



2023
ANNUAL REPORT

NURTURING
STUDENTS FOR
TOMORROW,
TODAY



Education Solutions Provider
since 1985

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Corporate Information

■ BOARD OF DIRECTORS

Dato' Salleh Bin Mohd Husein

Independent Non-Executive Chairman

Law King Hui

Group Managing Director

Lee Swee Hang

Executive Director

Law En Ruey

Executive Director

Law Yi Chian

Executive Director

Dato' Noor Rezan Binti Bapoo Hashim

Senior Independent Non-Executive Director

Tang Yuen Kin

Independent Non-Executive Director

Datu Dr Rashidah Binti Bolhassan

Independent Non-Executive Director

■ AUDIT COMMITTEE

Tang Yuen Kin (**Chairman**)

Dato' Noor Rezan Binti Bapoo Hashim

Datu Dr Rashidah Binti Bolhassan

■ NOMINATION COMMITTEE

Dato' Noor Rezan Binti Bapoo Hashim (**Chairman**)

Tang Yuen Kin

Datu Dr Rashidah Binti Bolhassan

■ REMUNERATION COMMITTEE

Tang Yuen Kin (**Chairman**)

Dato' Noor Rezan Binti Bapoo Hashim

Datu Dr Rashidah Binti Bolhassan

■ COMPANY SECRETARY

Tan Fong Shian @ Lim Fong Shian

(SSM PC No. 201908004045) (MAICSA 7023187)

Lim Fei Chia

(SSM PC No. 202008000515) (MAICSA 7036158)

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Email: archer@archer.com.my

■ HEAD OFFICE

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Kota Damansara

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Selangor Darul Ehsan

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■ SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony

No. 5, Jalan Professor Khoo Kay Kim

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46200 Petaling Jaya

Selangor Darul Ehsan

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360, Jalan Tuanku Abdul Rahman

50100 Kuala Lumpur

Federal Territory of Kuala Lumpur

Tel: (603) 2616 2888

Fax: (603) 2616 3191

■ PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad

Alliance Islamic Bank Malaysia Berhad

AmBank Islamic Berhad

Malayan Banking Berhad

■ STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Sector: Telecommunications & Media

Stock Name: SASBADI

Stock Code: 5252



Sasbadi at a Glance



1985



Sasbadi was incorporated with the sole purpose of being an educational print publisher.

2023



Sasbadi has evolved into a provider of diverse education solutions that nurtures 21st century skills.



To be a total education solutions provider by evolving to meet the dynamic demands of the 21st century.

VISION

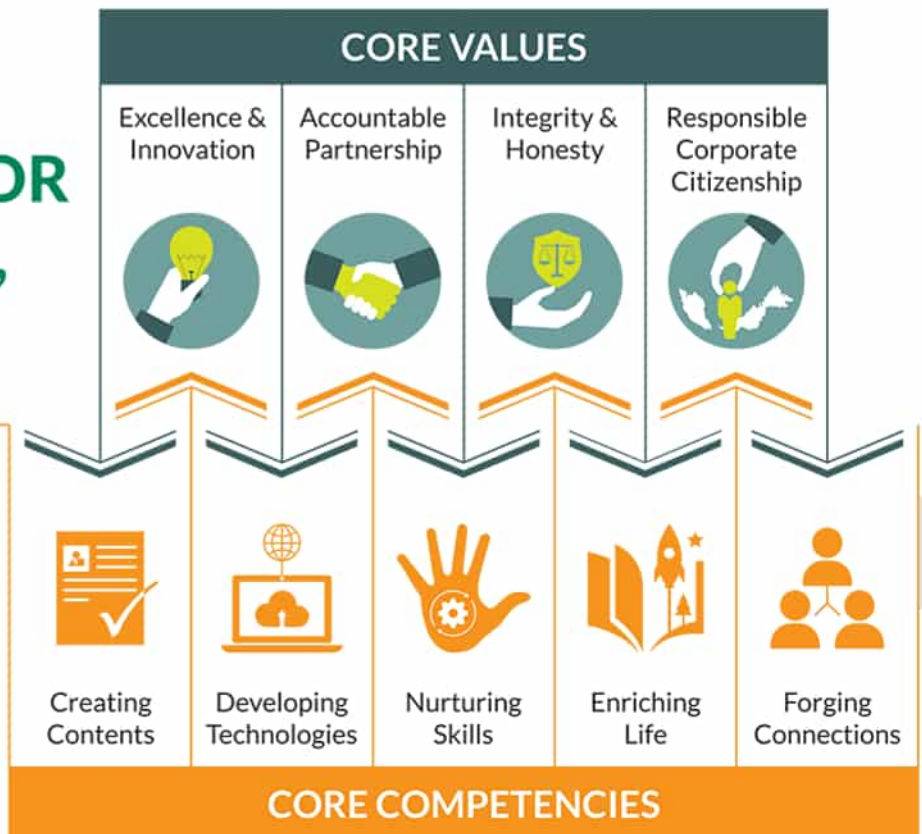


1. Create value through product innovations
2. To be the top education solutions provider
3. To be a high-impact strategic partner in education

MISSION

NURTURING STUDENTS FOR TOMORROW, TODAY

Sasbadi's core values and competencies go hand-in-hand in steering its current and future business strategies.



Sasbadi at a Glance

Sasbadi's diverse suite of solutions cater to students, teachers, and parents from preschool to tertiary levels and beyond.

SASBADI'S OPERATING SEGMENTS



Print Publishing

- Academic Books
- Non-Academic Books
- Early Childhood Education



Digital Solutions & Network Marketing

- Digital Education Solutions and Services
- Network Marketing



ALP & STEM Education

- STEM Solutions
- Robotics Competitions

FYE 31 AUGUST 2023 FINANCIAL SNAPSHOT

Revenue

RM96.142 million
2022: RM69.034 million

Net Profit

RM10.168 million
2022: RM0.841 million

Earnings Per Share

2.38 sen
2022: 0.20 sen

NOTABLE AWARDS SINCE 2016



**Shopee Super Awards
2023: Super Strategic
Partner Award**
Awarded to Sasbadi Holdings
Berhad



**Anugerah Buku Malaysia
Ke-2 2023 and Anugerah
Buku Malaysia 2020 by the
Malaysian Book Publishers
Association ("MABOPA")**
Awarded to Sasbadi Sdn Bhd,
Big Tree Publications Sdn Bhd,
Maya Press Sdn Bhd,
The Malaya Press Sdn Bhd



**Most Outstanding
Malaysian Brand 2019**
Awarded to Sasbadi Holdings
Berhad



**Industry Excellence Award
2019, Gold Winner for
STEM Education, by the
Institution of Engineering
and Technology ("IET")**
Awarded to Sasbadi Learning
Solutions Sdn Bhd



**Best Under Billion Awards
2017 by Focus Malaysia:
Best in Online Presence**
Awarded to Sasbadi Holdings
Berhad



**The BrandLaureate Great
Entrepreneur Brand Icon
Leadership Award 2016**
Awarded to Mr Law King Hui,
Group Managing Director of
Sasbadi Holdings Berhad



Our Significant Milestones

1985



SASBADI

- Incorporation of Sasbadi Sdn Bhd ("Sasbadi") and commencement of operations

1987



- Publication of our first Textbook 'Bahasa Malaysia KBSM Tingkatan 1'

2005

- Launched 'Total eDictionary', our first generation electronic dictionary
- Secured the rights as sole distributor and partner of LEGO® Education for Brunei and Malaysia
- Organised our first Malaysia Robot Olympiad (now known as National Robotics Competition)®

LEGO education



2002

- Incorporation of Maya Press Sdn Bhd as an imprint for general titles for Sasbadi



MAYA PRESS

2011

- Incorporation of Sasbadi Online Sdn Bhd ("Sasbadi Online") and launched the first online teaching product, Penjana Pentaksiran Instan
- Launched our digital Learning Engagement Platform, i-LEARN Ace



2012

- Co-organised the World Robot Olympiad 2012 with the Government of Malaysia in Kuala Lumpur
- Incorporation of Sasbadi Holdings Berhad ("Sasbadi Holdings")



2014

- Debuted on the Main Market of Bursa Malaysia as a Public Listed Company
- Sasbadi Online was appointed as the National Science Challenge ("NSC") preliminary level online system developer and smart partner
- Incorporation of MBP Publications Sdn Bhd ("MBP") and Sasbadi Learning Solutions Sdn Bhd ("Sasbadi Learning")
- Acquired Intellectual Property ("IP") for teacher education segment from Penerbitan Multimedia Sdn Bhd



2015

- Acquired 70% of Sanjung Unggul Sdn Bhd and its subsidiaries ("Sanjung Unggul Group")
- Celebrated Sasbadi's 30th Anniversary
- Incorporation of MindTech Education Sdn Bhd ("MindTech Education")



2016

- Obtained direct sales license from the Ministry of Domestic Trade, Co-operatives and Consumerism for MindTech Education
- Acquired United Publishing House (M) Sdn Bhd ("UPH"), Distinct Motion Sdn Bhd, and their respective subsidiaries
- Signed a Memorandum of Agreement ("MoA") with the University of Malaya to collaborate on research and product development of robotics in Science, Technology, Engineering and Mathematics ("STEM") education



Our Significant Milestones

2023

- Collaborated with the Ministry of Education to provide free i-LEARN Ace access to all SPM 2022 candidates
- Partnered with Shopee to help students purchase Sasbadi educational materials through up to RM50 million cash equivalent Shopee vouchers
- Became an exclusive partner of BOOKR Kids, an award-winning Edtech company from Europe, to market the BOOKR Class digital library in Malaysia
- Proposed acquisition of Oyez!Books, a local imprint of children picture books that showcases the local Malaysian heritage (pending completion)



2021

- Corporate Social Responsibility Initiatives:
 - Collaborated with Huawei and TM ONE to provide SPM 2020 candidates free access to i-LEARN Ace from December 2020 until March 2021
 - Hosted a series of 21 webinars named BONGKAR SPM which covered 13 SPM subjects for Form 4 and 5 students to attend free of charge



2020

- Signed a Memorandum of Collaboration ("MoC") with Huawei Technologies (Malaysia) Sdn Bhd ("Huawei") to develop intelligent solutions to empower teachers and students
- Obtained the official endorsement from the Ministry of Higher Learning to accept Linguaskill as a CEFR English entrance assessment for diploma and degree courses in Private Higher Education Institutions ("IPTS") in Malaysia
- Partnered with HarperCollins Publishers Limited to co-develop audio reading technology for a series of readers for young learners, and lead its distribution in Malaysia, Singapore and Brunei



2019

- Signed an agreement with Cambridge Assessment English as the preferred partner for Linguaskill in Malaysia
- Signed an agreement with NYC English as the Exclusive Partner for NYC English products in Malaysia



2018

- Acquired Pinko Creative Sdn Bhd as a wholly-owned subsidiary of UPH
- Launched our digital Learning Engagement Platform for young learners, i-LEARN Ace Junior



2017

- Acquired the remaining 30% of Sanjung Unggul Group
- Launched the Professional Robotics Skills Certificate with the University of Malaya during the National Robotics Competition 2017
- Signed an agreement with Marshall Cavendish Education Pte for the exclusive right to promote, market, advertise, sell and distribute MCE-published titles in Malaysia





Our Core Competencies

The strengths of Sasbadi Group are anchored on these five strategic competencies which drive the Group's missions and vision.



Creating Contents

At Sasbadi, our central focus is on creating exceptional educational content. We engage exhaustively with experienced writers and teachers for our academic publications, striving to provide top-notch content that supports the academic journey of primary and secondary school students in Malaysia.



Beyond academic publications, our content caters to diverse interests and age groups. For children, our supplementary materials encompass a rich variety, including fiction and non-fiction titles, comics, illustrated storybooks, and globally recognized works by award-winning authors. Similarly, in the realm of adult literature, we contribute to the local literary scene by publishing novels, short stories, poems, biographies, and young adult literature by Malaysian writers.

Our pride lies in the adaptability of our content, shaped over the years to meet evolving educational needs, including the production of digital education solutions and technology-enabled blended learning products.



Developing Technologies

At Sasbadi, we aspire to lead in education technology, recognising the opportunities presented by the Malaysia Digital Economy Blueprint. We strategically allocate significant resources to continuously develop cutting-edge technologies and digital classroom solutions. Our in-house team, comprising programmers, designers, and engineers, collaborate to create a suite of digital solutions, including mobile applications and cloud-based platforms.



Striving to enhance the learning experience, we integrate innovations such as Augmented Reality ("AR") and gamified features into our publications. i-LEARN Ace, our mobile-learning platform for Year 1 to Form 5 students, represents our commitment to providing accessible and effective digital learning solutions. Our printed publications are also enhanced with desirable digital elements (known as hybrid publications) that deliver a teaching and learning experience beyond traditional print. In this digital era, we leverage technology as a powerful enabler to facilitate dynamic and ubiquitous learning.



Our Core Competencies

Nurturing Skills

Since 2005, Sasbadi has been a strategic partner to the Ministry of Education Malaysia ("MoE") in advocating for STEM ("Science, Technology, Engineering, and Mathematics") education. Our commitment involves nurturing the younger generation to become future thinkers, creators, and innovators. We actively encourage the development of critical skills such as critical thinking, creative thinking, communication, and collaboration.

In partnership with LEGO® Education, a global brand, we provide engaging tools and platforms for hands-on learning through robotics and programming. In collaboration with the MoE, Sasbadi organises annual robotics competitions including the National Robotics Competition ("NRC"), National Robotics Open Competition ("NROC"), FIRST LEGO League ("FLL") Malaysia, and FIRST LEGO League Junior ("FLL Jr.") Malaysia, creating platforms for showcasing talent and fostering innovation.



Enriching Life

Sasbadi is committed to facilitating lifelong learning for individuals of all ages, recognising the crucial role continuous learning plays in today's knowledge-based economy. Our diverse offerings cater to both young learners and adults.

In 2019, we expanded our portfolio to include personal upskilling products, offering practical and effective English learning solutions tailored for job seekers and working adults. Recognising the pivotal role of English proficiency, we collaborated with global experts in language education to provide unique and effective English learning programs.

Sasbadi is a Preferred Partner for Linguaskill by Cambridge Assessment English and an exclusive partner for NYC English products in Malaysia.

Linguaskill

from Cambridge



Forging Connections

Collaboration stands as a cornerstone in Sasbadi's strategy to deliver value to customers and stakeholders. To enhance personal engagement, we founded MindTech Education, our network marketing division, providing a personal touch in delivering educational solutions across Malaysia.

Recognising the diversity in cultural backgrounds, accessibility levels, and experiences, we understand that education solutions should be customisable and personalised. MindTech Education actively works to close gaps in education by making our digital education solution, i-LEARN Ace, highly accessible and affordable for all. Our ethos centers around fostering innovation, inclusiveness, and equity to make learning happen, reflecting our commitment to forging meaningful connections in education.

