

ASTINO BERHAD (20001020478)(523085-X)
(Incorporated in Malaysia)

**EXTRACT OF MINUTES OF THE 22ND ANNUAL GENERAL MEETING OF THE COMPANY
DULY HELD ON 12TH JANUARY 2023.**

COMMENCEMENT OF MEETING

The Chairman, Mr. Ng Back Teng, welcomed all those present for the 22nd Annual General Meeting (“AGM”) of the Company and confirmed that the requisite quorum pursuant to Article 69 of the Company’s Constitution, the quorum for the transaction of business of the AGM has met and hereby call the meeting to order.

VOTING

The Chairman informed the meeting that under Paragraph 8.29(A) of the Bursa Main Market Listing Requirements (“Listing Requirements”), the Company must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved at any general meeting, is voted by poll.

The meeting noted that the Company’s Share Registrar, Messrs Aldpro Corporate Services Sdn Bhd has been appointed as the Poll Administrator to conduct the polling process of this AGM and Mr. Lim Kian Leong of Messrs Lim, Ho, Cheong & Lok as Scrutineer to verify the poll results. The polling process for the all Resolutions for today AGM would be conducted upon completion of the deliberation of all items to be transacted at the AGM.

NOTICE OF MEETING

The Notice of the AGM was taken as read.

**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2022 AND
REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman informed the meeting that he Audited Financial Statements of the Company are laid before the AGM pursuant to Section 248(1) of the Companies Act 2016 and Section 340(1)(a) of the Act does not require shareholders to approve the Audited Financial Statements and the laying of the Audited Financial Statements is sufficient to satisfy this requirement.

The Chairman informed the meeting that before the Board taking questions from the floor, the meeting was informed of the letter dated 21st December 2022 from Badan Pengawas Pemegang Saham Minoriti Berhad and the meeting proceeded to note the same.

Operational & Financials Matters

1. Despite recording a higher revenue in FY 2022, ASTINO’s gross profit margin (GPM) reduced to 18.47% (RM113,197,000 / RM612,987,000*100) in FY 2022 from 22.25% (RM129,041,000 / RM580,033,000*100) in FY 2021 (Page 58 of the Annual Report 2022).
 - (a) Does the Group expect the higher cost of goods sold to continue to impact the GPM in FY2023?
With a weaker market demand for the first half of FY2023 due to economic slowdown, the Group expects the cost of goods sold to rise for the first half of FY2023. However, the Group is confident it will recover in the second half of FY 2023 as steel prices are expected to stabilize.
 - (b) What is being done to manage the higher cost of goods sold?
The Group will remain focused on improving productivity and efficiency, managing costs and reducing waste.

(c) In what ways can the Group improve the GPM?

The Group will continue to explore the possibility of producing new metal building material products in order to penetrate into new market segments in local and overseas. The motion is expected to strengthen the Group's position in this competitive industry.

2. The Group recorded a higher write-down of inventories to net realisable value of RM16.6 million in FY2022 (FY2021: RM10.6 million) that eroded the profit margin (Page 5 of the Annual Report 2022).

(a) What has caused the Group to record a higher write-down of inventories in FY2022?

It was the Group's policy to reduce inventory by net realisable value at the end of the financial year. The higher inventories write-down in FY 2022 was mainly due to the sharp fall in steel prices in the last quarter of FY2022.

(b) Can any portion of these written-down inventories of RM16.6 million be reversed in FY2023? If so, how much is the expected reversal amount?

Yes, expected to reverse approximately 30%.

(c) In terms of inventory management, what is being done to reduce the need for write-down?

Currently, the Group is trying our best to reduce our stocks turnover period from 5 months to 3.5 months in order to minimize our steel price exposure.

3. Astino's share of the result of an investment in an associate company recorded a lower loss of RM178,000 in FY2022 compared to a loss of RM262,000 in FY2021 (Page 58 of the Annual Report 2022).

As the share of the loss is decreasing, what is the prospect of achieving a positive result from the associate company in FY2023?

The Group is cautiously optimistic about our investment in the associate company and barring any unforeseen circumstances, it is expected that the performance of the associate company in FY2023 will not have any significant impact to our Group's performance.

4. 'Other income' increased significantly from RM470,000 in FY2021 to RM3,261,000 in FY2022 (Page 58 of the Annual Report 2022).

What are the reasons for the significant increase in 'Other income'? What is the outlook for the 'Other income' in FY2023?

Other income significantly increased in FY2022 was mainly due to gain on disposal of plant and machinery amounted to RM1.9 million and RM0.9 million gain on foreign exchange. Both are abnormal gain and it may not maintain for FY 2023.

