


SASBADI HOLDINGS BERHAD

201201038178 (1022660-T)

Incorporated in Malaysia

FIRST QUARTER REPORT ENDED 30 NOVEMBER 2021
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2021 ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.11.2021 RM'000	Preceding Year Quarter 30.11.2020 RM'000	Current Year-To-Date 30.11.2021 RM'000	Preceding Year-To-Date 30.11.2020 RM'000
Revenue	9,413	14,487	9,413	14,487
Cost of sales	(7,070)	(8,764)	(7,070)	(8,764)
Gross profit	2,343	5,723	2,343	5,723
Other operating income	363	382	363	382
Distribution expenses	(1,408)	(1,473)	(1,408)	(1,473)
Administrative expenses	(2,898)	(2,882)	(2,898)	(2,882)
Other operating expenses	(690)	(909)	(690)	(909)
Results from operating activities	(2,290)	841	(2,290)	841
Finance income	16	2	16	2
Finance costs	(335)	(567)	(335)	(567)
(Loss)/Profit before tax	(2,609)	276	(2,609)	276
Taxation	333	(138)	333	(138)
Net (loss)/profit for the financial period	(2,276)	138	(2,276)	138
Other comprehensive (loss)/income for the financial period, net of tax :				
Item that is or may be reclassified subsequently to profit or loss				
Fair value of equity investments through other comprehensive income	(5)	3	(5)	3
Other comprehensive (loss)/income for the financial period, net of tax	(5)	3	(5)	3
Total comprehensive (loss)/profit for the financial period	(2,281)	141	(2,281)	141
Net (loss)/profit for the financial period attributable to:				
- Owners of the Company	(2,276)	138	(2,276)	138
- Non-controlling interests	-	-	-	-
	(2,276)	138	(2,276)	138
Total comprehensive (loss)/profit for the financial period attributable to:				
- Owners of the Company	(2,281)	141	(2,281)	141
- Non-controlling interests	-	-	-	-
	(2,281)	141	(2,281)	141
(Loss)/Profit per share (sen) attributable to owners of the Company:				
- Basic	(0.54)	0.03	(0.54)	0.03
- Diluted	(0.54)	0.03	(0.54)	0.03

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements of Sasbadi Holdings Berhad ("the Company") for the financial year ended 31 August 2021 and the accompanying explanatory notes attached to these interim financial statements.


SASBADI HOLDINGS BERHAD

201201038178 (1022660-T)

Incorporated in Malaysia

FIRST QUARTER REPORT ENDED 30 NOVEMBER 2021
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2021 ⁽¹⁾

	Unaudited As at 30.11.2021 RM'000	Audited As at 31.08.2021 RM'000
ASSETS		
Property, plant and equipment	37,983	38,324
Rights-of-use assets	920	1,068
Investment properties	2,360	2,373
Intangible assets	21,353	21,709
Other investments	210	215
Deferred tax assets	1,075	1,115
Total non-current assets	63,901	64,804
Inventories	66,266	58,530
Rights to recover returned goods	827	990
Contract costs	455	579
Trade and other receivables	31,910	39,311
Current tax assets	3,133	2,613
Prepayments	4,293	4,516
Cash and cash equivalents	12,945	8,184
Total current assets	119,829	114,723
Total assets	183,730	179,527
EQUITY		
Share capital	109,117	109,073
Treasury shares	(1)	(1)
Reserves	26,522	28,816
Total equity	135,638	137,888
LIABILITIES		
Loans and borrowings	1,680	2,215
Lease liabilities	452	674
Deferred tax liabilities	4,693	5,254
Total non-current liabilities	6,825	8,143
Loans and borrowings	22,276	15,276
Lease liabilities	609	561
Refund liabilities	1,546	1,876
Trade and other payables	15,394	13,942
Contract liabilities	1,442	1,841
Total current liabilities	41,267	33,496
Total liabilities	48,092	41,639
Total equity and liabilities	183,730	179,527
Net assets per share attributable to owners of the Company (RM)	0.32	0.33

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2021 and the accompanying explanatory notes attached to these interim financial statements.



