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**ASTINO BERHAD (Company No.: 200002020478)(523085-X)
(Incorporated in Malaysia)**

PART A

***CIRCULAR TO SHAREHOLDERS IN RELATION TO:-
PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE***

PART B

***SHARE BUY-BACK STATEMENT IN RELATION TO PROPOSED RENEWAL OF THE
AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES IN ACCORDANCE
WITH SECTION 127 OF THE COMPANIES ACT 2016***

Notice of the 22nd Annual General Meeting of Astino Berhad (“the Company”) which will be held at Iconic 1, Level 7, Iconic Hotel, 71, Jalan Icon City, Icon City, 14000 Bukit Mertajam, Penang on Thursday, 12 January 2023 at 10.30 a.m. or any adjournment thereof together with the Form of Proxy are enclosed with the Annual Report of the Company.

The Form of Proxy must be lodged at the Registered Office of the Company at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than forty-eight (48) hours before the time set for holding the AGM or any adjournments thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular/Statement: -

Act	: The Companies Act 2016
AGM	: Annual General Meeting
ACSS	: Astino (Malaysia) Colour Steel Sheet Sdn. Bhd. (199401041558)(327245-W), a wholly owned subsidiary of Astino
AF	: Astino Scaffolding Sdn. Bhd. (199101018802)(229113-D), a wholly owned subsidiary of Astino
AAH	: Astino Agro-House Multi System Sdn. Bhd. (200801003933)(805217-D), a wholly owned subsidiary of Astino
AMI	: Astino Metal Industries Sdn. Bhd (200501020247)(702367-H), a wholly owned subsidiary of Astino
AN	: Astino Netting Sdn. Bhd. (199501025491)(354696-M), a wholly owned subsidiary of Astino
AS	: Astino Southern Sdn. Bhd. (200001021768)(524375-P), a wholly owned subsidiary of Astino
Annual Report 2022	: Annual Report of Astino for the financial year ended 31 July 2022
Astino or the Company	: Astino Berhad
Astino Group	: Astino and its subsidiary companies, collectively
Board	: The Board of Directors of Astino Berhad
Bursa Securities	: Bursa Malaysia Securities Berhad
Code	: Malaysian Code on Take-Over and Mergers, 2010 as amended from time to time and any re-enactment thereof
Listing Requirements	: Bursa Malaysia Securities Berhad Main Market's Listing Requirements and any amendment thereto that may be made from time to time
Major Shareholder	: A person who has an interest or interests in one or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than 10% of the aggregate of the nominal amounts of all the voting shares in that Company; or equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company For the purpose of this definition, "interest of shares" shall have the same meaning given in Section 8 of the Act. A Major Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of Astino or any other company which is its subsidiary or holding company
OJK	: Ooi Joo Kee & Brothers Sdn. Bhd. (198701002188)(160858-D), a wholly owned subsidiary of Astino.

DEFINITIONS (Cont'd)

Persons Connected	: Persons connected with a Director or Major Shareholders as defined in the Bursa Securities Listing Requirements.
Proposed Renewal of Shareholders' Mandate	: Proposed renewal of existing shareholders' mandate for RRPTs to be entered into from date of the forthcoming AGM up to the date of the next AGM and new RRPTs
Proposed Renewal of Share Buy-Back	: Proposed renewal of authority to purchase and/or hold of Astino Shares of up to 10% of the issued and paid-up ordinary share capital of the Company inclusive of 439,105 Shares in the Company already purchased and retained as Treasury Shares
Related Party(ies)	: A Director, major shareholder or person connected to such Director or major shareholder. For the purpose of this definition, Director and major shareholder shall have the same meanings given in Paragraph 10.02 of the Listing Requirements
Related Party Transaction	: A transaction entered into by the Astino Group which involves the interest, direct or indirect, of a Related Party
Recurrent Related Party Transactions or RRPT(s)	: Recurrent related party transaction(s) as defined in Paragraph 10.09 of the Listing Requirements and as explained in Practice Note 12/2001 of the Listing Requirements
RM	: Ringgit Malaysia
Shares	: Ordinary shares of Astino Berhad

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. Words importing persons include corporations.

Any reference in this Circular/Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Circular/Statement shall be a reference to Malaysian time, unless otherwise stated.

PART A

**CIRCULAR TO SHAREHOLDERS IN RELATION TO: -
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**



ASTINO BERHAD
(Company No.: 200001020478)(523085-X)
(Incorporated in Malaysia)

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

30 November 2022

BOARD OF DIRECTORS: -

Ng Back Teng (Executive Chairman)
Ng Hung Seh (Chief Executive Officer)
Ng Hung Weng (Executive Director)
Dr. Cheah Soo Jin (Senior Independent Non-Executive Director)
Dato' Hj Mohtar Bin Nong (Independent Non-Executive Director)
Lim Bee Lee (Independent Non-Executive Director)

To: The Shareholders of **ASTINO BERHAD**

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

1.0 INTRODUCTION

On 30 September 2022, our Board announced its intention to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements at the forthcoming AGM.

