



**SASBADI HOLDINGS BERHAD**  
 201201038178 (1022660-T)  
 Incorporated in Malaysia  
**SECOND QUARTER REPORT ENDED 28 FEBRUARY 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2023 <sup>(1)</sup>**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 28.02.2023 RM'000	Preceding Year Quarter 28.02.2022 RM'000	Current Year-To-Date 28.02.2023 RM'000	Preceding Year-To-Date 28.02.2022 RM'000
<b>Revenue</b>	31,676	23,537	50,166	32,950
Cost of sales	(17,277)	(12,878)	(28,447)	(19,948)
<b>Gross profit</b>	14,399	10,659	21,719	13,002
Other operating income	193	121	494	484
Distribution expenses	(1,809)	(1,633)	(3,434)	(3,041)
Administrative expenses	(3,533)	(3,135)	(6,807)	(6,033)
Other operating expenses	(764)	(833)	(1,341)	(1,523)
<b>Results from operating activities</b>	8,486	5,179	10,631	2,889
Finance income	3	3	6	19
Finance costs	(225)	(259)	(498)	(594)
<b>Profit before tax</b>	8,264	4,923	10,139	2,314
Taxation	(2,521)	(1,584)	(3,094)	(1,251)
<b>Net profit for the financial period</b>	5,743	3,339	7,045	1,063
<b>Other comprehensive income for the financial period, net of tax :</b>				
<b>Item that will not be reclassified subsequently to profit or loss</b>				
Revaluation of property, plant and equipment	4,975	-	4,975	-
<b>Item that is or may be reclassified subsequently to profit or loss</b>				
Fair value of equity investments through other comprehensive income	-	-	-	(5)
<b>Other comprehensive income for the financial period, net of tax</b>	4,975	-	4,975	(5)
<b>Total comprehensive income for the financial period</b>	10,718	3,339	12,020	1,058
<b>Net profit for the financial period attributable to:</b>				
- Owners of the Company	5,743	3,339	7,045	1,063
- Non-controlling interests	-	-	-	-
	5,743	3,339	7,045	1,063
<b>Total comprehensive income for the financial period attributable to:</b>				
- Owners of the Company	10,718	3,339	12,020	1,058
- Non-controlling interests	-	-	-	-
	10,718	3,339	12,020	1,058
<b>Earnings per share (sen) attributable to owners of the Company:</b>				
- Basic	1.35	0.79	1.66	0.25
- Diluted	1.34	0.79	1.65	0.25

**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.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2023 <sup>(1)</sup>**

	Unaudited As at 28.02.2023 RM'000	Audited As at 31.08.2022 RM'000
<b>ASSETS</b>		
Property, plant and equipment	43,645	37,230
Rights-of-use assets	548	713
Investment properties	2,294	2,320
Intangible assets	19,564	20,287
Other investments	37	37
Deferred tax assets	596	694
<b>Total non-current assets</b>	<b>66,684</b>	<b>61,281</b>
Inventories	66,835	64,785
Rights to recover returned goods	2,256	2,190
Contract costs	191	253
Trade and other receivables	51,498	35,536
Current tax assets	2,607	3,281
Prepayments	4,436	4,363
Cash and cash equivalents	8,703	10,378
<b>Total current assets</b>	<b>136,526</b>	<b>120,786</b>
<b>Total assets</b>	<b>203,210</b>	<b>182,067</b>
<b>EQUITY</b>		
Share capital	109,229	109,138
Treasury shares	(1)	(1)
Reserves	42,106	30,113
<b>Total equity</b>	<b>151,334</b>	<b>139,250</b>
<b>LIABILITIES</b>		
Loans and borrowings	1,471	1,359
Lease liabilities	427	358
Deferred tax liabilities	9,255	5,713
<b>Total non-current liabilities</b>	<b>11,153</b>	<b>7,430</b>
Loans and borrowings	15,930	10,863
Lease liabilities	174	419
Refund liabilities	4,335	4,266
Trade and other payables	19,673	19,009
Contract liabilities	611	830
<b>Total current liabilities</b>	<b>40,723</b>	<b>35,387</b>
<b>Total liabilities</b>	<b>51,876</b>	<b>42,817</b>
<b>Total equity and liabilities</b>	<b>203,210</b>	<b>182,067</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>0.36</b>	<b>0.33</b>

**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.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX (6) MONTHS ENDED 28 FEBRUARY 2023 <sup>(1)</sup>**