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FIRST QUARTER REPORT ENDED 30 NOVEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE (3) MONTHS ENDED 30 NOVEMBER 2021 ⁽¹⁾

	<----- Non-distributable ----->						Distributable	
	Share capital	Treasury shares	Share Options reserve	Merger deficit	Fair value reserve	Revaluation reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 September 2021	109,073	(1)	246	(50,500)	(56)	18,356	60,770	137,888
Total comprehensive loss for the financial period	-	-	-	-	(5)	-	(2,276)	(2,281)
Transaction with owners of the Company								
Ordinary shares issued pursuant to ESOS	44	-	(13)	-	-	-	-	31
Total transactions with owners of the Company	44	-	(13)	-	-	-	-	31
At 30 November 2021	109,117	(1)	233	(50,500)	(61)	18,356	58,494	135,638
As at 1 September 2020	108,210	(1)	400	(50,500)	(44)	22,174	65,803	146,042
Total comprehensive loss for the financial period	-	-	-	-	3	-	138	141
At 30 November 2020	108,210	(1)	400	(50,500)	(41)	22,174	65,941	146,183

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2021 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE (3) MONTHS ENDED 30 NOVEMBER 2021 ⁽¹⁾

	Current Year-To-Date 30.11.2021 RM'000	Preceding Year-To-Date 30.11.2020 RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(2,609)	276
Adjustments for:		
Amortisation of intangible assets	356	354
Depreciation of property, plant and equipment	371	455
Depreciation of investment properties	13	13
Depreciation of rights-of-use assets	148	235
Dividend income	(1)	(1)
Provision of inventories write-down	-	271
Impairment loss on trade receivables	72	-
Gain on disposal of property, plant and equipment	(21)	-
Finance costs	335	567
Finance income	(16)	(2)
Operating (loss)/profit before changes in working capital	(1,352)	2,168
Changes in inventories	(7,736)	(2,929)
Changes in rights to recover returned goods	163	176
Changes in contract costs	124	52
Changes in trade and other receivables and prepayments	7,552	(121)
Changes in refund liabilities	(330)	(338)
Changes in trade and other payables	1,452	5,810
Changes in contract liabilities	(399)	(145)
Cash (used in)/generated from operations	(526)	4,673
Tax paid	(708)	(525)
Tax refunded	-	310
Interest paid	(245)	(373)
Interest received	16	2
Net cash (used in)/generated from operating activities	(1,463)	4,087
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	21	-
Dividend received from other investments	1	1
Acquisition of property, plant and equipment	(30)	(20)
Net cash (used in)/generated from investing activities	(8)	(19)

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2021 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE (3) MONTHS ENDED 30 NOVEMBER 2021 ⁽¹⁾ (CONT'D)

	Current Year-To-Date 30.11.2021 RM'000	Preceding Year-To-Date 30.11.2020 RM'000
Cash flows from financing activities		
Net drawdown/(repayment) of bankers' acceptances	5,213	(4,064)
Net repayment of finance lease liabilities	(11)	(158)
Net repayment of term loans	(1,718)	(681)
Net repayment of lease liabilities	(188)	(134)
Proceeds from issuance of shares pursuant to ESOS	31	-
Interest paid	(76)	(167)
Net cash generated from/(used in) financing activities	3,251	(5,204)
Net increase/(decrease) in cash and cash equivalents	1,780	(1,136)
Cash and cash equivalents at beginning of the financial period	(1,722)	(12,495)
Cash and cash equivalents at end of the financial period	58	(13,631)

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

	Current Year-To-Date 30.11.2021 RM'000	Preceding Year-To-Date 30.11.2020 RM'000
Cash and bank balances	12,200	6,734
Deposit placed with a licensed bank	745	745
	12,945	7,479
Less : Deposits pledged	(1,130)	(631)
Bank overdrafts	(11,757)	(20,479)
	58	(13,631)

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2021 and the accompanying explanatory notes attached to these interim financial statements.

