



SASBADI HOLDINGS BERHAD (1022660-T)

Incorporated in Malaysia under the Companies Act, 1965
FIRST QUARTER REPORT ENDED 30 NOVEMBER 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2015 ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year-	Preceding Year-
	Quarter	Quarter	To-Date	To-Date
	30.11.2015	30.11.2014	30.11.2015	30.11.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	21,030	16,323	21,030	16,323
Cost of sales	(11,740)	(9,392)	(11,740)	(9,392)
Gross profit	9,290	6,931	9,290	6,931
Other operating income	5	63	5	63
Distribution expenses	(1,992)	(1,883)	(1,992)	(1,883)
Administrative expenses	(3,598)	(2,548)	(3,598)	(2,548)
Other operating expenses	(187)	(294)	(187)	(294)
Operating profit	3,518	2,269	3,518	2,269
Interest income	9	113	9	113
Finance costs	(287)	(96)	(287)	(96)
Profit before tax	3,240	2,286	3,240	2,286
Tax expense	(920)	(638)	(920)	(638)
Profit/Total comprehensive income for the financial period	2,320	1,648	2,320	1,648
Profit/Total comprehensive income attributable to:				
- Owners of the Company	2,032	1,648	2,032	1,648
- Non-controlling interests	288	-	288	-
	2,320	1,648	2,320	1,648
Earnings per share (sen) attributable to owners of the Company:				
- Basic ⁽²⁾	1.60	1.30	1.60	1.30
- Diluted	N/A	N/A	N/A	N/A

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 2015 and the accompanying explanatory notes attached to these interim financial statements.*

(2) *Based on the weighted average number of ordinary shares in issue as detailed in Note B11.*

N/A Not applicable



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2015 ⁽¹⁾

	Unaudited	Audited
	As at	As at
	30.11.2015	31.08.2015
	RM'000	RM'000
ASSETS		
Property, plant and equipment	30,437	30,872
Intangible assets	21,995	22,326
Other investments	343	343
Deferred tax assets	64	64
Total non-current assets	52,839	53,605
Inventories	37,583	37,060
Current tax assets	1,787	1,144
Trade and other receivables	49,221	40,417
Prepayments	238	244
Cash and cash equivalents	9,062	8,338
Total current assets	97,891	87,203
Total assets	150,730	140,808
EQUITY		
Share capital	63,500	63,500
Share premium	13,461	13,461
Reserves	30,301	28,269
Equity attributable to owners of the Company	107,262	105,230
Non-controlling interests	5,349	5,061
Total equity	112,611	110,291
LIABILITIES		
Borrowings	74	99
Deferred tax liabilities	5,986	6,092
Total non-current liabilities	6,060	6,191
Borrowings	17,538	9,333
Provisions	1,395	1,199
Trade and other payables	12,873	13,438
Current tax liabilities	253	356
Total current liabilities	32,059	24,326
Total liabilities	38,119	30,517
Total equity and liabilities	150,730	140,808
Net assets per share attributable to the owners of the Company (RM) ⁽²⁾	0.84	0.83



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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 2015 and the accompanying explanatory notes attached to these interim financial statements.*
- (2) Based on the issued share capital of 127,000,000 ordinary shares.*



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2015 ⁽¹⁾

	Share capital RM'000	Non-distributable Share premium RM'000	Non-distributable Merger deficit RM'000	Non-distributable Revaluation reserve RM'000	Distributable Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 September 2015	63,500	13,461	(50,500)	13,596	65,173	105,230	5,061	110,291
Profit/Total comprehensive income for the financial period	-	-	-	-	2,032	2,032	288	2,320
At 30 November 2015	<u>63,500</u>	<u>13,461</u>	<u>(50,500)</u>	<u>13,596</u>	<u>67,205</u>	<u>107,262</u>	<u>5,349</u>	<u>112,611</u>
At 1 September 2014	63,500	13,461	(50,500)	13,596	53,652	93,709	-	93,709
Profit/Total comprehensive income for the financial period	-	-	-	-	1,648	1,648	-	1,648
At 30 November 2014	<u>63,500</u>	<u>13,461</u>	<u>(50,500)</u>	<u>13,596</u>	<u>55,300</u>	<u>95,357</u>	<u>-</u>	<u>95,357</u>

