



ASTRAMINA GROUP BERHAD

Company No.: 201901002673 (1311999-P)

(Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED FINANCIAL STATEMENTS FOR THE 1ST HALF-YEAR ENDED
31 AUGUST 2020**

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 TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER 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.

ASTRAMINA GROUP BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2020⁽¹⁾

	Unaudited as at 31 August 2020 RM'000	Audited as at 29 February 2020 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	10,388	10,321
	10,388	10,321
CURRENT ASSETS		
Inventories	2,786	2,300
Trade and other receivables	3,291	2,886
Short term investments	27,304	25,089
Cash and bank balances	1,408	346
	34,789	30,621
TOTAL ASSETS	45,177	40,942
EQUITY		
Share capital	30,856	30,856
Merger reserve	(21,416)	(21,416)
Retained earnings	26,149	22,955
	35,589	32,395
LIABILITIES		
NON-CURRENT LIABILITIES		
Bank borrowings	6,737	6,769
Deferred tax liability	178	170
	6,915	6,939
CURRENT LIABILITIES		
Contract liabilities	-	6
Trade and other payables	1,703	1,354
Current tax liability	923	202
Bank borrowings	47	46
	2,673	1,608
TOTAL LIABILITIES	9,588	8,547
TOTAL EQUITY AND LIABILITIES	45,177	40,942
Number of ordinary shares ('000)	272,162	272,162
Net assets per ordinary share (sen) ⁽²⁾	13.08	11.90

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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 period from 22 January 2019 (date of incorporation) to 29 February 2020 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 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 1st HALF-YEAR ENDED 31 AUGUST 2020⁽¹⁾

	Individual 6 months ended		Cumulative 6 months ended	
	31.8.2020 RM'000	31.8.2019 RM'000	31.8.2020 RM'000	31.8.2019 RM'000
Revenue	8,842	8,365	8,842	8,365
Cost of sales	(4,464)	(4,385)	(4,464)	(4,385)
Gross profit	4,378	3,980	4,378	3,980
Other income and gains	1,000	413	1,000	413
Administrative and general expenses	(1,261)	(1,432)	(1,261)	(1,432)
Finance costs	(4)	(26)	(4)	(26)
Reversal of loss allowance on trade receivables	66	-	66	-
Profit before tax	4,179	2,935	4,179	2,935
Tax expense	(985)	(704)	(985)	(704)
Profit and total comprehensive income for the financial period	3,194	2,231	3,194	2,231
Basic earnings per share (sen) ⁽²⁾	1.17	0.82	1.17	0.82
Diluted earnings per share (sen) ⁽³⁾	1.17	0.82	1.17	0.82

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 period from 22 January 2019 (date of incorporation) to 29 February 2020 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 are 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 1st HALF YEAR ENDED 31 AUGUST 2020⁽¹⁾

	Share capital RM'000	Merger reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 March 2020	30,856	(21,416)	22,955	32,395
Profit and total comprehensive income for the financial period	-	-	3,194	3,194
At 31 August 2020	30,856	(21,416)	26,149	35,589
At 22 January 2019 (date of incorporation)	*	-	-	-
Effect on merger of subsidiaries	24,416	(21,416)	19,005	22,005
Issuance of shares for cash	6,440	-	-	6,440
Profit and total comprehensive income for the financial period	-	-	3,950	3,950
At 29 February 2020	30,856	(21,416)	22,955	32,395
* Represents an amount of RM100				

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 period from 22 January 2019 (date of incorporation) to 29 February 2020 and the accompanying explanatory notes attached to this interim financial report.*

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ASTRAMINA GROUP BERHAD

Company No: 201901002673 (1311999-P)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 1st HALF-YEAR ENDED 31 AUGUST 2020⁽¹⁾

	Year-to-Date Ended	
	31 August 2020 RM'000	31 August 2019 RM'000
Operating activities		
Profit before tax	4,179	2,935
Adjustments for:		
Depreciation of property, plant and equipment	91	85
Dividend income	(78)	(82)
Gain on disposal of property, plant and equipment	(5)	-
Interest expense	4	26
Interest income	(1)	-
Net gain on financial assets at fair value through profit or loss mandatorily	(829)	(305)
Reversal of loss allowance on trade receivables	(66)	-
Operating profit before working capital changes	3,295	2,659
Changes in inventories	(487)	(3)
Changes in receivables	(339)	(779)
Changes in payables	343	(218)
Cash generated from operations	2,812	1,659
Tax paid	(255)	(455)
Net cash generated from operating activities	2,557	1,204
Investing activities		
Acquisition of property, plant and equipment	(202)	(15)
Dividend received	78	82
Net subscriptions of short term investments	(17,641)	(14,358)
Proceeds from disposal of property, plant and equipment	49	-
Proceeds from disposal of short term investment	16,256	5,793
Net cash used in investing activities	(1,460)	(8,498)
Financing activities		
Interest paid	(4)	(26)
Proceeds from issuance of shares	-	6,440
Repayments of bank borrowings	(31)	(74)
Net cash (used in)/generated from financing activities	(35)	6,340
Net changes in cash and bank balances	1,062	(954)
Cash and bank balances brought forward	346	-
Effect on merger of subsidiaries	-	1,234
Cash and bank balances at the end of the financial period	1,408	280

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 period from 22 January 2019 (date of incorporation) to 29 February 2020 and the accompanying explanatory notes attached to this interim financial report.*

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1st HALF-YEAR ENDED 31 AUGUST 2020

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 period from 22 January 2019 (date of incorporation) to 29 February 2020 and the accompanying explanatory notes attached to the interim financial report. The explanatory notes contained herein provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 2020.

