



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 MAY 2023 <sup>(1)</sup>**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.05.2023 RM'000	Preceding Year Quarter 31.05.2022 RM'000	Current Year-To-Date 31.05.2023 RM'000	Preceding Year-To-Date 31.05.2022 RM'000
<b>Revenue</b>	29,402	19,372	79,568	52,322
Cost of sales	(17,668)	(11,674)	(46,115)	(31,622)
<b>Gross profit</b>	11,734	7,698	33,453	20,700
Other operating income	644	684	1,138	1,168
Distribution expenses	(1,670)	(1,735)	(5,104)	(4,776)
Administrative expenses	(3,551)	(3,438)	(10,358)	(9,471)
Other operating expenses	(682)	(594)	(2,023)	(2,117)
<b>Results from operating activities</b>	6,475	2,615	17,106	5,504
Finance income	14	2	20	21
Finance costs	(232)	(256)	(730)	(850)
<b>Profit before tax</b>	6,257	2,361	16,396	4,675
Taxation	(1,644)	(331)	(4,738)	(1,582)
<b>Net profit for the financial period</b>	4,613	2,030	11,658	3,093
<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	-
<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	(5)
<b>Total comprehensive income for the financial period</b>	4,613	2,030	16,633	3,088
<b>Net profit for the financial period attributable to:</b>				
- Owners of the Company	4,613	2,030	11,658	3,093
- Non-controlling interests	-	-	-	-
	4,613	2,030	11,658	3,093
<b>Total comprehensive income for the financial period attributable to:</b>				
- Owners of the Company	4,613	2,030	16,633	3,088
- Non-controlling interests	-	-	-	-
	4,613	2,030	16,633	3,088
<b>Earnings per share (sen) attributable to owners of the Company:</b>				
- Basic	1.07	0.48	2.73	0.73
- Diluted	1.07	0.48	2.73	0.72

**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 31 MAY 2023 <sup>(1)</sup>**

	Unaudited As at 31.05.2023 RM'000	Audited As at 31.08.2022 RM'000
<b>ASSETS</b>		
Property, plant and equipment	44,636	37,230
Rights-of-use assets	450	713
Investment properties	2,281	2,320
Intangible assets	19,209	20,287
Other investments	37	37
Deferred tax assets	586	694
<b>Total non-current assets</b>	<b>67,199</b>	<b>61,281</b>
Inventories	65,780	64,785
Rights to recover returned goods	1,593	2,190
Contract costs	156	253
Trade and other receivables	40,559	35,536
Current tax assets	1,610	3,281
Prepayments	5,249	4,363
Cash and cash equivalents	11,528	10,378
<b>Total current assets</b>	<b>126,475</b>	<b>120,786</b>
<b>Total assets</b>	<b>193,674</b>	<b>182,067</b>
<b>EQUITY</b>		
Share capital	110,113	109,138
Treasury shares	(1)	(1)
Reserves	44,312	30,113
<b>Total equity</b>	<b>154,424</b>	<b>139,250</b>
<b>LIABILITIES</b>		
Loans and borrowings	1,453	1,359
Lease liabilities	413	358
Deferred tax liabilities	9,390	5,713
<b>Total non-current liabilities</b>	<b>11,256</b>	<b>7,430</b>
Loans and borrowings	6,482	10,863
Lease liabilities	83	419
Refund liabilities	2,981	4,266
Trade and other payables	17,935	19,009
Contract liabilities	513	830
<b>Total current liabilities</b>	<b>27,994</b>	<b>35,387</b>
<b>Total liabilities</b>	<b>39,250</b>	<b>42,817</b>
<b>Total equity and liabilities</b>	<b>193,674</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 NINE (9) MONTHS ENDED 31 MAY 2023 <sup>(1)</sup>**