Note:

(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 2015 and the accompanying explanatory notes attached to these interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2015 ⁽¹⁾

	Current Year-To-Date 30.11.2015 RM'000	Preceding Year-To-Date 30.11.2014 RM'000
Cash flows from operating activities		
Profit before tax	3,240	2,286
Adjustments for:		
Amortisation of intangible assets	331	137
Depreciation on property, plant and equipment	613	534
Gain on disposal of property, plant and equipment	(5)	(63)
Net inventories write-down	208	673
Interest expense	282	91
Interest income	(9)	(113)
Provision/(Reversal of provision) for sales returns	196	(586)
Operating profit before changes in working capital	4,856	2,959
Changes in inventories	(731)	(3,405)
Changes in trade and other receivables and prepayments	(8,798)	(796)
Changes in trade and other payables	(565)	3,004
Cash (used in)/generated from operations	(5,238)	1,762
Tax paid	(1,772)	(1,855)
Interest paid	(279)	(88)
Interest received	9	113
Net cash used in operating activities	(7,280)	(68)
Cash flows from investing activities		
Acquisition of intangible assets	-	(1,000)
Acquisition of property, plant and equipment	(178)	(900)
Proceeds from disposal of property, plant and equipment	5	63
Net cash used in investing activities	(173)	(1,837)



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2015 ⁽¹⁾ (CONT'D)

	Current Year-To-Date 30.11.2015 RM'000	Preceding Year-To-Date 30.11.2014 RM'000
Cash flows from financing activities		
Net drawdown of bankers' acceptance	3,655	-
Interest paid	(3)	(3)
Repayment of finance lease liabilities	(25)	(25)
Net cash generated from/(used in) financing activities	3,627	(28)
Net decrease in cash and cash equivalents	(3,826)	(1,933)
Cash and cash equivalents at beginning of the financial period	45	20,562
Cash and cash equivalents at end of the financial period	(3,781)	18,629
Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:		
Cash and bank balances	8,555	24,407
Deposit placed with a licensed bank	507	39
	9,062	24,446
Less: Bank overdraft	(12,843)	(5,817)
	(3,781)	18,629

Note:

- (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 2015 and the accompanying explanatory notes attached to these interim financial statements.*



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A EXPLANATION NOTES PURSUANT TO MALAYSIA 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 Standard 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 2015 and the accompanying explanatory notes attached to these interim financial statements.

These interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries (“the Group”) since the financial year ended 31 August 2015.

The significant accounting policies and methods of computation applied in these unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Audited Financial Statements of the Company for the financial year ended 31 August 2015, 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 2016

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- 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*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*



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MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*

The Group plans to apply the abovementioned accounting standards, amendments and interpretations:

- From the annual period beginning on 1 September 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for Amendments to MFRS 11, MFRS 14, Amendment to MFRS 141 and Amendments to MFRS 119 which are not applicable to the Group.
- From the annual period beginning on 1 September 2018 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements of the Group except as mentioned below:

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfer of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

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 2015 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 the second financial quarter (December to February) compared to the other three (3) financial quarters. This is primarily caused by the timing of the start of the academic year for national schools. As a result, the seasonal sales patterns may adversely impact on the Group's quarterly revenue, profit and cash flow. Nevertheless, the Group takes the seasonality patterns into consideration in our cash flow planning.



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A4. Unusual Items

There were no significant items affecting assets, liabilities, equity, net income, or cash flows of the Group that are unusual because of their nature, size and incidence during the current financial quarter.

A5. Changes in Estimates

There were no changes in the estimates that have a material effect in the current financial quarter.

A6. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current financial quarter.

A7. Dividend Paid

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



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A8. Segment Information

Segmental information is presented in accordance with the Group's entities, which are the Group's strategic business units.