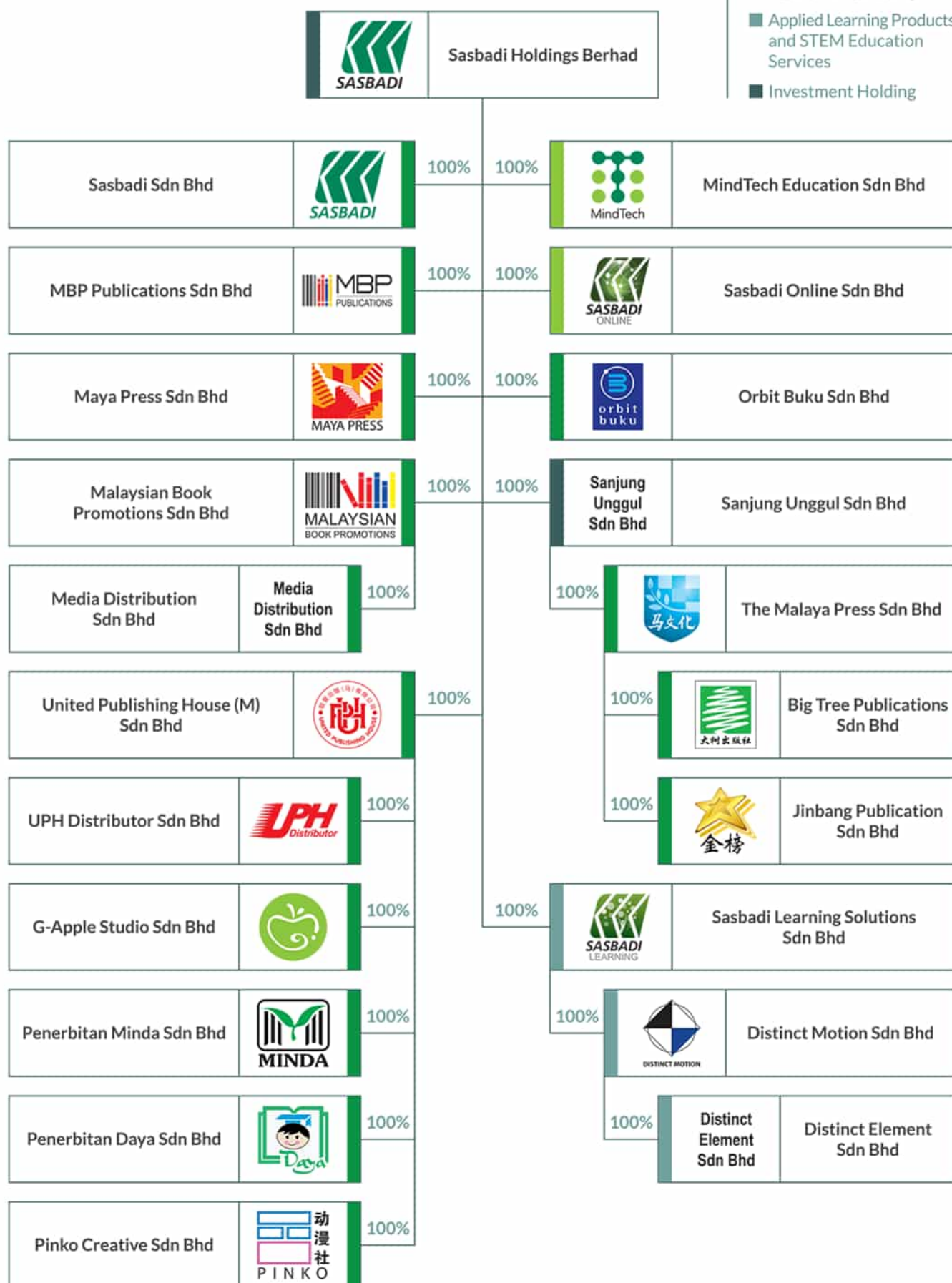




Group of Companies

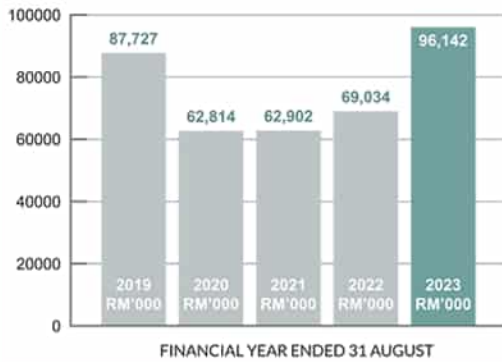
Operating Segment:

- Print Publishing
- Digital Solutions and Network Marketing
- Applied Learning Products and STEM Education Services
- Investment Holding

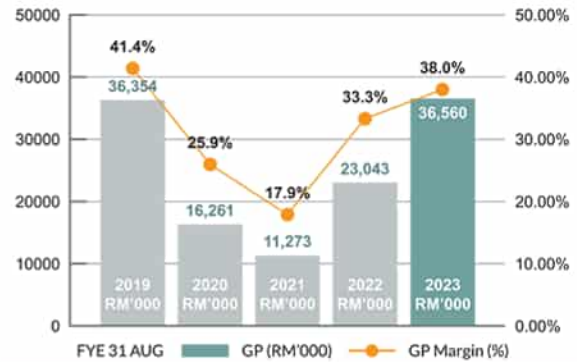


Financial Highlights

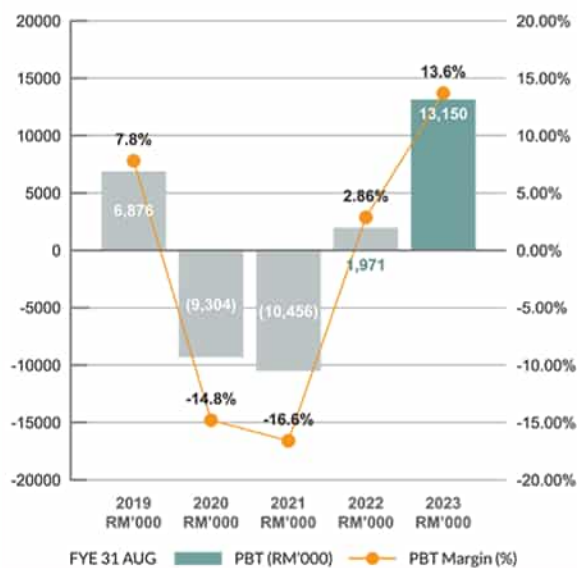
Revenue



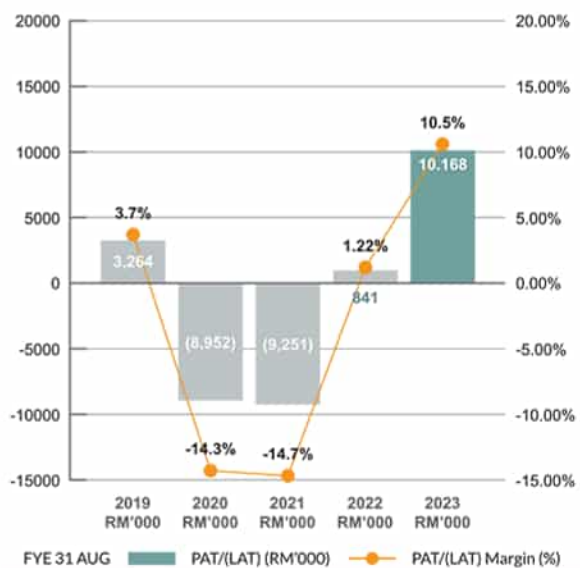
Gross Profit ("GP")



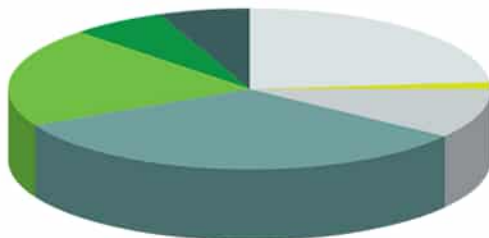
Profit/(Loss) before Tax ("PBT/(LBT)")



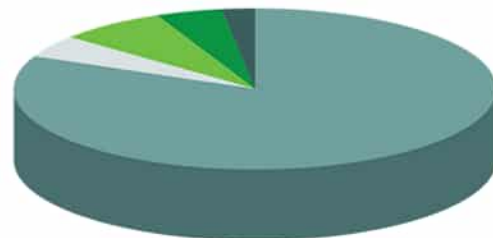
Net Profit/(Loss) After Tax ("PAT/(LAT)")



Assets As at 31 August 2023 (RM'000)



Equity and Liabilities As at 31 August 2023 (RM'000)



Property, plant and equipment	RM44,599 (23.8%)
Investment properties	RM2,268 (1.2%)
Intangible assets	RM18,853 (10.1%)
Inventories	RM61,021 (32.6%)
Trade and other receivables	RM37,429 (20.0%)
Cash and cash equivalents	RM11,640 (6.2%)
Other assets	RM11,530 (6.1%)

Shareholders' equity	RM153,126 (81.7%)
Loans and borrowings	RM8,626 (4.6%)
Trade and other payables	RM13,283 (7.1%)
Deferred tax liabilities	RM8,619 (4.6%)
Other liabilities	RM3,686 (2.0%)



Message to Shareholders

Law King Hui
Group Managing Director

Dato' Salleh Bin Mohd Husein
Independent Non-Executive Chairman

Dear shareholders,

We take great pride in reporting that FYE 31 August 2023 has been our best performing financial year since FYE 31 August 2017 (in terms of net profit). It is also a pivotal financial year as we managed to achieve the highest full-year revenue ever recorded in Sasbadi's history. With that said, we believe there is much more opportunities for the Group to grow and expand, and we will be firmly guided by this as we navigate into FYE 31 August 2024 and beyond.

Message to Shareholders

For FYE 31 August 2023, our Print Publication Segment continues to be the largest contributor to the Group's financials as our strong suite of product offerings covering Primary, Secondary, and Tertiary levels remain the go-to for teachers and students. Sasbadi's print publications are powered by digital elements, known as hybrid academic publications, that perfectly cater to the academic landscape's shift towards digital, solidifying as some of the most competitive publications in the market. They are up to date with the latest requirements of the national curriculum and possess an unparalleled quality supported by Sasbadi's 38-year-old branding. With increased demand for Sasbadi products, in order not to obstruct the smooth flow of the teaching and learning processes in schools, our Group's robust logistics and supply chain management solutions to turnaround high-volume sales on a timely basis served as a critical success factor to our market share gain. Besides, our Group still assumes an active role in the textbook publication space as we had clinched two (2) contracts (Package 3 – Peninsula Malaysia and Package 5 – Peninsula Malaysia) from the Ministry of Education ("MoE") on 11 October 2022 to supply reprinted textbooks ("BCS") to schools under the MoE for the period from 2022 to 2024 with a total contract value of RM14.363 million.

EARNINGS PER SHARE

2.38 sen



DIVIDEND PER SHARE

0.75 sen

On behalf of the Board of Directors ("the Board") of Sasbadi Holdings Berhad ("Sasbadi Holdings", "Sasbadi", or "Group"), it is our pleasure to present to you Sasbadi's Annual Report for the financial year ended ("FYE") 31 August 2023.

Overview

Since our inception in 1985, Sasbadi Holdings Berhad has been guided by a crystal-clear mission: to be the leading education solutions provider in Malaysia. Throughout our illustrious journey, we have served millions upon millions of customers across two generations, emerging as a household name in the education landscape that resonates fondly with the young and old. We are proud to share that even after close to four (4) decades of operations, our Group continues to reach new heights, firmly guided by our unwavering commitment to our mission; FYE 31 August 2023 is one such pivotal moment, as we have not only fully recovered from the adverse effects of the pandemic but managed to achieve the highest full-year revenue ever recorded since our inception. This outstanding achievement is attributed to our ability to make swift responses even in the face of adversity, further asserting the competitive advantages our Group has garnered over its 38 years of existence.

FYE 31 August 2023 performance has firmly cemented itself as a significant milestone for Sasbadi, and we are poised to capitalise on future opportunities backed by nearly four decades of experience.

Message to Shareholders

On the digital front, a significant portion of revenue was generated through government contracts. Our Group managed to clinch two (2) contracts from the MoE on 11 October 2022 to supply and deliver market-ready digital solutions in line with the Common European Framework of Reference for Languages ("CEFR") Year 1 and Year 3 for the school session usage from 2023 with a total contract value of RM2.238 million, serving as a testament to the Group's completely in-house digital capabilities which we have been developing for over a decade. Our Group remains committed to strengthen our digital expertise to enable us to respond swiftly to rapidly changing digital education needs, and we are proud that our tireless efforts have borne fruit in FYE 31 August 2023.

Overall, our Group's performance for FYE 31 August 2023 has not only showcased Sasbadi's business resilience but also our unrivalled competitiveness within the Malaysian education landscape.

Prospects

Our Group acknowledges our strong footing in the academic print publication space, and looking ahead, we are cognizant that heightened growth must be achieved through fresh sources of revenue. A key strategy to achieve this for FYE 31

August 2024 and beyond is through Mergers & Acquisitions ("M&As") that strategically fill niches which our Group has little/no market presence in. By acquiring the right companies, our Group can swiftly launch into new business segments with significant market share whilst improving the acquired companies' financial performance by leveraging on our Group's competitive advantages.

On the topic of new business segments, our Group has been setting our sights on the early childhood education ("ECE") segment in FYE 31 August 2023 and will continue to do so for FYE 2024 and beyond. The Group intends to tap into the huge growth potential of Malaysia's ECE segment by offering ECE classroom solutions of the highest standard that provide a form of standardisation across kindergartens whilst ensuring specific learning goals are met. Besides that, our Group has already expanded our repertoire of ECE products suited for the home market ("B2C") in FYE 31 August 2023, forming a strong foundation for our Group to be a formidable player in the ECE segment in Malaysia.

Our Group also anticipates an uptake in digital revenue for FYE 31 August 2024 and onwards. We have won several contracts from the MoE in FYE 31 August 2023 for the supply and delivery of market-ready digital solutions, and we are hopeful that our Group will be able to capitalise on similar opportunities

Sasbadi Printed Publications



Message to Shareholders



Sasbadi Digital Solutions

in tandem with the launch of the Digital Education Policy ("DEP") by the MoE recently. Notably, in the first quarter of FYE 31 August 2024, we have successfully clinched a contract from the MoE on 4 September 2023 for supplying and delivering market-ready digital solutions in line with the CEFR Year 5 for the school session usage from 2024 at a contract value of RM0.487 million, and another contract from the MoE on 29 September 2023 for the service of testing the English language proficiency level of English teachers for the MoE at a contract value of RM0.285 million.

Overall, our Group believes there is still much more room for us to grow and expand. We will focus on diversifying our product offerings to achieve higher growth whilst upholding the quality synonymous with the Sasbadi brand that our customers have come to trust. We will continue to monitor our risk management strategies, including cost reduction and cost optimisation 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 2024 and beyond.

Offer of Options Under Employees' Share Option Scheme ("ESOS")

During FYE 31 August 2022, in appreciation of our team and as a form of motivation for our employees to strive for greater results, the Group had offered a total of 12,000,000 options at an exercise price of RM0.10 each to its eligible employees under the ESOS. As at the end of the FYE 31 August 2023, a total of 8,470,000 options granted under this scheme have been exercised. The ESOS is exercisable until its expiry on 9 March 2024.

Appreciation

Our heartfelt thanks to our fellow Board members who have provided us invaluable guidance to tread through difficult times. Without your insight, Sasbadi would not be what it is today. Our sincerest appreciations go to the management team and employees of Sasbadi who have worked tirelessly to keep us at the forefront of our nation's education landscape. To our business associates, we thank you for your continued support and the confidence you place in us. We managed to achieve new heights thanks to all of you, and we will strive to achieve greater success in the years to come.



Management Discussion and Analysis

Chan Yuet Leng
Group Chief
Financial Officer

Law King Hui
Group
Managing Director

FYE 31 August 2023 has proven to be a noteworthy financial year for Sasbadi. We not only recovered swiftly from the adverse effects of the pandemic but rose to achieve a record high revenue. Net profit also breached the RM10 million-mark, solidifying Sasbadi's position as Malaysia's leading education solutions provider.

Overview of Operations

Sasbadi Holdings Berhad ("Sasbadi Holdings", "Sasbadi", or "the Company") is an investment holding company while the Group (i.e. Sasbadi Holdings and its subsidiaries) is an education solutions provider. Further details on the Group's subsidiaries are disclosed in Note 8 to the Financial Statements section in this Annual Report.

The Group's history began with the incorporation of Sasbadi Sdn Bhd ("SSB") in 1985, which commenced its operations as a publisher of printed educational materials within the same year. In order to meet the teaching and learning needs of the 21st century, the Group evolved from being mainly an educational print publisher to a provider of diverse education solutions which include digital technology that enables effective and efficient teaching and learning, applied learning tools that facilitate Science, Technology, Engineering, and Mathematics ("STEM") education, education services, English language learning cum assessment solutions and a direct selling business. On 23 July 2014, the Company was successfully listed on the Main Market of Bursa Malaysia Securities Berhad.



**Financial Year Ending
31 August 2023**

REVENUE

RM96.142 million

PROFIT AFTER TAX

RM10.168 million

TOTAL ASSETS

RM187.340 million

The Group's premises include our Head Office in Kota Damansara, Petaling Jaya, Selangor; an office in Sungai Buloh, Selangor where Sanjung Unggul Sdn Bhd ("SUSB") and its subsidiaries ("SUSB Group") operate; an office in Sri Petaling, Kuala Lumpur where United Publishing House (M) Sdn Bhd ("UPH") and its subsidiaries ("UPH Group") operate; and an office in Cova Square, Kota Damansara, Petaling Jaya, Selangor where MindTech Education Sdn Bhd ("MindTech Education") operates.

The Group's operations are divided into the following segments:

- (i) Print publishing, which is further divided into the following:
 - (a) Academic print publishing focusing on both national and national-type (Chinese) schools and also early childhood education; and
 - (b) Non-academic print publishing which includes comic books, novels, dictionaries and other general titles.
- (ii) Digital education solutions and services, and network marketing; and
- (iii) Applied learning products ("ALP") and STEM education.

Management Discussion and Analysis

1985



Incorporation of Sasbadi Sdn Bhd and commencement of operations



Moved into our head office in Kota Damansara, Selangor

2004

2011



Launched our flagship digital learning platform, i-LEARN Ace



Debuted on the Main Market of Bursa Malaysia

2014

SASBADI Today



- Trusted by 2 Generations
- Textbook Publisher
- Education Technology and Solutions Developer
- STEM Solutions Provider



Management Discussion and Analysis

Financial Review

The financial year ended ("FYE") 31 August 2023 proved to be a strong financial year for Sasbadi. The Group recorded a revenue of RM96.142 million and net profit of RM10.168 million for the current financial year as compared to a revenue of RM69.034 million and net profit of RM0.841 for the preceding financial year, representing an increase of RM27.108 million (equivalent to 39.27%) in revenue and RM9.327 million (equivalent to 1,109.04%) in net profit.

Across the Group's segments, the Print Publishing segment recorded a revenue of RM87.547 million in the current financial year as compared to RM63.280 million in the preceding financial year, representing an increase of RM24.267 million (equivalent to 38.35%). The Digital Solutions & Network Marketing segment recorded a revenue of RM5.584 million for the current financial year as compared to RM3.441 million for the preceding financial year, representing an increase of RM2.143 million (equivalent to 62.28%). Lastly, our ALP & STEM segment recorded a revenue of RM3.011 million for the current financial year as compared to RM2.313 million for the preceding financial year, representing an increase of RM0.698 million (equivalent to 30.18%).