	<----- 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	
<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	11,658	16,633
<b>Transaction with owners of the Company</b>								
Dividends issued	-	-	-	-	-	-	(2,154)	(2,154)
Expiry/Lapse of share options under ESOS	-	-	(216)	-	-	-	216	-
Ordinary shares issued pursuant to ESOS	975	-	(280)	-	-	-	-	695
<b>Total transactions with owners of the Company</b>	975	-	(496)	-	-	-	(1,938)	(1,459)
<b>At 31 May 2023</b>	110,113	(1)	209	(50,500)	(64)	23,331	71,336	154,424
<b>As at 1 September 2021</b>	109,073	(1)	246	(50,500)	(56)	18,356	60,770	137,888
<b>Total comprehensive income for the financial period</b>	-	-	-	-	(5)	-	3,093	3,088
<b>Transaction with owners of the Company</b>								
Ordinary shares issued pursuant to ESOS	58	-	(17)	-	-	-	-	41
Share options vested under ESOS	-	-	480	-	-	-	-	480
<b>Total transactions with owners of the Company</b>	58	-	463	-	-	-	-	521
<b>At 31 May 2022</b>	109,131	(1)	709	(50,500)	(61)	18,356	63,863	141,497

**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 NINE (9) MONTHS ENDED 31 MAY 2023 <sup>(1)</sup>**

	Current Year-To-Date 31.05.2023 RM'000	Preceding Year-To-Date 31.05.2022 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	16,396	4,675
Adjustments for:		
Amortisation of intangible assets	1,063	1,066
Depreciation of property, plant and equipment	1,288	1,081
Depreciation of investment properties	39	39
Depreciation of rights-of-use assets	304	374
Dividend income	-	(1)
Write-off of property, plant and equipment	19	-
Reversal of impairment loss on trade receivables	(615)	(565)
Gain on disposal of property, plant and equipment	(253)	(65)
Loss on disposal of other investments	-	1
Share options vested under ESOS	-	480
Finance costs	730	850
Finance income	(20)	(21)
Operating profit before changes in working capital	18,951	7,914
Changes in inventories	(995)	(6,429)
Changes in rights to recover returned goods	597	(1,032)
Changes in contract costs	97	286
Changes in trade and other receivables and prepayments	(6,063)	5,403
Changes in refund liabilities	(1,285)	1,993
Changes in trade and other payables	(1,059)	672
Changes in contract liabilities	(317)	(872)
Cash used in operations	9,926	7,935
Tax paid	(853)	(889)
Interest paid	(615)	(636)
Interest received	20	21
Net cash generated from operating activities	8,478	6,431
<b>Cash flows from investing activities</b>		
Change in pledged deposits	-	386
Proceeds from disposal of property, plant and equipment	273	65
Proceeds from disposal of other investments	-	172
Dividend received from other investments	-	1
Acquisition of property, plant and equipment	(858)	(72)
Net cash (used in)/generated from investing activities	(585)	552

**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 NINE (9) MONTHS ENDED 31 MAY 2023 <sup>(1)</sup> (CONT'D)**

	<b>Current Year-To-Date 31.05.2023 RM'000</b>	<b>Preceding Year-To-Date 31.05.2022 RM'000</b>
<b>Cash flows from financing activities</b>		
Net drawdown of bankers' acceptances	1,479	3,074
Net repayment of finance lease liabilities	(2)	(32)
Net repayment of term loans	(300)	(3,821)
Net repayment of lease liabilities	(344)	(490)
Proceeds from issuance of shares pursuant to ESOS	695	41
Dividends paid	(2,154)	-
Interest paid	(93)	(177)
Net cash used in financing activities	<u>(719)</u>	<u>(1,405)</u>
<b>Net increase in cash and cash equivalents</b>	7,174	5,578
<b>Cash and cash equivalents at beginning of the financial period</b>	<u>3,576</u>	<u>(1,723)</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u>10,750</u>	<u>3,855</u>

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

	<b>Current Year-To-Date 31.05.2023 RM'000</b>	<b>Preceding Year-To-Date 31.05.2022 RM'000</b>
Cash and bank balances	10,604	10,115
Deposit placed with a licensed bank	924	745
	<u>11,528</u>	<u>10,860</u>
Less : Deposits pledged	(778)	(745)
Bank overdrafts	-	(6,260)
	<u>10,750</u>	<u>3,855</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 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*
- Amendments to MFRS 7, *Financial Instruments: Disclosures* and MFRS 107, *Statement of Cash Flows – Supplier Finance Arrangements*

***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.



**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 in January 2023. 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 31.05.2023</b>
RM0.12	(i)	4,615,000	-	(4,615,000)	-
RM0.10	(ii)	11,850,000	-	(6,620,000)	5,230,000

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, 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, 6,420,000 new ordinary shares were issued pursuant to the exercise of this ESOS and 200,000 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**

On 30 May 2023, the Company paid an interim single tier dividend of RM0.005 per ordinary share in respect of the financial year ending 31 August 2023.





