


SASBADI HOLDINGS BERHAD

201201038178 (1022660-T)

Incorporated in Malaysia

SECOND QUARTER REPORT ENDED 28 FEBRUARY 2022
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2022 ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 28.02.2022 RM'000	Preceding Year Quarter 28.02.2021 RM'000	Current Year-To-Date 28.02.2022 RM'000	Preceding Year-To-Date 28.02.2021 RM'000
Revenue	23,537	24,184	32,950	38,671
Cost of sales	(12,878)	(12,918)	(19,948)	(21,682)
Gross profit	10,659	11,266	13,002	16,989
Other operating income	121	421	484	803
Distribution expenses	(1,633)	(1,662)	(3,041)	(3,135)
Administrative expenses	(3,135)	(3,749)	(6,033)	(6,631)
Other operating expenses	(833)	(300)	(1,523)	(1,209)
Results from operating activities	5,179	5,976	2,889	6,817
Finance income	3	1	19	3
Finance costs	(259)	(441)	(594)	(1,008)
Profit before tax	4,923	5,536	2,314	5,812
Taxation	(1,584)	(1,914)	(1,251)	(2,052)
Net profit for the financial period	3,339	3,622	1,063	3,760
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	-	(10)	(5)	(7)
Other comprehensive loss for the financial period, net of tax	-	(10)	(5)	(7)
Total comprehensive income for the financial period	3,339	3,612	1,058	3,753
Net profit for the financial period attributable to:				
- Owners of the Company	3,339	3,622	1,063	3,760
- Non-controlling interests	-	-	-	-
	3,339	3,622	1,063	3,760
Total comprehensive income for the financial period attributable to:				
- Owners of the Company	3,339	3,612	1,058	3,753
- Non-controlling interests	-	-	-	-
	3,339	3,612	1,058	3,753
Profit per share (sen) attributable to owners of the Company:				
- Basic	0.79	0.86	0.25	0.90
- Diluted	0.79	0.86	0.25	0.90

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 2021 and the accompanying explanatory notes attached to these interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2022⁽¹⁾

	Unaudited As at 28.02.2022 RM'000	Audited As at 31.08.2021 RM'000
ASSETS		
Property, plant and equipment	37,647	38,324
Rights-of-use assets	813	1,068
Investment properties	2,347	2,373
Intangible assets	20,999	21,709
Other investments	37	215
Deferred tax assets	1,144	1,115
Total non-current assets	62,987	64,804
Inventories	62,282	58,530
Rights to recover returned goods	2,599	990
Contract costs	372	579
Trade and other receivables	46,647	39,311
Current tax assets	3,375	2,613
Prepayments	4,609	4,516
Cash and cash equivalents	8,726	8,184
Total current assets	128,610	114,723
Total assets	191,597	179,527
EQUITY		
Share capital	109,117	109,073
Treasury shares	(1)	(1)
Reserves	29,861	28,816
Total equity	138,977	137,888
LIABILITIES		
Loans and borrowings	1,577	2,215
Lease liabilities	424	674
Deferred tax liabilities	6,429	5,254
Total non-current liabilities	8,430	8,143
Loans and borrowings	22,313	15,276
Lease liabilities	502	561
Refund liabilities	5,060	1,876
Trade and other payables	15,122	13,942
Contract liabilities	1,193	1,841
Total current liabilities	44,190	33,496
Total liabilities	52,620	41,639
Total equity and liabilities	191,597	179,527
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 2021 and the accompanying explanatory notes attached to these interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX (6) MONTHS ENDED 28 FEBRUARY 2022 ⁽¹⁾

	<----- Non-distributable ----->						Distributable	Total equity RM'000
	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	
At 1 September 2021	109,073	(1)	246	(50,500)	(56)	18,356	60,770	137,888
Total comprehensive income for the financial period	-	-	-	-	(5)	-	1,063	1,058
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 28 February 2022	109,117	(1)	233	(50,500)	(61)	18,356	61,833	138,977
As at 1 September 2020	108,210	(1)	400	(50,500)	(44)	22,174	65,803	146,042
Total comprehensive income for the financial period	-	-	-	-	(7)	-	3,760	3,753
Transaction with owners of the Company								
Expiry of share options under ESOS	-	-	(400)	-	-	-	400	-
Share options vested under ESOS	-	-	500	-	-	-	-	500
Total transactions with owners of the Company	-	-	100	-	-	-	400	500
At 28 February 2021	108,210	(1)	500	(50,500)	(51)	22,174	69,963	150,295

