribution plans are recognised in profit or loss or included in the cost of an asset, where appropriate, in the period in which the associated services are rendered by the employee.

2.22 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. Significant accounting policies (Cont'd)

2.23 Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax represents the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable results at the time of the transaction.

A deferred tax liability is recognised for all taxable temporary differences, whereas a deferred tax asset is recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.24 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, term deposits that are withdrawable on demand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

3. Judgements and estimation uncertainty

Judgements made in applying accounting policies

In the process of applying the accounting policies of the Group and the Company, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

Sources of estimation uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Valuation of inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews involve judgements and estimation uncertainty in forming expectations about future sales and demands. Any changes in these accounting estimates will result in revisions to the valuation of inventories (Note 12).

Impairment of receivables

The Group recognises loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of receivables (Note 13).

4. Property, plant and equipment

Group

	Freehold land RM'000	Buildings RM'000	Plant, machinery, tools and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Scaffolding[a] RM'000	Capital work-in-progress RM'000	Total RM'000
Cost								
Balance at 1 August 2021	55,511	88,526	98,831	17,571	28,001	1,159	187	289,786
Additions	18,485	0	1,287	702	1,927	0	2,534	24,935
Disposals/Write-offs	0	0	(708)	(1,723)	(3,416)	0	0	(5,847)
Transfer from inventories (net)	0	0	0	0	0	1,337	0	1,337
Reclassifications	0	2,315	0	0	0	0	(2,315)	0
Balance at 31 July 2022	73,996	90,841	99,410	16,550	26,512	2,496	406	310,211
Additions	0	872	2,788	1,081	441	0	1,407	6,589
Disposals/Write-offs	0	0	(266)	(846)	(484)	0	0	(1,596)
Transfer from inventories (net)	0	0	0	0	0	378	0	378
Transfer to investment properties	(1,900)	(4,985)	0	0	0	0	0	(6,885)
Reclassifications	0	0	1,143	0	0	0	(1,143)	0
Balance at 31 July 2023	72,096	86,728	103,075	16,785	26,469	2,874	670	308,697
Accumulated depreciation								
Balance at 1 August 2021	0	13,744	67,713	12,913	24,780	353	0	119,503
Depreciation	0	1,819	5,339	1,142	1,666	445	0	10,411
Disposals/Write-offs	0	0	(670)	(1,671)	(2,694)	0	0	(5,035)
Transfer to inventories	0	0	0	0	0	(15)	0	(15)
Balance at 31 July 2022	0	15,563	72,382	12,384	23,752	783	0	124,864
Depreciation	0	1,854	5,185	989	1,024	679	0	9,731
Disposals/Write-offs	0	0	(257)	(828)	(484)	0	0	(1,569)
Transfer to inventories	0	0	0	0	0	(106)	0	(106)
Transfer to investment properties	0	(1,280)	0	0	0	0	0	(1,280)
Balance at 31 July 2023	0	16,137	77,310	12,545	24,292	1,356	0	131,640
Carrying amount								
Balance at 1 August 2021	55,511	74,782	31,118	4,658	3,221	806	187	170,283
Balance at 31 July 2022	73,996	75,278	27,028	4,166	2,760	1,713	406	185,347
Balance at 31 July 2023	72,096	70,591	25,765	4,240	2,177	1,518	670	177,057

[a] *Held for operating leases*

The Group leases the scaffolding to customers on a monthly basis. Accordingly, the undiscounted lease payments to be received on an annual basis are not determinable and disclosed.

4. Property, plant and equipment (Cont'd)

Company	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost			
Balance at 1 August 2021	179	363	542
Additions	136	0	136
Disposals	0	(363)	(363)
Balance at 31 July 2022	315	0	315
Disposals	(1)	0	(1)
Balance at 31 July 2023	314	0	314
Accumulated depreciation			
Balance at 1 August 2021	101	276	377
Depreciation	70	19	89
Disposals	0	(295)	(295)
Balance at 31 July 2022	171	0	171
Depreciation	71	0	71
Balance at 31 July 2023	242	0	242
Carrying amount			
Balance at 1 August 2021	78	87	165
Balance at 31 July 2022	144	0	144
Balance at 31 July 2023	72	0	72

5. Investment properties

Group	Freehold land RM'000	Buildings RM'000	Total RM'000
Cost			
Balance at 1 August 2021 / 31 July 2022	41,499	832	42,331
Disposals	0	(110)	(110)
Transfer from property, plant and equipment	1,900	4,985	6,885
Balance at 31 July 2023	43,399	5,707	49,106
Accumulated depreciation			
Balance at 1 August 2021	0	88	88
Depreciation	0	17	17
Balance at 31 July 2022	0	105	105
Depreciation	0	33	33
Disposals	0	(34)	(34)
Transfer from property, plant and equipment	0	1,280	1,280
Balance at 31 July 2023	0	1,384	1,384
Carrying amount			
Balance at 1 August 2021	41,499	744	42,243
Balance at 31 July 2022	41,499	727	42,226
Balance at 31 July 2023	43,399	4,323	47,722
Fair value			
Estimated fair value at 31 July 2022	67,605	1,015	68,620
Estimated fair value at 31 July 2023	70,016	4,539	74,555

5. Investment properties (Cont'd)

The fair values of investment properties as at 31 July 2022 were measured based on appraisals performed by independent professional valuers using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 2). Using the same approach, management estimated the fair values of investment properties as at 31 July 2023 by reference to those 2022 appraisals as well as the current conditions of the properties and other relevant market information.