	←----- Current financial quarter and current financial year-to-date ended 30.11.2015 ----->								
	Sasbadi Sdn Bhd	Sasbadi Online Sdn Bhd	Orbit Buku Sdn Bhd	Malaysian Book Promotions Sdn Bhd	Sasbadi Learning Solutions Sdn Bhd	Sanjung Unggul Sdn Bhd and its subsidiaries	Other entities	Inter-company elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue									
Revenue	14,738	852	247	826	751	5,354	-	(1,738)	21,030
Cost of sales	(8,693)	(579)	(158)	(345)	(371)	(3,332)	-	1,738	(11,740)
Gross profit	6,045	273	89	481	380	2,022	-	-	9,290
Add/(Less)									
Other operating income									5
Distribution expenses									(1,992)
Administrative expenses									(3,598)
Other operating expenses									(187)
Operating profit									3,518

	←----- Preceding financial year's corresponding quarter and year-to-date ended 30.11.2014 ----->							
	Sasbadi Sdn Bhd	Sasbadi Online Sdn Bhd	Orbit Buku Sdn Bhd	Malaysian Book Promotions Sdn Bhd	Other entities	Inter-company elimination	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Revenue								
Revenue	15,390	311	61	719	-	(158)	16,323	
Cost of sales	(9,043)	(146)	(68)	(293)	-	158	(9,392)	
Gross profit	6,347	165	(7)	426	-	-	6,931	
Add/(Less)								
Other operating income							63	
Distribution expenses							(1,883)	
Administrative expenses							(2,548)	
Other operating expenses							(294)	
Operating profit							2,269	

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

Save for the private placement, proposed share split and proposed amendment to the Memorandum of Association of the Company as disclosed in Note B7(i)(c) below, there were no material events subsequent to the end of the current financial quarter up to the date of this report that have not been reflected in the financial statements.



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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

Save for the proposed acquisition of the leasehold industrial land with a three (3) – storey factory building erected thereon for a total cash consideration of RM7,500,000.00 (as disclosed in Note B7(i)(b) below), of which RM1,200,000.00 has been paid up to 30 November 2015, there were no material capital commitments for the Group for the current financial quarter.

A13. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

	As at	As at
	30.11.2015	31.08.2015
	RM'000	RM'000
Bank guarantees obtained by the subsidiary, Sasbadi Sdn Bhd, to the Ministry of Education Malaysia	488	488

Contingent Assets

The Group does not have any material contingent assets as at 30 November 2015.



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B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD

B1. Review of Performance

The Group recorded a revenue and profit before tax (“PBT”) of RM21.030 million and RM3.240 million, respectively, for the current financial quarter as compared to RM16.323 million and RM2.286 million, respectively, for the preceding financial year’s corresponding quarter.

The increase in revenue and PBT was mainly attributable to the consolidation of the results of Sanjung Unggul Sdn Bhd (“Sanjung Unggul”) and its subsidiaries (“Sanjung Unggul Group”) for the current financial quarter post acquisition of 70% equity interest in Sanjung Unggul by the Company (in August 2015). To recap, the Sanjung Unggul Group is principally involved in publishing books and educational materials catering for students in national-type Chinese schools (Sekolah Jenis Kebangsaan (Cina)). The Sanjung Unggul Group recorded a revenue, gross profit and PBT of RM5.354 million, RM2.022 million and RM1.282 million, respectively, for the current financial quarter.

B2. Variation of Results for the current financial quarter ended 30 November 2015 against the immediate preceding financial quarter

There are no material variations in terms of the revenue and PBT recorded by the Group for the current financial quarter vis-à-vis the immediate preceding financial quarter (Current Financial Quarter: Revenue of RM21.030 million and PBT of RM3.240 million, vis-à-vis Immediate Preceding Financial Quarter: Revenue of RM20.104 million and RM3.327 million).

B3. Group’s Prospects for the financial year ending (“FYE”) 31 August 2016

The withdrawal of fuel subsidies, the implementation of the Goods and Services Tax, the fall in global oil prices, and the depreciating ringgit against the US dollar and other major currencies, have all contributed to the increasing cost of living and doing business in our country. Notwithstanding that, based on the Economic Report 2015/2016, the Malaysian economy is expected to expand between 4% and 5% in 2016. The growth is expected to be driven by domestic demand, with private expenditure being the main anchor.