The purpose of this Circular is to provide you with information on the Proposed Renewal of Shareholders' Mandate, and to seek shareholders' approval on the resolution relating to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM of the Company to be convened at Iconic 1, Level 7, Iconic Hotel, 71, Jalan Icon City, Icon City, 14000 Bukit Mertajam, Penang on Thursday, 12 January 2022 at 10.30 a.m. or any adjournment thereof. The Notice of AGM and the Form of Proxy are enclosed with our Annual Report 2022 despatched together with this Circular.

SHAREHOLDERS ARE ADVISED TO READ THIS CIRCULAR TOGETHER WITH THE APPENDIX CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE.

2.0 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 Introduction

At the 21st AGM held on 21 January 2022, we have obtained a shareholders' mandate to allow the Group to enter into RRPTs of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business and on terms that are not more favourable to the Related Parties than those generally available to the public. The approval shall in accordance with the Listing Requirements lapse at the conclusion of our forthcoming AGM scheduled on 12 January 2023 unless approval for its renewal is obtained from the shareholders of the Company at the said AGM.

Pursuant to Part E, Paragraph 10.09 of Chapter 10 of the Listing Requirements, Astino may seek a shareholders' mandate in respect of RRPTs involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:
 - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or
 - (ii) any percentage ratios of such RRPTs is 1% or more;whichever is the higher,
- (c) the circular to shareholders for the shareholders' mandate shall include the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested Directors, interested Major Shareholder or Person Connected with the interested Director or interested Major Shareholder; and where it involves the interest of the Person Connected with the interested Director or interested Major Shareholder, such interested Director or interested Major Shareholder must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transaction; and
- (e) Astino immediately announces to Bursa Securities when the actual value of a RRPTs entered into by Astino, exceeds the estimated value of the RRPTs disclosed in this Circular by 10% or more and must include the information may be prescribed by Bursa Securities in its announcement.

Transactions entered into between Astino (or any of its wholly owned subsidiaries) and its wholly owned subsidiaries are excluded from the requirements of Part E of Chapter 10 of the Listing Requirements.

2.2 Principal activities of Astino Group

Astino is primarily an investment holding company whilst its subsidiary companies are principally involved in manufacturing and sale of metal roof sheets, insect screens and other building related products, trading of PVC panels, doors, frames and other building related products.

The principal activities of Astino’s subsidiaries as at 3 November 2022 are set out as follows: -

Name of Company	Date /Place of Incorporation	Equity Interest (%)	Principal Activities
OJK	15.04.1987/ Malaysia	100.00	Investment holding
ACSS	15.12.1994/ Malaysia	100.00	Manufacturing and sale of metal roof sheets and other building related products
AS	23.08.2000/ Malaysia	100.00	Manufacturing and sale of metal roofing sheets and other building related products
AN	10.08.1995/ Malaysia	100.00	Manufacturing and sale of insect screen and trading of PVC panels, doors, frames and other building related products
AMI	11.07.2005/ Malaysia	100.00	Manufacturing and sale of metal roofing and other building related products
AF	18.11.1991/ Malaysia	100.00	Manufacture, sale and renting of scaffolding
AAH	01.02.2008/ Malaysia	100.00	Design, construction, manufacture and sale of poultry house and equipment system

2.3 Validity Period of the Proposed Renewal of Shareholders’ Mandate

The Proposed Renewal of Shareholders’ Mandate, if approved by our shareholders at our forthcoming AGM, will take effect from the date of passing of the relevant resolutions proposed at our forthcoming AGM and shall only continue to be in force until:

- (a) the conclusion of our next AGM following our forthcoming AGM, at which such ordinary resolution for the Proposed Renewal of Shareholders’ Mandate will be passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority is renewed;
 - (b) the expiration of the period within which our next AGM after that date 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 (hereinafter referred to as “the Proposed Mandate Period”).

2.4 Details of the RRPTs Contemplated Under the Proposed Renewal of Shareholders' Mandate

It is anticipated that the Group would, in the normal course of business, continue to enter into the categories of RRPTs during the Proposed Mandate Period.