Corporate Governance

1. Practice 5.3 of the Malaysian Code on Corporate Governance (MCCG) states that If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

The Board through Resolution 10 is seeking shareholders' approval for an independent director who has served for more than 9 years, to continue to act as an Independent Non-Executive Director of the Company.

Is the Board going to implement the two-tier voting process at the upcoming AGM as per Practice 5.3? If the Board does not intend to implement the two-tier voting process, please explain why?

Yes, the Company has been seeking the shareholders' approval for retention of long tenure independent directors through a two-tier voting process at our AGMs and the same shall be sought for this year as well.

2. In its Corporate Governance Report for FY2022 (Page 27), the Company states that it has applied Practice 7.1 of MCCG.

The Company has not applied Practice 7.1 of MCCG, as the remuneration policies and procedures are not made available on the Company's website as the Board is of the opinion that such policies and procedures are not necessarily for public knowledge.

Please take note of this.

Noted with thanks.

On behalf of the Board, the Chairman informed the floor that in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements in relation to tenure of the Independent Directors, the Nomination Committee is currently in the process of selecting suitable candidate as Independent Director in replace of Director who has served the Board for more than 12 years and thereafter to recommend to the Board for approval and shall work towards the dateline of 1st June 2023.

Without any further questions, the Chairman proceeded to state that this Agenda is meant for discussion only and it will not be put forward for voting.

PAYMENT OF FIRST & FINAL SINGLE TIER DIVIDEND (Resolution 1)

The Chairman stated that the Board of Directors has recommended the payment of a final single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31st July 2022 with the below poll results being recorded:-

Ordinary Resolution	Vote For			Vote Against		
	No. of Shares	%	No. of share-holders	No. of Shares	%	No. of share-holders
1	241,334,734	99.9990	11	2,386	0.0010	1

Ordinary Resolution 1

The Chairman declared THAT the payment of a first and final dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 July 2022 be and is hereby approved.

RE-ELECTION OF DIRECTOR – MR. NG HUNG SEH (Resolution 2)

The Chairman informed the meeting that in accordance with Article 88 of the Company's Constitution, Mr. Ng Hung Seh retires by rotation from the Board at this and being eligible, offers himself for re-election.

The below poll results were recorded: -

Ordinary Resolution	Vote For			Vote Against		
	No. of Shares	%	No. of share-holders	No. of Shares	%	No. of share-holders
2	241,337,120	100.000	12	0	0.0000	0

Ordinary Resolution 2

The Chairman declared THAT Mr. Ng Hung Seh, the Director retiring pursuant to Article 88 of the Company's Constitution, be hereby re-elected as Director of the Company.

RE-ELECTION OF DIRECTOR – DATO MOHTAR BIN NONG (Resolution 3)

The Chairman informed the meeting that in accordance with Article 88 of the Company's Constitution, Dato Mohtar Bin Nong also retires by rotation from the Board and being eligible, offers himself for re-election.

The below poll results were recorded: -

Ordinary Resolution	Vote For			Vote Against		
	No. of Shares	%	No. of shareholders	No. of Shares	%	No. of shareholders
3	240,095,420	99.4855	12	1,241,700	0.5145	1

Ordinary Resolution 3

The Chairman declared THAT Dato' Mohtar Bin Nong, the Director retiring pursuant to Article 88 of the Company's Constitution, be hereby re-elected as Director of the Company.

PAYMENT OF DIRECTORS' FEES AND OTHER BENEFITS (Resolution 4)

The Chairman stated that the Board of Directors was seeking the shareholders' approval for the payment of Directors' Fees and Other Benefits amounting to RM96,000.00 for the financial year ended 31st July 2022.

The below poll results were recorded: -

Ordinary Resolution	Vote For			Vote Against		
	No. of Shares	%	No. of shareholders	No. of Shares	%	No. of shareholders
4	241,334,734	99.9990	11	2,386	0.0010	1

Ordinary Resolution 4

The Chairman declared THAT the payment of Directors' Fees amounting to RM96,000 for the financial year ended 31 July 2022 be and are hereby approved.

PAYMENT OF DIRECTORS' OTHER BENEFITS (Resolution 5)

The Chairman stated that the Board of Directors was seeking the shareholders' approval for the payment of other benefits due to the Directors for the period from 13th January 2023 to 31st January 2024 for an amount up to RM33,800.00.

The below poll results were recorded: -

Ordinary Resolution	Vote For			Vote Against		
	No. of Shares	%	No. of shareholders	No. of Shares	%	No. of shareholders
5	241,334,734	99.9990	11	2,386	0.0010	1

Ordinary Resolution 5

The Chairman declared THAT the payment of Directors' other benefits up to RM33,800 from 13th January 2023 to 31st January 2024 be and are hereby approved.