The Group leases certain investment properties to a third party for 2 years. The undiscounted lease payments to be received are as follows:-

	2023 (RM)	2022 (RM)
Within 1 year	1,596,000	0
1 to 2 years	1,330,000	0
	2,926,000	0

The Group also leases certain investment properties to third parties on a monthly basis. Accordingly, the undiscounted lease payments to be received on an annual basis are not determinable and disclosed.

6. Right-of-use assets

Group	Leasehold land RM'000	Buildings RM'000	Total RM'000
Balance at 1 August 2021	1,097	2,336	3,433
Additions	9,927	0	9,927
Remeasurement of lease liabilities	0	2,791	2,791
Depreciation	(147)	(1,046)	(1,193)
Balance at 31 July 2022	10,877	4,081	14,958
Additions	0	89	89
Remeasurement of lease liabilities	0	523	523
Depreciation	(174)	(1,087)	(1,261)
Balance at 31 July 2023	10,703	3,606	14,309

Company	Buildings RM'000
Balance at 1 August 2022	0
Additions	89
Depreciation	(38)
Balance at 31 July 2023	51

The Group acquired the rights to use the leasehold land for 62 to 82 years. The Group and the Company also lease the buildings from related parties for business operations. The initial lease terms range from 1 to 2 years and are extendable for 1 to 6 years.

7. Intangible assets

Group	Computer software RM'000
Cost	
Balance at 1 August 2021	2,692
Additions	43
Balance at 31 July 2022 / 31 July 2023	2,735
Accumulated amortisation	
Balance at 1 August 2021	972
Amortisation	898
Balance at 31 July 2022	1,870
Amortisation	865
Balance at 31 July 2023	2,735
Carrying amount	
Balance at 1 August 2021	1,720
Balance at 31 July 2022	865
Balance at 31 July 2023	0

8. Investments in subsidiaries

Company	2023 RM'000	2022 RM'000
Unquoted shares - at cost	201,988	201,988

The details of the subsidiaries are as follows:-

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest 2023	Effective ownership interest 2022	Principal activity
Astino (Malaysia) Colour Steel Sheet Sdn. Bhd.	Malaysia	100%	100%	Manufacture and sale of metal roof sheets and other building related products
Astino Metal Industries Sdn. Bhd.	Malaysia	100%	100%	Manufacture and sale of metal roof sheets and other building related products
Astino Southern Sdn. Bhd.	Malaysia	100%	100%	Manufacture and sale of metal roof sheets and other building related products
Astino Agro-House Multi System Sdn. Bhd.	Malaysia	100%	100%	Design, construction, manufacture and sale of poultry house and equipment system
Astino Netting Sdn. Bhd.	Malaysia	100%	100%	Manufacture and sale of insect screen
Astino Scaffolding Sdn. Bhd.	Malaysia	100%	100%	Manufacture, sale and renting of scaffolding
Ooi Joo Kee & Brothers Sdn. Bhd.	Malaysia	100%	100%	Investment holding

9. Investment in associate

Group	2023 RM'000	2022 RM'000
Unquoted shares - at cost	4,060	4,060
Share of post-acquisition changes in net assets	(1,607)	(1,801)
	2,453	2,259

The details of the associate are as follows:-

Name of associate	Principal place of business/ Country of incorporation	Effective ownership interest 2023	Effective ownership interest 2022	Principal activity
Richhill Capital Sdn. Bhd.	Malaysia	35%	50%	Investment holding

The summarised financial information of the associate is as follows:-

	2023 RM'000	2022 RM'000
Non-current assets	7,034	8,039
Current assets	18	23
Current liabilities	(43)	(3,543)
Net assets	7,009	4,519
Loss (representing comprehensive income)	(1,010)	(355)

The reconciliation of the above summarised financial information to the carrying amount of the investment in associate is as follows:-

	2023 RM'000	2022 RM'000
Net assets	7,009	4,519
Effective ownership interest	35%	50%
Carrying amount	2,453	2,259

10. Other investments

Group	2023 RM'000	2022 RM'000
Quoted shares - at fair value	174	179

The fair values of quoted investments were directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

11. Deferred tax assets and deferred tax liabilities

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Balance at 1 August	(3,589)	(5,613)	126	36
Deferred tax (expense) / income relating to origination and reversal of temporary differences	(1,520)	2,571	(72)	91
Deferred tax liabilities underprovided in prior year	(80)	(547)	(2)	(1)
Balance at 31 July	(5,189)	(3,589)	52	126
Disclosed as:-				
- Deferred tax assets	52	216	52	126
- Deferred tax liabilities	(5,241)	(3,805)	0	0
	(5,189)	(3,589)	52	126
In respect of:-				
- Deductible/(Taxable) temporary differences of:-				
- Inventories	3,865	4,471	0	0
- Financial instruments	1,065	1,754	58	132
- Lease liabilities	899	1,000	12	0
- Property, plant and equipment	(10,404)	(10,194)	(6)	(6)
- Investment properties	(136)	(143)	0	0
- Right-of-use assets	(864)	(980)	(12)	0
- Intangible assets	0	(44)	0	0
- Unused capital allowances	288	449	0	0
- Unused tax losses	98	98	0	0
	(5,189)	(3,589)	52	126

12. Inventories

Group	2023 RM'000	2022 RM'000
Raw materials	120,647	187,804
Finished goods	23,786	30,960
	144,433	218,764