The details of the RRPTs, the Estimated Value, Actual Value and variance, if any, are set out below: -

Astino Group	Related Party	Nature of RRPTs	Last Year Mandate (N1) (RM'000)	Actual value Transacted (N2) (RM'000)	Proposed Mandate (N3) (RM'000)
AMI	Aatomo Malaysia Sdn Bhd ("AA")	Sales of coil by AMI to AA	5,000	1,767	3,000
ACSS, AMI, AN	Cooldec Industries Sdn Bhd ("CI")	Sales of metal roof sheets and PVC door by ACSS, AMI & AN to CI	5,000	103	3,000
ACSS, AS, AMI	Cooldec Metal Industries Sdn Bhd ("CM")	Sales of metal roof sheets, c-purlin and roof truss by AMI, ACSS & AS to CM	3,000	143	3,000
ACSS, AF, AMI, AN	Axtrada (M) Sdn. Bhd. ("AX")	Sales of coil, metal roof sheets, roof truss and scaffolding by ACSS, AF, AMI & AN to AX	5,000	493	3,000
AMI	Hitec Ceiling T Manufacturing (M) Sdn Bhd ("HC")	Sales of coil, metal roof sheets and roof truss by AMI to HC	3,000	56	1,000

Notes: -

- N1 Estimate value of transactions as per the Circular to Shareholders for the Proposed Renewal of Shareholders' Mandate dated 30 November 2021*
- N2 Actual value of transactions from 3 November 2021 to 3 November 2022 the latest practicable date before the printing of the Circular. The actual value of the transactions did not exceed 10% or more of the Estimated Value obtained under the Shareholders' Mandate during the 2022's AGM*
- N3 Estimated value of transactions from the date of the forthcoming AGM scheduled on 12 January 2023 to the date of the next AGM are based on historical records and budget of the respective RRPTs. The actual value of these transactions may be subject to changes.*

The interests of the Related Parties in the RRPTs are as follows: -

Astino Group	Related Party	Interested Parties
AMI	AA	<u>Interested Directors</u> @ Ng Back Teng * Ng Hung Seh** Ng Hung Weng <u>Interested Major Shareholders</u> # Ng Back Teng Ng Hung Seh Ng Bak Seng
ACSS, AMI, AN	CI	<u>Interested Directors</u> @@ Ng Back Teng* Ng Hung Seh** Ng Hung Weng <u>Interested Major Shareholders</u> # Ng Back Teng Ng Hung Seh Ng Bak Seng
AMI	HC	<u>Interested Director</u> Ng Back Teng**** <u>Interested Major Shareholder</u> Ng Back Teng****
ACSS, AF, AMI, AN	AX	<u>Interested Directors</u> @@@ Ng Back Teng* Ng Hung Seh** Ng Hung Weng <u>Interested Major Shareholders</u> # Ng Back Teng Ng Hung Seh Ng Bak Seng
ACSS, AS, AMI	CM	<u>Interested Director</u> Dr. Cheah Soo Jin ***

Notes: -

@ Mr. Ng Back Teng and Mr. Ng Hung Seh are brothers of Mr. Ng Hung Weng who is the director and major shareholder of AA. Mr. Ng Hung Weng is the Executive Director of Astino.

@ @ Mr. Ng Back Teng, Mr. Ng Hung Seh and Mr. Ng Hung Weng are brothers of Mr. Ng Hun Chew, who is the director and major shareholder of CI.

@ @ @ Mr. Ng Back Teng, Mr. Ng Hung Seh and Mr. Ng Hung Weng are brothers of Mr. Ng Bak Seng and Mr. Ng Hun Chew, who are the major shareholders of AX.

* Mr. Ng Back Teng is a common director of Astino, ACSS, AF, AMI, AN and AS.

** Mr. Ng Hung Seh is a common director of Astino, ACSS, AF, AMI and AN.

*** Dr. Cheah Soo Jin's son, Mr. Cheah Swi Chun, is a director and major shareholder of CM.

**** Mr. Ng Back Teng's son, Mr. Ng Kok Teong Eris, is a major shareholder of HC

Mr. Ng Back Teng, Mr. Ng Hung Seh and Mr. Ng Bak Seng are brothers of Mr. Ng Hung Weng of AA and Mr. Ng Hun Chew of CI and AX.

2.5 Amounts due and owing by Related Parties

As at the end of the financial year ended 31 July 2022, none of the sums due and owing by Related Parties, have exceeded the credit terms.

2.6 Review Procedures and Guidelines of the RRPTs

The Group has established the various review procedures and guidelines to ensure that the RRPTs contemplated under the Proposed Renewal of Shareholders' Mandate is undertaken on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders and that they are conducted at arm's length and on normal commercial terms consistent with the Group's usual business practices and policies and will not be prejudicial to shareholders.