With the increase in overall revenue, the Group recorded a profit before tax ("PBT") of RM13.150 million for the current financial year vis-à-vis a PBT of RM1.971 million for the preceding financial year. This represents an improvement of RM11.179 million (equivalent to 567.17%) primarily due to the higher revenue achieved and higher contribution from the digital segment as the group successfully secured contracts from the Ministry of Education ("MoE"). A detailed analysis of the operating segments is provided below.

The equity attributable to owners of the Company increased to RM153.126 million as of 31 August 2023 from RM139.250 million as of 31 August 2022. The increase in equity was mainly attributed to the profit achieved during the current financial year and the increase in revaluation reserve. During the current financial year, the Group carried out a revaluation on its properties which was conducted by an external independent valuer. Revaluation surplus of RM4.796 million has been recognised in other comprehensive income and accumulated in equity under the revaluation reserve.

The Group recorded an earnings per share ("EPS") of 2.38 sen for FYE 31 August 2023 as compared to an EPS of 0.20 sen for FYE 31 August 2022 resulting from the higher profit achieved during the financial year. The Group's debt-to-equity ratio was 0.06 times as of 31 August 2023 vis-à-vis 0.09 times as of 31 August 2022. The decrease in the Group's debt-to-equity ratio was mainly due to lower loan and borrowings, which decreased from RM12.222 million to RM8.626 million as of 31 August 2022 and 31 August 2023 respectively. This is due to the settlement of loans through funds arising from improved sales and collection during the financial year.

Print Publishing Segment



Digital Solutions & Network Marketing Segment



ALP & STEM Education Segment



* Earnings before interest, taxes, depreciation and amortisation

Management Discussion and Analysis



Our ability to navigate through unprecedented challenges, especially the COVID-19 pandemic, has demonstrated Sasbadi's business resilience and capabilities in managing risks effectively.

Current ratio has improved as compared to the previous financial year at 5.01 times as of 31 August 2023, (3.41 times as of 31 August 2022) arising from the improved overall performance of the Group.

During the FYE 31 August 2023, the Group installed the photovoltaic solar system at the cost of RM0.769 million. The installation is in line with the Group's sustainability efforts to reduce our carbon footprint and achieve economic savings.

Dividend Policy

The Board of Directors declared and approved the payment of an interim single-tier dividend of RM0.005 per ordinary share on 18 April 2023 and a second interim single-tier dividend of RM0.0025 per ordinary share on 30 October 2023 in respect of the financial year ended 31 August 2023.



Management Discussion and Analysis

Review of Operating Segments

Review of Operating Segments



At Sasbadi, providing quality learning materials and resources to ensure that Malaysians have the best for their educational needs is at the core of our operations.

Today, we offer a diverse range of education solutions that cater to students, teachers, and parents from preschool to tertiary levels and beyond.

Print Publishing Business

The Group's print publishing segment's revenue increased from RM63.280 million for the preceding financial year to RM87.547 million for the current financial year, representing an increase of RM24.267 million (equivalent to 38.35%).

The Group's academic print publishing segment had performed favourably in FYE 31 August 2023, with the increase in revenue being largely attributed to encouraging demand for Sasbadi workbooks in preparation of the 2023 academic year. Furthermore, our Group managed to capture additional market share due to post-COVID market consolidation, resulting in increased demand for Sasbadi publications by teachers and students.

Being backed by 38 years of experience, Sasbadi's critical success factor lies in our ability to produce print publications that are ahead of the curve. Most of our academic publications are now supplemented by digital and desirable elements (known as hybrid academic publications) that are highly favoured by our customers. It is pertinent to note that this goes beyond just including digital elements into books per se; careful thought must be put in to ensure that the end products enhance the teaching/learning experience in accordance with the

Management Discussion and Analysis

Review of Operating Segments

Our Group's focus goes beyond helping students do well in their examinations; we strive to provide the necessary learning opportunities to help them flourish in this rapidly evolving and competitive 21st century environment.



intricacies of each subject and topic, a process backed by our team of highly experienced editors who are constantly updating themselves with the latest education trends. We believe Sasbadi products are at the forefront of academic publications in Malaysia and will remain a first choice by students and teachers alike.

On the textbook publishing front, the Group managed to secure two (2) contracts to supply reprinted textbooks ("BCS") to schools under the MoE for the period from 2022 to 2024 (Package 3 and 5 - Peninsula Malaysia) totalling an estimated contract value of RM14.363 million. The revenue contribution from textbook contracts (new contract and *buku cetakan semula* ("BCS")) for the FYE 31 August 2023 has increased by RM7.699 million from RM6.839 million for the preceding financial year to RM14.538 million for the current financial year (equivalent to 212.57%). The increase was mainly attributable to the two contracts won above where the supply was made during the FYE 31 August 2023.

Similar to the academic print publishing segment, the non-academic print publishing segment had also performed positively in FYE 31 August 2023. Our comic books, notably those in the Chinese language, continue to be warmly received by fans nationwide. During the financial year, our Group has actively participated in numerous book fairs and school exhibitions to promote these titles, resulting in an upliftment in sales. Notably, FYE 31 August 2023 marked GeMeiLia's (or 哥妹俩, a comic book series published by United Publishing House (M) Sdn Bhd) 20th Anniversary, with a special limited edition being published to an overwhelming reception by fans, signalling the strong support for such non-academic publications by Sasbadi.



Management Discussion and Analysis


Review of Operating Segments



NURTURING STUDENTS FOR TOMORROW, TODAY



OUR OPERATING SEGMENTS

 Print Publishing	 Digital Solutions & Network Marketing	 ALP & STEM Education
<ul style="list-style-type: none"> ● Academic Books ● Non-Academic Books ● Early Childhood Education 	<ul style="list-style-type: none"> ● Digital Education Solutions and Services ● Network Marketing 	<ul style="list-style-type: none"> ● STEM Solutions ● Robotics Competitions

Digital/Online Solutions and our Direct Selling Business

The Group's digital education solutions and services, and network marketing segment's revenue increased from RM3.441 million for the preceding financial year to RM5.584 million for the current financial year, representing an increase of RM2.143 million (equivalent to 62.28%).

The improvement in performance was largely attributed to government contracts, notably via two (2) contracts to supply and deliver market-ready digital solutions in line with the Common European Framework of Reference for Languages ("CEFR") English Year 1 and Year 3 for the school session usage from 2023 totalling at an estimated contract value of RM2.238 million. Our Group was able to achieve a higher profit margin via digital products due to the absence of high overheads and costs typically associated with selling physical products. As such, we are fully aware of the potential for digital products to generate high profits for our Group and will remain steadfast in the continuous development of digital education products to cater to the increasing need due to the digitalisation of the education

landscape. We are hopeful that the Group will be able to capitalise on the Digital Education Policy ("DEP"), launched on 28 November 2023, which aims to foster digital literacy and cultivate ethical use of digital technology in student-centred learning, and strengthen strategic partnerships with private sectors in digital education, amongst other objectives.

Applied Learning Products ("ALP") and STEM Education Services

The Group's ALP and STEM segment's revenue increased from RM2.313 million for the preceding financial year to RM3.011 million for the current financial year, representing an increase of RM0.698 million (equivalent to 30.18%).

The improved performance was due to the full resumption of physical robotics competitions during FYE 31 August 2023, notably the National Robotics Competition ("NRC") 2023 and FIRST LEGO League ("FLL") 2023. Students, teachers, and parents have expressed notable interest towards these high impact robotics competitions in FYE 31 August 2023, leading to

Management Discussion and Analysis

Review of Operating Segments



an increase in sales of LEGO® Education products as a means to participate in these exciting competitions. For FYE 31 August 2024, our Group hopes to capitalise on the RM100 million allocation for STEM (Science, Technology, Engineering, and Mathematics) education under Budget 2024 via the promotion of LEGO® Education products for these high impact robotics competitions, riding on the success of the Malaysian teams at the prestigious World Robot Olympiad ("WRO") 2023 in Panama recently. As a testament to the MoE and Sasbadi's collaboration efforts in promoting STEM education in Malaysia since 2005, the Malaysian contingent had emerged as the Overall Champion for the 11th time at this international robotics competition which saw the participation of 1,200 students from 80 countries.

High-Impact Annual Robotics Competitions



National Robotics Competition (NRC)

- Open to primary and secondary school students aged 7-19 years
- Teams of 2-3 students with a teacher as a mentor



World Robot Olympiad (WRO)

- International robotics competition for students aged 8-19 years
- Participated by over 90 member countries



FIRST LEGO League (FLL) Malaysia

- Open to primary and secondary school students aged 9-16 years
- Teams of up to 10 students with at least 1 adult coach



Management Discussion and Analysis

Risks & How We Mitigate Them



Anticipated or Known Risks

Competition

We face competition from existing competitors as well as potential new entrants to the educational publishing industry. The barriers to entry in the industry are relatively low based on capital requirements since most of the functions in the publishing processes may be outsourced to third parties. However, product development and operating costs can be high as there is a long lead time between conceptualisation to completion in product development.

Our competitive strengths such as our established track record of 38 years in the industry, brand awareness among students, teachers and parents, extensive distribution network, large customer base, diverse product range, in-house content development, experienced management and editorial personnel, economies of scale and, in particular, in-house technology development put us in a strong position to fend off competition.

Seasonality

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 revenues, profit and cash flow.

The Group takes seasonality patterns into consideration for 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.

Fluctuations in the Price of Paper

Paper is a major raw material used in our business. As paper is a commodity, it is subject to fluctuations according to world paper prices. In the event that the increase in paper prices is prolonged, there is a risk that we may be unable to pass the price increase to our customers or, if we do, it may affect the affordability of our products. This may then adversely affect our financial performance.

To mitigate this risk, we maintain a buffer inventory of paper which can serve our purposes for up to six (6) months while we source for alternative supplies that are more favourable.

Foreign Exchange Transaction Risk

As paper is a commodity traded worldwide, its prices are quoted in United States Dollar ("USD"). In this regard, even though our purchases of paper are invoiced to us in Ringgit Malaysia ("RM"), the invoiced prices are determined by spot exchange rates. As such, purchasing paper exposes us to foreign exchange transaction

Management Discussion and Analysis

Risks & How We Mitigate Them

risk, albeit indirectly. In addition, our purchases of LEGO® Education robotics products are also denominated in USD.

Therefore, any unfavourable movements in USD against RM may have an impact on our profitability. For the FYE 31 August 2023, we did not experience any material losses arising from these transactions. Our Group will use forward exchange contracts to hedge against this risk if necessary.



Infringement of Intellectual Properties ("IPs")

The Group develops and uses various IPs in connection with our business. In this regard, we are susceptible to claims by third parties to have infringed the copyright of their IPs and, similarly, we are also susceptible to the copyright of our IPs being infringed by third parties. As such, in defending our legal rights, the Group may be exposed to suits and counter suits by third parties. Such disputes and the resolution of such disputes may be time consuming and costly.

Therefore, the Group requires our authors to indemnify us for any losses and damages that arise should their works be found to have infringed on any copyright. We also own the copyrights to all published versions of our titles, which are protected under the Copyright Act 1987.

Changes in Educational Curriculum and Policies

As the Group is principally an education solutions provider, any changes in education curriculum and policies may have an impact on our operations and would require us to react quickly. Nevertheless, such changes are usually announced ahead of time which provides us sufficient time to align our business activities with the changes. In addition, having a pool of experienced editors puts us in a good position to respond in a timely manner.

Stock Returns and Obsolescence

The Group typically publishes new editions of our educational materials every year. Some of the educational materials that we sell may be returned to us (subject to compliance with our return policy which requires that, among others, our approval is obtained prior to returning the stocks, stocks are returned to us

within 12 months after the release of a new edition or when titles become out of print, stocks are returned in good condition, stocks are received at our warehouse within an agreed time frame, etc.) for either a full refund or an offset against future purchases. Such returned stocks are commonly resold to other customers. Returned stocks that are not resold after a period of time, as with all other stocks that cannot be sold after a period of time, will become obsolete and may need to be written off and sold as scrap. This may adversely affect our profitability if the volume of obsolete stocks is large.

To mitigate this risk, the Group has put in place an inventory management system to monitor the sales and distribution of stocks. This includes analysing historical and current trends of demand for our titles which enables us to plan our supply effectively to reduce the risk of overproduction and sales returns.

Dependency on Key Management Personnel and Experienced Editors

The Group's continued success will depend, to a significant extent, on the abilities, skills, experience, competency and continuous efforts of our key management personnel (which include our Executive Directors) and experienced editors. As such, the loss of any of our key management personnel and experienced editors, without a suitable and timely replacement, may have a material adverse impact on our business and our continuing ability to compete effectively.

The Group recognises the importance of attracting and retaining our key management personnel and experienced editors, and have put in place competitive compensation packages, including Employees' Share Option Scheme ("ESOS"). In addition, the Group provides a healthy working environment, practices a conducive work culture, upholds good work ethics, and fosters good working relationships among our employees. The Group has also put in place succession planning and provides training and career development opportunities to our employees.

Compliance Management

During the course of business, the Group is subject to the risk of legal or regulatory sanctions, financial loss or damage to reputation resulting from failure to comply with laws, regulations, rules, other regulatory requirements or codes of conducts. To mitigate this risk, the Group actively identifies and assesses all applicable laws, regulations, rules and policies (including internal policies) applicable to all our operating activities to ensure compliance. Furthermore, we take active steps in implementing good corporate governance in compliance to the Malaysian Code on Corporate Governance ("MCCG") to promote corporate accountability and to build sustainable value.



Management Discussion and Analysis

Future Prospects



Future Prospects

Despite our favourable performance for FYE 31 August 2023, our Group believes that there is ample room for growth and expansion.

We will strive to maintain our lead in the print publication space through continued product innovation, and to spur inorganic growth, we will tread new grounds and solidify our presence in new business segments that are ripe with opportunities.

Throughout our 38-year history, Sasbadi has successfully evolved from being mainly an educational print publisher to a provider of diverse education solutions, including print publication products, digital education solutions, and products that nurture Science, Technology, Engineering and Mathematics ("STEM") and 21st century skills. Today, we are a brand that is recognised across two generations, catering to students, parents, and teachers spanning from preschool to tertiary levels and beyond. With that said, Sasbadi's stronghold has always been academic print publications, with a significant portion of our revenue being derived from our Print Publishing Segment.

As our Group strategises to achieve organic growth for Financial Year Ending ("FYE") 31 August 2024 and beyond, we are cognizant of the fact that for heightened growth to happen, we must expand our horizons and generate additional revenue from fresh sources and under tapped business segments. A key strategy to generate fresh sources of revenue is through Mergers & Acquisitions ("M&As") that strategically fill niches which our Group has little or no market presence in. Looking back, our Group has strategically carried out M&As post our listing on the Main Board of Bursa Malaysia in 2014 and acquired into new business segments successfully. For FYE 31 August 2024, as

Management Discussion and Analysis

Future Prospects

We anticipate the digitalisation of the education sector to be a key focus for FYE 31 August 2024 and beyond. Over a decade of experience in producing digital education solutions places our Group in an advantageous and tactical position to capitalise on this opportunity.

the market is becoming conducive again post-pandemic, we believe that it is a strategic time for us to resume M&As activities. By acquiring the right companies, our Group can not only swiftly launch into new business segments with significant market share, but also capitalise on the acquired company's improved financial performance by leveraging on our Group's competitive advantages. These advantages include improved economies of scale, in-house digital capabilities, and efficient supply chain, to name a few, all of which are critical success factors that our Group has tirelessly garnered over close to four (4) decades of operations. In an industry where content is king, we believe M&As will greatly expand our Intellectual Property ("IP") portfolio and accelerate our time to market in fresh business segments, thus spurring inorganic growth in a short span of time.





Management Discussion and Analysis

Future Prospects

On the topic of under tapped business segments, our Group has been setting our sights on the early childhood education ("ECE") segment in FYE 31 August 2023 and will continue to do so for FYE 31 August 2024 and beyond. As a refresher, our Group had expanded our repertoire of ECE products suited for the home market ("B2C") in FYE 31 August 2023, notably via our exclusive partnership with BOOKR Kids (an award-winning Edtech company from Europe) to distribute the BOOKRClass digital library in Malaysia since 11 April 2023, and the proposed acquisition of a list of IPs from Integra Creative Media Sdn Bhd, a publisher of children's books under the brand Oyez!Books (pending completion) as announced on 18 April 2023. BOOKR Class and Oyez!Books have notably strengthened our ECE product offerings, and we believe they will synergise well with Peapod Readers (Common European Framework of Reference for Languages ("CEFR")-aligned readers from the United Kingdom suitable for ages 4-12) to form a strong foundation for us to be a formidable player in the ECE segment. Beyond the B2C market, our Group also intends to tap into the huge growth potential of Malaysia's ECE segment by developing ECE classroom solutions of the highest standard that provide a form of standardisation

across kindergartens whilst ensuring specific learning goals are met. The kindergarten market in Malaysia is very fragmented and we believe that Sasbadi, being a household name in the primary and secondary school academic spaces, will be able to effectively extend our reach to the preschool academic space.