	<----- Non-distributable ----->						Distributable Retained earnings RM'000	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		
<b>At 1 September 2022</b>	109,138	(1)	705	(50,500)	(64)	18,356	61,616	139,250
<b>Total comprehensive income for the financial period</b>	-	-	-	-	-	4,975	7,045	12,020
<b>Transaction with owners of the Company</b>								
Expiry/Lapse of share options under ESOS	-	-	(214)	-	-	-	214	-
Ordinary shares issued pursuant to ESOS	91	-	(27)	-	-	-	-	64
<b>Total transactions with owners of the Company</b>	91	-	(241)	-	-	-	214	64
<b>At 28 February 2023</b>	109,229	(1)	464	(50,500)	(64)	23,331	68,875	151,334
<b>As at 1 September 2021</b>	109,073	(1)	246	(50,500)	(56)	18,356	60,770	137,888
<b>Total comprehensive loss for the financial period</b>	-	-	-	-	(5)	-	1,063	1,058
<b>Transaction with owners of the Company</b>								
Ordinary shares issued pursuant to ESOS	44	-	(13)	-	-	-	-	31
<b>Total transactions with owners of the Company</b>	44	-	(13)	-	-	-	-	31
<b>At 28 February 2022</b>	109,117	(1)	233	(50,500)	(61)	18,356	61,833	138,977

**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.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX (6) MONTHS ENDED 28 FEBRUARY 2023 <sup>(1)</sup>**

	Current Year-To-Date 28.02.2023 RM'000	Preceding Year-To-Date 28.02.2022 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	10,139	2,314
Adjustments for:		
Amortisation of intangible assets	707	710
Depreciation of property, plant and equipment	858	735
Depreciation of investment properties	26	26
Depreciation of rights-of-use assets	202	281
Dividend income	-	(1)
(Reversal of impairment)/Impairment loss on trade receivables	(117)	60
Gain on disposal of property, plant and equipment	(158)	(41)
Loss on disposal of other investments	-	1
Finance costs	498	594
Finance income	(6)	(19)
Operating profit before changes in working capital	12,149	4,660
Changes in inventories	(2,050)	(3,752)
Changes in rights to recover returned goods	(66)	(1,609)
Changes in contract costs	62	207
Changes in trade and other receivables and prepayments	(15,918)	(7,489)
Changes in refund liabilities	69	3,184
Changes in trade and other payables	680	1,180
Changes in contract liabilities	(219)	(648)
Cash used in operations	(5,293)	(4,267)
Tax paid	(351)	(867)
Interest paid	(423)	(434)
Interest received	6	19
Net cash used in operating activities	(6,061)	(5,549)
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	158	42
Proceeds from disposal of other investments	-	172
Dividend received from other investments	-	1
Acquisition of property, plant and equipment	(189)	(59)
Net cash (used in)/generated from investing activities	(31)	156

**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 SIX (6) MONTHS ENDED 28 FEBRUARY 2023 <sup>(1)</sup> (CONT'D)**

	<b>Current Year-To-Date 28.02.2023 RM'000</b>	<b>Preceding Year-To-Date 28.02.2022 RM'000</b>
<b>Cash flows from financing activities</b>		
Net drawdown of bankers' acceptances	250	3,405
Net repayment of finance lease liabilities	(128)	(23)
Net repayment of term loans	(198)	(2,769)
Net repayment of lease liabilities	(229)	(361)
Proceeds from issuance of shares pursuant to ESOS	64	31
Interest paid	(59)	(134)
Net cash (used in)/generated from financing activities	(300)	149
<b>Net decrease in cash and cash equivalents</b>	(6,392)	(5,244)
<b>Cash and cash equivalents at beginning of the financial period</b>	3,576	(1,723)
<b>Cash and cash equivalents at end of the financial period</b>	(2,816)	(6,967)

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

	<b>Current Year-To-Date 28.02.2023 RM'000</b>	<b>Preceding Year-To-Date 28.02.2022 RM'000</b>
Cash and bank balances	7,779	7,981
Deposit placed with a licensed bank	924	745
	8,703	8,726
Less : Deposits pledged	(778)	(1,131)
Bank overdrafts	(10,741)	(14,562)
	(2,816)	(6,967)

**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.



**SASBADI HOLDINGS BERHAD**

201201038178 (1022660-T)

Incorporated in Malaysia

**SECOND QUARTER REPORT ENDED 28 FEBRUARY 2023**

**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.

A revaluation of the Group’s properties was carried out during the current financial quarter. Revaluation surplus of RM4.975 million has been recognised in other comprehensive income and accumulated in equity under revaluation reserve.

