



SASBADI HOLDINGS BERHAD

201201038178 (1022660-T)

Incorporated in Malaysia

FIRST QUARTER REPORT ENDED 30 NOVEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2022 ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.11.2022 RM'000	Preceding Year Quarter 30.11.2021 RM'000	Current Year-To-Date 30.11.2022 RM'000	Preceding Year-To-Date 30.11.2021 RM'000
Revenue	18,490	9,413	18,490	9,413
Cost of sales	(11,170)	(7,070)	(11,170)	(7,070)
Gross profit	7,320	2,343	7,320	2,343
Other operating income	301	363	301	363
Distribution expenses	(1,625)	(1,408)	(1,625)	(1,408)
Administrative expenses	(3,274)	(2,898)	(3,274)	(2,898)
Other operating expenses	(577)	(690)	(577)	(690)
Results from operating activities	2,145	(2,290)	2,145	(2,290)
Finance income	3	16	3	16
Finance costs	(273)	(335)	(273)	(335)
Profit/(Loss) before tax	1,875	(2,609)	1,875	(2,609)
Taxation	(573)	333	(573)	333
Net profit/(loss) for the financial period	1,302	(2,276)	1,302	(2,276)
Other comprehensive loss for the financial period, net of tax :				
Item that is or may be reclassified subsequently to profit or loss				
Fair value of equity investments through other comprehensive income	-	(5)	-	(5)
Other comprehensive loss for the financial period, net of tax	-	(5)	-	(5)
Total comprehensive profit/(loss) for the financial period	1,302	(2,281)	1,302	(2,281)
Net profit/(loss) for the financial period attributable to:				
- Owners of the Company	1,302	(2,276)	1,302	(2,276)
- Non-controlling interests	-	-	-	-
	1,302	(2,276)	1,302	(2,276)
Total comprehensive profit/(loss) for the financial period attributable to:				
- Owners of the Company	1,302	(2,281)	1,302	(2,281)
- Non-controlling interests	-	-	-	-
	1,302	(2,281)	1,302	(2,281)
Profit/(Loss) per share (sen) attributable to owners of the Company:				
- Basic	0.31	(0.54)	0.31	(0.54)
- Diluted	0.31	(0.54)	0.31	(0.54)

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements of Sasbadi Holdings Berhad ("the Company") for the financial year ended 31 August 2022 and the accompanying explanatory notes attached to these interim financial statements.



SASBADI HOLDINGS BERHAD

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FIRST QUARTER REPORT ENDED 30 NOVEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2022 ⁽¹⁾

	Unaudited As at 30.11.2022 RM'000	Audited As at 31.08.2022 RM'000
ASSETS		
Property, plant and equipment	37,405	37,230
Rights-of-use assets	704	713
Investment properties	2,307	2,320
Intangible assets	19,930	20,287
Other investments	37	37
Deferred tax assets	616	694
Total non-current assets	60,999	61,281
Inventories	67,556	64,785
Rights to recover returned goods	1,254	2,190
Contract costs	251	253
Trade and other receivables	36,820	35,536
Current tax assets	3,428	3,281
Prepayments	4,380	4,363
Cash and cash equivalents	11,831	10,378
Total current assets	125,520	120,786
Total assets	186,519	182,067
EQUITY		
Share capital	109,145	109,138
Treasury shares	(1)	(1)
Reserves	31,413	30,113
Total equity	140,557	139,250
LIABILITIES		
Loans and borrowings	1,600	1,359
Lease liabilities	432	358
Deferred tax liabilities	6,192	5,713
Total non-current liabilities	8,224	7,430
Loans and borrowings	19,187	10,863
Lease liabilities	332	419
Refund liabilities	2,486	4,266
Trade and other payables	14,931	19,009
Contract liabilities	802	830
Total current liabilities	37,738	35,387
Total liabilities	45,962	42,817
Total equity and liabilities	186,519	182,067
Net assets per share attributable to owners of the Company (RM)	0.33	0.33

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2022 and the accompanying explanatory notes attached to these interim financial statements.