Our Group also anticipates an uptake in digital revenue for FYE 31 August 2024 and onwards. In the first quarter of FYE 31 August 2024, we have successfully clinched a contract from the Ministry of Education ("MoE") on 4 September 2023 for supplying and delivering market-ready digital solutions in line with the CEFR Year 5 for the school session usage from 2024 at a contract value of RM0.487 million, and another contract from the MoE on 29 September 2023 for the service of testing the English language proficiency level of English teachers for the MoE at a contract value of RM0.285 million. We are hopeful that our Group will be able to capitalise on similar opportunities in tandem with the MoE's launch of the Digital Education Policy ("DEP") on 28 November 2023, which among others, aims to foster digitally fluent students and digitally competent educators to meet the demands of the digital era, promote the

Sasbadi can participate effectively in the Digital Education Policy (DEP)

DEP's 6 Thrusts

Thrust 1:
Digitally Fluent Students

Thrust 2:
Digitally Competent Educators

Thrust 3:
Visionary Digital Leadership Culture

Thrust 4:
Empowerment of Infrastructure and Infostructure

Thrust 5:
Quality Digital Content

Thrust 6:
Committed Strategic Partners

Sasbadi's Digital Competencies

- Sasbadi's digital solutions for students are reliable, easy to use, and intuitive, ensuring that students of all backgrounds will not be left behind.
- Sasbadi has content and solutions for teachers to effectively conduct digital teaching and learning (PdP).
- Sasbadi has an experienced and multi-talented, completely in-house digital team.
- Sasbadi has market-ready digital solutions to supply to the MoE in their efforts to digitalise the education sector.
- Sasbadi has comprehensive digital learning solutions based on the latest KSSR and KSSM syllabuses for Primary 1 to Form 5 students.



Sasbadi is poised to be a high impact strategic partner in education.

Management Discussion and Analysis

Future Prospects

Sasbadi's FYE 31 August 2024 Core Strategies :



Extend our lead in the print publication space through the continued pursuit of product innovation



Carry out Mergers & Acquisitions to swiftly launch into new business segments with significant market share



Establish a strong presence in the early childhood education ("ECE") segment



Capitalise on the nation's aspirations to digitalise the education sector



integration of digital technology in the education ecosystem, strengthen the infrastructure, infostructure and content of digital education, and optimise the active involvement of strategic partners as a catalyst for digital education. Sasbadi has been developing in-house digital education capabilities for over a decade now, and we are optimistic that through our expertise in delivering reliable, quality services and digital content for education, our Group will be well-poised in achieving the DEP's aspirations.

With these strategies in place, we are hopeful that FYE 31 August 2024 and the years beyond will be very exciting for the Group. There are plenty of opportunities for growth, both the top line and bottom line. We will fall back on the trust we have garnered over the past 38 years and uphold the quality synonymous with our brand in our endeavour to expand our product offerings. All things considered, we are cautiously optimistic about the Group's prospects for FYE 31 August 2024 and beyond.

Sasbadi is well-positioned to capitalise on the newly launched Digital Education Policy through our capabilities in developing innovative digital solutions that enhance the teaching and learning process for students and teachers.

Board of Directors

Board of Directors



Law En Ruey
Executive Director

Law Yi Chian
Executive Director

Dato' Salleh Bin Mohd Husein
Independent Non-Executive Chairman

Datu Dr Rashidah Binti Bolhassan
Independent Non-Executive Director

Dato' Noor Rezan Binti Bapoo Hashim
Senior Independent Non-Executive Director

Law King Hui
Group Managing Director

Lee Swee Hang
Executive Director

Tang Yuen Kin
Independent Non-Executive Director



Directors' Profiles

DATO' SALLEH BIN MOHD HUSEIN

Independent Non-Executive Chairman

Nationality - Malaysian

Gender - Male

Age - 72



Dato' Salleh Bin Mohd Husein is the Independent Non-Executive Chairman of the Company and was appointed to the Board on 7 May 2013.

He graduated with a Bachelor of Arts with First Class Honours from the University of Malaya and holds a Certificate in Education from Maktab Perguruan Sultan Idris, Perak. He joined the teaching profession as a teacher at Sekolah Kebangsaan Kayan, Setiawan, Perak in 1971. From 1974 to 1992, he served as Acting Principal and Principal at various schools in Perak. In 1992, he was promoted to the Perak State Education Department as Principal Assistant Director in charge of administration and state education financing.

In 1993, he was made Principal of Sekolah Menengah Sains Tengku Abdullah, Raub, Pahang before serving at King Edward VII School of Taiping in 1994, also as Principal. His next service saw him being made District Education Officer at the Manjong District Education Office from 1996 to 1997 where he was tasked to implement education programmes. Thereafter, he was promoted to Sector Head in charge of administration and school leadership at the Perak State Education Department where he served from 1997 to 2001.

Having served well in Perak, he was appointed Principal Assistant Director in charge of curriculum development at the Centre for Curriculum Development, Ministry of Education Malaysia in 2001. Then, he became Principal at Language Institute, Lembah Pantai, Kuala Lumpur from 2001 to 2002. In 2002, he was promoted to Deputy Director of Schools Division, Ministry of Education Malaysia, to assist in policy matters and implementation. In 2003, he succeeded his predecessor as Director in this same division and served until 2006. In 2006, he was promoted as the Deputy Director General of the Ministry of Education Malaysia to be in charge of policy matters and implementation at Putrajaya, a position he held until his retirement from the civil service in 2007.

After his retirement from an accomplished career, Dato' Salleh served as a member of the Malaysian Education Service Commission at the Prime Minister's Department until 2011. In this role, he actively promoted quality education through the recruitment, appointment and discipline of personnel. During these years, he was also a member of the Advisory Panel for Excellent School Cluster until 2012. He does not hold directorship in any other public companies and listed issuers.

He has no family relationship with any other director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interests or potential conflict of interest (including competing business) with the Company or its subsidiaries, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Directors' Profiles

LAW KING HUI

Group Managing Director

Nationality - Malaysian

Gender - Male

Age - 64

Law King Hui is the Managing Director of the Group and was appointed to the Board on 7 May 2013. As one of the co-founders, he has been instrumental in the development, growth and success of the Group.

He graduated from Tunku Abdul Rahman College with a Certificate in Electronics Engineering. He started his career in 1980 with a semiconductor manufacturing company and left to join a local publishing company in January 1981 where he held various positions during his employment there. He left the company in April 1985 and co-founded Sasbadi Sdn Bhd.

He leads the development of the Group's strategies and policies, and plays an active role in product development and innovation. His contributions have led to the transformation of the Group from a pure educational print publisher to a Group with diverse education solutions that complement the print publishing business.

He has enjoyed a colourful career as an entrepreneur with more than 40 years of experience in the education industry. He has held numerous key positions over a span of more than 35 years in various organisations, including Chairman of the World Robot Olympiad ("WRO") Advisory Council; President of the ASEAN Book Publishers Association ("ABPA"); Chairman of the Malaysian Book Industry Council ("MBIC"); President of the Malaysian Book Publishers Association ("MABOPA"); Treasurer of the Majlis Buku Kebangsaan Malaysia ("MBKM"), amongst others. He is currently a member of the *Jawatankuasa Penasihat Industri Politeknik Sultan Salahuddin Abdul Aziz Shah* for the period of July 2023 to June 2025.

He is also highly sought after in forums, round-tables, seminars and conferences for his new ideas, concepts and strategies to promote innovation, creative thinking and reading culture. His contributions to Malaysia's book industry led him being selected as one of the 21 personalities documented in the publication, *"Tokoh-tokoh Perbukuan Malaysia"*¹ by the National Library Malaysia.



He does not hold directorship in any other public companies and listed issuers. Save for the family relationship with Law Yi Chian and Law En Ruey, who are his children, he has no family relationship with any other director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interests or potential conflict of interest (including competing business) with the Company or its subsidiaries, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

¹Md Sidin Ahmad Ishak. 2011. *Tokoh-tokoh Malaysia*. Kuala Lumpur: Perpustakaan Negara Malaysia. ISBN 978-967-931-236-2.

- Recipient of "Anugerah Perdana 2013 - Tokoh Industri Buku Negara" by Yayasan Pembangunan Buku Negara
- Recipient of the BrandLaureate Great Entrepreneur Brand Icon Award 2016
- Top Nominee in the Master Category of the EY Entrepreneur of the Year 2015 Malaysia Award



Directors' Profiles

LEE SWEE HANG

Executive Director

Nationality - Malaysian

Gender - Male

Age - 70

Lee Swee Hang is the Publishing Director of the Group and was appointed to the Board on 7 May 2013. He is one of the co-founders of the Group.

He obtained his Higher School Certificate ("HSC") in 1974 and started his career in 1975 as a Senior Malay Language Editor with a local publishing company. Here, he was tasked to translate, proofread, edit and prepare manuscripts for Bahasa Malaysia publications. He left the company in 1978 and subsequently joined another publishing company in 1979 as Chief Editor. During his tenure with the company, he developed, trained and managed an editorial team and a panel of writers. He left the company in 1985 to co-found Sasbadi Sdn Bhd.

As the Publishing Director, he is responsible for the editorial and production teams. He also helped to train and upskill a team of dedicated writers, editors, designers and illustrators to ensure that the teams stayed ahead of the curve on changes in educational policies, production procedures and industry practices. He is also responsible for soliciting new authors and establishing a network of authors for the Group.

With his vast experience, he looks into editorial and commercial strategies. He takes charge of the types of books that the Group publishes yearly and ensures that the deadlines and publications standards are met. He also oversees the trading of copyrights with international buyers and sellers. To keep up with the latest trends and insights, he keeps abreast with the latest developments of the publishing industry that are happening globally. He does not hold directorship in any other public companies and listed issuers.

He has no family relationship with any other director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interests or potential conflict of interest (including competing business) with the Company or its subsidiaries, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



Directors' Profiles

LAW EN RUEY

Executive Director

Nationality - Malaysian

Gender - Male

Age - 38

Law En Ruey is an Executive Director of the Group and was appointed to the Board on 30 October 2023.

Law En Ruey obtained his Bachelor of Science in Mathematics and Physics with 1st Class Honours in 2007 and Masters of Science in Management with 1st Class Honours in 2008, both from the University of Bath, England.

He started his career in 2008 as a Management Trainee with AmBank (M) Berhad. He was promoted to Credit Analyst Manager in the Business Credit Risk Evaluation Unit in 2009 where he was tasked to execute credit risk analysis on business portfolios which included conducting financial analyses, research, site visits and interviews. He left the company in 2010 and joined Sasbadi Sdn Bhd as a Senior Manager where he was responsible to assist the Managing Director in the management of projects, operations and information technology of the Group.

In 2011, he was promoted to General Manager of the Group. He helped restructure operations and enhance the Group's information technology infrastructure, enabling the Group's first foray into the development of digital products. He was also the Project Manager for the World Robot Olympiad 2012 where he was responsible for the planning, communication, and overall operation of the event.

In 2013, he was promoted to Chief Operating Officer ("COO") of the Group and was appointed to the Board on 7 May 2013. In 2014, he played an important role in the Group's initial public offering exercise and contributed to the successful listing of the Group on Bursa Malaysia Securities Berhad. He retired from the Board on 11 February 2015.

In 2015, he joined Ipsos Business Consulting (now known as Ipsos Strategy3), the strategic consulting arm of the multinational Ipsos Group S.A. as a Consulting Manager. He led national consulting projects for the Malaysian government in areas of strategic interest such as population, talent acquisition, and human resource management and commercial consulting projects in banking, manufacturing, oil & gas, theme park, FMCG, and construction industries.



In 2018, he founded Eegis Consulting, a business and IT consulting firm. Eegis Consulting is well-known in the Malaysian steel industry and its clients include Southern Steel Berhad, Malaysian Iron and Steel Industry Federation, Malaysia Steel Association, Malaysia Steel Institute, South-East Asia Iron & Steel Institute, and many others. Other notable clients include the Malaysian Water Association and Malaysian Dietary Supplement Association. He is an entrepreneur and is actively pursuing various interests in technology, education, and entertainment.

He does not hold directorship in any other public companies and listed issuers. Save for the family relationship with Law King Hui and Law Yi Chian, who are his father and sister respectively, he has no family relationship with any other director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interests or potential conflict of interest (including competing business) with the Company or its subsidiaries, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



Directors' Profiles

LAW YI CHIAN

Executive Director

Nationality - Malaysian

Gender - Female

Age - 35

Law Yi Chian is an Executive Director of the Group and was appointed to the Board on 3 May 2016.

She graduated with a Bachelor of Arts in Media and Communications and Masters of Management in Marketing, both from the University of Melbourne, Australia. Prior to joining the Company as the Group Marketing and Communications ("MARCOM") Manager in December 2014, she had experience in media sales, marketing and communications.

As the Head of MARCOM for the Group, she is responsible for planning and implementing marketing strategies for brand building and events management. She is tasked to produce effective marketing materials and establish new channels for the Group's products by exploring current and new trends, particularly through online platforms. As such, she leads the Group's e-commerce and digital marketing initiatives, which includes building brand presence as well as tactical marketing strategies on e-commerce and social media platforms. Aside, she leads the MARCOM team in coordinating the Group's events which includes the preparation and support for exhibitions, corporate functions, promotional roadshows and virtual events. She also manages corporate communications and develops programmes with external stakeholders for the Group in order to grow the engagement, retention and loyalty of external stakeholders.

As an Executive Director, she also contributes towards ensuring the Group's objectives and strategic plans are aligned, and the Group's business is sustainable. In addition, she also assists the Group Managing Director in the management of the day-to-day operations of the Group.

She does not hold directorship in any other public companies and listed issuers. Save for the family relationship with Law King Hui and Law En Ruey, who is her father and brother respectively, she has no family relationship with any other director and/or major shareholder of the Company. She has not entered into any transaction, whether directly or indirectly, which has a conflict of interests or potential conflict of interest (including competing business) with the Company or its subsidiaries, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



Directors' Profiles

DATO' NOOR REZAN BINTI BAPOO HASHIM

Senior Independent Non-Executive Director

Nationality - Malaysian

Gender - Female

Age - 70

Dato' Noor Rezan Binti Bapoo Hashim is the Senior Independent Non-Executive Director of the Company. She was appointed to the Board as the Independent Non-Executive Director on 7 May 2013 and as Senior Independent Non-Executive Director on 22 August 2014. She is the Chairman of the Nomination Committee and a member of the Audit Committee and was appointed as a member of the Remuneration Committee on 31 October 2017.

She graduated with a Bachelor of Arts with Honours from the University of Malaya and Master of Arts, Teaching of English as a Second Language ("TESL") from the University of Hawaii, United States of America. She also holds a Diploma in Education (Distinction) from the University of Malaya and a Certificate in Managing Education (English Language Teaching) from the College of St. Mark & St. John, Plymouth, England.

During the period from 1975 to 1988, she taught English at various secondary schools in Peninsular Malaysia. From 1988 to 1995, she was promoted as the Afternoon Supervisor and later, the Administrative Senior Assistant of Sekolah Menengah Kebangsaan Raja Ali, Kuala Lumpur. Between the years of 1995 to 2003, she was promoted to become Principal of various schools in Kuala Lumpur.

In 2003, she was promoted to the position of Deputy Director of Schools Division, Ministry of Education Malaysia. She then became the Education Director of the Federal Territory of Kuala Lumpur from 2004 to 2006. In 2006, she was promoted to the position of Director of Schools Division, Ministry of Education Malaysia, overseeing all schools under the purview of the Ministry. In 2007, she was promoted to the position of Deputy Director-General of Education Malaysia overseeing operations of eight (8) divisions which are involved in schools operations in the Ministry. She held this position until her retirement in 2011.

After her retirement from 2011 to 2019, she served as the Education Advisor of Khazanah Nasional Berhad, advising on matters involving educational projects, such as Trust Schools, Teach for Malaysia and Promoting Intelligence, Nurturing Talents and Advocating Responsibility ("PINTAR") programme. She does not hold directorship in any other public companies and listed issuers.



She has no family relationship with any other director and/or major shareholder of the Company. She has not entered into any transaction, whether directly or indirectly, which has a conflict of interests or potential conflict of interest (including competing business) with the Company or its subsidiaries, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

• Recipient of "Tokoh Kepimpinan Pendidikan Kebangsaan 2013"



Directors' Profiles

TANG YUEN KIN

Independent Non-Executive Director

Nationality - Malaysian

Gender - Male

Age - 52



Tang Yuen Kin is the Independent Non-Executive Director of the Company. He was first appointed to the Board on 30 July 2020 and subsequently retired at the conclusion of the Company's Ninth Annual General Meeting held on 4 February 2021 as he was unable to meet the enhanced definition of 'independent director' pursuant to Paragraph 1.01 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad which came into effect on 1 October 2020 ("Enhance Definition"). He was reappointed to the Board on 3 May 2021 upon meeting the Enhanced Definition requirement.

He is also the Chairman of the Audit Committee and the Remuneration Committee, as well as a member of the Nomination Committee. He graduated with a Bachelor of Accounting with First Class Honours from the University of Malaya, Malaysia in 1995. In 2000, he earned a Master of Business Administration (Banking & Finance) from Nanyang Technological University, Singapore. He also obtained a Master of Law Executive (Business Law) from International Islamic University, Malaysia in 2006.

He has been a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants since 2000 and 2015 respectively. Over the span of more than 23 years, he has gained vast experience in the areas of audit, accounting and finance, corporate finance and corporate planning, having worked in, among others, Price Waterhouse (now known as PricewaterhouseCoopers PLT), Securities Commission Malaysia, KPMG Corporate Advisory Sdn Bhd, AmInvestment Bank Berhad and Alliance Investment Bank Berhad.