**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 31 May 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>	28,157	852	1,251	(858)	29,402
Cost of sales	(16,935)	(724)	(435)	426	(17,668)
Gross profit	11,222	128	816	(432)	11,734
<b>Add/(Less):</b>					
Other operating income					644
Distribution expenses					(1,670)
Administrative expenses					(3,551)
Other operating expenses					(682)
<b>Results from operating activities</b>					<u>6,475</u>

**Current financial year-to-date ended 31 May 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>	76,085	4,302	2,163	(2,982)	79,568
Cost of sales	(45,527)	(2,219)	(753)	2,384	(46,115)
Gross profit	30,558	2,083	1,410	(598)	33,453
<b>Add/(Less):</b>					
Other operating income					1,138
Distribution expenses					(5,104)
Administrative expenses					(10,358)
Other operating expenses					(2,023)
<b>Results from operating activities</b>					<u>17,106</u>



**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 31 May 2022**

	Print Publishing RM’000	Digital Solutions & Network Marketing * RM’000	ALP & STEM Education ^ RM’000	Inter-segment elimination RM’000	Total RM’000
Revenue	18,630	1,050	239	(547)	19,372
Cost of sales	(11,295)	(791)	(135)	547	(11,674)
Gross profit	7,335	259	104	-	7,698
<b>Add/(Less):</b>					
Other operating income					684
Distribution expenses					(1,735)
Administrative expenses					(3,438)
Other operating expenses					(594)
<b>Results from operating activities</b>					<b>2,615</b>

**Preceding financial year’s corresponding year-to-date ended 31 May 2022**

	Print Publishing RM’000	Digital Solutions & Network Marketing * RM’000	ALP & STEM Education ^ RM’000	Inter-segment elimination RM’000	Total RM’000
Revenue	49,597	3,086	715	(1,076)	52,322
Cost of sales	(30,018)	(2,268)	(335)	999	(31,622)
Gross profit	19,579	818	380	(77)	20,700
<b>Add/(Less):</b>					
Other operating income					1,168
Distribution expenses					(4,776)
Administrative expenses					(9,471)
Other operating expenses					(2,117)
<b>Results from operating activities</b>					<b>5,504</b>

**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 in January 2023 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**

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 2022.

**Contingent Assets**

The Group does not have any material contingent assets as at 31 May 2023.



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

**B1. Review of Performance**

**Current Quarter ended 31 May 2023 against Preceding Financial Year's Corresponding Quarter ended 31 May 2022**

The Group recorded a revenue of RM29.402 million for the current financial quarter as compared to RM19.372 million for the preceding financial year's corresponding quarter. This represents an increase of RM10.030 million (equivalent to 51.78%), 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 which began in March 2023.

The Group recorded a profit before tax ("PBT") of RM6.257 million for the current financial quarter vis-à-vis a PBT of RM2.361 million for the preceding financial year's corresponding quarter, representing an increase of RM3.896 million (equivalent to 165.01%) mainly due to higher revenue achieved.

**Current Financial Year-to-Date ended 31 May 2023 against Preceding Financial Year's Corresponding Year-to-Date ended 31 May 2022**

The Group recorded a revenue of RM79.568 million for the current financial year-to-date as compared to RM52.322 million for the preceding financial year's corresponding year-to-date. This represents an increase of RM27.246 million (equivalent to 52.07%), 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 RM16.396 million for the current financial year-to-date vis-à-vis a PBT of RM4.675 million for the preceding financial year's corresponding year-to-date. This represents an increase of RM11.721 million (equivalent to 250.72%) mainly due to higher revenue achieved as mentioned above and higher contribution from the digital solutions.