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FIRST QUARTER REPORT ENDED 30 NOVEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE (3) MONTHS ENDED 30 NOVEMBER 2022 ⁽¹⁾

	<----- Non-distributable ----->						Distributable	
	Share capital RM'000	Treasury shares RM'000	Share Options reserve RM'000	Merger deficit RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 September 2022	109,138	(1)	705	(50,500)	(64)	18,356	61,616	139,250
Total comprehensive income for the financial period	-	-	-	-	-	-	1,302	1,302
Transaction with owners of the Company								
Ordinary shares issued pursuant to ESOS	7	-	(2)	-	-	-	-	5
Total transactions with owners of the Company	7	-	(2)	-	-	-	-	5
At 30 November 2022	109,145	(1)	703	(50,500)	(64)	18,356	62,918	140,557
As at 1 September 2021	109,073	(1)	246	(50,500)	(56)	18,356	60,770	137,888
Total comprehensive loss for the financial period	-	-	-	-	(5)	-	(2,276)	(2,281)
Transaction with owners of the Company								
Ordinary shares issued pursuant to ESOS	44	-	(13)	-	-	-	-	31
Total transactions with owners of the Company	44	-	(13)	-	-	-	-	31
At 30 November 2021	109,117	(1)	233	(50,500)	(61)	18,356	58,494	135,638

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2022 and the accompanying explanatory notes attached to these interim financial statements.


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FIRST QUARTER REPORT ENDED 30 NOVEMBER 2022
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE (3) MONTHS ENDED 30 NOVEMBER 2022 ⁽¹⁾

	Current Year-To-Date 30.11.2022 RM'000	Preceding Year-To-Date 30.11.2021 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	1,875	(2,609)
Adjustments for:		
Amortisation of intangible assets	357	356
Depreciation of property, plant and equipment	411	371
Depreciation of investment properties	13	13
Depreciation of rights-of-use assets	33	148
Dividend income	-	(1)
(Reversal of impairment)/impairment loss on trade receivables	(35)	72
Gain on disposal of property, plant and equipment	(21)	(21)
Finance costs	273	335
Finance income	(3)	(16)
Operating profit/(loss) before changes in working capital	2,903	(1,352)
Changes in inventories	(2,771)	(7,736)
Changes in rights to recover returned goods	936	163
Changes in contract costs	2	124
Changes in trade and other receivables and prepayments	(1,266)	7,552
Changes in refund liabilities	(1,780)	(330)
Changes in trade and other payables	(4,078)	1,452
Changes in contract liabilities	(28)	(399)
Cash used in operations	(6,082)	(526)
Tax paid	(163)	(708)
Interest paid	(243)	(245)
Interest received	3	16
Net cash used in operating activities	(6,485)	(1,463)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	21	21
Dividend received from other investments	-	1
Acquisition of property, plant and equipment	(48)	(30)
Net cash used in investing activities	(27)	(8)

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2022 and the accompanying explanatory notes attached to these interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE (3) MONTHS ENDED 30 NOVEMBER 2022⁽¹⁾ (CONT'D)

	Current Year-To-Date 30.11.2022 RM'000	Preceding Year-To-Date 30.11.2021 RM'000
Cash flows from financing activities		
Net drawdown of bankers' acceptances	3,157	5,213
Net repayment of finance lease liabilities	(94)	(11)
Net repayment of term loans	(98)	(1,718)
Net repayment of lease liabilities	(39)	(188)
Proceeds from issuance of shares pursuant to ESOS	5	31
Interest paid	(28)	(76)
Net cash generated from financing activities	2,903	3,251
Net (decrease)/increase in cash and cash equivalents	(3,609)	1,780
Cash and cash equivalents at beginning of the financial period	3,576	(1,723)
Cash and cash equivalents at end of the financial period	(33)	57

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	Current Year-To-Date 30.11.2022 RM'000	Preceding Year-To-Date 30.11.2021 RM'000
Cash and bank balances	10,907	12,200
Deposit placed with a licensed bank	924	745
	11,831	12,945
Less : Deposits pledged	(778)	(1,131)
Bank overdrafts	(11,086)	(11,757)
	(33)	57

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2022 and the accompanying explanatory notes attached to these interim financial statements.