13. Receivables

Group	2023 RM'000	2022 RM'000
Trade receivables:-	654	531
- Related parties[(a)]	250	117
- Related parties[(b)]	76,448	73,224
- Unrelated parties	77,352	73,872
	(942)	(1,240)
- Loss allowance	76,410	72,632
	549	577
Other receivables	76,959	73,209

[(a)] *Being companies in which certain directors have substantial financial interests*
[(b)] *Being companies in which close family members of certain directors have substantial financial interests*

13. Receivables (Cont'd)

Trade receivables

The Group determines credit risk concentrations in terms of counterparties and geographical areas. As at 31 July 2023, the Group did not have any major credit risk concentration relating to any individual customer or counterparty. The credit risk concentration profile by geographical areas of trade receivables is as follows:-

	2023 RM'000	2022 RM'000
Malaysia	77,151	73,276
Indonesia	201	186
Others	0	410
	77,352	73,872

The credit terms of trade receivables range from 30 to 90 days. The Group uses past due information to assess the credit risk of trade receivables. The analysis by past due status is as follows:-

	2023 RM'000	2022 RM'000
Not past due	74,427	71,085
1 to 30 days past due	1,556	1,486
31 to 60 days past due	220	160
61 to 90 days past due	135	18
More than 90 days past due	1,014	1,123
	77,352	73,872

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Such lifetime expected credit losses are calculated using a provision matrix based on historical observed default rates (adjusted for forward-looking estimates). The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the diversity of customer base.

	Not past due RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	More than 90 days past due RM'000	Credit-impaired RM'000	Total RM'000
2023							
Gross carrying amount	74,427	1,556	220	135	141	873	77,352
Average credit loss rate	0.07%	0.19%	1.36%	1.48%	8.51%	100.00%	1.22%
Loss allowance	49	3	3	2	12	873	942
2022							
Gross carrying amount	71,085	1,486	160	18	18	1,105	73,872
Average credit loss rate	0.17%	0.47%	1.88%	5.56%	22.22%	100.00%	1.68%
Loss allowance	120	7	3	1	4	1,105	1,240

13. Receivables (Cont'd)

Trade receivables (Cont'd)

The average credit loss rates were based on the payment profile of revenue over a period of 36 (2022 : 36) months and the corresponding historical credit losses experienced during the period. The rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The changes in the loss allowance are as follows:-

	2023 RM'000	2022 RM'000
Balance at 1 August	1,240	1,703
Impairment gains	(263)	(124)
Write-offs	(35)	(339)
Balance at 31 July	942	1,240

14. Cash and cash equivalents

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances:-				
- Interest earning	89,356	40,389	1,746	1,499
- Non-interest earning	443	3,388	0	0
	89,799	43,777	1,746	1,499
Term deposits	14,531	0	0	0
	104,330	43,777	1,746	1,499

Cash and cash equivalents are placed with reputable financial institutions with low credit risk. Accordingly, their expected credit losses are not considered to be material and hence, have not been recognised.

The effective interest rates of interest earning bank balances and term deposits as at 31 July 2023 ranged from 2.50% to 5.10% (2022 : 1.10% to 2.20%) per annum.

15. Payables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables	10,141	11,486	0	0
Other payables	9,427	12,976	575	846
	19,568	24,462	575	846

Payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

The credit terms of payables range from 30 to 90 days.

16. Loans and borrowings

Group	2023 RM'000	2022 RM'000
Unsecured		
Banker acceptances	0	4,987
Revolving credit	12,016	15,016
Term loans	4,157	10,397
	16,173	30,400
Disclosed as:-		
- Current liabilities	7,173	14,260
- Non-current liabilities	9,000	16,140
	16,173	30,400

The effective interest rates of loans and borrowings as at 31 July 2023 ranged from 4.39% to 4.78% (2022 : 2.48% to 3.77%) per annum.

Banker acceptances are generally short-term in nature and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Having complied with specified covenants and conditions, the Group has the right to roll over the revolving credit obligation on a monthly basis for 5 years, with each rolled over principal amount being reduced by RM250,000 per month. Hence, the facility is effectively repayable as follows:-

	2023 RM'000	2022 RM'000
Within 1 year	3,016	3,016
1 to 5 years	9,000	12,000
	12,016	15,016

Term loans are repayable over 4.5 years. The repayment analysis is as follows:-

	2023 RM'000	2022 RM'000
Gross loan instalments:-		
- Within 1 year	4,231	6,540
- 1 to 5 years	0	4,244
Total contractual undiscounted cash flows	4,231	10,784
Future finance charges	(74)	(387)
Present value of term loans	4,157	10,397

The fair values of revolving credit and term loans were measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured were considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximated to the effective interest rates of revolving credit and term loans.

17. Lease liabilities

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Gross lease liabilities:-				
- Within 1 year	1,140	1,200	52	0
- 1 to 5 years	2,760	2,280	0	0
- After 5 years	320	1,280	0	0
Total contractual undiscounted cash flows	4,220	4,760	52	0
Future finance charges	(469)	(591)	(1)	0
Present value of lease liabilities	3,751	4,169	51	0
Disclosed as:-				
- Current liabilities	992	1,044	51	0
- Non-current liabilities	2,759	3,125	0	0
	3,751	4,169	51	0

The incremental borrowing rates applied to lease liabilities as at 31 July 2023 ranged from 3.17% to 5.20% (2022 : 3.55% to 4.52%) per annum.

18. Contract liabilities

Group	2023 RM'000	2022 RM'000
Balance at 1 August	22,543	15,952
Revenue recognised from opening contract liabilities	(18,768)	(10,781)
Excess of consideration over revenue recognised	9,745	17,372
Balance at 31 July	13,520	22,543

As disclosed in Note 2.18, the Group generally satisfies its performance obligations at a point in time upon delivery of goods. Any consideration received or due in advance before a performance obligation is satisfied is presented as contract liability.