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 2021 and the accompanying explanatory notes attached to these interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX (6) MONTHS ENDED 28 FEBRUARY 2022 ⁽¹⁾

	Current Year-To-Date 28.02.2022 RM'000	Preceding Year-To-Date 28.02.2021 RM'000
Cash flows from operating activities		
Profit before tax	2,314	5,812
Adjustments for:		
Amortisation of intangible assets	710	709
Depreciation of property, plant and equipment	735	904
Depreciation of investment properties	26	26
Depreciation of rights-of-use assets	281	464
Dividend income	(1)	(1)
Impairment loss/(Reversal of impairment loss) on trade receivables	60	(167)
Gain on disposal of property, plant and equipment	(41)	-
Loss on disposal of other investments	1	-
Unrealised foreign exchange loss	-	1
Share options vested under ESOS	-	500
Finance costs	594	1,008
Finance income	(19)	(3)
Operating profit before changes in working capital	4,660	9,253
Changes in inventories	(3,752)	(1,147)
Changes in rights to recover returned goods	(1,609)	(1,284)
Changes in contract costs	207	28
Changes in trade and other receivables and prepayments	(7,489)	(5,271)
Changes in refund liabilities	3,184	2,569
Changes in trade and other payables	1,180	6,542
Changes in contract liabilities	(648)	(67)
Cash (used in)/generated from operations	(4,267)	10,623
Tax paid	(886)	(899)
Tax refunded	19	310
Interest paid	(434)	(680)
Interest received	19	3
Net cash (used in)/generated from operating activities	(5,549)	9,357
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	42	5,099
Proceeds from disposal of other investments	172	-
Dividend received from other investments	1	1
Acquisition of property, plant and equipment	(59)	(39)
Net cash generated from investing activities	156	5,061

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 2021 and the accompanying explanatory notes attached to these interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX (6) MONTHS ENDED 28 FEBRUARY 2022 ⁽¹⁾ (CONT'D)

	Current Year-To-Date 28.02.2022 RM'000	Preceding Year-To-Date 28.02.2021 RM'000
Cash flows from financing activities		
Net drawdown/(repayment) of bankers' acceptances	3,405	(1,807)
Net repayment of finance lease liabilities	(23)	(178)
Net repayment of term loans	(2,769)	(6,732)
Net repayment of lease liabilities	(361)	(405)
Proceeds from issuance of shares pursuant to ESOS	31	-
Interest paid	(134)	(277)
Net cash generated from/(used in) financing activities	<u>149</u>	<u>(9,399)</u>
Net (decrease)/increase in cash and cash equivalents	(5,244)	5,019
Cash and cash equivalents at beginning of the financial period	(1,722)	(12,495)
Cash and cash equivalents at end of the financial period	<u>(6,966)</u>	<u>(7,476)</u>

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

	Current Year-To-Date 28.02.2022 RM'000	Preceding Year-To-Date 28.02.2021 RM'000
Cash and bank balances	7,981	9,249
Deposit placed with a licensed bank	<u>745</u>	<u>744</u>
	8,726	9,993
Less : Deposits pledged	(1,130)	(631)
Bank overdrafts	<u>(14,562)</u>	<u>(16,838)</u>
	<u>(6,966)</u>	<u>(7,476)</u>

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 2021 and the accompanying explanatory notes attached to these interim financial statements.



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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 2021 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 2021.

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 2021, 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 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*, and MFRS 9 *Financial Instruments*
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture*

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 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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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 2021 were not qualified.

A3. Seasonality or Cyclicity of Operations

The Group’s business operations are exposed to seasonality patterns as the Group generally experiences the highest quarterly sales in the second financial quarter (December to February) and lowest quarterly sales in the fourth financial quarter (June to August) in every financial year. This is primarily caused by the timing of the start of the academic year for national schools, which may adversely impact the Group’s quarterly revenue, profit and cash flow.

Nevertheless, the Group takes the seasonality patterns into consideration in our cash flow planning. In addition, the Group has implemented strategies to reduce the seasonality patterns such as expanding our market shares for non-academic segment which is less prone to seasonality, and entering into new market segments.