RE-APPOINTMENT OF AUDITORS (Resolution 6)

The Chairman stated that Messrs Crowe Malaysia PLT, the retiring Auditors have expressed their willingness to continue in office.

The below poll results were recorded: -

Ordinary Resolution	Vote For			Vote Against		
	No. of Shares	%	No. of shareholders	No. of Shares	%	No. of shareholders
6	241,337,120	100.0000	12	0	0.0000	0

Ordinary Resolution 6

The Chairman declared THAT Messrs Crowe Malaysia PLT be and are hereby re-appointed as Auditors of the Company at a remuneration to be determined by the Board of Directors.

AUTHORITY TO ISSUE SHARES (Resolution 7)

The Chairman stated that the Board of Directors seek the authority to issue and allot shares of up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being, for such purposes as the Directors would consider be in the interest of the Company and that such authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The below poll results were recorded: -

Ordinary Resolution	Vote For			Vote Against		
	No. of Shares	%	No. of share-holders	No. of Shares	%	No. of share-holders
7	241,337,120	100.0000	12	0	0.0000	0

Ordinary Resolution 7

The Chairman declared THAT, subject always to the Sections 75 and 76 of the Companies Act 2016 (“Act”), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company’s Constitution and approvals of any relevant governmental and/or any regulatory authorities, where such approval is required, the Board of Directors of the Company (“Board”) be and is hereby authorised and empowered to issue and allot shares in the capital of the Company (“Shares”) at any time upon such terms and conditions and for such purposes and to such person(s) whomsoever as the Board may in its absolute discretion deem fit, provided and expedient in the interest of the Company, 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 THAT the Board be and is also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities (“Mandate”) and THAT the Mandate 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.

PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK (Resolution 8)

The Chairman stated that the Board of Directors of the Company proposed for the renewal of the authority for the Company to buy back its own shares of up to a limit of ten per centum (10%) of the total issued and paid-up share capital of the Company.

The below poll results were recorded: -

Ordinary Resolution	Vote For			Vote Against		
	No. of Shares	%	No. of share-holders	No. of Shares	%	No. of share-holders
8	241,337,120	100.0000	27	0	0.0000	0

Ordinary Resolution 8

The Chairman then declared THAT, subject to the Act, provisions of the Company's Constitution, Main Market Listing Requirements of Bursa Securities and any prevailing laws, guidelines, rules and regulations issued by the relevant authorities, the Board be authorised to purchase its own shares through Bursa Securities, subject to the following: -

- (a) the aggregate number of Shares in the Company which may be purchased and/or held by the Company shall not exceed five percent (5%) of its total number of issued Shares at any point in time;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained earnings of the Company;
- (c) the authority conferred by this resolution would be effective immediately upon the passing of this ordinary resolution and will continue to be in force until: -
 - (i) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that Meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general Meeting,

whichever occurs first and, in any event, in accordance with the provisions of the Listing Requirement of Bursa Securities or any other relevant authorities;

And that the Board be and is hereby authorised to act and to take all steps and do all things as they may deem necessary or expedient to implement, finalise, complete and/or give effect to the purchase of the Company's shares.

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS (Resolution 9)

The Chairman stated that the Board of Directors of the Company was seeking for the shareholders' mandate for recurrent related party transactions of a revenue or trading nature with related parties in accordance with paragraph 10.09 of the Listing Requirements.

The below poll results were recorded: -

Ordinary Resolution	Vote For			Vote Against		
	No. of Shares	%	No. of shareholders	No. of Shares	%	No. of shareholders
9	20,875,114	100.0000	9	0	0.0000	0

Ordinary Resolution 9

The Chairman declared 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 2022 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;

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

CONTINUING OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR (*Resolution 10*)

The Chairman informed the meeting that the Board of Directors was recommending to retain Dr. Cheah Soo Jin, who has served for more than nine (9) years in the Company as the Independent Non-Executive Director pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance.

The below 2-tier poll results were recorded: -

Ordinary Resolution	Vote For			Vote Against		
	No. of Shares	%	No. of shareholders	No. of Shares	%	No. of shareholders
10(Tier 1)	153,388,620	100.0000	1	-	-	-
10(Tier 2)	86,706,617	98.5879	10	1,241,883	1.4121	2

Ordinary Resolution 10

The Chairman declared THAT Dr. Cheah Soo Jin, who has served for more than nine (9) years as Independent Non-Executive Director of the Company, pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance be and is hereby retained as Independent Non-Executive Director of the Company.

CONCLUSION OF MEETING

The Chairman concluded the Meeting and thanked all those who attended the 22nd AGM.

Confirmed as a correct record

(Signed)

Chairman