On the education front, the sector has demonstrated resilient characteristics and continued to receive a substantial allocation (RM41.3 billion) under the 2016 National Budget with multiple proposals announced to push the objectives outlined in the Malaysian Education Blueprint 2013-2025. The Ministry of Education Malaysia (“MoE”) has also announced new textbook tenders in October and December 2015, and January 2016, for various packages which include, among others, textbooks for Year 1 of national-type Chinese and Tamil schools, and Form 1, Form 3 and Form 4 of national secondary schools. The winning tenderers are expected to publish, print and deliver the textbooks to the respective schools in the last quarter of the calendar year 2016 (for use in the calendar year 2017).

The Group will continue to pursue acquisition opportunities, besides organic growth, as a strategy for growth. The Group will continue to look for acquisition targets or intellectual property rights within the education/publishing industry which are synergistic or complementary to our business. For organic growth, the Group will continue to introduce new titles/products to the market and collaborate with strategic partners to open up new sales channels. The Group will participate in textbook tenders and explore opportunities for other MoE tenders.

Premised on the above and barring any unforeseen circumstances, the Group remains positive of our prospects and performance for FYE 31 August 2016.



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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	Preceding Year	Current Year-	Preceding Year-
	Quarter	Quarter	To-Date	To-Date
	30.11.2015	30.11.2014	30.11.2015	30.11.2014
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible assets	331	137	331	137
Depreciation on property, plant and equipment	613	534	613	534
Gain on disposal of property, plant and equipment	(5)	(63)	(5)	(63)
Interest expense	282	91	282	91
Interest income	(9)	(113)	(9)	(113)
Net inventories write-down	208	673	208	673
Realised foreign exchange loss	1	81	1	81
Provision/(Reversal of provision) for sales returns	196	(586)	196	(586)

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.



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B6. Income Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year- To-Date	Preceding Year- To-Date
	30.11.2015	30.11.2014	30.11.2015	30.11.2014
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- current period	1,026	559	1,026	559
- prior period	-	-	-	-
	1,026	559	1,026	559
Deferred tax expense				
- current period	(106)	79	(106)	79
- prior period	-	-	-	-
	(106)	79	(106)	79
Total income tax expense	920	638	920	638

The effective tax rate for the current financial quarter is higher than the statutory tax rate of 25% mainly due to non-deductible expenses and unutilised tax losses.

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:

- (a) The Company has, on 29 June 2015, entered into a conditional share sale agreement (“SSA”) with Chua Chong Keow, Amir Hamzah Bin Mohd Yusof and Norizan Binti Samausi to acquire 100% of the issued and paid-up share capital of PMI Education Sdn Bhd, comprising 1,000,000 ordinary shares of RM1.00 each, for a purchase price of RM2,600,000.00 to be settled via cash (“Proposed PMI Acquisition”). The Proposed PMI Acquisition is pending fulfillment of the conditions precedent as set out in the SSA.
- (b) Sasbadi Sdn Bhd, a wholly-owned subsidiary of the Company, has, on 13 August 2015, entered into a conditional sale and purchase agreement with Tama Equity Sdn Bhd to acquire a parcel of leasehold industrial land held under H.S.(D) 283534, PT 12527, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor, measuring approximately 1,157.993 square meters (equivalent to 12,464.53 square feet) with a three (3) – storey factory building erected thereon, for a total cash consideration of RM7,500,000.00 (“Proposed Property Acquisition”). The Proposed Property Acquisition is pending completion.



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(c) The Company has, on 21 December 2015, announced the following proposals (“Proposals”):

- Proposed private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company to third party investor(s) to be identified (“Private Placement”).
- Proposed share split involving the subdivision of every one (1) existing ordinary share of RM0.50 each in the Company into two (2) ordinary shares of RM0.25 each in the Company held on an entitlement date to be determined and announced later (“Proposed Share Split”).
- Proposed amendment to the Memorandum of Association of the Company to facilitate the implementation of the Proposed Share Split (“Proposed Amendment”).