A4. Unusual Items Affecting the Financial Statements

The deferment of the new academic year from January to March 2022 has 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 ending 31 August 2022, impacting our usual seasonality pattern.

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”)

During the current financial quarter, no new ordinary shares were issued pursuant to the exercise of the ESOS. As at the end of the current financial quarter, a total of 5,335,000 options granted have been exercised at this report.

On 10 March 2022, the Company offered another 12,000,000 options at an exercise price of RM0.10 each to its eligible employees under the ESOS. None of the options granted under this tranche have been exercised as at the date of this report.

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.



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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 ended 28 February 2022

	Print Publishing RM'000	Digital & Network Marketing * RM'000	ALP & STEM Education ^ RM'000	Inter- segment elimination RM'000	Total RM'000
Revenue	22,299	1,057	265	(84)	23,537
Cost of sales	(12,280)	(713)	(107)	222	(12,878)
Gross profit	<u>10,019</u>	<u>344</u>	<u>158</u>	<u>138</u>	<u>10,659</u>
Add/(Less):					
Other operating income					121
Distribution expenses					(1,633)
Administrative expenses					(3,135)
Other operating expenses					(833)
Results from operating activities					<u><u>5,179</u></u>

Current financial year-to-date ended 28 February 2022

	Print Publishing RM'000	Digital & Network Marketing * RM'000	ALP & STEM Education ^ RM'000	Inter- segment elimination RM'000	Total RM'000
Revenue	30,967	2,036	476	(529)	32,950
Cost of sales	(18,723)	(1,477)	(200)	452	(19,948)
Gross profit	<u>12,244</u>	<u>559</u>	<u>276</u>	<u>(77)</u>	<u>13,002</u>
Add/(Less):					
Other operating income					484
Distribution expenses					(3,041)
Administrative expenses					(6,033)
Other operating expenses					(1,523)
Results from operating activities					<u><u>2,889</u></u>

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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Preceding financial year's corresponding quarter ended 28 February 2021

	Print Publishing RM'000	Digital & Network Marketing * RM'000	ALP & STEM Education ^ RM'000	Inter-segment elimination RM'000	Total RM'000
Revenue	23,326	729	227	(98)	24,184
Cost of sales	(12,147)	(550)	(106)	(115)	(12,918)
Gross profit	11,179	179	121	(213)	11,266
Add/(Less):					
Other operating income					421
Distribution expenses					(1,662)
Administrative expenses					(3,749)
Other operating expenses					(300)
Results from operating activities					5,976

Preceding financial year's corresponding year-to-date ended 28 February 2021

	Print Publishing RM'000	Digital & Network Marketing * RM'000	ALP & STEM Education ^ RM'000	Inter-segment elimination RM'000	Total RM'000
Revenue	36,535	2,005	906	(775)	38,671
Cost of sales	(20,232)	(1,541)	(291)	382	(21,682)
Gross profit	16,303	464	615	(393)	16,989
Add/(Less):					
Other operating income					803
Distribution expenses					(3,135)
Administrative expenses					(6,631)
Other operating expenses					(1,209)
Results from operating activities					6,817

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



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

There were no material capital commitments for the Group at the end of the current financial quarter.

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 2021.

Contingent Assets

The Group does not have any material contingent assets as at 28 February 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 28 February 2022 against Preceding Financial Year's Corresponding Quarter ended 28 February 2021

The Group recorded a revenue of RM23.537 million for the current financial quarter as compared to RM24.184 million for the preceding financial year's corresponding quarter. This represents a slight decrease of RM0.647 million (equivalent to 2.68%), due to our Print Publishing Division, which showed a decrease of RM1.027 million, but this was cushioned by the increase in our Digital & Network Marketing Division of RM0.328 million.

The decrease in the contribution from the Print Publishing Division was due to the deferment of the school new academic year to March 2022 as mentioned in Note A4, coupled with the long festive season resulting in a delay of book orders as schools were still closed in most part of the current financial quarter. The increase in the revenue in our Digital & Network Marketing Division is a reflection in the increase in demand of our English competency assessment product, Linguaskill by Cambridge Assessment English.