A2. Significant accounting policies

Application of new standards, amendments and/or Issues Committee (“IC”) interpretations

In the current financial period, the Group has applied a number of new standards, amendments and/or IC interpretations that became effective mandatorily for the financial periods beginning on or after 1 March 2020. The adoption of the new standards, amendments and/or IC interpretations did not have significant impact on the disclosures or on the amounts reported in the financial statements.

Amendments and new standard issued that are not yet effective

The Group has not applied the following amendments and new standard that have been issued by the MASB, which may be relevant to the Group, but not yet effective:

		<i>Effective Date</i>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
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
MFRS 17	Insurance Contracts	1 January 2023

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Effective Date

Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
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 period under review.

A5. Material changes in estimates

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

A6. Debts and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial period under review.

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

	Unaudited				Unaudited			
	Individual 6 months ended				Cumulative 6 months ended			
	31.8.2020		31.8.2019		31.8.2020		31.8.2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing	5,459	61.74	5,142	61.47	5,459	61.74	5,142	61.47
Trading	3,383	38.26	3,223	38.53	3,383	38.26	3,223	38.53
Total	8,842	100.00	8,365	100.00	8,842	100.00	8,365	100.00

Analysis of revenue by geographical location

	Unaudited				Unaudited			
	Individual 6 months ended				Cumulative 6 months ended			
	31.8.2020		31.8.2019		31.8.2020		31.8.2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Local	7,563	85.54	6,754	80.74	7,563	85.54	6,754	80.74
Foreign	1,279	14.46	1,611	19.26	1,279	14.46	1,611	19.26
Total	8,842	100.00	8,365	100.00	8,842	100.00	8,365	100.00

A8. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period under review.

A9. Interest bearing bank borrowings

	As at 31 August 2020 RM'000
Non-current bank borrowings	
Term loan	6,737
Total non-current borrowings	6,737
Current bank borrowings	
Term loan	47
Total current borrowings	47
Total interest-bearing bank borrowings	6,784

A10. Capital commitments

There were no contractual capital commitments subsequent to the end of the current financial period under review.

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 period under review.

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

The World Health Organisation declared the 2019 Novel Coronavirus infection (“COVID-19”) a pandemic on 11 March 2020. This was followed by the Government of Malaysia issuing a Federal Government Gazette on 18 March 2020, imposing a Movement Control Order (“MCO”) effective from 18 March 2020 to 31 March 2020 arising from the COVID-19 pandemic. The MCO was subsequently extended until 12 May 2020, followed by Conditional MCO (“CMCO”) until 9 June 2020 and then, Recovery MCO (“RMCO”) until 31 August 2020. On 28 August 2020, the Government of Malaysia announced that the RMCO will be extended to 31 December 2020. On 12 October 2020, the Government of Malaysia announced the reimposition of the CMCO on four states and territories, namely Sabah, Selangor, Kuala Lumpur and Putrajaya, as a third wave of Covid-19 pandemic rages on. The restrictions will kick in for Sabah at midnight on 13 October 2020 while Selangor, Kuala Lumpur and Putrajaya will see the CMCO take effect at midnight on 14 October 2020. They will last for two weeks until 26 October 2020 for Sabah and 27 October 2020 for the rest. On 24 October 2020, the Government of Malaysia announced that the CMCO for Sabah will be extended until 9 November 2020. On 26 October 2020, the CMCO in Selangor, Kuala Lumpur and Putrajaya will be extended until 9 November 2020.

The outbreak of COVID-19 in early 2020 has affected the business and economic environments of the Group. The governments and various private corporations have taken different measures to prevent the spread of the virus such as travel bans, quarantines, closures of non-essential services, social distancing and home quarantine requirements which impacted business, our customers and the Group’s operations directly or indirectly. Given the widespread nature of the outbreak and the unpredictability of future development of COVID-19, it is challenging to determine the duration of the impact on the business.

As of the date of this report, management of the Group is actively monitoring and managing its operations to minimise any impact that may arise from COVID-19. However, management is unable to estimate and predict the full financial impact of COVID-19 on the Group’s financial results for the financial year ending 28 February 2021 as the pandemic has yet to run its full course. The Group will continue to monitor and take appropriate measures to minimise the financial impact to the Group. Other than the impact of COVID-19 pandemic, there was no subsequent material event as at the date of this report.

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded revenue of RM8.84 million and gross profit of RM4.38 million, which contributes to 49.52% gross profit margin for the financial period ended (“FPE”) 31 August 2020. The revenue of the Group is derived from its Manufacturing and Trading business segments, which represents contribution of RM5.46 million and RM3.38 million, respectively. The Group recorded a profit before tax (“PBT”) of RM4.18 million for the FPE 31 August 2020.

1st Half-year ended 31 August 2019 vs 1st Half-year ended 31 August 2020

The Group recorded revenue of RM8.84 million for the 1st half-year ended 31 August 2020 as compared to RM8.37 million recorded in the immediate preceding financial period, representing an increase of RM0.47 million or 5.62%. This is mainly due to increase in sales volume of seasonings products and our export market.

The Group recorded a PBT of RM3.19 million for the 1st half-year ended 31 August 2020 as compared to RM2.23 million in the immediate preceding financial period, representing an increase of RM0.96 million or 43.05%. The increase in PBT is in line with the increase in the revenue recorded during the current financial period under review.

B2. Prospects

The Group remains committed in continuous expansion of the customers’ base, improvement in the Group’s production planning, implementation of stringent quality control on the manufacturing of seasoning products and investment in the equipment and machineries, amidst the growing concern over the economic damage caused by the spread of the COVID-19 virus. The 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 is confident that the prospects of the Group’s financial performance for the financial year ending 28 February 2021 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

There were no corporate proposals announced but pending completion as at the date of this report.

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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