A. EXPLANATION NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. Accounting Policies and Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”), and paragraph 9.22 and Part A of Appendix 9B of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

These interim financial statements should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2022 and the accompanying explanatory notes attached to these interim financial statements.

These interim financial statements provide an explanation of significant events and transactions that contributed to the changes in the financial position and performance of the Company and its subsidiaries (“the Group”) since the financial year ended 31 August 2022.

The significant accounting policies and methods of computation applied in these unaudited condensed interim financial statements are consistent with those adopted for the Audited Financial Statements of the Company for the financial year ended 31 August 2022, except for the following accounting standards, amendments and interpretations that have been issued by the MASB but have not been adopted by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current*
- Amendments to MFRS 101, *Presentation of Financial Statements - Disclosure of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the accounting standards, amendments or interpretations is not expected to have any material financial impact to the financial statements of the Group.

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FIRST QUARTER REPORT ENDED 30 NOVEMBER 2022**A. EXPLANATION NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)****A2. Auditors’ Report on Preceding Annual Financial Statements**

The Auditors’ Reports on the financial statements of the Company and its subsidiaries for the financial year ended 31 August 2022 were not qualified.

A3. Seasonality or Cyclicity of Operations

The Group’s business operations are exposed to seasonality patterns as the Group generally experiences significantly higher quarterly sales in months approaching the beginning of the school academic year. As a result, the seasonal sales patterns may adversely impact the Group’s quarterly revenue, profit and cash flow.

The Group takes the seasonality patterns into consideration in our cash flow planning. In addition, the Group is consistently seeking ways to reduce the impact of seasonality patterns such as stepping up our efforts to grow our non-academic and digital solutions segments, which are less prone to seasonality, and the private and international schools segment which follows a different academic year period from that of our national schools.

A4. Unusual Items Affecting the Financial Statements

The deferment of the new academic year from January to March in the previous and current financial year have affected the business operations of the Group where the book orders were also delayed from the first quarter to the second quarter of the financial year, impacting our usual seasonality pattern.

Going forward, this may change again as the Ministry of Education has announced that they are currently working on reverting the commencement of the new academic year to January.

Other than the above, there were no significant items affecting the assets, liabilities, equity, net income, or cash flows of the Group that were unusual in nature, size or incidence during the current financial quarter.

A5. Changes in Estimates

There were no material changes in the estimates that have a material effect in the current financial quarter and financial year-to-date.

A6. Debt and Equity Securities**Employees’ Share Option Scheme (“ESOS”)**

Option Price	Note	Balance as at 1.9.2022	Granted	Exercised/ Lapsed	Balance exercisable as at 30.11.2022
RM0.12	i	4,615,000	-	-	4,615,000
RM0.10	ii	11,850,000	-	(50,000)	11,800,000

i) On 17 February 2021, the Company offered 10,000,000 options at an exercise price of RM0.12 each to its eligible employees. During the current financial quarter, no new ordinary shares were issued pursuant to the exercise of this ESOS.

ii) On 10 March 2022, the Company offered 12,000,000 options at an exercise price of RM0.10 each to its eligible employees. During the current financial quarter, 50,000 new ordinary shares were issued pursuant to the exercise of this ESOS.

Save as disclosed above, there was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current financial quarter and current financial year-to-date.

A7. Dividend Paid

No dividend was paid by the Company in the current financial quarter.

A. EXPLANATION NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING (CONT'D)
A8. Segment Information

Segmental information is presented by the Group in accordance with the Group's operations and products to enable better monitoring and management, as well as clearer performance reporting.