The Group recorded a profit before tax ("PBT") of RM4.923 million for the current financial quarter vis-à-vis a PBT of RM5.536 million for the preceding financial year's corresponding quarter. This represents a decrease of RM0.613 million mainly due to the lower revenue achieved and partial reinstatement of staff salary cut previously, coupled with the discontinuation of government wages subsidy in the current financial quarter.

Current Financial Year-to-Date ended 28 February 2022 against Preceding Financial Year's Corresponding Year-to-Date ended 28 February 2021

The Group recorded a revenue of RM32.950 million for the current financial year-to-date as compared to RM38.671 million for the preceding financial year's corresponding year-to-date. This represents a decrease of RM5.721 million (equivalent to 14.79%), mainly due to our Print Publishing Division, which showed a decrease of RM5.568 million.

The decrease in the contribution from the Print Publishing Division was due to the deferment of the school new academic year to March 2022 as mentioned in Note A4, coupled with the long festive season resulting in a delay of book orders as anticipated.

The Group recorded a PBT of RM2.314 million for the current financial year-to-date vis-à-vis a PBT of RM5.812 million for the preceding financial year's corresponding year-to-date. This represents a decrease of RM3.498 million mainly due to the reasons mentioned above.

B2. Variation of Results for the Current Financial Quarter ended 28 February 2022 against the Immediate Preceding Financial Quarter

	Current Quarter 28.02.2022 RM'000	Preceding Quarter 30.11.2021 RM'000	Change RM'000
Revenue	23,537	9,413	14,124
Profit/(Loss) Before Tax	<u>4,923</u>	<u>(2,609)</u>	7,532

The Group recorded a revenue of RM23.537 million for the current financial quarter as compared to RM9.413 million for the immediate preceding financial quarter, representing an increase of RM14.124 million (equivalent to 150.05%). The increase in revenue was due to the deferment of the new academic year as mentioned above.

Similarly, the Group recorded a PBT of RM4.923 million for the current financial quarter as compared to a loss before tax of RM2.609 million for the immediate preceding financial quarter mainly due to the higher revenue achieved.



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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 2022

Our Group's second financial quarter of FYE 31 August 2022 had performed within our expectations. Despite recording a year-on-year decrease of 2.68% and 7.81% in revenue and net profit respectively, the second financial quarter of FYE 31 August 2021, in actual fact, does not serve as a direct comparison due to the difference in the commencement of the new academic year for 2021 and 2022, which had affected the demand trends of our products for both financial quarters (thus affecting our usual seasonality patterns).

During FYE 31 August 2021, the academic year had begun on 20 January 2021 whereas for FYE 31 August 2022, the academic year had been delayed to 21 March 2022. As such, for the second financial quarter of FYE 31 August 2021 (December 2020 - February 2021), demand for our educational products during that quarter was derived before, during, and after the commencement of the academic year on 20 January 2021. However, for the second financial quarter of FYE 31 August 2022 (December 2021 – February 2022), the demand for our educational products was derived solely before the commencement of the academic year on 21 March 2022. Despite this, our Group's second financial quarter of FYE 31 August 2022 managed to perform comparably with the preceding year's quarter. This performance was in line with our anticipated growth prospects.

Demand for our educational products in the second quarter of FYE 31 August 2022 was largely in relation to our *Modul Aktiviti Integrasi Digital* series of workbooks targeting both Primary and Secondary School students and our newly launched flagship SPM guidebook, Masterclass SPM 2022. These titles have been well-received by teachers and students alike as they combine conventional print media and digital solutions to form a comprehensive, hybrid print publishing product, a notable feature of our Group's products which has been well known for in these recent years.

Moving forward, our Group is confident that the demand for our academic products will be encouraging in the third financial quarter of FYE 31 August 2022. This is primarily due to the commencement of the 2022 academic year in full force, resulting in an influx of demand for our educational products, such as workbooks and guidebooks, from students, teachers, schools, and retailers nationwide in preparation for the new schooling year. Further to that, our Group is capitalising on the market consolidation to increase our market share.

We will continue to monitor our risk management strategies, including cost reduction measures and liquidity management, which would benefit the Group as we strengthen our economies of scale and financial position. All things considered, notwithstanding unforeseen circumstances, our Group remains cautiously optimistic of our prospects for FYE 31 August 2022 despite these challenging times.



