



ASTRAMINA GROUP BERHAD
Company No.: 201901002673 (1311999-P)
(Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED FINANCIAL STATEMENTS FOR THE 2nd HALF-YEAR ENDED
28 FEBRUARY 2023**

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS THAT MAY BE ASSOCIATED WITH OR EXPOSED TO A HIGHER INVESTMENT RISK THAN CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY ASTRAMINA GROUP BERHAD (“ASTRA” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2023⁽¹⁾

	As at 28 February 2023 RM'000	As at 28 February 2022 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	10,390	10,597
CURRENT ASSETS		
Inventories	3,350	3,908
Trade and other receivables	2,842	3,589
Short term investments	38,298	33,577
Cash and bank balances	1,023	1,250
	45,513	42,324
TOTAL ASSETS	55,903	52,921
EQUITY		
Share capital	30,856	30,856
Merger reserve	(21,416)	(21,416)
Retained earnings	38,172	33,323
	47,612	42,763
LIABILITIES		
NON-CURRENT LIABILITIES		
Bank borrowings	6,267	6,486
Deferred tax liability	339	222
	6,606	6,708
CURRENT LIABILITIES		
Contract liabilities	-	209
Trade and other payables	967	2,740
Current tax liability	471	263
Bank borrowings	247	238
	1,685	3,450
TOTAL LIABILITIES	8,291	10,158
EQUITY AND LIABILITIES	55,903	52,921
Number of ordinary shares ('000)	272,163	272,163
Net assets per ordinary share (sen) ⁽²⁾	17.49	15.71

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Notes:

- (1) *The basis of the preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2022 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net assets per ordinary share is calculated based on the Company's number of ordinary shares as at the end of the reporting period of 272,163,310 shares.*

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ASTRAMINA GROUP BERHAD

Company No: 201901002673 (1311999-P)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 2nd HALF-YEAR ENDED 28 FEBRUARY 2023⁽¹⁾

	Individual 6 months ended		Cumulative 12 months ended	
	28.2.2023	28.2.2022	28.2.2023	28.2.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	8,585	8,899	18,977	17,907
Cost of sales	(4,542)	(5,272)	(10,394)	(9,465)
Gross profit	4,043	3,627	8,583	8,442
Other income and gains	644	991	1,188	1,531
Administrative and general expenses	(617)	(1,499)	(3,044)	(2,778)
Finance costs	(157)	(75)	(276)	(277)
Reversal of loss allowance on trade receivables	-	-	23	-
Profit before tax	3,913	3,044	6,474	6,918
Tax expense	(1,025)	(555)	(1,625)	(1,477)
Profit and total comprehensive income for the financial period/year	2,888	2,489	4,849	5,441
Basic earnings per share (sen) ⁽²⁾	1.06	0.91	1.78	2.00
Diluted earnings per share (sen) ⁽³⁾	1.06	0.91	1.78	2.00

Notes:

- (1) *The basis of the preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income is disclosed in note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2022 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Basic earnings per share is calculated based on the Company's share capital of 272,163,310 ordinary shares as at the end of the reporting period.*
- (3) *Diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible options as at the end of the reporting period.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR
 THE 2nd HALF-YEAR ENDED 28 FEBRUARY 2023⁽¹⁾**

	Share capital RM'000	Merger reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 28 February 2021	30,856	(21,416)	27,882	37,322
Profit and total comprehensive income for the financial year	-	-	5,441	5,441
At 28 February 2022	30,856	(21,416)	33,323	42,763
Profit and total comprehensive income for the financial year	-	-	4,849	4,849
At 28 February 2023	30,856	(21,416)	38,172	47,612

Note:

- (1) *The basis of the preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2022 and the accompanying explanatory notes attached to this interim financial report.*

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ASTRAMINA GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 2nd HALF-YEAR ENDED 28 FEBRUARY 2023⁽¹⁾