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

A1. Accounting Policies and Basis of Preparation

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

These interim financial statements should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2021 and the accompanying explanatory notes attached to these interim financial statements.

These interim financial statements provide an explanation of significant events and transactions that contributed to the changes in the financial position and performance of the Company and its subsidiaries (“the Group”) since the financial year ended 31 August 2021.

The significant accounting policies and methods of computation applied in these unaudited condensed interim financial statements are consistent with those adopted for the Audited Financial Statements of the Company for the financial year ended 31 August 2021, except for the following accounting standards, amendments and interpretations that have been issued by the MASB but have not been adopted by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

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

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

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

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

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

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

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FIRST QUARTER REPORT ENDED 30 NOVEMBER 2021

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

The Auditors’ Reports on the financial statements of the Company and its subsidiaries for the financial year ended 31 August 2021 were not qualified.

A3. Seasonality or Cyclicity of Operations

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

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

A4. Unusual Items Affecting the Financial Statements

The deferment of the new academic year from January to March 2022 has affected the business operations of the Group where the book orders were also delayed from the first quarter to the second quarter of the financial year ending 31 August 2022, impacting our usual seasonality pattern.

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

A5. Changes in Estimates

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

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

During the current financial quarter, 260,000 new ordinary shares were issued pursuant to the exercise of the ESOS. As at the end of the current financial quarter, a total of 5,335,000 options granted have been exercised.

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

A7. Dividend Paid

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

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

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

Current financial quarter/year-to-date ended 30 November 2021

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

Preceding financial year's corresponding quarter/year-to-date ended 30 November 2020

	Print Publishing RM'000	Digital & Network Marketing * RM'000	ALP & STEM Education ^ RM'000	Inter-segment elimination RM'000	Total RM'000
Revenue	13,209	1,276	679	(677)	14,487
Cost of sales	(8,085)	(991)	(185)	497	(8,764)
Gross profit	5,124	285	494	(180)	5,723
Add/(Less):					
Other operating income					382
Distribution expenses					(1,473)
Administrative expenses					(2,882)
Other operating expenses					(909)
Results from operating activities					<u>841</u>

Notes:

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

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



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

A9. Valuation of Property, Plant and Equipment

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

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

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

A11. Effects of Changes in Composition of the Group

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

A12. Capital Commitments

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

A13. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

There were no material changes in the Group's contingent liabilities since the last audited statement of financial position as at 31 August 2021.

Contingent Assets

The Group does not have any material contingent assets as at 30 November 2021.

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

B1. Review of Performance

Current Quarter ended 30 November 2021 against Preceding Financial Year's Corresponding Quarter ended 30 November 2020

The Group recorded a revenue of RM9.413 million for the current financial quarter as compared to RM14.487 million for the preceding financial year's corresponding quarter. This represents a decrease of RM5.074 million (equivalent to 35.02%), affected by our Print Publishing Division, which showed a decrease of RM4.541 million and ALP & STEM Education Division of RM0.468 million.

The decrease in the contribution from the Print Publishing Division was due to the deferment of the school new academic year to March 2022 as mentioned in Note A4, resulting in a delay of book orders as anticipated. The decrease in the ALP & STEM Education Division was mainly due to the reduced demand for our products arising from the continuous closure of schools and robotics training centres arising from the COVID-19 during the first half of the current financial quarter.

The Group recorded a loss before tax ("LBT") of RM2.609 million for the current financial quarter vis-à-vis a profit before tax ("PBT") of RM0.276 million for the preceding financial year's corresponding quarter. This represents a higher loss of RM2.885 million due to lower revenue achieved whilst fixed costs continue to be incurred.