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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 28.02.2022 RM'000	Preceding Year Quarter 28.02.2021 RM'000	Current Year-To-Date 28.02.2022 RM'000	Preceding Year-To-Date 28.02.2021 RM'000
Amortisation of intangible assets	354	355	710	709
Depreciation on property, plant and equipment	364	449	735	904
Depreciation on investment properties	13	13	26	26
Depreciation on rights-of-use assets	133	229	281	464
Dividend income	-	-	(1)	(1)
Gain on disposal of property, plant and equipment	(20)	-	(41)	-
Loss on disposal of other investments	1	-	1	-
Share options vested under ESOS (Reversal of impairment loss)	-	500	-	500
Impairment loss on trade receivables	(12)	(438)	60	(167)
Finance costs	259	441	594	1,008
Finance income	(3)	(1)	(19)	(3)
Realised foreign exchange loss	-	5	1	5
Unrealised foreign exchange loss	-	1	-	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

Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 28.02.2022 RM'000	Preceding Year Quarter 28.02.2021 RM'000	Current Year-To-Date 28.02.2022 RM'000	Preceding Year-To-Date 28.02.2021 RM'000
Current tax expense				
Current period	(83)	1,688	105	1,757
Deferred tax expense				
Current period	1,667	226	1,146	295
	<u>1,584</u>	<u>1,914</u>	<u>1,251</u>	<u>2,052</u>

The effective tax rates for the current financial quarter and current financial year-to-date are higher than the statutory tax rate of 24% mainly due to certain expenses of the Group not allowable for tax purposes.



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

Save as disclosed below, there were no corporate proposals announced but not completed at the date of this report:

Proposed Private Placement

On 14 September 2020, the Company has announced that it will undertake a private placement of up to 42,909,850 new ordinary shares in Sasbadi Holdings Berhad ("Placement Shares"), representing ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company ("Proposed Private Placement"). Bursa Securities has, vide its letter dated 18 September 2020, approved the listing of and quotation for the Placement Shares subject to certain conditions. Bursa Securities had, vide its letters dated 10 March 2021 and 13 September 2021, approved the extension of time of six (6) months, which have lapsed on 17 March 2022, for the Company to complete the Proposed Private Placement. After taking into consideration, amongst others, the prevailing market conditions, the Company has decided not to proceed with the Proposed Private Placement as announced on 17 March 2022.

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 28 February 2022 were as follows:

Loans and Borrowings

	As at 28.02.2022 RM'000	As at 31.08.2021 RM'000
Non-current		
Finance lease liabilities	52	66
Term loans - secured	1,525	2,149
	<u>1,577</u>	<u>2,215</u>
Current		
Finance lease liabilities	31	40
Term loans - secured	2,306	4,451
Bank overdrafts - secured	14,562	8,776
Bankers' acceptances - secured	5,414	2,009
	<u>22,313</u>	<u>15,276</u>
	<u>23,890</u>	<u>17,491</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.



SASBADI HOLDINGS BERHAD

201201038178 (1022660-T)

Incorporated in Malaysia

SECOND QUARTER REPORT ENDED 28 FEBRUARY 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:

Basic EPS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 28.02.2022 RM'000	Preceding Year Quarter 28.02.2021 RM'000	Current Year-To-Date 28.02.2022 RM'000	Preceding Year-To-Date 28.02.2021 RM'000
Net profit attributable to owners of the Company	3,339	3,622	1,063	3,760
Weighted average number of ordinary shares in issue ('000)	424,436	419,099	424,394	419,099
Basic earnings per ordinary share (sen)	0.79	0.86	0.25	0.90

ii) Diluted Earnings Per Share

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

Diluted EPS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 28.02.2022 RM'000	Preceding Year Quarter 28.02.2021 RM'000	Current Year-To-Date 28.02.2022 RM'000	Preceding Year-To-Date 28.02.2021 RM'000
Net profit attributable to owners of the Company	3,339	3,622	1,063	3,760
Weighted average number of ordinary shares in issue ('000)	424,436	419,099	424,394	419,099
Effect of dilution due to ESOS ('000)	648	215	946	107
Adjusted weighted average number of ordinary shares ('000)	425,084	419,314	425,340	419,206
Diluted earnings per ordinary share (sen)	0.79	0.86	0.25	0.90

B12. Derivative Financial Instruments

The Group did not enter into any derivative financial instruments which were outstanding as at 28 February 2022.

By order of the Board
Kuala Lumpur
21 April 2022