	Year-to-Date Ended	
	28 February 2023 RM'000	28 February 2022 RM'000
Operating activities		
Profit before tax	6,474	6,918
Adjustments for:		
Depreciation of property, plant and equipment	255	192
Dividend income	(415)	(358)
Gain on disposal of property, plant and equipment	(82)	-
Interest income	(8)	-
Interest expense	254	277
Net gain on financial assets at fair value through profit or loss mandatorily	(269)	(721)
Net unrealised gain on foreign exchange	(27)	(82)
Reversal of loss allowance on trade receivables	(23)	-
Operating profit before working capital changes	6,159	6,226
Changes in inventories	557	(1,620)
Changes in receivables	747	(1,023)
Changes in payables	(1,983)	1,053
Cash generated from operations	5,480	4,636
Interest received	8	-
Tax paid	(1,299)	(1,377)
Net cash generated from operating activities	4,189	3,259
Investing activities		
Acquisition of property, plant and equipment	(48)	(405)
Dividend received	415	358
Net subscriptions of short term investments	(4,452)	(2,712)
Proceeds from disposal of property, plant and equipment	82	-
Net cash used in investing activities	(4,003)	(2,759)
Financing activities		
Interest paid	(254)	(277)
Repayments of bank borrowings	(210)	(69)
Net cash used in financing activities	(464)	(346)
Net changes in cash and bank balances	(278)	154
Cash and bank balances brought forward	1,250	1,151
Effect of exchange rate fluctuations	51	(55)
Cash and bank balances carried forward	1,023	1,250

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Note:

- (1) *The basis of the preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2022 and the accompanying explanatory notes attached to this interim financial report.*

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2nd HALF-YEAR ENDED 28 FEBRUARY 2023

A. NOTES TO THE FINANCIAL REPORT

A1. Basis of preparation

The interim financial report of ASTRA and its subsidiaries (“the Group”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 6.12 and Appendix 6A of the Listing Requirements.

The interim report should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 28 February 2022 and the accompanying explanatory notes attached to the interim financial report.

A2. Significant accounting policies

Amendments and new standards

In the current financial period, the Group has applied a number of amendments and new standards that became effective mandatorily for the financial periods beginning on or after 1 March 2022. The adoption of the amendments and new standards did not have significant impact on the disclosures or on the amounts reported in the financial statements.

New standard and amendments issued that are not yet effective

The Group has not applied the following new standard and amendments that have been issued by the MASB but are not yet effective:

		<i>Effective Date</i>
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 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 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

The adoption of the above amendments and new standard is not expected to have significant impact on the financial position and financial performance of the Group.

A3. Seasonality or cyclical factors

Our business is subject to seasonal demand. The demand for our seasoning products and food ingredients is generally higher during festive seasons such as Hari Raya, Christmas, New Year and Chinese New Year.

A4. Unusual items

There were no unusual items that had a material effect on the value of assets, liabilities, equity, net income or cash flows of the Group for the current financial year.

A5. Material changes in estimates

There were no material changes in estimates of amounts that have a material impact in the current financial year.

A6. Debts and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial year. The repayments of bank borrowings amounted to RM 210,000 during the current financial year.

A7. Segmental information

ASTRA is an investment holding company. The principal activities of the subsidiaries are as follows:

- (i) Seasonings Specialities Sdn Bhd is principally involved in the manufacturing and selling of food ingredients (“Manufacturing”); and
- (ii) Astramina Sdn Bhd is principally involved in the trading of food ingredients (“Trading”).

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Analysis of revenue by business segments

	Individual 6 months ended				Cumulative 12 months ended			
	28.2.2023		28.2.2022		28.2.2023		28.2.2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing	4,917	57.27	5,763	64.76	11,035	58.15	11,661	65.12
Trading	3,668	42.73	3,136	35.24	7,942	41.85	6,246	34.88
Total	8,585	100.00	8,899	100.00	18,977	100.00	17,907	100.00

Analysis of revenue by geographical location

	Individual 6 months ended				Cumulative 12 months ended			
	28.2.2023		28.2.2022		28.2.2023		28.2.2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Local	8,022	93.44	8,040	90.35	16,935	89.24	15,864	88.59
Foreign	563	6.56	859	9.65	2,042	10.76	2,043	11.41
Total	8,585	100.00	8,899	100.00	18,977	100.00	17,907	100.00

A8. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial year.