His history with the Company began in 2014 when he joined the Group as the Chief Financial Officer and served in that position until 2018. Subsequently, he joined Dancomech Holdings Berhad as the Group Chief Financial Officer where he is presently still serving in that position.

He currently sits on the board of directors of Powerwell Holdings Berhad, as an Independent Non-Executive Chairman and Wellspire Holdings Berhad as an Independent Non-Executive Director both listed on the ACE Market of Bursa Malaysia Securities Berhad.

He has no family relationship with any other director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interests or potential conflict of interest (including competing business) with the Company or its subsidiaries, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Directors' Profiles

DATU DR RASHIDAH BINTI BOLHASSAN

Independent Non-Executive Director

Nationality - Malaysian

Gender - Female

Age - 62

Datu Dr Rashidah Binti Bolhassan is the Independent Non-Executive Director of the Company. She was appointed to the Board on 18 April 2023 and is a member of the Audit Committee, Nomination Committee, and Remuneration Committee.

She obtained her Ph.D in Information Systems from Victoria University of Wellington, New Zealand. She also holds a Masters in Executive MBA from Ohio University, Ohio, USA, a Masters in Library Science from Syracuse University, Syracuse, USA, and a Degree of Bachelor in Library Science from Universiti Teknologi MARA ("UiTM"), Malaysia. Rashidah received several awards for her commitment and contributions, from the national and state government, the latest (in 2021) being from the Sarawak State Government with the honorific title of 'Datu'.

She began her career in 1986 at the Sarawak Economic Development Corporation ("SEDC") until 1993. During the period from 1993 to 1998, she served as Head of Library Division and Head of Corporate Strategy and Quality Division for the Kuching North City Hall. Thereafter, she served as a Project Coordinator for the Sarawak Planning Unit from 1999 to 2000. From 2000 to 2002, she was a Manager in the Corporate Management Section of the Sarawak State Library. During the period of 2003 to 2020, she was appointed as the Chief Executive Officer ("CEO") of the Sarawak State Library. Then from the years of 2021 to 2022, she served as the Permanent Secretary for the Ministry of Welfare, Community Wellbeing, Women, Family and Childhood Development ("KWKP").

Rashidah has held numerous key positions during her illustrious career, including Chair for the Council of State Library Directors, Malaysia, from 2006 to 2009 and 2013 to 2020; Member of Sarawak State's Women Council ("MWKS") from 2014 to 2020; member of Sarawak's Steering Committee on Digital Inclusivity Initiatives; President of the Librarians Association of Malaysia ("PPM") from 2020 to 2022; Member of IFLA's Reading and Literacy Standing Committee from 2017 to 2020 and 2023 to 2027; Board Member of the Intellectual Property Corporation of Malaysia ("MyIPO") from 2020 to 2023; and member of IFLA's Advisory Committee on Cultural Heritage from 2021 to 2023.



Currently, she is serving as a special officer for the Ministry of Tourism, Creative Industry and Performing Arts, Sarawak, advising on heritage and cultural matters. She has also been appointed as Deputy Chairman of the Board of Sarawak State Library and a member of the Board of Trustees, Women Leadership Foundation. She has presented more than 40 papers at national and international seminars and conferences.

She does not hold directorship in any other public companies and listed issuers. She has no family relationship with any other director and/or major shareholder of the Company or its subsidiaries. She has not entered into any transaction, whether directly or indirectly, which has a conflict of interests or potential conflict of interest (including competing business) with the Company, and has no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

- Distinguished Service Medal - Gold / Pingat Perkhidmatan Cemerlang ("EMAS") ("PPC") 2019
- Chief Minister's Special Award: Sarawak Woman in Digital Era 2020



Profile of Key Senior Management

The Management of the Group is headed by the Group Managing Director, i.e. Law King Hui, and he is assisted by the Executive Directors, i.e. Lee Swee Hang, Law En Ruey and Law Yi Chian, and the following key senior management:

CHAN YUET LENG

Group Chief Financial Officer

Age: 52 **Gender:** Female **Nationality:** Malaysian

Qualification(s):

- Chartered Accountant, Malaysian Institute of Accountants
- Bachelor of Accounting (Honours), Universiti Utara Malaysia, Sintok, Kedah
- Diploma in Accountancy, Politeknik Ungku Omar, Ipoh, Perak

Working experience:

- More than 27 years of experience in the areas of auditing, accounting and finance
- Worked in KPMG and subsequently in a few public listed companies prior to joining Sasbadi Group in August 2016 as Financial Controller prior to being promoted to current position

Appointment to the current position: May 2018

HO MEE LIAN

Group Human Resource Manager

Age: 50 **Gender:** Female **Nationality:** Malaysian

Qualification(s):

- Bachelor of Business Administration (Marketing), University of Wales

Working experience:

- More than 23 years of experience in the areas of human resources and administration
- Joined the Group at current position in December 2014

Appointment to the current position: December 2014

CHAN YEE FUAN

Group Purchasing Manager

Age: 46 **Gender:** Female **Nationality:** Malaysian

Qualification(s):

- Diploma in Accounting, LCCI International Qualifications

Working experience:

- More than 26 years of experience in the areas of accounting and purchasing
- Worked in the accounts department of a few private companies prior to joining the accounts department of the Group in September 2005 prior to being promoted to current position

Appointment to the current position: December 2012

CHOK SIEW SIN

General Manager, Sasbadi Sdn Bhd

Age: 51 **Gender:** Male **Nationality:** Malaysian

Qualification(s):

- Sijil Tinggi Pelajaran Malaysia ("STPM")

Working experience:

- More than 30 years of experience in the areas of academic publishing, sales and marketing, having joined the Group in July 1993
- Has served and moved up the ranks in the editorial and sales and marketing departments prior to being promoted to Group Marketing Manager subsequently to current position

Appointment to the current position: September 2015

KUAN SHAW PING

General Manager, United Publishing House (M) Sdn Bhd and The Malaya Press Sdn Bhd ("TMP"). Also, a Director of Sanjung Unggul Sdn Bhd ("SUSB"), i.e. the holding company of TMP, and all the subsidiaries of SUSB

Age: 42 **Gender:** Male **Nationality:** Malaysian

Qualification(s):

- Sijil Tinggi Pelajaran Malaysia ("STPM")

Working experience:

- More than 21 years of experience in the academic publishing industry, having joined TMP in May 2002
- Has served and moved up the ranks in the sales department of TMP prior to being promoted to Assistant General Manager and subsequently to current position

Appointment to the current position: September 2017

WAN MEOW SANG

Sales Director, Sasbadi Learning Solutions Sdn Bhd

Age: 59 **Gender:** Male **Nationality:** Malaysian

Qualification(s):

- Sijil Pelajaran Malaysia ("SPM")

Working experience:

- More than 40 years of experience in the academic publishing industry
- Worked in the sales department of a local academic publishing company prior to joining the Group in April 1986
- Has served and moved up the ranks in the sales department of the Group prior to promotion to current position

Appointment to the current position: November 2001

Profile of Key Senior Management

WONG YEE JOONG

Senior National Sales Manager, Sasbadi Sdn Bhd

Age: 43 **Gender:** Male **Nationality:** Malaysian

Qualification(s):

- Diploma in Computer Science and Technology, Informatics Academy, Seremban

Working experience:

- More than 21 years of experience in the academic publishing industry
- Worked as a Production Coordinator in a furniture manufacturing company prior to joining the Group in July 2002
- Has served and moved up the ranks in the sales department of the Group prior to promotion to current position

Appointment to the current position: September 2022

KHAIRUL AISYAM HIDAYAT TOPEK

Editorial Manager, Sasbadi Sdn Bhd

Age: 46 **Gender:** Male **Nationality:** Malaysian

Qualification(s):

- Bachelor of Political Science, International Islamic University Malaysia

Working experience:

- More than 20 years of experience in the academic publishing industry
- Worked in Dewan Bahasa dan Pustaka and as a secondary school teacher prior to joining the Group in year 2004
- Has served and moved up the ranks in the editorial department of the Group prior to promotion to current position

Appointment to the current position: September 2017

JONATHAN TAN WAI KEONG

Senior Finance Manager, Sasbadi Sdn Bhd

Age: 32 **Gender:** Male **Nationality:** Malaysian

Qualification(s):

- Chartered Accountant, Malaysian Institute of Accountants and Institute of Chartered Accountants in England and Wales ("ICAEW")

Working experience:

- More than 13 years of experience in the areas of auditing, accounting and finance
- Joined the Group in July 2019 as Finance Manager prior to being promoted to current position

Appointment to the current position: December 2020

ZAITON BINTI SAAD

Managing Editor, Sasbadi Sdn Bhd

Age: 60 **Gender:** Female **Nationality:** Malaysian

Qualification(s):

- Diploma in Mass Communication, Institute Technology Mara, Malaysia

Working experience:

- More than 30 years of experience in the academic publishing industry
- Has served and moved up the ranks in the editorial department of the Group since 1988 prior to promotion to current position

Appointment to the current position: September 2009

CHEW YOKE CHEN

Production Manager, Sasbadi Sdn Bhd

Age: 66 **Gender:** Female **Nationality:** Malaysian

Qualification(s):

- Diploma of Illustration, Malaysian Institute of Art, Kuala Lumpur

Working experience:

- More than 44 years of experience in the academic publishing industry
- Was working in the production department of a local academic publishing company prior to joining the Group in August 1988
- Has served and moved up the ranks in the production department of the Group prior to promotion to current position

Appointment to the current position: May 2004

MAHMOOD SAHREL BIN WAHID

Managing Editor, Sasbadi Sdn Bhd

Age: 46 **Gender:** Male **Nationality:** Malaysian

Qualification(s):

- Bachelor of Engineering (Mechanical and Material), Universiti Kebangsaan Malaysia, Bangi, Selangor

Working experience:

- More than 20 years of experience in the academic publishing industry
- Worked as engineer in the private sector prior to joining the Group in year 2000
- Has served and moved up the ranks in the editorial department of the Group prior to promotion to current position

Appointment to the current position: September 2017

Additional notes on the above key senior management

None of the above key senior management has any:

- directorship in public companies and listed issuers;
- family relationship with any director and/or major shareholder of the Company;
- conflict of interests potential conflict of interest (including competing business) with the Company or its subsidiaries; and
- no convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



Sustainability Statement



Sasbadi Group is driven by the principle that education is a birth right. We go above and beyond to ensure our education solutions and services are accessible to all, especially the underserved and underprivileged, and fully support the nation's aspiration to foster an equitable education ecosystem.

Our Group is committed to sustainability, taking proactive steps to safeguard our environment and society. From responsible sourcing to inclusive accessibility, our actions reflect a future where education harmonises with environmental and social responsibility for lasting impact.

Sustainability Statement

Sasbadi Holdings Berhad ("Sasbadi" or "the Group") hereby present our Sustainability Statement which outlines our commitment towards being a sustainable organisation and our endeavours to continuously improve across the three pillars of sustainability, i.e. Economic, Environmental and Social ("EES").

SCOPE, REPORTING BOUNDARY AND FRAMEWORK

This statement covers the Group's efforts and initiatives undertaken within our financial year ended ("FYE") 31 August 2023, from 1 September 2022 to 31 August 2023, with prior periods provided for comparison where applicable. The disclosures within this statement are based on the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on sustainability disclosure and the Sustainability Reporting Guide and there is no restatement of information done for the current financial year.

Unless otherwise stated, this statement covers the overall EES performance for all the operating divisions of Sasbadi, all of which are located in the Klang Valley. There are no changes to the reporting boundary as compared to the previous financial year.

This statement is to be read in conjunction with the rest of Sasbadi's Annual Report FYE 31 August 2023, which further highlights our corporate governance, risk management and internal controls as well as other financial and non-financial aspects of our operations. This Sustainability Statement has been reviewed by the Board on 7 December 2023.

SUSTAINABILITY STRATEGY AND POLICY

The strategy put in place revolves around our vision of becoming a total education solutions provider. As our operations impact not only the local economy but also the environment and society at large, sustainability has become an integral part of us where our stakeholders' interests are placed at the heart of our business.

The following serves as a guide for the sustainable growth of our business:

- 1 Continuously support our stakeholders' sustainability initiatives, in both the upstream and downstream channels of our supply chain
- 2 Improve resource efficiency by way of sustainable consumption and production throughout our supply chain, from design through to operations
- 3 Include sustainable alternatives in our development of new products and operating processes to reduce the consumption of natural resources whenever possible
- 4 Minimise waste during production activities and incorporate recycling practices
- 5 Develop measures to monitor and evaluate our Health, Safety, Environmental and Quality performance data, employee development methods, customer satisfaction and our financial performance
- 6 Promote philanthropic actions and behaviour amongst Sasbadi's employees to instil a sustainable mindset and promote harmonious living

In order to ensure the above strategies are effectively implemented, Sasbadi have established and adopted a Sustainability Policy. This policy is periodically reviewed to ensure its continuous relevance to the business.

GOVERNANCE STRUCTURE

The Board of Directors is the highest governing body and assumes overall responsibility for sustainability matters within the Group. They have delegated the responsibility of identifying sustainability risks relating to the Group to the Audit Committee ("AC") which, in turn, reports back to the Board on the identified risks. The Board then decides on strategies, plans and targets to address these risks. The Board and the AC will undertake the process of identifying sustainability risks and devising appropriate strategies, plans and targets to address the risks on a yearly basis, with intervening reviews carried out as and when required.



Sustainability Statement

Once the Board have approved the strategies and plans to address the sustainability matters, the Management, comprising representatives from various business functions, are responsible for implementing them. The Group Managing Director leads the Management in implementing these sustainability strategies and plans. Subsequently, the Management reports to the AC and the Board on these sustainability matters periodically. To facilitate the implementation of the strategies and plans, the Management may involve external advisers in the working groups, when necessary.



STAKEHOLDER ENGAGEMENT

We strive for ethical and transparent interactions with our internal and external stakeholders as we believe open platforms for engagement drive the continuous growth of our business.

The following indicates key stakeholder groups, a non-exhaustive list of their areas of interest and our various forms of engagement with them. These stakeholders have been identified and profiled based on their influence on the Group or how they are impacted by the Group. Engagement with each stakeholder is made on an as-needed basis.

Stakeholders	Areas of Interest	Forms of Engagement
Regulatory, Government and Statutory Bodies	<ul style="list-style-type: none"> • Regulatory and governance compliance • Labour practices • Occupational safety and health • Environmental management and compliance 	<ul style="list-style-type: none"> • Compliance with applicable reporting requirements • Meetings, inspections, engagements and collaborations • Training programmes
Customers/Distributors	<ul style="list-style-type: none"> • Quality of products and services • Reliability of content and timely release of essential publications • Systematic and punctual delivery of products and services • Pricing • Engaging promotions and activities • Efficient complaint resolution 	<ul style="list-style-type: none"> • Regular communication with customers via multiple platforms and channels • Advertisements, marketing and promotional activities • Product knowledge sharing • Community and networking events • Feedback sessions and surveys for product research and development
Employees	<ul style="list-style-type: none"> • Career progression, opportunities and productivity • Sense of belonging and ownership • Compensation • Workplace health and safety • Working environment • Balanced lifestyle 	<ul style="list-style-type: none"> • Circulation of internal policies and procedures • Staff induction and appraisals • Remuneration packages • Training/guidance • Health and wellness campaigns • Employee engagement activities • Employee feedback channels
Business and Industry Partners, Media	<ul style="list-style-type: none"> • Collaborative partnerships and opportunity to nurture and expand business • Corporate news and development of the Group 	<ul style="list-style-type: none"> • Business meetings • Strategic partnerships • Media releases • Industry conferences and seminars • Website and social media

Sustainability Statement

Stakeholders	Areas of Interest	Forms of Engagement
Shareholders/Investors	<ul style="list-style-type: none"> • Group's progress and financial performance • Business outlook and strategy • Dividend • Corporate governance, transparency, ethics and integrity 	<ul style="list-style-type: none"> • Annual and extraordinary general meetings • Annual and quarterly reports • Bursa announcements • Our website • Press release and coverage • Investor and analysts' meetings
Suppliers and Service Providers	<ul style="list-style-type: none"> • Transparent procurement practices • Payment schedule • Pricing of products and services • Order fulfilment matters • Reliability of supply • Business ethics 	<ul style="list-style-type: none"> • Products and services proposals • Evaluation and performance reviews • Contract negotiations • Delivery schedules • Meetings and engagements • Fair and ethical procurement process
Trade Associations	<ul style="list-style-type: none"> • Require company's assistance and express various concerns and issues faced by the industry 	<ul style="list-style-type: none"> • Participation in industry forums and dialogues • Industry networking events
Bankers	<ul style="list-style-type: none"> • Financial health, solvency • Covenants compliance 	<ul style="list-style-type: none"> • Financial health review • Meetings and engagements
Our Community	<ul style="list-style-type: none"> • Community development • Social issues • Impact of business operations • Transparency and accountability 	<ul style="list-style-type: none"> • Corporate social responsibility programmes and activities related to education, society and associations • Requests and enquiries
Advocacy Groups and Charitable and Welfare Organisations	<ul style="list-style-type: none"> • Require company to uphold responsible business practices, reduce environmental impacts and disclose necessary information pertaining to business growth and sustainability 	<ul style="list-style-type: none"> • Strategic partnerships • Sponsorships to support a range of charitable causes

MATERIALITY ASSESSMENT

Part of our ongoing effort is to identify, assess and prioritise sustainability matters that are relevant and significant to the Group and our stakeholders. Organising and reviewing these sustainability matters would enable the Group to manage them more effectively. As such, having gone through an extensive list of Environmental, Social and Governance ("ESG") factors identified based on our industry, peers and sustainability megatrends, we have decided to prioritise on 13 material ESG factors, which are categorised under our sustainability goals which are aligned to the three pillars of sustainability that is the EES as follows:



Sustainability Statement

Sustainability Goals	Material Factors
Solidifying Economic Performance	1) Financial Performance 2) Regulatory Compliance 3) Ethics and Integrity 4) Data Privacy and Security 5) Quality Control
Creating a Sustainable Workplace	6) Diversity and Equal Opportunities 7) Developing Competencies 8) Occupational Safety and Health
Environmental Stewardship	9) Material Sourcing and Managing Waste
Building a Sustainable Community	10) Bridging the Digital Divide 11) Supporting Underserved Communities 12) Addressing Learning Poverty 13) Advocating STEM Culture

The factors in the previous financial year were reviewed for their continued relevance and we are of the view that they remain material to us for this financial year. The Group shall continuously relook our material factors to ensure its relevance against the everchanging operating environment.