19. Share capital

	No. of ordinary shares with no par value '000	RM'000
Issued and fully paid		
Balance at 1 August 2021 / 31 July 2022 / 31 July 2023	493,411	138,274

Treasury shares

The shareholders of the Company, by a resolution passed at the annual general meeting held on 28 January 2005, approved the Company's plan to purchase its own shares. The details of the shares purchased from the open market using internally generated funds and held as treasury shares during the financial year are as follows:-

19. Share capital (Cont'd)

Treasury shares (Cont'd)

	2023		2022	
	No. of ordinary shares '000	Cost RM'000	No. of ordinary shares '000	Cost RM'000
Balance at 1 August	2	1	2	1
Shares purchased	4,145	2,085	0	0
Balance at 31 July	4,147	2,086	2	1
Average unit cost for the year (RM)		0.503		0.000

The number of outstanding shares in issue after excluding the treasury shares is as follows:-

	2023 No. of ordinary shares '000	2022 No. of ordinary shares '000
Balance at 1 August	493,409	493,409
Shares purchased	(4,145)	0
Balance at 31 July	489,264	493,409

20. Revenue

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers:-				
- Sale of goods	617,608	612,321	0	0
- Rendering of services	0	0	4,841	4,592
	617,608	612,321	4,841	4,592
Other sources of revenue:-				
- Dividend income	0	0	7,300	10,500
- Operating lease income	1,094	666	0	0
	1,094	666	7,300	10,500
	618,702	612,987	12,141	15,092

The disaggregation of revenue by geographical areas is disclosed in Note 29. Information about other disaggregation of revenue from contracts with customers has not been disclosed as the Group generates the revenue principally from selling metal building related products, whereas the Company derives the revenue mainly from rendering management services to subsidiaries.

21. Impairment gains on financial assets

Group	2023 RM'000	2022 RM'000
Trade receivables from contracts with customers	263	124
Other receivables	0	2
	263	126

22. Profit before tax

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax is arrived at after charging:-				
Amortisation of intangible assets	865	898	0	0
Auditors' remuneration:-				
- Current year	168	170	35	35
- Prior year	0	14	0	3
Depreciation of investment properties	33	17	0	0
Depreciation of property, plant and equipment	9,731	10,411	71	89
Depreciation of right-of-use assets	1,261	1,193	38	0
Employee benefits expense (Note 23)	44,066	47,230	3,744	4,049
Fair value losses on financial instruments mandatorily measured at fair value through profit or loss	5	27	0	0
Fee expense for financial instruments not measured at fair value through profit or loss	151	252	0	0
Interest expense for financial liabilities not measured at fair value through profit or loss	848	628	0	0
Interest expense for lease liabilities	170	104	2	0
Inventories written down	13,528	16,588	0	0
Lease expense relating to:-				
- Short-term leases	12	24	144	144
- Leases of low-value assets (other than short-term leases)	38	40	5	0
Property, plant and equipment written off	15	46	0	0
Unrealised loss on foreign exchange	349	0	0	0
and crediting:-				
Dividend income	5	21	7,300	10,500
Gain on dilution of interest in associate	548	0	0	0
Gain on disposal of investment properties	89	0	0	0
Gain on disposal of property, plant and equipment	135	2,128	0	245
Gain on foreign exchange:-				
- Realised	82	849	0	0
- Unrealised	0	108	0	0
Interest income for financial assets measured at amortised cost	2,397	863	11	20
Operating lease income from:-				
- Investment properties	530	42	0	0
- Others	1,094	666	0	0

23. Employee benefits expense (including directors' remuneration)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company:-				
- Fees	96	96	96	96
- Other short-term employee benefits	3,049	5,405	28	28
- Defined contribution plans	575	1,023	0	0
	3,720	6,524	124	124
Directors of subsidiaries:-				
- Short-term employee benefits	2,247	3,950	0	0
- Defined contribution plans	426	750	0	0
	2,673	4,700	0	0
Other employees:-				
- Short-term employee benefits	34,615	33,409	3,249	3,565
- Defined contribution plans	3,058	3,128	371	425
- Government grants under Wage Subsidy Programme	0	(531)	0	(65)
	37,673	36,006	3,620	3,925
	44,066	47,230	3,744	4,049

The estimated money value of benefits received or receivable by directors otherwise than in cash is as follows:-

Group	2023 RM'000	2022 RM'000
Directors of the Company	57	69
Directors of subsidiaries	37	37
	94	106

24. Tax expense

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Tax based on results for the year:-				
- Current tax	8,151	18,698	68	170
- Deferred tax	1,520	(2,571)	72	(91)
	9,671	16,127	140	79
Tax (over)/under provided in prior year:-				
- Current tax	(305)	(1,002)	(21)	(23)
- Deferred tax	80	547	2	1
	9,446	15,672	121	57

24. Tax expense (Cont'd)

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate on results for the year is as follows:-

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Applicable tax rate	24.00	24.00	24.00	24.00
Non-deductible expenses	2.02	1.64	1.00	0.85
Non-taxable income	(0.39)	(0.50)	(23.15)	(24.10)
Effect of differential tax rates	(0.03)	0.00	0.00	0.00
Average effective tax rate	25.60	25.14	1.85	0.75

25. Earnings per share

Group

The basic earnings per share is calculated by dividing the Group's profit for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:-

	2023	2022
Profit for the financial year (RM'000)	28,334	48,487
Number of shares in issue at 1 August ('000)	493,409	493,409
Effect of shares purchased ('000)	(1,800)	0
Weighted average number of shares in issue ('000)	491,609	493,409
Basic earnings per share (sen)	5.76	9.83

The diluted earnings per share equals the basic earnings per share as the Company did not have any dilutive potential ordinary shares during the financial year.