B2. Variation of Results for the Current Financial Quarter ended 30 November 2021 against the Immediate Preceding Financial Quarter

	Current Quarter 30.11.2021 RM'000	Preceding Quarter 31.08.2021 RM'000	Change RM'000
Revenue	9,413	8,913	500
Loss Before Tax	<u>(2,609)</u>	<u>(17,668)</u>	15,059

The Group recorded a revenue of RM9.413 million for the current financial quarter as compared to RM8.913 million for the immediate preceding financial quarter, representing an increase of RM0.500 million (equivalent to 5.61%).

The slight increase in revenue was due to the recovering operations of the Group during the current financial period where we were previously affected by the nationwide lockdown from June to early August 2021, which led to lower revenue.

Similarly, the Group recorded a LBT of RM2.609 million for the current financial quarter as compared to a LBT of RM17.668 million (equivalent to 85.23%) for the immediate preceding financial quarter mainly due to the impairments made for inventories and goodwill as well as higher expenses incurred in the immediate preceding financial quarter.

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B3. Group's Prospects for the financial year ending ("FYE") 31 August 2022**

The detrimental effects of the COVID-19 pandemic had affected our Group's performance in the first financial quarter for FYE 31 August 2022, notably by the sluggish performance of the retail sector and closures of schools. In addition, our first financial quarter, which is usually higher seasonally, had been largely impacted by the delay of the reopening of the new academic year to March 2022 as announced by the Ministry of Education ("MoE"). Our Group had anticipated this, and consequently have been experiencing a pickup in demand for our educational products over the second financial quarter for FYE 31 August 2022 due to this delay. Notwithstanding unforeseen circumstances, our Group also anticipates this demand to spill over into the third financial quarter for FYE 31 August 2022. As such, we remain cautiously optimistic of our prospects for FYE 31 August 2022, further supported by the resumption of economic activities due to impressive vaccination progress and the reopening of schools that is anticipated to ramp up as the nation's COVID-19 pandemic situation improves over time.

As part of the school reopening plan, the MoE also announced an extension period during the months of January and February 2022 to enhance the readiness of students who are advancing to the next academic year. We believe that this extension period would create additional demand for our educational solutions, notably our hybrid print publishing products that combine conventional print media and digital solutions, which have been well-received in the 2021 academic year. In response, our Group is in the midst of launching a special academic series titled *Modul Aktiviti Setara Standard* targeting Standard 1 to 5 students designed specifically to assist both teachers and students during this crucial period and beyond.

Over the course of the pandemic, the nation has seen the importance of incorporating digital elements into our education solutions, as teachers and students nationwide were forced to conduct teaching and learning remotely. As such, the Education sector has been identified as one of the key sectors-in-focus within the Malaysia Digital Economy Blueprint, with a core target for all schools to adopt digital solutions and technology in their delivery of education by 2025, and within the Twelfth Malaysian Plan ("12MP") 2021-2025, with a key objective to improve the country's education system via the enhancement of digital education. With our extensive experience in developing the various digital education solutions for the Malaysian market, we are optimistic in capitalising on these initiatives by the government to accelerate the digitalisation of Malaysia's education system and sector.

Moving forward, we aim to expand our market share through our offerings of products that can meet diverse demands. We will continue to monitor our risk management strategies, including cost reduction measures and liquidity management, which would benefit the Group as we strengthen our economies of scale and financial position. All things considered, our Group remains cautiously optimistic of our prospects for FYE 31 August 2022 despite these challenging times.