A9. Interest bearing bank borrowings

	As at 28 February 2023 RM'000
Non-current bank borrowings	
Term loans	6,267
Current bank borrowings	
Term loans	247
Total interest-bearing bank borrowings	6,514

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A10. Capital commitments

There were no capital commitments of the Group in respect of the property, plant and equipment not provided for as at the end of the financial year.

A11. Changes in contingent assets and contingent liabilities

There were no material changes in contingent assets and liabilities as at the end of the financial year.

A12. Material events subsequent to the end of the financial year

There were no material events subsequent to the end of the financial year, except for the announcement made by the Company on 2 March 2023 relating to the execution of a binding term sheet between the Company and Chan Kok Woei and Tan Soon Hock (collectively, the “Vendors”) to exclusively explore and negotiate further on a proposed acquisition by the Company of the entire equity interest in Epic Chemicals Sdn Bhd from the Vendors (“Proposed Acquisition”). A detailed announcement on the Proposed Acquisition will be made by the Company upon the finalisation of the definitive agreement(s) in respect of the Proposed Acquisition.

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

For the Financial Year Ended (“FYE”) 28 February 2023, the Group’s revenue and Gross Profit (“GP”) was RM18.98 million and RM8.58 million respectively which is equivalent to a GP margin of 45.21%. The revenue of the Group is derived from its Manufacturing and Trading business segments, which represented contribution of RM11.04 million and RM7.94 million, respectively. The Group recorded a Profit Before Tax (“PBT”) of RM6.47 million for the FYE 28 February 2023.

2nd Half-year ended 28 February 2022 vs 2nd Half-year ended 28 February 2023

For the 2nd half-year ended 28 February 2023, the Group’s revenue was RM8.59 million as compared to RM8.90 million recorded in the immediate preceding financial period, representing a decrease of RM0.31 million or 3.48%. This is mainly due to decrease in sales volume of seasonings products.

The Group recorded a PBT of RM3.91 million for the 2nd half-year ended 28 February 2023 as compared to RM3.04 million in the immediate preceding financial period, representing an increase of RM0.87 million or 28.55%. The increase in PBT is mainly due to the decrease in cost of sales as well as administrative and general expenses during the current financial period.

B2. Prospects

The Group remains committed in the continuous expansion of its customers’ base, improvement in its production planning, implementation of stringent quality control on the manufacturing of seasoning products and investment in the equipment and machineries, amidst growing concerns over the economic damage caused by the external factors such as financial and economical risks. Management is of the view that there is considerable uncertainty from the relevant industries that we are involved in, particularly from the food and beverage industry as well as the snacks industry. Nevertheless, the Group’s revenue is not expected to be significantly affected and the Group will continue to increase the market share with our long-standing brand establishment. Barring any unforeseen circumstances, the board of directors are confident that the prospects of the Group’s financial performance for the financial year ending 28 February 2024 will remain favourable.

B3. Variance of Actual Profit from Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

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C. OTHER INFORMATION

C1. Status of Corporate Proposals

As disclosed in Note A12, on 2 March 2023, the Company announced the execution of a binding term sheet between the Company and the Vendors to exclusively explore and negotiate further on a Proposed Acquisition. A detailed announcement on the Proposed Acquisition will be made by the Company upon the finalisation of the definitive agreement(s) in respect of the Proposed Acquisition.

C2. Material Litigation

There are no material litigations pending as at the date of this report.

C3. Dividend

There is no dividend declared or proposed as at the date of this report.

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