26. Dividends

Group and Company

	2023 RM'000	2022 RM'000
Final single tier dividend of 1 sen per share in respect of the financial year ended 31 July 2021	0	4,934
Final single tier dividend of 1 sen per share in respect of the financial year ended 31 July 2022	4,920	0
	4,920	4,934

A final single tier dividend of 1 sen per share in respect of the financial year ended 31 July 2023 will be proposed for shareholders' approval at the forthcoming annual general meeting.

27. Notes to statements of cash flows

Acquisition of right-of-use assets

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cost of right-of-use assets acquired	89	9,927	89	0
Acquisition by means of leases	(82)	0	(82)	0
Net cash disbursed	7	9,927	7	0

Short-term loans and borrowings

Group	2023 RM'000	2022 RM'000
Balance at 1 August	4,987	0
Net cash flow changes	(4,992)	4,979
Other changes	5	8
Balance at 31 July (Note 16)	0	4,987

Revolving credit

Group	2023 RM'000	2022 RM'000
Balance at 1 August	15,016	0
Drawdown	0	15,000
Repayments	(3,000)	0
Other changes	0	16
Balance at 31 July (Note 16)	12,016	15,016

Lease liabilities

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Balance at 1 August	4,169	2,395	0	0
Acquisition of right-of-use assets	82	0	82	0
Remeasurement from reassessment or lease modifications	523	2,791	0	0
Payments	(1,023)	(1,017)	(31)	0
Balance at 31 July (Note 17)	3,751	4,169	51	0

27. Notes to statements of cash flows (Cont'd)

Lease liabilities (Cont'd)

The total cash outflow for leases is as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Operating activities				
Lease expense recognised in profit or loss (Note 22)	50	64	149	144
Investing activities				
Acquisition of right-of-use assets	7	9,927	7	0
Financing activities				
Interest portion of lease liabilities (Note 22)	170	104	2	0
Principal portion of lease liabilities	1,023	1,017	31	0
	1,250	11,112	189	144

Term loans

Group	2023 RM'000	2022 RM'000
Balance at 1 August		
Repayments	10,397	16,633
Other changes	(6,224)	(6,224)
Balance at 31 July (Note 16)	(16)	(12)
	4,157	10,397

28. Related party disclosures

Transactions with related parties during the financial year are as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Key management personnel compensation:-				
- Short-term employee benefits	5,486	9,557	124	124
- Defined contribution plans	1,001	1,773	0	0
	6,487	11,330	124	124
Disposal of property, plant and equipment to director	0	54	0	54
Disposal of property, plant and equipment to subsidiary	0	0	1	0
Dividends declared from subsidiaries	0	0	7,300	10,500
Management fees charged to subsidiaries	0	0	4,841	4,592
Purchase of goods from other related party[(a)]	0	3	0	0
Rental charged by subsidiary	0	0	144	144
Rental charged by other related party[(b)]	180	180	39	0
Rental charged by other related parties[(c)]	1,020	940	0	0
Sale of goods to other related parties[(a)]	729	703	0	0
Sale of goods to other related parties[(b)]	3,279	927	0	0
Subscription for shares in associate	0	220	0	0
Subscription for shares in subsidiary	0	0	0	10,000

(a) *Being companies in which close family members of certain directors have substantial financial interests*
(b) *Being companies in which certain directors have substantial financial interests*
(c) *Being key management personnel of the Group who are also close family members of certain directors*

29. Segment reporting

Group

Operating segments

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the manufacture and sale of metal building related products.

Geographical information

The Group operates principally in Malaysia and generates revenue from the following geographical locations of customers:-

	External revenue	
	2023 RM'000	2022 RM'000
Malaysia	580,135	591,103
Indonesia	23,134	10,476
Philippines	9,565	4,939
Others	5,868	6,469
	618,702	612,987

Major customers

The Group did not have any major customer that contributed 10% or more of its total revenue.

30. Contractual commitments

Group	2023 RM'000	2022 RM'000
Acquisition of property, plant and equipment	57,659	2,892
Additions of investment properties	0	34
	57,659	2,926

31. Financial guarantee contracts

Company

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions and trade suppliers for credit facilities granted to certain subsidiaries up to a total limit of RM326,727,000 (2022 : RM331,659,000). The total utilisation of these credit facilities as at 31 July 2023 amounted to RM21,745,000 (2022 : RM31,966,000). No maturity analysis is presented for the financial guarantee contracts as the entire amount could be called at any time in the event of default by the subsidiaries.

The aforementioned financial guarantee contracts should have been recognised in the statement of financial position in accordance with the recognition and measurement policies as stated in Note 2.14. After considering that the probability of the subsidiaries defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

32. Financial risk management

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk, currency risk, interest rate risk and other price risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

Credit risk

The Group's exposure to credit risk arises mainly from receivables and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statement of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 31.

The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an ongoing basis, setting and monitoring counterparties' limits and credit terms. The quantitative information about such credit risk exposure is disclosed in Note 13. As the Group only deals with reputable financial institutions, the credit risk associated with deposits placed with them is low.