SOLIDIFYING ECONOMIC PERFORMANCE

Financial Performance

Sustainable economic growth is our main goal, whilst keeping in mind any adverse impact it brings to our society and environment. In terms of reporting and communication of information, we strive to:

- 1 Provide timely and relevant information to our stakeholders to aid their decision making, especially during these unpredictable times when it is even more important to gauge the Group's standing. A dedicated team was formed to ensure the consistency, completeness and timeliness of our reporting and to report to the Management and Board on a frequent basis. During the FYE 31 August 2023, there have not been any instances of delayed presentation of information to-date.
- 2 Generate sustainable financial and economic returns without compromising on the value to our stakeholders in order to ensure the sustainability of our business. Please refer to the Management Discussion and Analysis section of this Annual Report for more details regarding the Group's financial performance.

Regulatory Compliance

Regulatory compliance is critical for protecting the Group's integrity and reputation as well as fostering our stakeholders' trust. Instances of non-compliance would subject us to warnings, fines and suspension/revocation of our operating licenses.

Key regulations applicable to our operations are listed but not limited to the following:

- Bursa Malaysia Main Market: Listing Requirements
- Applicable Accounting Standards
- Employment Act 1955 (Amendment 2022)
- Personal Data Protection Act 2010
- Malaysian Anti-Corruption Commission Act 2009
- Direct Sales and Anti-Pyramid Scheme Act 1993
- Copyright Act 1987

Sustainability Statement

We ensure on-going efforts are placed in developing effective compliance related policies and procedures for our operations. Any major non-compliance is reported to the management immediately. During the FYE 31 August 2023, we remain compliant with up-to-date laws and regulations.

Ethics and Integrity

Our commitment to business is focused on strong corporate governance and prudent management in view of challenging internal and external environments. We adopt a 'zero tolerance' approach towards corruption. We strive to achieve this by observing the following practices. Further details of the below practices can be found on our website.

- Whistleblowing Policy
- Code of Conduct
- Anti-Bribery & Corruption Policy
- Board Charter
- Corporate Governance and Compliance
- Directors' Fit and Proper Policy

The Group's Code of Conduct, which has been tailored to our current business operations, serves as a guiding framework for the ethical and legal business decision-making of our Directors, officers and employees. The areas covered are as follows:

- Compliance Procedures
- Conflict of Interest
- Confidentiality
- Insider Information and Securities Trading
- Fair Dealing
- Abuse of Power, Discrimination and Harassment
- Protection of Assets and Resources

We did not record any breach in the Code of Conduct for FYE 31 August 2023. There were zero cases of corruption, a track record we strive to achieve every year.

Data Privacy and Security

In this digital time and age, data privacy and security have become an unavoidable global issue. We acknowledge that the onus is on us to ensure that the data entrusted to us is used for its legitimate and intended purposes only. Thus, we continuously strengthen our controls for data management to ensure appropriate collection, retention, use and disclosure of data across our organisation.

This is done by way of a risk assessment exercise on our key systems and appropriate measures have been implemented to mitigate high risk areas.

During the FYE 31 August 2023, there was 1 instance of ransomware attack on Sanjung Unggul Sdn. Bhd., The Malaya Press Sdn. Bhd., Big Tree Publications Sdn. Bhd., Jinbang Publication Sdn. Bhd. and Media Distribution Sdn. Bhd.. The accounting system of these companies were rendered useless by data encryption. Finance and administrative personnel in charge of the aforementioned companies were the first to detect the cyberattack, as their files became unusable. They promptly notified the IT infrastructure department of this system fault and immediately coordinated to ensure the isolation of the entire IT infrastructure.

The extent of the infection was assessed, and it was concluded that it was limited to only the accounting system of the aforementioned companies due to a separation of servers and 4 months' worth of financial data covering from February 2023 to May 2023. We have submitted this incident report to National Cyber Security Agency ("NACSA") and have elected not to pay the ransom demanded by the attackers, as we were able to recover our data and access.

During the assessment period, backend operations slowed down as we gradually restored the affected data, while our frontend operations could continue to operate as usual. There was no financial loss to the Group arising from this incident, as we were able to trace and reconcile the affected data. Additionally, there was also no loss of personal data, as it is kept separately from the accounting system. Other than the aforementioned incident, there is no known occurrence of data privacy and security breach during the FYE 31 August 2023.

Quality Control

We take pride in being one of the nation's leading education solutions provider. The quality of our products and services remains a priority as it ultimately shapes our future generation. To ensure a level of quality, we have identified the following two critical aspects in the production process and implemented quality control measures for them.



Sustainability Statement

Product Responsibility

In order for Sasbadi's products to remain reliable and up to par with the current educational needs, we ensure that, amongst others:

- 1 Authors and their materials are assessed by our Senior Editors, Commissioning Editors and Managing Editor with respect to their qualifications, quality and relevance to Sasbadi's publications. A descriptive and critical review process will take place upon receiving the manuscripts for the purpose of quality control.
- 2 Content development and modification are overseen by the Editorial and Production departments. After multiple rounds of checking and review, the final manuscript will be approved by our Publishing Manager before being published.
- 3 Editors undergo regular training to ensure they are up to date with the requirements and direction set by the Ministry of Education. We also encourage our authors to keep abreast with such developments.

Copyright compliance is also essential to our business. Thus, we carefully monitor the usage of contents and actively mitigate any copyright infringement risks. We also continuously educate our people on copyright and licensing issues. We are committed to adhering to data protection as data is a valuable asset to the Group. We have developed a policy for information management which provides guidance to our employees on how to control the usage of and restrict access to our data whenever necessary, in the interest of the Group. There is no known occurrence of copyright infringement or product quality issues during the FYE 31 August 2023.

Supply Chain Management

Supply chain management is critical in facilitating our operations and the Group strives to build long term mutually beneficial relationships with our suppliers. Therefore, we engage with our suppliers in a fair, transparent and ethical manner. We review our suppliers based on, amongst others, price and payment terms, product and service quality, operation scale and their geographical proximity to our facilities. Suppliers who share similar core values with us would be our preferred suppliers. We take all reasonable effort to conduct appropriate evaluations of our potential suppliers. We would regularly check on the supplies received and occasionally, engage other suppliers on trial basis. This is to promote healthy competition among our suppliers and encourage better performance.

One of our procurement practices is to source for materials locally whenever possible. As such, nearly all of our supplies are obtained from the Klang Valley, save and except for products that are not manufactured locally, such as simili paper. This is because we believe in contributing to our local economic growth and sustaining a healthy ecosystem for local players. We find that engaging local partners enhances the Group's efficiency by allowing us to deal with potential risks that may arise from supply chain disruptions. It also reduces cost of purchasing and compliance, as well as minimises our carbon footprint by reducing emissions related to transportation in the supply chain.

CREATING A SUSTAINABLE WORKPLACE

Our employees are the core of our existence and our greatest asset. Their skills, dedication and care define the success of the Group. We strive to provide a positive working environment by constantly engaging our people, creating opportunities for their growth and development as well as emphasising the practice of a balanced lifestyle. This has been important especially post pandemic, where livelihoods were threatened and job security became a key concern for many employees.

As such, we continuously update and revisit our policies and guidelines in compliance with the relevant labour laws and regulations of the local government. These cover issues relating to compensation and dismissal, recruitment and promotion, working hours, leave, career development, diversity, anti-discrimination and other employee welfare related matters. In particular for the current financial year, we have ensured that we are in full adherence to the minimum wages order 2022 and the Employment Act 1955 (Amendment 2022) which was introduced. We also engage with our employees on a regular basis to provide updates on the Group's developments, as well as to motivate them and address any difficulties they may be facing.

Sustainability Statement

Diversity and Equal Opportunities

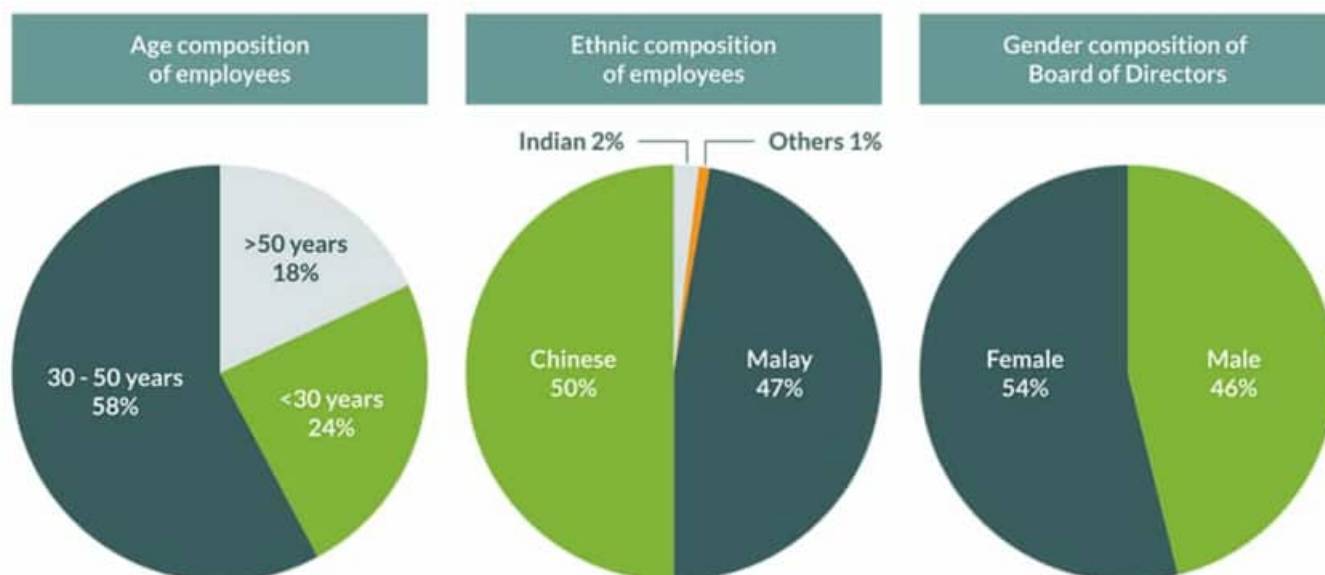
At Sasbadi, we recruit our people mainly based on their skills, industry experience and interpersonal skills. We conduct an annual review to evaluate our employees' progress and competencies in the context of their roles. This will then be taken into account for their salary and promotion appraisals. Aside from the annual reviews, we also adopt an as needed approach when it comes to reviewing their performance so that we may address matters that require immediate attention.

We believe our people deserve the opportunity to reach their highest potential and thrive in an inclusive and diverse workplace. We strive to accommodate and provide fair treatment to everyone regardless of their disabilities, gender, age, ethnicity or religion.

Approximately 58% of our people fall within the 30 to 50 years old age group, which indicates a mature and experienced workforce. At the same time, we also recruit a group of younger staff, approximately 24% who are below 30 years old to develop their careers and grow with us. Our workforce is made up of mainly non-executives due to the nature of our operations.

We strongly believe that gender and ethnicity diversity leads to an improved team performance. In terms of ethnicity distribution, our employee composition comprises Malay, 47%; Chinese, 50%; Indian, 2%; and Others, 1%. The gender distribution, as guided by our Gender Diversity Policy of Sasbadi, is around 46% male to 54% female employees. Participation of female employees are present across all hierarchical positions in Sasbadi.

We encourage the recruitment of local employees as we believe that by providing job opportunities to locals, we are directly contributing to the elevation of Malaysians' socio-economic status. We are pleased to announce that our workforce is fully made up of Malaysians. We are also proud to announce that there is no reported cases of discrimination or harassment during the FYE 31 August 2023.



Developing Competencies

We aspire to grow with our people and we invest in both their work-related and personal development. In general, we continuously monitor our employees and offer training and upskilling opportunities that are relevant to their areas of work, positions, talents and interests. We provide both internal and external training, as well as on-the-job training, particularly in technical and management skills. Our established appraisal guidelines also enable us to identify and implement development programmes for our employees.

Occupational Safety and Health

The Group endeavours to ensure our employees work in a safe and healthy environment. Not only does it benefit the well-being of our employees, it ensures the Group's productivity which is crucial during these challenging times. We have implemented guidelines and regulations to prevent, reduce and address occupational injuries.



Sustainability Statement

Our internal reporting protocol dictates that any workplace accidents, occupational diseases and matters relating to the health and safety of our employees shall first be reported to the Human Resources Department. They would subsequently be escalated to Management followed by the BOD if necessary, depending on the severity of the matter.

During the FYE 31 August 2023, there has not been any incident of work-related injuries or fatalities. There is no non-compliance to health and safety laws and regulations. We will continue to implement control measures and strive for a zero-incident workplace.

ENVIRONMENTAL STEWARDSHIP

We acknowledge that for the long-term sustainability of the Group, sound environmental stewardship is necessary. Thus, we are committed to minimising any adverse impact of our operations on the environment. Energy consumption of the Group mainly refers to electricity usage as well as fuel in the form of diesel for our forklifts and transportation when delivering our products. Ongoing initiatives include:

- 1 to replace existing fluorescent/halogen lights to lower wattage LED lights when existing lights wear out;
- 2 switching/turning off idle equipment, air conditioners, lights and water taps. However, with respect to water usage, despite reminding our employees to use them sparingly, as the COVID-19 remains a concern, we continued with precautionary measures such as increased cleaning and disinfection frequency, encouraging employees to wash their hands regularly and promoting good personal hygiene;
- 3 frequent checks on water supply installation for undetected leaks across the premises;
- 4 introducing the separation of waste into recyclable and general waste; and
- 5 route planning and management when delivering products.

During the FYE 31 August 2023 in March 2023, the Group has completed the installation of photovoltaic solar systems ("Solar PVS") at our premise. The installation of this Solar PVS will deliver economic savings to the Group, and reduce our carbon footprint. The total investment amounted to RM769,000, which led to a total energy yield of 70,206.70 kWh, a total annual carbon dioxide (CO₂) avoidance of 69,996.07 KG, and a total of 3,791 trees offset.

Material Sourcing and Managing Waste

We place great care in the usage of our raw materials: paper. We manage material wastage arising from the manufacturing of books as well as excess stocks by applying stringent controls on our printers and making data-driven decisions to prevent over-printing. Proper care is taken to store our raw materials and finished products so as to avoid damages. Older stocks still fit for use are cleared through markdown sales and donated to organisations while remainder are collected and sold to recycling facilities. For the FYE 31 August 2023, production wastage is kept at 1%, which is within the current standard set by the Group. We are continuously evaluating and improving our processes to reduce wastage.

To the best of our abilities, our purchases of raw materials are made from manufacturers who support sustainability initiatives and bodies, such as the Sustainable Forestry Initiative ("SFI"), Forest Stewardship Council ("FSC") and Programme for the Endorsement of Forest Certification ("PEFC"). Without compromising on quality and with the consent of our customers, we would also incorporate products made from recycled paper into our product mix.

To meet the needs arising from the ever-changing education landscape, we have also dedicated a significant portion of our resources to developing digital education solutions. By offering digital products, we are able to empower our customers with 21st century educational technology while reducing our carbon footprint and other negative impacts on the environment.

Sustainability Statement

BUILDING A SUSTAINABLE COMMUNITY

The Group participates in various Corporate Social Responsibility activities every year in our effort to help make quality education accessible to students of all backgrounds.

Bridging the Digital Divide

Given the challenges arising from the COVID-19 pandemic including school closures, disruptions to the teaching and learning ("PdP") process, and substantial learning loss experienced by students, Sasbadi collaborated with the Ministry of Education ("MoE"), Malaysia to launch a CSR program whereby i-LEARN Ace, Sasbadi's flagship digital learning platform, was offered for free (with full access) to all SPM 2022 candidates to assist them in their SPM preparations.