Current financial quarter/year-to-date ended 30 November 2022

	Print Publishing RM'000	Digital Solutions & Network Marketing * RM'000	ALP & STEM Education ^ RM'000	Inter- segment elimination RM'000	Total RM'000
Revenue	17,026	2,755	635	(1,926)	18,490
Cost of sales	(11,721)	(853)	(186)	1,590	(11,170)
Gross profit	5,305	1,902	449	(336)	7,320
Add/(Less):					
Other operating income					301
Distribution expenses					(1,625)
Administrative expenses					(3,274)
Other operating expenses					(577)
Results from operating activities					2,145

Preceding financial year's corresponding quarter/year-to-date ended 30 November 2021

	Print Publishing RM'000	Digital Solutions & Network Marketing * RM'000	ALP & STEM Education ^ RM'000	Inter- segment elimination RM'000	Total RM'000
Revenue	8,668	979	211	(445)	9,413
Cost of sales	(6,443)	(764)	(93)	230	(7,070)
Gross profit	2,225	215	118	(215)	2,343
Add/(Less):					
Other operating income					363
Distribution expenses					(1,408)
Administrative expenses					(2,898)
Other operating expenses					(690)
Results from operating activities					(2,290)

Notes:

* Digital/Online and Technology-enabled Solutions and Network Marketing Business Division

^ Applied Learning Products ("ALP") and Science, Technology, Engineering and Mathematics ("STEM") Education Services Division

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FIRST QUARTER REPORT ENDED 30 NOVEMBER 2022

A. EXPLANATION NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)**A9. Valuation of Property, Plant and Equipment**

There was no valuation of property, plant and equipment undertaken in the current financial quarter.

A10. Material Events Subsequent to the End of the Interim Period

There is no material event subsequent to the end of the current financial quarter up to the date of this report.

A11. Effects of Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial quarter.

A12. Capital Commitments

Capital commitments of the Group in respect of property, plant and equipment not provided for as of 30 November 2022 is as follows:

	As at 30.11.2022 RM'000	As at 30.11.2021 RM'000
Approved and contracted for	769	-

A13. Changes in Contingent Liabilities and Contingent Assets**Contingent Liabilities**

There were no material changes in the Group's contingent liabilities since the last audited statement of financial position as at 31 August 2022.

Contingent Assets

The Group does not have any material contingent assets as at 30 November 2022.

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1. Review of Performance****Current Quarter ended 30 November 2022 against Preceding Financial Year's Corresponding Quarter ended 30 November 2021**

The Group recorded a revenue of RM18.490 million for the current financial quarter as compared to RM9.413 million for the preceding financial year's corresponding quarter. This represents an increase of RM9.077 million (equivalent to 96.43%).

The increase partly arose from the contracts secured from the Ministry of Education ("MoE") to provide the service of supplying and delivering market-ready digital solutions in line with the Common European Framework of Reference for Languages (CEFR) Year 1 and Year 3 as well as the partial supply of reprinted textbooks (BCS) to schools under the MoE.

The Group recorded a profit before tax ("PBT") of RM1.875 million for the current financial quarter vis-à-vis a loss before tax ("LBT") of RM2.609 million for the preceding financial year's corresponding quarter mainly due to higher revenue achieved coupled by a lower cost incurred on the supply of digital products.

B2. Variation of Results for the Current Financial Quarter ended 30 November 2022 against the Immediate Preceding Financial Quarter

	Current Quarter 30.11.2022 RM'000	Preceding Quarter 31.08.2022 RM'000	Change RM'000
Revenue	18,490	16,812	1,678
Profit/(Loss) Before Tax	<u>1,875</u>	<u>(2,702)</u>	4,577

The Group recorded a revenue of RM18.490 million for the current financial quarter as compared to RM16.812 million for the immediate preceding financial quarter, representing an increase of RM1.678 million (equivalent to 9.98%).

The increase in revenue was due to the reasons mentioned above, however, this was partly set-off by lower retail sales as the current financial quarter was a seasonally weak financial quarter as explained in Note A3.

The Group recorded a PBT of RM1.875 million for the current financial quarter as compared to a LBT of RM2.702 million, for the immediate preceding financial quarter, mainly due to the reasons mentioned above and impairments made for inventories of RM3.450 million incurred in the immediate preceding financial quarter.