The review and disclosure policies have been implemented and will continue to be in force for the period under which the Proposed Renewal of Shareholders' Mandate is sought for: -

- (a) The transactions with a Related Party will only be entered into after taking into account the pricing, quality, delivery schedules, level of service and other related factors. The pricing for products to be supplied and/or purchased is determined in accordance to the Group business practices and policies, consistent with the usual margin of the Group with unrelated third parties. At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), the Group will ensure that the RRPTs with Related Party will only be entered into after taking into account the pricing, level of services, quality of products and other related factors;
- (b) The Group shall maintain records to capture all RRPTs, to ensure the relevant approvals have been obtained, for review by the Audit & Risk Management Committee ("ARMC");
- (c) The ARMC will review all RRPTs from time to time. Any member of the ARMC may, as he deems fit, request for additional information pertaining to the transaction from independent sources or advisers;
- (d) The ARMC will carry out an annual review to ascertain that the established guidelines and procedures for RRPTs have been complied with and will consider from time to time whether the established guidelines and procedures for RRPTs have become inappropriate, and/or are unable to ensure that the transactions will be on normal commercial terms, and/or will prejudice the interests of shareholders generally; and
- (e) The interested Directors who are members of the Board and ARMC will abstain from deliberating and voting on all matters pertaining to the RRPTs at the relevant meetings of the Board or ARMC.

2.7 Threshold of Authority

The threshold for the approval of RRPTs within the Group is set at RM1.0 million and each RRPTs will be analysed, reviewed and approved by the management and or directors as determined by the Board and such transaction shall be highlighted to the ARMC on a quarterly basis. Where the RRPT is one with a value in excess of RM1.0 million per transaction, it will be reviewed and approved by the Board and the ARMC. Where any Director has an interest (direct or indirect) in the RRPTs, such Director shall abstain from deliberation and voting on the matter.

If it is determined that the guidelines and/or procedures stated in Section 2.6 above are inadequate to ensure that RRPTs will be conducted at arms' length and on normal commercial terms which are not more favourable to the Related Parties then those generally available to the public and/or such transactions are detrimental to the minority shareholders of the Company or prejudicial to the interests of the shareholders, the Company will obtain a fresh mandate from shareholders based on the new guidelines and procedures.

2.8 Statement by ARMC

The ARMC of the Company has seen and reviewed the procedures for RRPTs as set out in the Section 2.6 above and is of the view that the said procedures and guidelines are sufficient to ensure that such RRPTs will be carried out on normal commercial terms which are not prejudicial to the interests of shareholders and on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The ARMC is also satisfied that Astino has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The ARMC shall quarterly review the RRPTs and also review the established guidelines and procedures annually to ascertain its compliance.

2.9 Rationale for, and Benefit to, the Proposed Renewal of Shareholders' Mandate

The RRPTs entered or to be entered into by the Astino Group are all in the ordinary course of business. The RRPTs are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such RRPTs.

By obtaining the Proposed Renewal of Shareholders' Mandate and the renewal of the same on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when RRPTs occur would not arise. This would substantially reduce administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of Astino Group or adversely affecting the business opportunities available to Astino Group.

Additionally, the Proposed Renewal of Shareholders' Mandate would allow the transactions between the Related Parties and Astino Group for more efficient utilization of existing resources, prompt delivery and better bargaining power from reliable suppliers.

Hence, the Board of Directors of Astino is seeking the Proposed Renewal of Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements for the RRPTs made on an arm's length basis and on normal commercial terms and which are not prejudicial to the interests of the minority shareholders.

2.10 Effects on the Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate will not have any effect on the issued and paid-up share capital and substantial shareholders structure of Astino, and is not expected to have any material effect on net assets per share and earnings per share of the Group.

3.0 APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate is conditional upon the approval from the shareholders of Astino being obtained at the forthcoming AGM.

4.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The direct and indirect interests of the interested Directors and the Major Shareholders of the Company as at 3 November 2022 are as follows: -

	Existing Shareholdings			
	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Directors</u>				
Ng Back Teng	38,914,451	7.89	55,080 ⁽ⁱ⁾	0.01
Ng Hung Seh	26,155,299	5.31	4,822,311 ⁽ⁱ⁾	0.98
Ng Hung Weng	2,003,636	0.41	-	-
Dr. Cheah Soo Jin	-	-	2,244,799 ⁽ⁱ⁾	0.46
<u>Major Shareholders</u>				
Seavision Sdn Bhd	153,388,620	31.12	-	-
Ng Back Teng	38,914,451	7.89	55,060 ⁽ⁱ⁾	0.01
Ng Hung Seh	26,155,299	5.31	4,822,311 ⁽ⁱ⁾	0.98
Ng Bak Seng	370,872	0.08	154,931,086 ⁽ⁱⁱ⁾	31.43

(i) Deemed interested pursuant to Section 197(1) of the Act

(ii) Deemed interested pursuant to Section 8(4) and Section 197(1) of the Act

The interested Directors namely, Mr. Ng Back Teng, Mr. Ng Hung Seh, Mr. Ng Hung Weng and Dr. Cheah Soo Jin, have accordingly abstained and/or will continue to abstain from all Board deliberations and voting in respect of the relevant RRPTs and also will abstain from voting pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