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.



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

**A6. Debt and Equity Securities**

**Employees’ Share Option Scheme (“ESOS”)**

<b>Option Price</b>	<b>Note</b>	<b>Balance as at 1.9.2022</b>	<b>Granted</b>	<b>Exercised/ Lapsed</b>	<b>Balance exercisable as at 30.11.2022</b>
RM0.12	i	4,615,000	-	(4,615,000)	-
RM0.10	ii	11,850,000	-	(250,000)	11,600,000

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 year-to-date, 450,000 new ordinary shares were issued pursuant to the exercise of this ESOS. The remaining 4,165,000 unexercised options have expired on 16 February 2023.

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 year-to-date, 100,000 new ordinary shares were issued pursuant to the exercise of this ESOS and 150,000 ESOS lapsed due to resignation of employees.

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 year-to-date.





**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 2023**

	Print Publishing RM’000	Digital Solutions & Network Marketing * RM’000	ALP & STEM Education ^ RM’000	Inter- segment elimination RM’000	Total RM’000
<b>Revenue</b>	30,902	695	277	(198)	31,676
Cost of sales	(16,871)	(642)	(132)	368	(17,277)
Gross profit	14,031	53	145	170	14,399
<b>Add/(Less):</b>					
Other operating income					193
Distribution expenses					(1,809)
Administrative expenses					(3,533)
Other operating expenses					(764)
<b>Results from operating activities</b>					<b>8,486</b>

**Current financial year-to-date ended 28 February 2023**

	Print Publishing RM’000	Digital Solutions & Network Marketing * RM’000	ALP & STEM Education ^ RM’000	Inter- segment elimination RM’000	Total RM’000
<b>Revenue</b>	47,928	3,450	912	(2,124)	50,166
Cost of sales	(28,592)	(1,495)	(318)	1,958	(28,447)
Gross profit	19,336	1,955	594	(166)	21,719
<b>Add/(Less):</b>					
Other operating income					494
Distribution expenses					(3,434)
Administrative expenses					(6,807)
Other operating expenses					(1,341)
<b>Results from operating activities</b>					<b>10,631</b>



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

**A8. Segment Information (cont'd)**

**Preceding financial year's corresponding quarter ended 28 February 2022**

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

**Preceding financial year's corresponding year-to-date ended 28 February 2022**

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



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

**A9. Valuation of Property, Plant and Equipment**

A valuation of property, plant and equipment was carried out during the current financial quarter as disclosed in Note A4.

**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 at the end of the current financial quarter is as follows:

	<b>As at 28.2.2023 RM’000</b>	<b>As at 28.2.2022 RM’000</b>
Approved and contracted for	<u>538</u>	<u>-</u>

**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 28 February 2023.



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

**B1. Review of Performance**

**Current Quarter ended 28 February 2023 against Preceding Financial Year's Corresponding Quarter ended 28 February 2022**

The Group recorded a revenue of RM31.676 million for the current financial quarter as compared to RM23.537 million for the preceding financial year's corresponding quarter. This represents an increase of RM8.139 million (equivalent to 34.58%), mainly contributed by our Print Publishing Division.

The increase was mainly attributed to the strong sales of our academic publications for the new school academic year beginning in March 2023.

The Group recorded a profit before tax ("PBT") of RM8.264 million for the current financial quarter vis-à-vis a PBT of RM4.923 million for the preceding financial year's corresponding quarter, representing an increase of RM3.341 million (equivalent to 67.87%) mainly due to higher revenue achieved.

**Current Financial Year-to-Date ended 28 February 2023 against Preceding Financial Year's Corresponding Year-to-Date ended 28 February 2022**

The Group recorded a revenue of RM50.166 million for the current financial year-to-date as compared to RM32.950 million for the preceding financial year's corresponding year-to-date. This represents an increase of RM17.216 million (equivalent to 52.25%), mainly contributed by our Print Publishing Division.

The increase was mainly attributed to the strong sales of our academic publications and 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 supply of reprinted textbooks (BCS) to schools under the MoE.

The Group recorded a PBT of RM10.139 million for the current financial year-to-date vis-à-vis a PBT of RM2.314 million for the preceding financial year's corresponding year-to-date. This represents an increase of RM7.825 million (equivalent to 338.16%) mainly due to higher revenue achieved and contribution from the digital solutions.