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B3. Group's Prospects for the financial year ending ("FYE") 31 August 2023

Our Group kicked off to a strong start into FYE 31 August 2023 with a robust performance in our first financial quarter. Year-on-year, our revenue increased by 96.43% and we have improved from a net loss of RM2.276 million to a net profit of RM1.302 million. Sales of our print academic publications have been encouraging, supported by teachers and students continuing to purchase our diverse product offerings as they enter the second half of the 2022 academic year in addition to the upcoming SPM and STPM examinations in early 2023. Our results were further supported by the financial contributions arising from the Group's signing of four (4) Letters of Acceptance with the MoE, of which two (2) relating to the supply of reprinted textbooks, and another two (2) relating to the supply of market-ready digital solutions by our digital segment.

Our Group have been striving to produce education solutions that are effective, competitive, and in line with digital education trends, particularly so, in this dynamic and fast-moving 21st century landscape. We have been swift to produce publications in accordance with the latest MoE curriculum (especially post the abolishment of the Form Three Assessment ("PT3") in June 2022), notably; our *Kertas Model UASA KSSM Tingkatan 1, 2, 3* mock exam paper publications and *Modul Aktiviti Interaktif PBD* series of workbooks, granting us the first-mover advantage in the upper primary and secondary education segments. Furthermore, over the years, we have been actively incorporating innovative hybrid elements (combining print media with digital solutions) into our academic print publications, eventually becoming a hallmark for Sasbadi products that is greatly appreciated and sought after by our customers. This initiative is a serious area of focus for our Group as we have come to realise that with the increasing prevalence of technology (and technology competency) in society, students and teachers are becoming appreciative of print publications that are empowered with digital elements that can deliver learning experiences beyond what is achievable via traditional print only. Suffice to say, this is an area which our Group will further develop and incorporate into our future print publications for FYE 31 August 2023 and beyond.

On the digital front, we are proud to report that, by leveraging on over a decade of experience in developing quality digital education technologies, our Group was able to secure two (2) contracts to supply market-ready digital solutions in line with CEFR Year 1 and Year 3 as mentioned above. With a total contract value of RM2.238 million (fully captured in the first financial quarter of FYE 31 August 2023), our Group was able to achieve a higher profit margin due to the absence of high overheads and costs, typically associated with selling physical products. We are fully aware of the potential for digital products to generate high profits for our Group and will remain steadfast in the continuous development of digital education products to cater to the increasing digitalisation of the education landscape. Our latest development, a digital teaching aid; *Bahan Bantu Mengajar Kelas Hibrid* serves to assist teachers in conducting digital teaching and learning; *Pengajaran dan Pembelajaran ("PdP") Digital*, in line with the MoE's education transformation initiatives, which stresses on Information and Communications Technology ("ICT") empowerment. i-LEARN Ace, our flagship m-learning platform remains top priority, but we are also looking to expand our product portfolio by developing digital education solutions that are targeted towards specific student groups and needs. With these initiatives, we believe that our Group can further capitalise on our digital capabilities for growth in FYE 31 August 2023.

Overall, we aim to achieve higher growth through our offerings of diverse products that can meet expanding demands as the market returns to normalcy. We will continue to monitor our risk management strategies, including cost control and cost optimisation measures, which would benefit the Group as we strengthen our economies of scale and financial position. All things considered, we are cautiously optimistic about the Group's prospects for FYE 31 August 2023.



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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B4. Variance of Profit Forecast

No profit forecast has been issued by the Group previously in any public document.