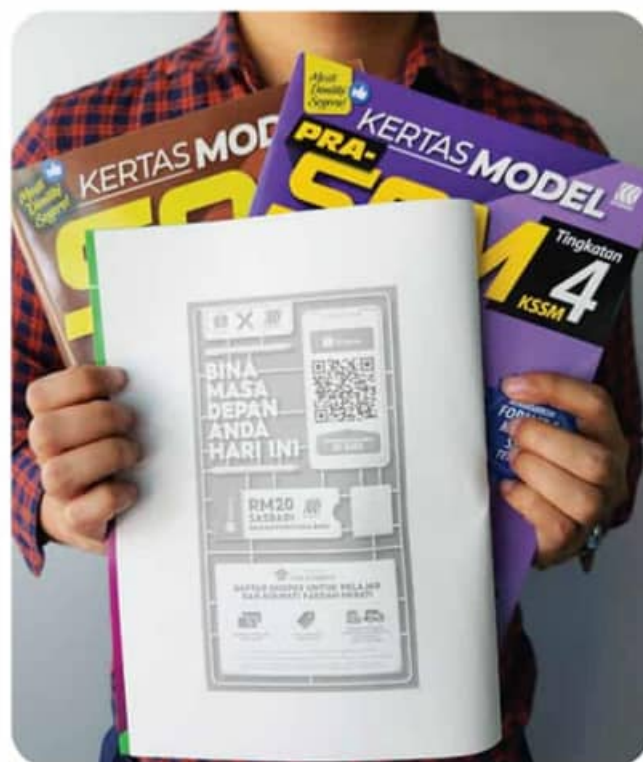
By providing SPM 2022 candidates free access to i-LEARN Ace's comprehensive learning resources, Sasbadi hopes to reduce the negative impact of the COVID-19 pandemic on these students and to support them in their efforts to prepare for one of the most important exams of their lives. This initiative is in line with Sasbadi Group's belief that education is a birthright, and it is our corporate responsibility to ensure that quality education resources is accessible to these students, regardless of race and socio-economic status. We are proud to be able to work with the MoE in contributing back to Malaysians from all walks of life through this CSR program.



Supporting Underserved Communities

Our Group acknowledges that not all Malaysian students have equal access to quality education resources due to socioeconomic factors. This is compounded by rising cost of living, subjecting low-income families to added financial pressure in their efforts to satisfy the educational needs of their children.

To address this, Sasbadi had officially partnered with Shopee, the leading e-commerce platform in Southeast Asia & Taiwan, on 1 July 2023 to make quality Sasbadi publications more accessible to the Malaysian student community. This was achieved via Shopee's commitment of RM50 million in the form of cash equivalent vouchers that can be redeemed on any educational materials available at Sasbadi's Official Shopee Store. Concurrently, Sasbadi has incorporated these cash vouchers in the form of QR codes in our selected publications to ensure that students all across Malaysia are able to conveniently access them and redeem the educational materials they need. This strategic partnership will end on 28 February 2024.





Sustainability Statement

Addressing Learning Poverty

Learning poverty is a high-priority concern for our society. To ensure that every child acquires the necessary skills and has access to quality reading materials, Sasbadi has worked closely with The Reading Bus Club, a Non-Governmental Organisation that addresses basic literacy and reading needs of students from marginalised and low-income families, since 2005. Every year, we have consistently provided The Reading Bus with a variety of Sasbadi publications including reference books, workbooks, storybooks, illustrated books, dictionaries, and educational comics to ensure that the reading needs of students from low-income and underserved families are met. This year, the Group intends to donate our publications for the benefit of primary and secondary school students located in rural areas of Malaysia, with a target delivery period of the books in the middle of December 2023.



Advocating STEM Culture

Since 2005, Sasbadi has been collaborating with the Ministry of Education ("MoE") to promote Science, Technology, Engineering and Mathematics ("STEM") skills in students. Through STEM, students are able to develop critical 21st century skills, based on the 4Cs framework, such as critical thinking, creative thinking, communication, and collaboration. These skills are becoming increasingly crucial for the future success of the next generation, and we have partnered with the MoE to organise high impact robotics co-curricular activities with a goal to nurture these skills in young children.

Over the years, Sasbadi has provided notable amounts of resources, technical expertise, and manpower to organise robotics competitions such as the National Robotics Competition ("NRC") and FIRST LEGO League ("FLL") Malaysia, free of charge, for primary and secondary students. Furthermore, we also provide the support needed to send Malaysian teams to prestigious international robotics competitions, such as the World Robot Olympiad ("WRO") and FLL International events.

As a testament to the MoE and Sasbadi's collaboration efforts, the Malaysian contingent had emerged as the Overall Champion for the 11th time, besting 1,200 students from 80 countries at the WRO from 7-9 November 2023, held in Panama City.

With the government's aspiration to promote STEM education amongst students under Budget 2024, Sasbadi will continue to work hand-in-hand with the MoE to ensure that STEM education is accessible to all students regardless of race, gender, and socioeconomic status.



CONCLUSION

We acknowledge that there will always be room for improvement with respect to sustainability. This year continues to be challenging as we recover from the heightened risks attributed to the COVID-19 pandemic. As the Group continues to establish our strategies to mitigate and recover from the impacts of the pandemic, we hold steadfast to our goal of building a sustainable business for the future. We will continue to keep abreast with developments in our operating environments, actively engage our stakeholders and build on our foundation to further promote sustainable practices within our organisation.

FEEDBACK

We welcome all stakeholders to share your feedback or concerns regarding our sustainability approach via <https://www.sasbadiholdings.com/contact.php>.

Corporate Governance Overview Statement

The Board of Directors ("the Board") of Sasbadi Holdings Berhad ("Sasbadi Holdings" or "the Company") is committed to implementing and maintaining principles and practices of good corporate governance within Sasbadi Holdings and our subsidiaries ("the Group") in order to safeguard stakeholders' investments and the Group's assets.

This statement provides an overview of the corporate governance practices by the Group during the financial year ended ("FYE") 31 August 2023. This overview takes guidance from the key principles laid out in the Malaysian Code on Corporate Governance ("MCCG") and is to be read together with the Corporate Governance Report which is available on the Company's website at www.sasbadiholdings.com.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board is responsible for the overall strategic direction and leadership of the Group, the adequacy and effectiveness of the Group's risk management and internal control system, compliance with the relevant laws and regulations and maintaining an oversight over Management.

The Board is guided by the Company's Board Charter which outlines the roles and responsibilities, operation and processes of the Board. The roles and responsibilities of the Board include, among others, the following:

- Review, challenge and approve the strategic plan prepared by the Management for the Group and to monitor the implementation of the plan;
- Oversee the conduct of the Group's business to ensure the objectives are met, the business is sustainable and the relevant regulations are complied with;
- Identify, assess and manage the principal risks affecting the Group through the implementation of an adequate and effective system;
- Ensure that there are plans in place for orderly succession of senior management;
- Review the adequacy and effectiveness of the Group's risk management and internal control system; and
- Oversee the implementation of investor relations policy to enable effective communication between the Group and the shareholders and other stakeholders.

In order to ensure the effective discharge of the Board's functions and responsibilities, the Board delegates specific roles and responsibilities to three (3) Board Committees, i.e. Audit Committee, Nomination Committee and Remuneration Committee.

(a) Separation of the Positions of Chairman and Managing Director

The Board practices the separation of the positions of Chairman and Managing Director and the division in their responsibilities. There is a balance of power and authority such that no one individual has unrestricted powers over decision-making.

Dato' Salleh Bin Mohd Husein, who is an Independent Non-Executive Director, is the Chairman of the Group and he leads the Board in the oversight of Management while Mr Law King Hui, who is the Managing Director of the Group, focuses on the running of the business and day-to-day management of the Group.

(b) Support of Qualified and Competent Company Secretaries

The Board is supported by two (2) qualified, competent and experienced Company Secretaries, who are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified pursuant to the requirements of the Companies Act 2016, pertaining to corporate secretarial matters which include, among others, convening of Board, Board Committee and general meetings, preparation of circular resolutions and minutes of meetings, maintenance of statutory registers and records, prepare and release of announcements to Bursa Malaysia Securities Berhad ("Bursa Securities"), and advising the Board on compliance with the relevant laws and regulations and adoption of corporate governance best practices.



Corporate Governance Overview Statement

(continued)

(c) Access to Information and Advice

The Directors have full and unrestricted access to all information of the Group on a timely and accurate manner to enable them to discharge their roles and responsibilities effectively. In addition, the Directors have full and unrestricted access to the Company Secretaries, the external auditors and the outsourced internal auditors for advice and services. If required, the Directors, collectively and individually, are also entitled to seek external independent professional advice at the Company's expense. This is provided for in the Company's Board Charter.

At the invitation of the Board or Board Committees, key management, external auditors and outsourced internal auditors will attend the meetings to present reports or information pertaining to their respective areas to the Board or Board Committees.

(d) Board Meetings

The Board shall meet at least four (4) times in a financial year and additional meetings may be convened as and when necessary. All Directors shall comply with the attendance requirement as set out in the Main Market Listing Requirements ("MMLR") of Bursa Securities. Agenda for the meetings, Board papers and any other relevant documents shall be distributed in advance to enable the Board members to have sufficient time to prepare for the meeting and to arrive at informed decisions. The Board may also invite members of the Management to attend the Board meeting to provide further information or explanation to the Board members. Any Director who has interests or is conflicted with regard to the business transaction being deliberated at the meeting, shall abstain from participating in the discussion or decision process pertaining to the matter. The Company Secretaries shall keep minutes of the Board meetings.

For the FYE 31 August 2023, there were five (5) Board meetings held and the attendance records of the Directors are as follows:

Member	Attendance
Dato' Salleh Bin Mohd Husein	5 out of 5
Law King Hui	5 out of 5
Lee Swee Hang	5 out of 5
Law Yi Chian	5 out of 5
Dato' Noor Rezan Binti Bapoo Hashim	5 out of 5
Tang Yuen Kin	5 out of 5
Datu Dr Rashidah Binti Bolhassan (<i>appointed on 18 April 2023</i>)	1 out of 1
Law En Ruey (<i>appointed on 30 October 2023</i>)	Not applicable

All the Directors complied with the minimum 50% attendance in respect of Board Meetings held during the FYE 31 August 2023 as stipulated under Paragraph 15.05 of the MMLR of Bursa Securities.

(e) Code of Conduct, Whistle-Blowing Policy and Anti Bribery and Corruption Policy

The Board has put in place a Code of Conduct which sets out certain values, principles and standards of good conduct expected of the Directors and employees at work. A copy of the Code of Conduct can be viewed on the Company's website, www.sasbadiholdings.com. The Code of Conduct will be reviewed from time to time for changes and new developments in the external and internal environment.

All Directors and employees of the Group are required to observe the Code of Conduct which provides guidance as to the ethical conduct to be complied to uphold the principles of honesty and integrity, to ensure a high standard of ethical and professional conduct is upheld in the performance of their duties and responsibilities.

Any Director or employee who knows of, or suspects, a violation of the Code of Conduct, is encouraged to whistle-blow or report the violation or suspected violation through the Whistle-Blowing Policy of the Company. A copy of the Whistle-Blowing Policy of the Company can be viewed on the Company's website, www.sasbadiholdings.com. For the FYE 31 August 2023, there was no report of any violation of the Code of Conduct.

Corporate Governance Overview Statement

(continued)

The Group also established and adopted the Anti-Bribery and Corruption Policy ("ABC Policy"), guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 (Amendment 2018). The ABC Policy sets out the parameters to prevent the occurrence of bribery and corrupt practices and to provide information and guidance to all employees, Directors and associated third parties on how to recognise and deal with bribery and corruption issues. The Group is committed to conducting business dealings in an honest and ethical manner. The ABC Policy can be viewed on the Company's website, www.sasbadiholdings.com.

(f) Directors' Fit and Proper Policy

The Board also adopted the Directors' Fit and Proper Policy, that serves as a guide to the Nomination Committee and the Board in their review and assessment of candidates to be appointed to the Board as well as existing directors who are retiring and seeking re-election. The aforesaid policy serves to ensure that the person to be appointed or re-elected as a director possesses the necessary character and integrity, experience and competence as well as the ability to discharge and give appropriate commitment and participation and contribution to the Board and the Company. The Directors' Fit and Proper Policy is published on the Company's website at www.sasbadiholdings.com.

(g) Sustainability

The Board recognises the importance of sustainability, encompassing environmental, social and governance ("ESG") considerations, along with its associated risks and opportunities for the Group. In alignment with this commitment, on 17 January 2023, the Board has approved and adopted the Sustainability Policy. The Board is the highest governing body and has the overall responsibility for the Sustainability matters within the Group. The Board delegates the responsibility for identifying sustainability risks relating to the Group to the Audit Committee. The Board and the Audit Committee undertake the process of identifying sustainability risk and devising appropriate strategies, plan and targets to address the risks on a yearly basis, with intervening reviews carried out as and when required.

The Group Managing Director leads the members of the senior management team (collectively known as "Management") in implementing the sustainability strategies and plans and the Management will be reporting to the Audit Committee and Board on a periodic basis.

II. BOARD COMPOSITION

During the FYE 31 August 2023, the Board is made up of three (3) Executive Directors (including the Group Managing Director) and four (4) Independent Non-Executive Directors (including the Chairman). Subsequent to the FYE 31 August 2023, Mr Law En Ruey, was appointed to the Board on 30 October 2023 as Executive Director. The Board composition provides a good mix of experience and diversity in skills and expertise while maintaining a good balance between Executive and Independent Directors.

The Board has also complied with paragraph 15.02 of the MMLR of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, to be independent. This is also in line with Practice 5.2 of the MCCG which requires at least half of the Board to comprise independent Directors. The composition and size of the Board are assessed by the Board through the Nomination Committee appointed by the Board annually or as and when the need arises.

The Board through the Nomination Committee assess the independence of the Independent Directors on an annual basis based on the criteria formulated by the Nomination Committee. This is to mitigate risks arising from conflict of interest or undue influences from interested parties. Based on the assessment in FYE 31 August 2023, the Board reviewed, assessed and was satisfied with the independence demonstrated by all of the Independent Directors and their ability to act in the best interest of the Company.

MCCG recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years and, upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. In the event the Board intends to retain an Independent Director beyond nine (9) years, they should provide justification and seek annual shareholders' approval through a two-tier voting process.



Corporate Governance Overview Statement

(continued)

Dato' Salleh Bin Mohd Husein and Dato' Noor Rezan Binti Bapoo Hashim were appointed as the Independent Non-Executive Chairman and Senior Independent Non-Executive Director respectively on 7 May 2013 and both have exceeded a cumulative term of nine (9) years as prescribed under the MCGG.

The Board through the Nomination Committee has undertaken relevant assessment and recommended that both Dato' Salleh Bin Mohd Husein and Dato' Noor Rezan Binti Bapoo Hashim be retained as Independent Non-Executive Directors based on the following justifications:

- Confirmation and declaration that they met the criteria of Independent Director prescribed under Paragraph 1.01 of the Listing Requirements of Bursa Securities;
- Confirmation and declaration that they have no conflict of interests with the Company and have not been entering/are not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies; and
- Their length of service on the Board do not in any way interfere with their exercise of balance and objective views to Board deliberations. Their experiences and knowledge in the Group's business and operations enable them to contribute effectively to Board deliberations and decision making.

The Board acknowledges that gender diversity is one of the key attributes to an effective and balanced board. In this regard, it is committed to having female representation on the Board though no specific target percentage is set. The Board has adopted the Gender Diversity Policy and the Group ensures equal opportunity is given to an individual whether for appointment as a Director or employment within the Group, based on merits and not on any gender, age or racial bias. Currently, the Board has three (3) female members out of a total of eight (8) Board members, representing a percentage of approximately 38%.

(a) Establishment of Nomination Committee

The Nomination Committee comprises the following members:

Chairman : Dato' Noor Rezan Binti Bapoo Hashim (Senior Independent Non-Executive Director)

Members : Tang Yuen Kin (Independent Non-Executive Director)

Datu Dr Rashidah Binti Bolhassan (Independent Non-Executive Director)
(appointed on 18 April 2023)

Dato' Salleh Bin Mohd Husein (Independent Non-Executive Chairman)
(resigned on 18 April 2023)

All the members are Independent Non-Executive Directors and the Chairman, Dato' Noor Rezan Binti Bapoo Hashim is our Senior Independent Non-Executive Director.

The full Terms of Reference setting out the Nomination Committee's composition, meeting proceedings, functions and reporting procedures, can be viewed on the Company's website, www.sasbadiholdings.com.

The functions of the Nomination Committee under its Terms of Reference include, among others, assessing and recommending candidates for directorships to the Board and undertaking annual assessment of the effectiveness of the Directors individually and as a whole.

A summary of activities carried out by the Nomination Committee during the FYE 31 August 2023 is as follows:

- Reviewed the Board's and Board Committees' structure, size, composition and diversity, and was satisfied with the review given the size of the Group and its business operations;
- Reviewed the assessment of performance of the individual Directors, the Board as a whole and the Board Committees, and the independence of the Independent Directors, and was satisfied with the experiences, contributions, competencies and mix of skills of the Directors to enable the Board and the Board Committees to discharge their respective duties and responsibilities effectively, as well as with the independence of the Independent Directors. It was also concurred from the assessment that the Board could work as a team and arrive at consensual decisions;
- Reviewed and assessed the Directors who are subject to retirement by rotation and casual vacancy, before recommending to the Board the tabling for shareholders' approval of the re-election of the said Directors at the previous Annual General Meeting ("AGM") held on 16 February 2023;

Corporate Governance Overview Statement

(continued)

- Reviewed the need for continuous training and development by the Directors;
- Reviewed the term of office and performance of the Audit Committee and each of its members and was satisfied that the Audit Committee had carried out its duties in accordance with its Terms of Reference;
- Reviewed the list of key senior management (including their profiles) and their potential successors; and
- Reviewed and recommended to the Board on the appointment on Datu Dr Rashidah Binti Bolhassan as Independent Non-Executive Director. The Nomination Committee also recommended Datu Dr Rashidah Bin Bolhassan to be appointed as member of the Audit Committee, Remuneration Committee and Nomination Committee in place of Dato' Salleh Bin Mohd Hussien, to be in line with the Practice 1.4 of the MCCG i.e. the Chairman of the Board should not be a member of the Audit Committee, Remuneration Committee or Nomination Committee.