Liquidity risk

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

Currency risk

The Group's exposure to currency risk arises mainly from transactions entered into in currencies other than its functional currency, i.e. Ringgit Malaysia ("RM"). The major foreign currency transacted is US Dollar ("USD"), and the gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are as follows:-

	Denominated in USD	
Group	2023 RM'000	2022 RM'000
Receivables	201	596
Cash and cash equivalents	10,202	11,127
Payables	(1,504)	(3,039)
	8,899	8,684

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways:-

(i) The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies.

(ii) The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

32. Financial risk management (Cont'd)

Currency risk (Cont'd)

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss (and equity) to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

Group	Increase/(Decrease) in profit 2023 RM'000	2022 RM'000
Appreciation of USD against RM by 3% (2022 : 2%)	203	132
Depreciation of USD against RM by 3% (2022 : 2%)	(203)	(132)

Interest rate risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely loans and borrowings and lease liabilities.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's policy to maintain a mix of fixed and floating rate financial instruments as follows:-

Group	2023 RM'000	2022 RM'000
Fixed rate instruments	15,767	24,172
Floating rate instruments	4,157	10,397
	19,924	34,569

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect its profit or loss (and equity). For floating rate financial instruments measured at amortised cost, the following table demonstrates the sensitivity of profit or loss (and equity) to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

Group	Increase/(Decrease) in profit 2023 RM'000	2022 RM'000
Increase in interest rates by 22 (2022 : 20) basis points	(7)	(16)
Decrease in interest rates by 22 (2022 : 20) basis points	7	16

Other price risk

The Group's exposure to other price risk arises mainly from quoted investments.

The Group manages its investments on an individual basis by continuously evaluating the share price movements, investment returns and the general industrial conditions relevant to the investees.

The Group's quoted investments are listed on Bursa Malaysia Securities Berhad. Based on the assumption that the share prices of these investments moved in correlation with the FTSE Bursa Malaysia KLCI ("FBMKLCI"), the following table demonstrates the sensitivity of profit or loss (and equity) to changes in FBMKLCI that were reasonably possible at the end of the reporting period, with all other variables held constant:-

32. Financial risk management (Cont'd)

Other price risk (Cont'd)

Group	Group Increase/(Decrease) in profit 2023 RM'000	2022 RM'000
Increase in FBMKLCI by 3% (2022 : 3%)	5	5
Decrease in FBMKLCI by 3% (2022 : 3%)	(5)	(5)

33. Capital management

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity and total interest-bearing debts to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, purchase own shares, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total interest-bearing debts divided by total equity as follows:-

Group	2023 RM'000	2022 RM'000
Loans and borrowings	16,173	30,400
Lease liabilities	3,751	4,169
Total interest-bearing debts	19,924	34,569
Total equity	524,607	503,278
Total capital	544,531	537,847
Debt-to-equity ratio (times)	0.04	0.07

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

List of Properties

List of Properties Owned By

Astino Berhad And

Its Subsidiaries As At 31 July 2023

List Of Properties

LIST OF PROPERTIES OWNED BY ASTINO BERHAD AND ITS SUBSIDIARIES AS AT 31 JULY 2023

Location	Tenure	Description / Existing Use	Date of revaluation / acquisition	Age of Building (years)	Land area / built-up area	Net Book Value as at 31.07.2023
Lot No. 632, HS (D) No.19, Mk. 12, S. P.S, Penang	Freehold	Industrial Land	31.7.2008	-	2.71 ha. / Not applicable	1,515,555
Lot No 1230, HS (D) No. 24938 , Mk. 12, S.P.S., Penang	Freehold	2 storey office block annexed with a single storey factory	31.7.2008	22	1.763 h.a. / 9,523sq.m.	6,176,290
Lot No.1187, Grant No. 2349, Mk.15, S.P.S., Penang	Freehold	A vacant detached housing plot	31.7.2008	-	354 sq.m./ Not applicable	40,000
Lot No. 1218, Mk. 12, S.P.S., Penang	Freehold	Industrial land & building	31.7.2008	20	4.933 h.a./ 29,992 sq.m	22,551,656
Lot No. 1245, Mukim Grant No. 405, Mk. 12, S.P.S., Penang	Freehold	2 storey office block annexed with a single storey warehouse and 2 factory building	31.7.2010	23	1.12 h.a. / 5,143sq.m.	5,588,975
Lot Nos. 1044 & 1045, GM Nos. 103 & 104, Mk. 12, S.P.S., Penang (Nos. 11 & 11-A Lorong Nafiri 2, Kompleks Jawi, 14200 Penang)	Freehold	2 adjoining units of 1 1/2 storey terraced light industrial buildings of developer's standard design and construction	31.7.2008	27	259 & 263 sq. m. respectively/ 362 & 362 sq. m. respectively	412,300
H.S (D) 13026, No. P.T. 10343 Mukim Mentakab Daerah Temerloh, Pahang	Freehold	Industrial land & building	31.7.2008	12	2.023 h.a / 9,812 sq.m.	6,753,554
P.T. 7131 & 7136, Mukim Serendah, District of Ulu Selangor, Selangor	Freehold	Industrial land & building	31.7.2008	8	8,095 & 8,699 sq.m respectively	8,719,146
GM 947, Lot 2043 & GM949, Lot 2045, Mk. 11, Daerah S.P.S., Penang	Freehold	Vacant land	31.07.2011	-	40,242 sq.m. / Not applicable	2,620,000
Geran No. 39655, No. Lot 631, MK. 12, Daerah S.P.S, Penang	Freehold	Vacant land	31.07.2011	-	38,611 sq.m./ Not applicable	3,320,000
Lot 6157 & 6158, Mukim Jeram, Kuala Selangor, Selangor.	Freehold	Agriculture Land	6.9.2012	-	2.11 h.a. / Not applicable	3,740,820
Lot 18915 to 18919, Mukim Asam Kumbang, Daerah Larut Matang, Perak	Leasehold	Industrial land	1.4.2010	-	14,884 sq.m / Not applicable	1,066,533
Lot 10030 (formerly Lot 1499) & 1500, Mukim 11, Daerah S.P.S., Pulau Pinang.	Freehold	Industrial land & Building	1.10.2011	5	10.5331 & 5.379 h.a respectively/ 88,095sq.m	59,401,312
Lot 1133, Mukim 7, Seberang Perai Selatan, Pulau Pinang.	Freehold	Industrial land	1.10.2011	-	5.94 h.a / Not applicable	8,034,473