**B2. Variation of Results for the Current Financial Quarter ended 31 May 2023 against the Immediate Preceding Financial Quarter**

	<b>Current Quarter 31.05.2023 RM'000</b>	<b>Preceding Quarter 28.02.2023 RM'000</b>	<b>Change RM'000</b>
Revenue	29,402	31,676	(2,274)
Profit Before Tax	<u>6,257</u>	<u>8,264</u>	(2,007)

The Group recorded a revenue of RM29.402 million for the current financial quarter as compared to RM31.676 million for the immediate preceding financial quarter, representing a decrease of RM2.274 million (equivalent to 7.18%). The higher revenue in the immediate preceding financial quarter was attributed to the higher sales of our academic books in conjunction with the start of the new academic school year in March 2023.

Similarly, the Group recorded a PBT of RM6.257 million for the current financial quarter as compared to a PBT of RM8.264 million, representing a decrease of RM2.007 million (equivalent to 24.29%), for the immediate preceding financial quarter, mainly due to lower revenue achieved.



**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**

Continuing from our stellar second financial quarter ("Q2"), our Group's third financial quarter ("Q3") of FYE 31 August 2023 also performed favourably, outperforming pre-Covid-19 levels to register as our second strongest quarter since Q3 of FYE 31 August 2018 (the strongest being Q2 of FYE 31 August 2023). Year-on-year, our revenue increased by 51.78% to RM29.402 million from RM19.372 million, whereas our net profit rose by 127.24% to RM4.613 million from RM2.030 million. For the current financial year-to-date, revenue increased by 52.07% to RM79.568 million from RM52.322 million, whereas net profit surged by 276.92% to RM11.658 million from RM3.093 million as compared to the preceding year's financial year-to-date. This robust performance was largely attributed to encouraging demand for Sasbadi's product offerings as we further cement ourselves as the preferred academic solutions provider for students, teachers, and parents across Malaysia. This, in large, is due to the Group's capabilities of producing quality and competitive academic publications enhanced with digital and desirable elements (hybrid academic publications) that are highly sought after by our customers, besides being fully aligned with the latest requirements of the national curriculum.

Moving forward, we will strive to grow our market share in the academic space by developing and delivering hybrid academic publications that are innovative and beyond traditional print. The academic landscape is experiencing a gradual shift towards digital, and our Group is cognizant of the transformation that is needed for our academic publications to remain competitive and relevant. This goes beyond just including digital elements into books due to necessity; careful thought must be placed to ensure that our products enhance the teaching/learning experience in accordance with the intricacies of each subject and topic, an area which our Group has developed significant expertise in over the years. With strong demand for our products, our Group is also proud to share that we possess robust logistics and supply chain management solutions to handle the quick turnaround of high-volume sales on a timely basis, without obstructing the smooth flow of the teaching and learning processes in schools. This is not only our Group's competitive strength, but also a critical success factor for our market share gain.

To spur the retail sales of our academic publications, our Group has entered a strategic partnership with Shopee, the leading e-commerce platform in Southeast Asia & Taiwan, with Shopee committing up to RM50 million from 1 July 2023 until 29 February 2024 to assist students in purchasing Sasbadi publications on the Shopee platform. This commitment is carried out via RM20 New User (no minimum spend) and RM10 Existing User (RM20 minimum spend) cash vouchers that can be used to redeem products available at Sasbadi's Official Shopee Store only. Besides assisting the less fortunate and underserved community, our Group intends to secure additional revenue via this partnership through marketing initiatives that target schools across Malaysia. Coupled with the Group's strong school sales, we believe these initiatives will strengthen our retail sales in a notable way to spur further growth for the fourth quarter ("Q4") of FYE 31 August 2023 and beyond.

On 11 April 2023, our Group had entered an exclusive partnership with BOOKR Kids, an award-winning Edtech company from Europe, to distribute BOOKR Class in Malaysia. In Q4 of FYE 31 August 2023, our Group has ramped up efforts to market BOOKR Class in Malaysia through various channels. Besides mobilising our sales team that spans the entire nation to create inroads for BOOKR Class into public and private schools, the Group has appointed a local public library contractor as the sole distributor for the public library channel. Thus far, BOOKR Class has been well received by schools and public libraries, and we will put added emphasis on generating awareness for the home market (B2C) as we move forward. On a separate note, our Group had announced on 18 April 2023 regarding the proposed acquisition of a list of Intellectual Properties ("IPs") from Integra Creative Media Sdn Bhd, a publisher of children's books under the brand Oyez!Books, which is still pending completion. It is our Group's plan to carry out mergers & acquisitions ("M&As") to spur inorganic growth to improve core earnings, serving as a key strategy for Q4 of FYE 31 August 2023 and beyond.