**B2. Variation of Results for the Current Financial Quarter ended 28 February 2023 against the Immediate Preceding Financial Quarter**

	<b>Current Quarter 28.02.2023 RM'000</b>	<b>Preceding Quarter 30.11.2022 RM'000</b>	<b>Change RM'000</b>
Revenue	31,676	18,490	13,186
Profit Before Tax	<u>8,264</u>	<u>1,875</u>	6,389

The Group recorded a revenue of RM31.676 million for the current financial quarter as compared to RM18.490 million for the immediate preceding financial quarter, representing an increase of RM13.186 million (equivalent to 71.31%) due to the reasons mentioned above.

The Group recorded a PBT of RM8.264 million for the current financial quarter as compared to a PBT of RM1.875 million, representing an increase of RM6.389 million (equivalent to 340.75%), for the immediate preceding financial quarter, mainly due to the reasons mentioned above.



**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**

We are delighted to report that our Group's performance for the second financial quarter of FYE 31 August 2023 has returned to, even outperforming, pre-Covid-19 levels, proving to be our strongest quarter since the second financial quarter of FYE 31 August 2016. Year-on-year, our revenue increased by 34.58% to RM31.676 million from RM23.537 million, and our net profit increased by 72.00% to RM5.743 million from RM3.339 million. For the current financial year-to-date, revenue increased by 52.25% to RM50.166 million from RM32.950 million, whereas net profit rose by 562.75% to RM7.045 million from RM1.063 million as compared to the preceding year's financial year-to-date. This increase was largely attributed to the strong sales of our academic publications, notably Primary and Secondary school workbooks, due to schools returning to full swing. Furthermore, parents, teachers, and students continue to place their confidence and trust in Sasbadi's offerings versus other competing products, as our education solutions are swift to adopt the latest requirements (particularly *Ujian Akhir Sesi Akademik*, or UASA) whilst incorporating innovative elements that better aid students and teachers in learning and teaching respectively.

Moving forward, our Group will strive to maintain this positive momentum through several initiatives. On the print publishing segment, we will continue to produce quality product offerings that incorporate digital elements as we have come to realise that these hybrid publications are highly valued by our customers, besides serving as a key differentiator of our products. These digital elements are developed by our in-house digital team from the ground-up with zero outsourcing work, greatly reducing cost and time-to-market. Suffice to say, our Group is at the forefront of such hybrid publication products and will strive to maintain our lead through the continued development of innovative digital elements that are in-line with current digital education trends. It should be noted that revenues from these hybrid publications is partly attributed to our Group's digital capability. To increase the sales of these print publishing products, we have launched a three-pronged marketing campaign that targets students, teachers, and physical bookstores nationwide for Sasbadi's latest series of Primary and Secondary school guidebooks, the Masterclass 2023 series, leveraging on our strong network of sales personnel that covers the entirety of Malaysia. This campaign aims to spur sales via both traditional retail and online channels and is a strategy that we will continue to employ throughout FYE 31 August 2023 for future print publishing products.

Beyond print publishing, our Group is ramping up efforts to establish a stronger presence in the early childhood education segment. We have recently entered into an exclusive partnership with BOOKR Kids, an award-winning Edtech company from Europe, to distribute BOOKR Class in Malaysia. BOOKR Class is a CEFR-based digital platform which includes animated books, games, and other tools that have been designed to engage children in English learning in a fun and interactive way, and our Group is hopeful that this exciting product will be well received by Malaysian libraries, parents and children. Besides BOOKR Class, our Group is exploring other strategies to expand our repertoire of early childhood education products, including mergers and acquisitions. On 18 April 2023, the Group's wholly-owned subsidiary, Media Distribution Sdn. Bhd., has entered into a binding and effective Term Sheet to acquire a list of Intellectual Properties (IPs) from Integra Creative Media Sdn. Bhd., a publisher of children's books under the brand Oyez!Books. The proposed acquisition greatly expands the Group's repertoire of early childhood products and enhances our product offerings in the form of picture books that focuses on local Malaysia heritage. Upon the completion of the acquisition, Sasbadi will have an additional 310 titles in its possession and over 51 raw manuscripts that are yet to be published. Coupled with our Peapod Readers, 200 titles of CEFR-aligned readers by Collins from the United Kingdom, our Group's will be able to strengthen our early childhood education product offerings in a notable way for FYE 31 August 2023, priming us in a strategic position to tackle the early childhood education market head-on.

Overall, FYE 31 August 2023 has proven to be an exciting year for our Group. With our current future strategies in place, we aim to achieve higher growth through the diversification of product offerings that meet and exceed customer expectations. We will continue to monitor our risk management strategies, including cost control and cost optimization measures, which will 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.