The interested Directors namely, Mr. Ng Back Teng, Mr. Ng Hung Seh, Mr. Ng Hung Weng and Dr. Cheah Soo Jin, have undertaken to ensure that the Persons Connected with them will abstain from voting pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

The Major Shareholders namely, Seavision Sdn Bhd, Mr. Ng Back Teng, Mr. Ng Hung Seh and Mr. Ng Bak Seng will abstain from voting pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM and have undertaken to ensure that the Person Connected with them will abstain from voting pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

Save as disclosed above, none of the Directors, Major Shareholders or Person Connected to Directors or Major Shareholders of the Company has any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

5.0 DIRECTORS' RECOMMENDATION

The Board of Directors with the exception of Mr. Ng Back Teng, Mr. Ng Hung Seh, Mr. Ng Hung Weng and Dr. Cheah Soo Jin, who are interested Directors and have abstained from all Board deliberations and voting in respect of the Proposed Renewal of Shareholders' Mandate, having taken into consideration all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is fair and reasonable and is in the best interest of the Company and its shareholders and therefore recommend that you vote in favour of the ordinary resolution to be tabled at the forthcoming AGM.

6.0 ANNUAL GENERAL MEETING

For the purpose of considering and if thought fit, passing the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate, the AGM, the notice of which is enclosed with the Annual Report 2022, is to be held at Iconic 1, Level 7, Iconic Hotel, 71, Jalan Icon City, Icon City, 14000 Bukit Mertajam, Penang on Thursday, 12 January 2023 at 10.30 a.m. or any adjournment thereof.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event, to arrive at the Registered Office of the Company at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than forty-eight (48) hours before the time stipulated for holding the AGM. The lodgment of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

7.0 FURTHER INFORMATION

Shareholders are requested to refer to Appendix I for further information.

Yours faithfully,
On behalf of the Board of
ASTINO BERHAD

DR. CHEAH SOO JIN
Senior Independent Non-Executive Director

PART B

SHARE BUY-BACK STATEMENT IN RELATION TO

PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN

SHARES IN ACCORDANCE WITH SECTION 127 OF THE COMPANIES ACT 2016



ASTINO BERHAD
(Company No.: 200001020478)(523085-X)
(Incorporated in Malaysia)

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

30 November 2022

BOARD OF DIRECTORS: -

Ng Back Teng (Executive Chairman)
Ng Hung Seh (Chief Executive Officer)
Ng Hung Weng (Executive Director)
Dr. Cheah Soo Jin (Senior Independent Non-Executive Director)
Dato' Hj Mohtar Bin Nong (Independent Non-Executive Director)
Lim Bee Lee (Independent Non-Executive Director)

To: The Shareholders of **ASTINO BERHAD**

PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES BY THE COMPANY

1.0 INTRODUCTION

- 1.1 Astino had on 30 September 2022, announced that the Company proposes to seek its shareholders' approval to renew the authority for the Company to purchase its own shares of up to ten per cent (10%) of the total issued and paid-up share capital of the Company in accordance with Section 127 of the Act, Chapter 12 of Bursa Securities' Listing Requirements and any prevailing rules, regulations, orders, guidelines and other requirements issued by the relevant authorities at the 22nd AGM to be convened.
- 1.2 The purpose of this Statement is to provide you with the relevant information in relation to the Proposed Renewal of Share Buy-back to be tabled at the 22nd AGM to be held at Iconic 1, Level 7, Iconic Hotel, 71, Jalan Icon City, Icon City, 14000 Bukit Mertajam, Penang on Thursday, 12 January 2023 at 10.30 a.m.

2.0 DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

- 2.1 The Company had, at the 21st AGM of the Company, held on 21 January 2022, obtained its shareholders' approval for the Company to purchase its own shares and the said approval is valid until the conclusion of the forthcoming 22nd AGM which will be held on 12 January 2023.
- 2.2 The Company proposes to seek the authorisation from its shareholders for the Proposed Renewal of Share Buy-back. This authorisation, if given, shall be effective immediately upon the passing of the ordinary resolution relating thereto at the 22nd AGM and will continue to be in force until: -

- (a) the conclusion of the next AGM of the Company following the forthcoming 22nd AGM, at which such resolution was passed, at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to condition; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

2.3 Based on the issued and paid-up share capital of the Company of 493,411,555 Astino Shares on 3 November 2022, being the latest practicable date, the number of shares that can be purchased is up to 49,341,155 Astino Shares representing 10% of the issued and paid-up share capital of the Company inclusive of the 439,105 Astino Shares already purchased and retained as treasury shares. As such, the balance that can be purchased as at today is 48,902,050 Astino Shares.