B5. Notes to the Statement of Comprehensive Income

The profit before tax is arrived at after charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.11.2022 RM'000	Preceding Year Quarter 30.11.2021 RM'000	Current Year-To-Date 30.11.2022 RM'000	Preceding Year-To-Date 30.11.2021 RM'000
Amortisation of intangible assets	357	356	357	356
Depreciation on property, plant and equipment	411	371	411	371
Depreciation on investment properties	13	13	13	13
Depreciation on rights-of-use assets	33	148	33	148
Dividend income	-	(1)	-	(1)
Gain on disposal of property, plant and equipment	(21)	(21)	(21)	(21)
(Reversal of impairment)/Impairment loss on trade receivables	(35)	72	(35)	72
Finance costs	273	335	273	335
Finance income	(3)	(16)	(3)	(16)
Realised foreign exchange loss	5	1	5	1

Save as disclosed above, the other items as required under paragraph 16 of Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

B6. Income Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.11.2022 RM'000	Preceding Year Quarter 30.11.2021 RM'000	Current Year-To-Date 30.11.2022 RM'000	Preceding Year-To-Date 30.11.2021 RM'000
Current tax expense				
Current period	16	188	16	188
Deferred tax expense				
Current period	557	(521)	557	(521)
	573	(333)	573	(333)

The effective tax rate for the current financial quarter is higher than the statutory tax rate of 24% mainly due to certain expenses of the Group not allowable for tax purposes.

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B7. Status of Corporate Proposals and Utilisation of Proceeds**

i) Status of Corporate Proposals

As at the date of this report, there is no corporate proposal announced but not completed.

ii) Utilisation of Proceeds

As at the date of this report, all proceeds from corporate proposals implemented by the Company in the past have been fully utilised.

B8. Loans and Borrowings

The Group's loans and borrowings as at 30 November 2022 were as follows:

	As at 30.11.2022 RM'000	As at 31.08.2022 RM'000
Non-current		
Finance lease liabilities	384	38
Term loans - secured	1,216	1,321
	<u>1,600</u>	<u>1,359</u>
Current		
Finance lease liabilities	122	24
Term loans - secured	411	404
Bank overdrafts - secured	11,086	6,024
Bankers' acceptances - secured	7,568	4,411
	<u>19,187</u>	<u>10,863</u>
	<u>20,787</u>	<u>12,222</u>

The above borrowings are denominated in Ringgit Malaysia.

B9. Material Litigation

There is no pending material litigation at the date of this report.

B10. Dividend

No dividend has been declared or recommended for payment by the Company for the current financial quarter.



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201201038178 (1022660-T)

Incorporated in Malaysia

FIRST QUARTER REPORT ENDED 30 NOVEMBER 2022

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B11. Earnings Per Share ("EPS")

i) Basic Earnings Per Share

The basic earnings per share for the current financial quarter is computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.11.2022 RM'000	Preceding Year Quarter 30.11.2021 RM'000	Current Year-To-Date 30.11.2022 RM'000	Preceding Year-To-Date 30.11.2021 RM'000
Net profit/(loss) attributable to owners of the Company	1,302	(2,276)	1,302	(2,276)
Weighted average number of ordinary shares in issue ('000)	424,602	424,352	424,602	424,352
Basic earnings/(loss) per ordinary share (sen)	0.31	(0.54)	0.31	(0.54)

ii) Diluted Earnings Per Share

Diluted earnings per share arising from the share options vested under ESOS of the Company is computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.11.2022 RM'000	Preceding Year Quarter 30.11.2021 RM'000	Current Year-To-Date 30.11.2022 RM'000	Preceding Year-To-Date 30.11.2021 RM'000
Net profit/(loss) attributable to owners of the Company	1,302	(2,276)	1,302	(2,276)
Weighted average number of ordinary shares in issue ('000)	424,602	424,352	424,602	424,352
Effect of dilution due to ESOS ('000)	431	-	431	-
Adjusted weighted average number of ordinary shares ('000)	425,033	424,352	425,033	424,352
Diluted earnings/(loss) per ordinary share (sen)	0.31	(0.54)	0.31	(0.54)

Diluted EPS for the preceding year corresponding quarter and year-to-date were equivalent to the basic EPS as the share options had an anti-dilutive effect on the basic EPS and the Group has no other instruments with potential dilutive effects as at the end of the financial period.

B12. Derivative Financial Instruments

The Group did not enter into any derivative financial instruments which were outstanding as at 30 November 2022.

By order of the Board
Kuala Lumpur
17 January 2023