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)
B4. Variance of Profit Forecast

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

B5. Notes to the Statement of Comprehensive Income

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.11.2021 RM'000	Preceding Year Quarter 30.11.2020 RM'000	Current Year-To-Date 30.11.2021 RM'000	Preceding Year-To-Date 30.11.2020 RM'000
Amortisation of intangible assets	356	354	356	354
Depreciation on property, plant and equipment	371	455	371	455
Depreciation on investment properties	13	13	13	13
Depreciation on rights-of-use assets	148	235	148	235
Dividend income	(1)	(1)	(1)	(1)
Gain on disposal of property, plant and equipment	(21)	-	(21)	-
Impairment loss on trade receivables	72	-	72	-
Provision of inventories write-down included in cost of sales	-	271	-	271
Finance costs	335	567	335	567
Finance income	(16)	(2)	(16)	(2)
Realised foreign exchange loss	1	-	1	-

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

B6. Income Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.11.2021 RM'000	Preceding Year Quarter 30.11.2020 RM'000	Current Year-To-Date 30.11.2021 RM'000	Preceding Year-To-Date 30.11.2020 RM'000
Current tax expense				
Current period	188	69	188	69
Deferred tax expense				
Current period	(521)	69	(521)	69
	(333)	138	(333)	138

The effective tax rate for the current financial quarter is lower than the statutory tax rate of 24% mainly due to lower taxable income.



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

B7. Status of Corporate Proposals and Utilisation of Proceeds

i) Status of Corporate Proposals

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

Proposed Private Placement

On 14 September 2020, the Company has announced that it will undertake a private placement of up to 42,909,850 new ordinary shares in Sasbadi Holdings Berhad ("Placement Shares"), representing ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company, at an issue price to be determined and announced later ("Proposed Private Placement"). Bursa Securities has, vide its letter dated 18 September 2020, approved the listing of and quotation for the Placement Shares subject to the certain conditions. Subsequently, Bursa Securities had, vide its letters dated 10 March 2021 and 13 September 2021, approved extensions of time of six (6) months until 17 March 2022 for the Company to complete the Proposed Private Placement.

ii) Utilisation of Proceeds

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

B8. Loans and Borrowings

The Group's loans and borrowings as at 30 November 2021 were as follows:

	As at 30.11.2021 RM'000	As at 31.08.2021 RM'000
Non-current		
Finance lease liabilities	57	66
Term loans - secured	1,623	2,149
	<u>1,680</u>	<u>2,215</u>
Current		
Finance lease liabilities	38	40
Term loans - secured	3,259	4,451
Bank overdrafts - secured	11,757	8,776
Bankers' acceptances - secured	7,222	2,009
	<u>22,276</u>	<u>15,276</u>
	<u>23,956</u>	<u>17,491</u>

The above borrowings are denominated in Ringgit Malaysia.

B9. Material Litigation

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

B10. Dividend

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



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

B11. Earnings Per Share ("EPS")

i) Basic Earnings Per Share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.11.2021 RM'000	Preceding Year Quarter 30.11.2020 RM'000	Current Year-To-Date 30.11.2021 RM'000	Preceding Year-To-Date 30.11.2020 RM'000
Net loss attributable to owners of the Company	(2,276)	138	(2,276)	138
Weighted average number of ordinary shares in issue ('000)	424,352	419,099	424,352	419,099
Basic loss per ordinary share (sen)	(0.54)	0.03	(0.54)	0.03

ii) Diluted Earnings Per Share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.11.2021 RM'000	Preceding Year Quarter 30.11.2020 RM'000	Current Year-To-Date 30.11.2021 RM'000	Preceding Year-To-Date 30.11.2020 RM'000
Net loss attributable to owners of the Company	(2,276)	138	(2,276)	138
Weighted average number of ordinary shares in issue ('000)	424,352	419,099	424,352	419,099
Effect of dilution due to ESOS ('000)	1,115	-	1,115	-
Adjusted weighted average number of ordinary shares ('000)	425,467	419,099	425,467	419,099
Diluted loss per ordinary share (sen)	(0.54)	0.03	(0.54)	0.03

Diluted EPS is equivalent to the basic EPS as the share options had an anti-dilutive effect on the basic EPS and the Group has no other instruments with potential dilutive effects as at the end of the financial period.

B12. Derivative Financial Instruments

The Group did not enter into any derivative financial instruments which were outstanding as at 30 November 2021.

By order of the Board
Kuala Lumpur
25 January 2022