2.4 The following table sets out the monthly highest and lowest transacted prices of the ordinary shares in the Company on Bursa Securities for the past twelve (12) months from November 2021 to 30 October 2022: -

Period	High (RM)	Low (RM)
2021		
November	0.715	0.600
December	0.650	0.600
2022		
January	0.715	0.630
February	0.695	0.635
March	0.680	0.615
April	0.645	0.610
May	0.630	0.560
June	0.595	0.500
July	0.510	0.480
August	0.560	0.490
September	0.520	0.480
October	0.485	0.440

Source: Local Daily

The last transacted market price on 3 November 2022 (being the last practicable date prior to the printing of this Statement) was RM0.455.

3.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Proposed Renewal of Share Buy-back, if exercised, will provide the Company with another option to utilise its surplus financial resources more efficiently and is expected to benefit the Company and its shareholders in the following manner: -

- (i) the Company may be able to stabilise the supply and demand of the ordinary shares in Astino (“Astino Shares”) traded on the Bursa Securities and thereby support its fundamental value;
- (ii) in the event the Astino Shares so purchased by the Company are cancelled, either immediately or subsequently after being held as treasury shares, it may enhance the earnings per share (“EPS”) of Astino and have a positive impact on the price of Astino Shares;

- (iii) if the Astino Shares so purchased by the Company are held as treasury shares, it may be realised with potential gain without affecting the total issued and paid-up share capital of the Company. The Company may also utilise the treasury shares as future share dividends to the shareholders of the Company and/or issued under an employees' share scheme and/or resell the treasury shares in the open market to profit from any future price appreciation of the Astino Shares.

4.0 SOURCE OF FUNDS

The Company shall not purchase its own ordinary shares unless the Company is solvent at the date of the purchase and will not become insolvent should it incur external borrowings to finance the purchase of Astino Shares. The amount of funds allocated for the purchase of Astino Shares pursuant to the Proposed Renewal of Share Buy-back will be financed through internally generated funds and/or bank borrowings, the proportion of which will depend on the quantum of the purchase consideration as well as the availability of internally generated funds and bank borrowings at the time of the purchase(s). In the event the purchase of Astino Shares pursuant to Proposed Renewal of Shares Buy-back is to be partly financed by bank borrowings, the Company expects that it will be capable of repaying the bank borrowings and that the bank borrowings will not have any material impact on the cash flow of the Company.

The maximum amount of funds to be allocated for the purchase of Astino Shares pursuant to the Proposed Shares Buy-back will be subject to the retained profits of the Company. The Board proposed to allocate up to the amount available under the retained profits of the Company for the purchase of Astino Shares subject to compliance with Section 127 of the Act, Chapter 12 of Bursa Securities' Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and other requirements issued by the relevant authorities at the time of purchase(s). Based on the latest audited financial statements as at 31 July 2022, the retained profits of the Company was RM64,636,444.

5.0 POTENTIAL ADVANTAGES AND DISADVANTAGES

- 5.1 The Proposed Renewal of Share Buy-back is expected to enhance value for shareholders due to a resultant reduction in the number of Astino Shares in the market, thereby improving its scarcity value. The other advantages of the Proposed Renewal of Share Buy-back are outlined in paragraph 3.0 above.
- 5.2 However, the Proposed Renewal of Share Buy-back, if implemented, would reduce the financial resources of the Company and may result in the Company having to forego future investment opportunities and/or any income that may emerge in the future.
- 5.3 The Board will be mindful of the interests of the Company and its shareholders in implementing the Proposed Renewal of Share Buy-back. The actual number of Astino Shares that will be purchased, total funds allocated for the Proposed Renewal of Share Buy-back and the timing of the purchase(s) will depend on the market conditions and sentiments of the stock market as well as the financial resources available to the Company.

6.0 EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

On the assumption that the Proposed Renewal of Share Buy-back is carried out in full by Astino, the effects of the Proposed Renewal of Share Buy-back on the share capital, earnings, net assets, working capital and the shareholdings of the Directors and substantial shareholders of Astino Group are set out below: -

6.1 **Share Capital**

Assuming the Proposed Renewal of Share Buy-back is carried out in full by Astino and the Astino Shares purchased are cancelled the proforma effect on the issued and paid-up share capital of Astino is summarised below: -

	No. of Astino Shares
As at 3 November 2022	* 493,411,555
Astino Shares to be cancelled	49,341,155
Upon completion of the purchase and cancellation	444,070,400

Note:

* The number of Astino Shares stated above inclusive of 439,105 treasury shares currently held by the Company.

There will be no effect on the issued and paid-up capital of Astino if the Astino Shares purchased are retained as treasury shares.