Location	Tenure	Description / Existing Use	Date of revaluation / acquisition	Age of Building (years)	Land area / built-up area	Net Book Value as at 31.07.2023
Lot 407, Mukim 17, S.P.T, Pulau Pinang.	Freehold	Vacant land	1.1.2014	-	40,949.06 sq.m. / Not applicable	8,000,851
Lot 1491,5700 & 5702, Mukim 11,S.P.S, Pulau Pinang.	Freehold	Vacant land	31.8.2015	-	86,129 sq.m / Not applicable	20,188,094
Parcel No. 48, Taman Vila Permai Jaya, Daerah Seberang Perai Tengah, Penang	Freehold	Three Storey Semi-detached House	28.07.2017	6	211.63 sq.m	634,157
Lot 842, Mukim 01, Daerah S.P.S, Negeri Pulau Pinang held under GM493	Freehold	Vacant land	26.4.2019	-	1.63 h.a / Not applicable	6,418,458
Lot 639, Mukim 01, Daerah S.P.S, Negeri Pulau Pinang held under GM352	Freehold	Vacant land	31.5.2019	-	5,053 sq.m	1,969,746
Lot 680, Mukim 08, Daerah S.P.S, Negeri Pulau Pinang held under GM596	Freehold	Vacant land	31.10.2017	-	20,386 sq.m	4,092,598
Lot 682,Mukim 08, Daerah S.P.S, Pulau Pinang held under Geran Mukim No. Hak milik 334.	Freehold	Vacant land	18.12.2020	-	3,240 sq.m	430,174
Lot 683,Mukim 08, Daerah S.P.S, Pulau Pinang held under Geran Mukim No. Hak milik 335.	Freehold	Vacant land	18.12.2020	-	4,957.39 sq.m	658,343
Lot 684,Mukim 08, Daerah S.P.S, Pulau Pinang held under Geran Mukim No. Hak milik 336.	Freehold	Vacant land	18.12.2020	-	4,957.39 sq.m	658,343
HS(D) 85234, PT 465, Bandar Sungai Petani, Daerah Kuala Muda, Kedah.	Leasehold	Industrial land	31.10.2021	-	32,648.04 sq.m	9,636,237
GRN 40835-40844, Lot 3657, 3659-3688 Mukim Jasin, Daerah Jasin, Negeri Melaka.	Freehold	Industrial land	21.07.2022	-	47,425 sq.m	18,484,514
TOTAL						**201,112,130**

Shareholdings Statistic

Shareholdings Statistic

As At 3 November 2023

Shareholdings Statistic

SHAREHOLDINGS STATISTIC as at 3 November 2023

Number of ordinary shares in issued : 493,411,555 (inclusive of 4,228,305 Treasury shares held)
Class of Equity Securities : Ordinary shares
Voting Rights : One vote per share

LIST OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Name	Direct	%	Indirect	%
Seavision Sdn Bhd	153,388,620	31.36	-	-
Ng Back Teng	39,070,451	7.99	55,080*	0.01
Ng Hung Seh	26,155,299	5.35	4,822,311*	0.99
Ng Bak Seng	370,872	0.08	154,931,086**	31.67

Notes:
* *Deemed interested pursuant to Section 197(1) of the Companies Act 2016 ("the Act")*
** *Deemed interested pursuant to Section 8(4) and Section 197(1) of the Act*

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

Name	Direct	%	Indirect	%
Ng Back Teng	39,070,451	7.99	55,080*	0.01
Ng Hung Seh	26,155,299	5.35	4,822,311*	0.99
Ng Hung Weng	3,256,536	0.46	-	-
Cheah Swi Chun	2,244,799	0.46	-	-
Dato' Haji Mohtar Bin Nong	-	-	-	-
Lim Bee Lee	-	-	-	-

Note: -
* *Deemed interested pursuant to Section 197(1) of the Act*

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS

No. of Holders	Size of Holdings	Total Holdings	%
988	less than 100 shares	43,850	0.01
690	100 to 1,000 shares	253,832	0.05
1,705	1,001 to 10,000 shares	9,652,930	1.97
1,541	10,001 to 100,000 shares	49,629,944	10.15
293	100,001 to less than 5% of issued shares	250,058,775	51.12
2	5% and above of issued shares	179,543,919	36.70
5,219		489,183,250	100.00