Overall, FYE 31 August 2023 has, thus far, been a strong 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 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 31.05.2023 RM'000	Preceding Year Quarter 31.05.2022 RM'000	Current Year-To-Date 31.05.2023 RM'000	Preceding Year-To-Date 31.05.2022 RM'000
Amortisation of intangible assets	356	356	1,063	1,066
Depreciation on property, plant and equipment	430	346	1,288	1,081
Depreciation on investment properties	13	13	39	39
Depreciation on rights-of-use assets	102	93	304	374
Dividend income	-	-	-	(1)
Gain on disposal of property, plant and equipment	(95)	(24)	(253)	(65)
Write-off of property, plant and equipment	19	-	19	-
Loss on disposal of other investments	-	1	-	1
Share options vested under ESOS	-	480	-	480
Reversal of impairment loss on trade receivables	(498)	(625)	(615)	(565)
Finance costs	232	256	730	850
Finance income	(14)	(2)	(20)	(21)
Realised foreign exchange loss	33	1	38	2

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 31.05.2023 RM'000	Preceding Year Quarter 31.05.2022 RM'000	Current Year-To-Date 31.05.2023 RM'000	Preceding Year-To-Date 31.05.2022 RM'000
<b>Current tax expense</b>				
Current period	1,507	(61)	2,532	44
Prior period	(8)	(215)	(8)	(215)
	1,499	(276)	2,524	(171)
<b>Deferred tax expense</b>				
Current period	145	607	2,214	1,753
	1,644	331	4,738	1,582

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. ("ICMSB") 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 new 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 and on 17 July 2023, both MDSB and ICMSB have mutually agreed to extend the deadline of fulfilment from 17 July 2023 to 17 October 2023.

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 31 May 2023 were as follows:

	As at 31.05.2023 RM'000	As at 31.08.2022 RM'000
<b>Non-current</b>		
Finance lease liabilities	446	38
Term loans - secured	1,007	1,321
	<u>1,453</u>	<u>1,359</u>
<b>Current</b>		
Finance lease liabilities	174	24
Term loans - secured	418	404
Bank overdrafts - secured	-	6,024
Bankers' acceptances - secured	5,890	4,411
	<u>6,482</u>	<u>10,863</u>
	<u>7,935</u>	<u>12,222</u>

The above borrowings are denominated in Ringgit Malaysia.

**B9. Material Litigation**

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

**B10. Dividend**

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 was 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 31.05.2023 RM'000	Preceding Year Quarter 31.05.2022 RM'000	Current Year-To-Date 31.05.2023 RM'000	Preceding Year-To-Date 31.05.2022 RM'000
Net profit attributable to owners of the Company	4,613	2,030	11,658	3,093
Weighted average number of ordinary shares in issue ('000)	429,355	424,485	426,253	424,424
Basic earnings per ordinary share (sen)	1.07	0.48	2.73	0.73

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 31.05.2023 RM'000	Preceding Year Quarter 31.05.2022 RM'000	Current Year-To-Date 31.05.2023 RM'000	Preceding Year-To-Date 31.05.2022 RM'000
Net profit attributable to owners of the Company	4,613	2,030	11,658	3,093
Weighted average number of ordinary shares in issue ('000)	429,355	424,485	426,253	424,424
Effect of dilution due to ESOS ('000)	2,277	2,606	1,383	3,177
Adjusted weighted average number of ordinary shares ('000)	431,632	427,091	427,636	427,601
Diluted earnings per ordinary share (sen)	1.07	0.48	2.73	0.72

**B12. Derivative Financial Instruments**

The Group did not enter into any derivative financial instruments which were outstanding as at 31 May 2023.

By order of the Board  
Kuala Lumpur  
26 July 2023