6.2 **Earnings**

The effect of the Proposed Renewal of Share Buy-back on the EPS of Astino Group is dependent on the actual number of Astino Shares purchased, the purchase price(s) of the Astino Shares and the effective cost of funding of Astino Group. The effective reduction in the total issued and paid-up share capital of Astino pursuant to the Proposed Renewal of Share Buy-back would generally, all else being equal, have a positive impact on the EPS of the Astino Group for the financial year ending on such date when the Astino Shares are purchased.

6.3 **Net Assets**

The effect of the Proposed Renewal of Share Buy-back on the Net Assets per share of Astino Group is dependent on the actual number of Astino Shares purchased, the purchase price(s) of the Astino Shares, the effective cost of funding of Astino Group and the treatment of the Astino Shares so purchased. If the Astino Shares purchased are cancelled, the Proposed Renewal of Share Buy-back would reduce the Net Assets per share if the purchase price exceeds the audited Net Assets per share at the time of purchase and conversely would increase the Net Assets per share if the purchase price is less than the audited Net Assets per share of Astino Group at the time of the purchase.

The audited Net Assets per share of Astino Group as at 31 July 2022 was approximately RM1.02.

6.4 **Working Capital**

The Proposed Renewal of Share Buy-back would reduce the working capital of Astino Group, the quantum of which will depend on the purchase price(s) and the number of the Astino Shares bought-back.

6.5 **Directors' and Substantial Shareholders' Shareholdings**

In the event that the Proposed Renewal of Share Buy-back is being carried out in full and the Astino Shares so purchased are cancelled, based on the issued and paid-up share capital of Astino as at 3 November 2022, the potential increase in the shareholdings of the Directors and substantial shareholders of Astino are as set below: -

	Existing Shareholdings				After maximum purchase pursuant to the Proposed Renewal of Share Buy-back			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
<u>Directors</u>								
Ng Back Teng	38,914,451	7.89	55,080 ⁽ⁱ⁾	0.01	38,914,451	8.76	55,080 ⁽ⁱ⁾	0.01
Ng Hung Seh	26,155,299	5.31	4,822,311 ⁽ⁱ⁾	0.98	26,155,299	5.89	4,822,311 ⁽ⁱ⁾	1.09
Ng Hung Weng	2,003,636	0.41	-	-	2,003,636	0.45	-	-
Dr. Cheah Soo Jin	-	-	2,244,799 ⁽ⁱ⁾	0.46	-	-	2,244,799 ⁽ⁱ⁾	0.51
Dato' Hj Mohtar Bin Nong	-	-	-	-	-	-	-	-
Lim Bee Lee	-	-	-	-	-	-	-	-
<u>Major Shareholders</u>								
Seavision Sdn Bhd	153,388,620	31.12	-	-	153,388,620	34.54	-	-
Ng Back Teng	38,914,451	7.89	55,080 ⁽ⁱ⁾	0.01	38,914,451	8.76	55,080 ⁽ⁱ⁾	0.01
Ng Hung Seh	26,155,299	5.31	4,822,311 ⁽ⁱ⁾	0.98	26,155,299	5.89	4,822,311 ⁽ⁱ⁾	1.09
Ng Bak Seng	370,872	0.08	154,931,086 ⁽ⁱⁱ⁾	31.43	370,872	0.08	154,931,086 ⁽ⁱⁱ⁾	34.89

Note: -

(i) Deemed interested pursuant to Section 197(1) of the Act

(ii) Deemed interested pursuant to Section 8(4) and Section 197(1) of the Act

7.0 PUBLIC SHAREHOLDING SPREAD

The Proposed Renewal of Share Buy-back will be in accordance with the Prevailing Laws at the time of the purchase including with the 25% shareholding spread as required by Bursa Securities Listing Requirements. The public shareholding spread of the Company as at 3 November 2022 was approximately 50.03%. Assuming the Proposed Renewal of Share Buy-back is carried out in full, the Astino Shares so purchased are cancelled and the shareholdings of Directors and substantial shareholders remain unchanged, the proforma public shareholding spread of the Company is expected to reduce to approximately 44.52%.

8.0 PURCHASES, RESALE AND CANCELLATION OF ASTINO SHARES MADE IN THE PREVIOUS 12 MONTHS

During the previous 12 months up to 3 November 2022, being the latest practicable date prior to the printing of this Statement, the Company had purchased 436,800 of its issued shares from the open market and retained as treasury shares. These shares have no rights to voting, dividends, bonus issue and participation in other distribution. Details of the share buy-back were as follows: -

	Average repurchased price RM/share	Highest repurchased price RM/share	Lowest repurchased price RM/share	Number of treasury shares repurchased	Total consideration paid * RM
August 2022	0.502	0.500	0.495	152,000	76,288.30
September 2022	0.490	0.500	0.485	122,200	59,894.51
October 2022	0.462	0.475	0.450	162,600	75,192.80

*including transaction cost

As at 3 November 2022 (being the latest practicable), a total of 439,105 Astino Shares were purchased and held as treasury shares. The Company has not resold or cancelled any treasury shares on Bursa Securities during the financial year ended 31 July 2022.