The Company has placed out 12,700,000 new ordinary shares of RM0.50 each in the Company at RM2.49 per share pursuant to the Private Placement, which was completed on 20 January 2016, raising a total proceeds of RM31,623,000.00. The proceeds raised are expected to be utilised in the following manner:

Purpose	Proposed utilisation	Estimated timeframe for utilisation (from receipt of proceeds)
	RM'000	
(i) Part financing of future acquisition(s) of publishing/ education/ education-related business(es), or intellectual property rights.	20,000	Within eighteen (18) months
(ii) Part repayment of bank borrowings	6,000	Within three (3) months
(iii) Working capital*	5,103	Within six (6) months
(iv) Estimated expenses in relation to the Proposals*	520	Within one (1) month
Total gross proceeds	31,623	

Note:

* Any variation in the actual amount of the expenses will be adjusted to the portion of the proceeds to be utilised for working capital purposes.

The Proposed Share Split and Proposed Amendment will be tabled for the shareholders’ at our forthcoming Annual General Meeting.



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(ii) Utilisation of proceeds

The Company was listed on the Main Market of Bursa Securities on 23 July 2014. The status of the utilisation of the gross proceeds of RM25.228 million raised from the Public Issue as at 30 November 2015 is as follows:

Purpose	Proposed utilisation	Actual utilisation	Deviation	Balance	Estimated timeframe for utilisation (from the listing date)
	RM'000	RM'000	RM'000	RM'000	
(i) Establishment of applied learning centres	1,000	(134)	-	866	Within two (2) years
(ii) Part-financing of proposed acquisition of publishing businesses	17,500 [^]	(17,500)	-	-	Within two (2) years
(iii) Financing of the acquisition of intellectual property rights	1,000 ^{^^}	(1,000)	-	-	Within one (1) year
(iv) Working capital	2,728	(2,379)	(349)*	-	Within one (1) year
(v) Estimated listing expenses	3,000	(3,349)	349*	-	Upon Listing
Total gross proceeds	25,228	(24,362)	-	866	

Note: The utilisation of proceeds as disclosed above should be read in conjunction with Section 3.6 of the Prospectus of the Company dated 7 July 2014 and the Company's announcements dated 29 October 2014 and 7 August 2015.

[^] Revised as per the Company's announcements dated 29 October 2014 and 7 August 2015.

^{^^} Revised as per the Company's announcement dated 29 October 2014.

* The actual listing expenses incurred were more than the estimated listing expenses by RM0.349 million mainly due to higher than estimated professional fees, underwriting commission and placement fee. In accordance with Section 3.6 of the Prospectus of the Company dated 7 July 2014, the deficit was funded out of the portion allocated for working capital.



SASBADI HOLDINGS BERHAD (1022660-T)

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B8. Group Borrowings

Total Group borrowings as at 30 November 2015 were as follows:

	As at 30.11.2015 RM'000	As at 31.08.2015 RM'000
Non-current		
Finance lease liabilities	74	99
	74	99
Current		
Finance lease liabilities	99	99
Bank overdraft - secured	12,843	8,293
Bankers' acceptances - secured	4,596	941
	17,538	9,333
	17,612	9,432

The above borrowings are denominated in Ringgit Malaysia.

B9. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors do not have any knowledge of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group, as 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.

However, at our forthcoming Annual General Meeting, a final single tier dividend of two (2) sen per ordinary share of RM0.50 each in respect of the financial year ended 31 August 2015 will be tabled for shareholders' approval.



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B11. Earnings Per Share

(a) Basic Earnings Per Share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year-	Preceding Year-
	Quarter	Quarter	To-Date	To-Date
	30.11.2015	30.11.2014	30.11.2015	30.11.2014
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	2,032	1,648	2,032	1,648
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	127,000	127,000	127,000	127,000
Basic earnings per ordinary share (sen)	1.60	1.30	1.60	1.30

(b) Diluted Earnings Per Share

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue for the current financial quarter.

B12. Realised and Unrealised Profits / Losses Disclosure

The breakdown of the retained earnings of the Group as at the end of the current financial quarter into realised and unrealised profits / (losses) # is as follows:

	As at	As at
	30.11.2015	31.08.2015
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	72,783	70,661
- Unrealised	(5,578)	(5,488)
	67,205	65,173

Prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements as issued by the Malaysian Institute of Accountants on 20 December 2010.

By order of the Board
Kuala Lumpur
27 January 2016