**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 28.02.2023 RM'000	Preceding Year Quarter 28.02.2022 RM'000	Current Year-To-Date 28.02.2023 RM'000	Preceding Year-To-Date 28.02.2022 RM'000
Amortisation of intangible assets	350	354	707	710
Depreciation on property, plant and equipment	447	364	858	735
Depreciation on investment properties	13	13	26	26
Depreciation on rights-of-use assets	169	133	202	281
Dividend income	-	-	-	(1)
Gain on disposal of property, plant and equipment	(137)	(20)	(158)	(41)
(Reversal of impairment)/Impairment loss on trade receivables	(82)	(12)	(117)	60
Finance costs	225	259	498	594
Finance income	(3)	(3)	(6)	(19)
Realised foreign exchange loss	-	-	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 28.02.2023 RM'000	Preceding Year Quarter 28.02.2022 RM'000	Current Year-To-Date 28.02.2023 RM'000	Preceding Year-To-Date 28.02.2022 RM'000
<b>Current tax expense</b>				
Current period	1,009	(83)	1,025	105
<b>Deferred tax expense</b>				
Current period	1,512	1,667	2,069	1,146
	<u>2,521</u>	<u>1,584</u>	<u>3,094</u>	<u>1,251</u>

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.



**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

Proposed Acquisition of Intellectual Properties

On 18 April 2023, the Company's wholly-owned subsidiary, Media Distribution Sdn. Bhd. ("MDSB") entered into a binding and effective term sheet ("the Term Sheet") with Integra Creative Media Sdn. Bhd. to acquire the sole and exclusive right and license to produce and publish the list of publications and to further license the production and publication of the Works relating to early childhood publications and the mark "Oyez!Books" (collectively referred as the "Intellectual Properties") at the purchase price of RM1,000,000 subject to the terms and conditions contained in the Term Sheet. The purchase consideration is to be settled by way of RM700,000 in cash and 300,000 shares at RM1.00 per share to be issued in MDSB. These new shares will rank pari passu with other existing shares in MDSB.

The proposal is currently pending fulfilment of the conditions precedent as set out in the Term Sheet.

Save as disclosed above, there is no corporate proposal announced but not completed at the date of this report.

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 2023 were as follows:

	As at 28.02.2023 RM'000	As at 31.08.2022 RM'000
<b>Non-current</b>		
Finance lease liabilities	360	38
Term loans - secured	1,111	1,321
	<hr/> 1,471	<hr/> 1,359
<b>Current</b>		
Finance lease liabilities	112	24
Term loans - secured	416	404
Bank overdrafts - secured	10,741	6,024
Bankers' acceptances - secured	4,661	4,411
	<hr/> 15,930	<hr/> 10,863
	<hr/> 17,401	<hr/> 12,222

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**

On 18 April 2023, the Board of Directors of the Company has declared and approved the payment of an interim single tier dividend of RM0.005 per ordinary share in respect of the financial year ending 31 August 2023. The interim dividend will be paid on 30 May 2023 to shareholders registered in the Record of Depositors as at 16 May 2023.





**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 28.02.2023 RM'000	Preceding Year Quarter 28.02.2022 RM'000	Current Year-To-Date 28.02.2023 RM'000	Preceding Year-To-Date 28.02.2022 RM'000
Net profit attributable to owners of the Company	5,743	3,339	7,045	1,063
Weighted average number of ordinary shares in issue ('000)	424,802	424,436	424,702	424,394
Basic earnings per ordinary share (sen)	1.35	0.79	1.66	0.25

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 28.02.2023 RM'000	Preceding Year Quarter 28.02.2022 RM'000	Current Year-To-Date 28.02.2023 RM'000	Preceding Year-To-Date 28.02.2022 RM'000
Net profit attributable to owners of the Company	5,743	3,339	7,045	1,063
Weighted average number of ordinary shares in issue ('000)	424,802	424,436	424,702	424,394
Effect of dilution due to ESOS ('000)	2,256	648	1,421	946
Adjusted weighted average number of ordinary shares ('000)	427,058	425,084	426,123	425,340
Diluted earnings per ordinary share (sen)	1.34	0.79	1.65	0.25

**B12. Derivative Financial Instruments**

The Group did not enter into any derivative financial instruments which were outstanding as at 28 February 2023.

By order of the Board  
Kuala Lumpur  
18 April 2023