During the previous 12 months up to 3 November 2022, being the latest practicable date prior to the printing of this Statement, there were no treasury shares resold.

9.0 IMPLICATION RELATING TO THE CODE

9.1 In the event that the Proposed Renewal of Share Buy-back is carried out in full, the shareholdings of the existing substantial shareholders, namely, Seavision Sdn Bhd, Ng Hung Seh, Ng Back Teng and Ng Bak Seng (collectively known as the “Substantial Party”) will be increased from 45.69% to 50.72%. If the increase is more than 2% over a six (6) months period, the Substantial Party would be obliged under Part II of the Code to make a Mandatory General Offer for the remaining ordinary shares of Astino not already held by them. The Substantial Party is allowed to make an application to the Securities Commission for a waiver from implementing a Mandatory General Offer under paragraph 24.1 of the Practice Note 9 under Part II of the Code.

9.2 Other than the Substantial Party, none of the existing major shareholders, individually and/or collectively, are expected to increase their respective shareholdings in Astino to beyond 33% as a result of the Proposed Renewal of Authority for Share Buy-back.

As such, there will not be any implication relating to the Code arising from the Proposed Renewal of Share Buy-back.

9.3 The Board is mindful on the requirement of the Code and will continue to be mindful of the requirement when making any purchase of the Astino Shares pursuant to the Proposed Renewal of Share Buy-back.

10.0 APPROVALS REQUIRED FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Proposed Renewal of Share Buy-Back is subject to the approval of the shareholders of the Company at the 22nd AGM.

11.0 DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS

None of the Directors, substantial shareholders or person connected to Directors or substantial shareholders of Astino has any interest, direct or indirect, in the Proposed Renewal of Share Buy-back or resale of treasury shares, if any.

12.0 DIRECTORS’ RECOMMENDATION

Your Board, having considered all aspects of the Proposed Renewal of Share Buy-back, is of the opinion that the Proposed Renewal of Share Buy-back is in the best interest of the Company and its shareholders. Accordingly, your Board recommends that you vote in favour of the resolution for the Proposed Renewal of Share Buy-back to be tabled at the forthcoming 22nd AGM.

13.0 ANNUAL GENERAL MEETING

For the purpose of considering and if thought fit, passing the ordinary resolution pertaining to the Proposed Renewal of Share Buy-back, the 22nd AGM, the notice of which is enclosed with the Annual Report 2022, is to be held as at Iconic 1, Level 7, Iconic Hotel, 71, Jalan Icon City, Icon City, 14000 Bukit Mertajam, Penang on Thursday, 12 January 2023 at 10.30 a.m. or any adjournment thereof.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event, to arrive at the Registered Office of the Company at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than forty-eight (48) hours before the time stipulated for holding the AGM. The lodgment of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

14.0 FURTHER INFORMATION

Shareholders are requested to refer to Appendix I for further information.

FURTHER INFORMATION

1.0 DIRECTORS' RESPONSIBILITY

This Circular/Statement has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular/Statement. The Board confirms that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement of this Circular/Statement false or misleading.

2.0 MATERIAL CONTRACTS

As at the date of this Circular/Statement, neither the Company nor any of its subsidiary companies have entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of the Group) during the two (2) years immediately preceding the date of this Circular/Statement.

3.0 MATERIAL LITIGATION

As at the date of this Circular/Statement, neither the Company nor any of its subsidiary companies are engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors of Astino are not aware of any proceedings pending or threatened against the Company and its subsidiary companies or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position or business of the Astino Group.

4.0 DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection during normal office hours (except public holidays) at the registered office of Astino from the date of this Statement up to and including the date of the AGM: -

- (i) the Constitution of Astino; and
- (ii) the audited accounts for the financial year ended 31 July 2021 and 31 July 2022.

EXTRACT OF NOTICE OF 22ND AGM**SPECIAL BUSINESS**

To consider and, if thought fit, with or without any modification(s), to pass the following resolutions: -

Ordinary Resolution 8**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 Board be and is 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 may 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 Board 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 Board may in its discretion deem fit and expedient in the best interest of the Company in accordance the Act, regulations and guidelines.”

Ordinary Resolution 9: -**Proposed Renewal Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

“THAT, subject always to the provisions of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities or other regulatory authorities, approval be and is hereby given to the Company and/or 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 2022 with the specific related parties mentioned therein 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(2) 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 shareholders in general meeting;
- whichever is 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."