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

	Names	No. Of Shares Held	%
1.	Seavision Sdn. Bhd.	153,388,620	31.36
2.	Ng Hung Seh	26,155,299	5.35
3.	Ng Back Teng	23,004,836	4.70
4.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. Deutsche Bank AG Singapore For Yeoman 3-Rights Value Asia Fund (PTSL)	18,950,000	3.87
5.	Ng Back Teng	16,065,615	3.28
6.	Ng Hun Chew	11,490,305	2.35
7.	Ng Fong Soo	9,458,847	1.93
8.	Ng Bak Hiong	7,654,836	1.56
9.	Phillip Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Goh Choon Kim	7,408,304	1.51
10.	Siew Quek Lan	5,706,692	1.17
11.	Liau Keen Yee	5,193,980	1.06
12.	Chuah Cheng Boey	4,822,311	0.99
13.	CSC Steel Holdings Berhad	3,828,216	0.78
14.	Khor Soo Kiang	3,633,005	0.74
15.	Koh Kwee Hooi	3,376,919	0.69
16.	Cartaban Nominees (Asing) Sdn. Bhd. The Bank of New York Mellon For Ensign Peak Advisors Inc.	3,321,658	0.68
17.	Liau Choon Hwa & Sons Sdn. Bhd.	2,864,160	0.59
18.	CSC Steel Holdings Berhad	2,734,511	0.56
19.	Lai Kam Keong	2,662,200	0.54
20.	Tan Kim Kee @ Tan Kee	2,650,000	0.54
21.	Affin Hwang Nominees (Asing) Sdn. Bhd. DBS Vickers Secs (S) Pte Ltd For Yeo Seng Chong	2,550,000	0.52
22.	Lim Khuan Eng	2,313,360	0.47
23.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Keng Chin Eng (E-SGM)	2,302,803	0.47
24.	Cheah Swi Chun	2,244,799	0.46
25.	Addeen Trading Sdn. Bhd.	2,203,750	0.45
26.	Zulkifli Bin Hussain	2,172,483	0.44
27.	Affin Hwang Nominees (Asing) Sdn. Bhd. DBS Vickers Secs (S) Pte. Ltd. For Lim Mee Hwa	1,950,000	0.40
28.	Ng Hung Weng	1,910,000	0.39
29.	Wong Chui Sing	1,856,350	0.38
30.	Ng Su Ngee	1,745,461	0.36

Proxy Form

PROXY FORM

ASTINO BERHAD (200001020478)(523085-X)

CDS ACCOUNT NO.	NO. OF SHARES HELD

I/We, ____

(Full name of a member in BLOCK LETTERS as per Identity Card("MYKAD")/Passport/Certificate of Incorporation)*

MYKAD/Passport No./Company No.* ______________________________of______________________________

____

(Address in full)

telephone no. ______________________________, being a member of ASTINO BERHAD ("the Company")

hereby appoint ____

(Full name of proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD/Passport No.* ______________________________of______________________________

____

(Address in full)

And/or failing him/her,* ____

(Full name of proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD/Passport No.* ______________________________of______________________________

____

(Address in full)

or failing the abovenamed proxies, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the 23rd Annual General Meeting of the Company, to be held at **Iconic 4, Level 7, Iconic Hotel, 71, Jalan Icon City, Icon City, 14000 Bukit Mertajam, Penang on Friday, 12 January 2024 at 10.30 a.m.** and at any adjournment thereof. My/our proxy/proxies* is to be vote as indicated below:

	Resolution	For	Against
1.	Approval of payment of final single tier dividend		
2.	Re-election of Ms. Lim Bee Lee as Director		
3.	Re-election of Mr. Ng Hung Weng as Director		
4.	Re-election of Mr. Cheah Swi Chun as Director		
5.	Approval of Directors' Fees for the financial year ended 31 July 2023		
6.	Approval of Directors' Other Benefits from 13 January 2024 to 31 January 2025		
7.	Re-appointment of Auditors		
8.	Approval to issue and allot shares pursuant to Section 75 of the Companies Act 2016		
9.	Approval on the renewal on share buy-back by the Company		
10.	Approval on renewal on shareholders' mandate for recurrent related party transactions		

(Please indicate with "X" in the spaces on how you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain from voting at his discretion.)
*Strike out whichever not applicable

Dated this _____ day of __________ 20___

The proportions of my/our* holding to be represented by my/our* proxies are as follows: -		
	No. of Shares	Percentage
First Proxy		
Second Proxy		
Total		**100%**

____
Signature(s)/Common Seal of Member(s)

Fold this flap for sealing

NOTES:-

1. *A member entitled to attend, speak and vote at the AGM is entitled to appoint proxy(ies) to attend, participate, speak and vote in his stead.*
2. *Where a member is an authorised nominee ("AN") as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), the AN may appoint proxy(ies) in respect of each securities account it holds which is credited with ordinary shares of the Company.*
3. *Where a member of the Company is an exempt authorised nominee ("EAN") as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), the EAN may appoint proxy(ies) in respect of each omnibus account it holds.*
4. *Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
5. *The appointment of a proxy may be made in hard copy form or by electronic means and must be received by the Company not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjournment thereof. If the appointer is a corporation, under its common seal or in such other manner approved by its directors. Any alteration to the instrument appointing a proxy must be initialed.*
6. *For the purpose of determining a member who shall be entitled to attend this 23rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 5 January 2024. Only a depositor whose name appears on the Record of Depositors as at 5 January 2024 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.*

Personal Data Privacy:
By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM of the Company and any adjournment thereof.

Then fold here

AFFIX STAMP

THE COMPANY SECRETARY
ASTINO BERHAD
[Registration No. 200001020478(523085-X)]

Suite 12-A, Level 12, Menara Northam
No. 55, Jalan Sultan Ahmad Shah
10050 Georgetown Penang

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