The Board is satisfied with the level of time committed by the Directors in discharging their respective duties and roles as Directors of the Company. All the Directors of the Company have complied with paragraph 15.06 of the MMLR of Bursa Securities on the restriction on the number of directorships held in public listed companies.

(b) Board and Board Committee Evaluation

The Board has also put in place a formal process for the assessment of performance of the individual Directors, the Board as a whole and the Board Committees, as well as the independence of the Independent Directors, and the assessment is done on an annual basis. The Directors are given a set of questionnaires covering assessments of the Board, Board Committees, individual Director and independence assessments for Independent Directors to collect their feedback, views, commentary and suggestions for improvements.

(c) Directors' Training

The Directors are encouraged to attend continuing education programmes to upgrade their knowledge and enhance their skills.

Details of some of the training programmes/forums/seminars/conferences attended/participated by the Directors for the FYE 31 August 2023:

Director	Title of Training Programme/Forum/Seminar/Conference	Date
Dato' Salleh Bin Mohd Husein	• KPMG Asia Pacific Board Leadership Centre Webinar: 2023 Board and Audit Committee Priorities	6 July 2023
	• Tertiary Infotech Sdn Bhd: Finance for Non-Finance Managers	1 March 2023
	• Securities Commission's Audit Oversight Board Conversation with Audit Committees	17 November 2022
Law King Hui	• International Publishers Association: Artificial Intelligence & Publishing	26 April 2023
	• Xiamen University Malaysia: Intellectual Properties and Innovation under the RCEP Framework – Opportunities for Cooperation Conference	24 March 2023
	• Department of Educational Psychology and Counseling Faculty of Education University Malaya: Reimagine Inclusive Education	28 February 2023
	• Malaysian Institute of Management: Building Towards a Corrupt-Free Nation – Fighting Corruption and Embracing a Culture of Compliance for Good Governance	15 December 2022
	• MIRA: What Investors/Analysts Want in Terms of Disclosures From PLCS	1 November 2022



Corporate Governance Overview Statement

(continued)

Director	Title of Training Programme/Forum/Seminar/Conference	Date
Lee Swee Hang	• Bursa Malaysia: Advocacy Session on the Continuing Disclosure Requirements & Corporate Disclosure Policy of Listing Requirements	22 August 2023
	• International Publishers Association: Artificial Intelligence & Publishing	26 April 2023
	• MIRA: What Investors/Analysts Want in Terms of Disclosures From PLCS	1 November 2022
Law Yi Chian	• Bursa Malaysia: Advocacy Session on the Continuing Disclosure Requirements & Corporate Disclosure Policy of Listing Requirements	22 August 2023
	• Bursa PLCs Investor Relations Series: What Do Investors Look For in Your Company	28 July 2023
	• KPMG Board Leadership Center Exclusive: Understanding the Requirements in Bursa's Enhanced Sustainability Reporting Framework	2 November 2022
Dato' Noor Rezan Binti Bapoo Hashim	• Tertiary Infotech Sdn Bhd: Finance for Non-Finance Managers	24 May 2023
	• KPMG Board Leadership Center Exclusive: Understanding the Requirements in Bursa's Enhanced Sustainability Reporting Framework	2 November 2022
	• KPMG Board Leadership Center Exclusive: Human Rights Risk Management for Malaysian Companies	27 September 2022
Tang Yuen Kin	• Securities Commission's Audit Oversight Board Conversation with Audit Committees	6 December 2022
	• McCombs School of Business, University of Texas at Austin, United States of America: Post Graduate Program in Data Science and Business Analytics	22 August 2022 to 2 April 2023
	• University of Illinois at Urbana-Champaign, United States of America: Business Administration (Online) – iMBA Program	Commenced on 17 March 2021, and on-going
Datu Dr Rashidah Binti Bolhassan	• Bursa Malaysia: Mandatory Accreditation Programme 1	28 – 30 August 2023
	• Panel Member for Universiti Malaysia Sarawak: Management of Cultural Heritage: Safeguarding Intangible Cultural Heritage – An Interactive Workshop	20 June 2023
	• Speaker for Sarawak Women of Tomorrow: Enhancing Entrepreneurship Mindset For Sustainable Economic Growth	9 June 2023
	• Panel Speaker for the Kuala Lumpur International Book Fair 2023: The One Talk – My Library, My Pride	31 May 2023
	• Panel Speaker for Tabung Ekonomi Gagasan Anak Sarawak (TEGAS): Women in Innovation & Intellectual Property	27 May 2023
	• Speaker for Universiti Malaysia Sarawak: Three-tiered Indigenous Knowledge – A Method for Safeguarding Intangible Cultural Heritage	12 May 2023

Corporate Governance Overview Statement

(continued)

III. REMUNERATION

(a) Establishment of Remuneration Committee

The Remuneration Committee comprises the following members:

- Chairman** : Tang Yuen Kin (Independent Non-Executive Director)
Members : Dato' Noor Rezan Binti Bapoo Hashim (Senior Independent Non-Executive Director)
 Datu Dr Rashidah Binti Bolhassan (Independent Non-Executive Director)
(appointed on 18 April 2023)
 Dato' Salleh Bin Mohd Husein (Independent Non-Executive Chairman)
(resigned on 18 April 2023)

All the members are Independent Non-Executive Directors.

The full Terms of Reference setting out the Remuneration Committee's composition, meeting proceedings, functions and reporting procedures can be viewed on the Company's website, www.sasbadiholdings.com.

A summary of activities carried out by the Remuneration Committee during the FYE 31 August 2023 is as follows:

- Discussed and reviewed Directors' fees for the FYE 31 August 2023 prior to recommending to the Board the tabling for shareholders' approval of the said fees at the Tenth AGM held on 16 February 2023;
- Discussed and reviewed the Executive Directors' remuneration;
- Reviewed the employees' unutilised annual leave; and
- Reviewed the performance of the principal officers/key senior management of the Group for the FYE 31 August 2022.

(b) Directors'/Key Management Personnel's Remuneration

The Remuneration Committee has put in place a Remuneration Framework and Policy with the objectives of creating a fair and transparent system for determining the appropriate levels of remuneration for both Executive and Non-Executive Directors, and to ensure that the levels of remuneration are sufficient to attract and retain persons having the right skills, experience, competence and expertise to serve as Executive and Non-Executive Directors in the Company. None of the Executive Directors, Non-Executive Directors and senior management personnel participates in determining his/her individual remuneration packages, which are reviewed annually.

Details of aggregate remuneration received by the Directors from the Company and the Group for the FYE 31 August 2023 are as follows:

Director	Fees RM'000	Salaries RM'000	Employees' Provident Fund RM'000	Estimated Value of Benefits-in- kind RM'000	Total RM'000
Dato' Salleh Bin Mohd Husein	60	—	—	—	60
Law King Hui	40	360	15	35	450
Lee Swee Hang	40	216	10	7	273
Law Yi Chian	40	216	27	17	300
Dato' Noor Rezan Binti Bapoo Hashim	60	—	—	—	60
Tang Yuen Kin	60	—	—	—	60
Datu Dr Rashidah Binti Bolhassan	22	—	—	—	22
Total	322	792	52	59	1,225



Corporate Governance Overview Statement

(continued)

With the best interest of the Group in mind, and taking into consideration the sensitivity, privacy, security, issue of staff poaching, the Board has opted not to disclose on a named basis the top five senior management's remuneration in the bands of RM50,000. Instead, the Company will disclose the top five senior management's remuneration on an aggregate basis.

The top five senior management's remuneration on an aggregate for the FYE 31 August 2023, is as follows:

	RM'000
Salaries and bonus	1,058
Other Emoluments	106
Total	1,164

Liability Insurance to indemnify the Directors and officers of the Group against liabilities incurred by them during the discharge of their duties while in office.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee comprises the following members:

- Chairman** : Tang Yuen Kin (Independent Non-Executive Director)
Members : Dato' Noor Rezan Binti Bapoo Hashim (Senior Independent Non-Executive Director)
 Datu Dr Rashidah Binti Bolhassan (Independent Non-Executive Director)
(appointed on 18 April 2023)
 Dato' Salleh Bin Mohd Husein (Independent Non-Executive Chairman)
(resigned on 18 April 2023)

Please refer to the Audit Committee Report contained in the Annual Report for more information.

Relationship with the External Auditors

The Audit Committee reviews and monitors the suitability and independence of the external auditors on an annual basis. In addition, the Audit Committee has obtained confirmation from the external auditors that they are and have been independent throughout the conduct of the audit engagement. For the FYE 31 August 2023, the fees incurred by the Group in relation to the non-audit services by the external auditors amounts to RM13,000.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board recognises the importance of having effective governance, embedding risk management and internal control processes. The Board also acknowledges its overall responsibility for maintaining a sound risk management, internal control system and reviewing their adequacy and effectiveness in order to safeguard stakeholders' investments and the Group's assets.

Details on the risk management and internal control system of the Group are set out in the Statement on Risk Management and Internal Control of this Annual Report.

The Group has outsourced the internal audit function to a professional services firm, Sterling Business Alignment Consulting Sdn Bhd, which is independent of the activities and operations of the Group. The outsourced internal auditors report directly to the Audit Committee. Details on the internal audit function are set out in the Audit Committee Report and the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of maintaining effective communication between the Company and its potential investors or shareholders together with timeliness and equal dissemination of information. This will enhance their understanding of the Group's performance and position and assist them into making informed decisions.

The Board believes the AGM is a principal forum for dialogue and communication with shareholders. Stakeholders are also able to obtain latest information on the Group from the Company's website and are encouraged to contact the Company should they require more information. In this regard, Management hold meetings and engagements with stakeholders regularly upon request and through roadshows, dialogues and forums.

II. CONDUCT OF GENERAL MEETINGS

Notice of the AGM together with a copy of Annual Report are sent out to the shareholders at least 28 days before the date of the meeting to provide the shareholders sufficient time to prepare for the meeting and to make informed decisions at the meeting.

The Company will allocate sufficient time during the AGM and Extraordinary General Meeting(s) ("EGM") for a Question-and-Answer session whereby the Chairman together with the other Board members will be present to answer any questions and possible concerns that the shareholders may have on the Group and its operations.

Senior Management and the Group's external auditors as well as the Company's advisers are also available to respond to shareholders' questions during the AGM/EGM as the case may be.

The Company shall conduct poll voting for all resolutions set out in the notice of any general meeting in accordance with the MMLR of Bursa Securities.

COMPLIANCE STATEMENT

The Board is satisfied that throughout FYE 31 August 2023, the Company has applied the principles and recommendations of the corporate governance set out in the MCCG, where necessary and appropriate.

This Corporate Governance Overview Statement was approved by the Board 7 December 2023.



Audit Committee Report

The Audit Committee has been established to assist the Board of Directors (“the Board”) of Sasbadi Holdings Berhad (“Sasbadi Holdings” or “the Company”) in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting practices, system of internal controls, audit processes and monitoring of compliance with laws and regulations (*Note: Sasbadi Holdings and its subsidiaries are collectively referred to as “the Group” herein*).

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee comprises the following members:

Chairman : Tang Yuen Kin (Independent Non-Executive Director)

Members : Dato’ Noor Rezan Binti Bapoo Hashim (Senior Independent Non-Executive Director)
 Datu Dr Rashidah Binti Bolhassan (Independent Non-Executive Director) (*appointed on 18 April 2023*)
 Dato’ Salleh Bin Mohd Husein (Independent Non-Executive Chairman) (*resigned on 18 April 2023*)

The composition of the Audit Committee complies with paragraph 15.09 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), as follows:

- The Audit Committee comprises three (3) members;
- All the members are Independent Non-Executive Directors; and
- The Chairman, Tang Yuen Kin, is a member of the Malaysian Institute of Accountants.

TERMS OF REFERENCE

The full Terms of Reference setting out the Audit Committee’s composition, meeting proceedings, authority, functions and duties can be viewed on the Company’s website, www.sasbadiholdings.com.

ATTENDANCE OF MEETINGS

During the financial year ended (“FYE”) 31 August 2023, the Audit Committee held a total of five (5) meetings. The attendance of the members of the Audit Committee at the meetings is as follows:

Member	Attendance
Tang Yuen Kin	5 out of 5
Dato’ Noor Rezan Binti Bapoo Hashim	5 out of 5
Datu Dr Rashidah Binti Bolhassan (<i>appointed on 18 April 2023</i>)	1 out of 1
Dato’ Salleh Bin Mohd Husein (<i>resigned on 18 April 2023</i>)	4 out of 4

The agenda for the meetings, together with the relevant papers and reports and minutes of the previous meetings, were distributed to the members prior to the meetings. The Company Secretary attended all the meetings held during the financial year under review. In addition, the Group Managing Director and other Executive Directors, the Group Chief Financial Officer, key management personnel, external auditors and outsourced internal auditors also attended the meetings when invited by the Audit Committee to provide and present reports or information during the deliberation of matters pertaining to their respective areas, in the meetings.

Audit Committee Report

(continued)

SUMMARY OF WORK OF THE AUDIT COMMITTEE DURING THE FYE 31 AUGUST 2023

During the FYE 31 August 2023, the Audit Committee had, in discharging its functions and duties, carried out, among others, the following work:

Financial reporting / Annual reporting

- Reviewed and recommended for the Board's approval the unaudited financial results of the Group for announcement to Bursa Securities for the following financial quarters:
 - Fourth quarter ended 31 August 2022
 - First quarter ended 30 November 2022
 - Second quarter ended 28 February 2023
 - Third quarter ended 31 May 2023

The review was to ensure that the unaudited quarterly financial results were prepared in accordance with the requirements of Malaysian Financial Reporting Standard 134, International Accounting Standard 34: *Interim Financial Reporting*, and paragraph 9.22 and Part A of Appendix 9B of the MMLR of Bursa Securities. The review also covered, among others, the accuracy and adequacy of disclosure of information, the Group's performance and financial position for the respective quarters, segmental performance, seasonality of operations, prospects, etc;

- Reviewed the audited financial statements for the FYE 31 August 2022 before recommending for the Board's approval. The review was to ensure that the financial statements were prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016;
- Reviewed the assessment report/checklist relating to risk management and internal control prepared by Management for the purpose of the Statement on Risk Management and Internal Control ("SORMIC") for inclusion in the Annual Report for the FYE 31 August 2022;
- Reviewed and recommended for the Board's approval the SORMIC and the Audit Committee Report ("AC Report") for inclusion in the Annual Report for the FYE 31 August 2022. The review was to ensure that the SORMIC and the AC Report were prepared in accordance with the MMLR of Bursa Securities;
- Reviewed the Group's management budget for the FYE 31 August 2023 before recommending for the Board's approval and adoption; and
- Reviewed the revised Audit Committee Terms of Reference before recommending for the Board's endorsement.

External audit

- Reviewed and discussed with the external auditors, i.e. BDO PLT, on the audit for the FYE 31 August 2022. At the meeting, BDO PLT reported that, during the course of the performance of the audit, they had not been made aware of any serious offence involving fraud or dishonesty being or which has been committed in the Group. The Management also represented, among others, the same (i.e. no knowledge of any serious offence involving fraud or dishonesty being or which has been committed in the Group) to BDO PLT;
- Without the presence of Executive Directors and Management, discussed with BDO PLT on any issues, problems and reservations arising from the audit for the FYE 31 August 2022, and any other matters that they would want to bring to the attention of the Audit Committee;
- Assessed the suitability of BDO PLT as the external auditors of the Group based on the criteria in relation to the re-appointment of external auditors as prescribed under the MMLR of Bursa Securities, such as the adequacy of BDO PLT's experience and resources and the capability of the audit team assigned to the audit, as well as their independence, before recommending to the Board for the tabling to the shareholders for approval of the re-appointment of BDO PLT as the external auditors of the Company, at the previous annual general meeting held on 16 February 2023;



Audit Committee Report

(continued)

- Reviewed and discussed with the external auditors, BDO PLT, on their audit plan for the FYE 31 August 2023 covering the audit scope, audit methodology, timetable and milestones, audit materiality, audit focus areas and reported observations in prior year's audit, before endorsing and recommending to the Board for adoption; and
- Reviewed the audit and non-audit fees of the external auditors for the FYE 31 August 2023 before recommending for the Board's approval.

Internal audit

- Reviewed, discussed and approved the outsourced internal auditors' audit plan (covering the scope of work, subsidiaries being audited, estimated number of man-days, audit schedule and reporting timeline) and fees for the FYE 31 August 2023 before recommending for the Board's endorsement; and
- Reviewed and deliberated on the outsourced internal auditors' reports as detailed in the Internal Audit Function section below, and follow up on the actions taken by the Management in addressing the issues and recommendations raised by the internal auditors.

Risk management

- Reviewed the updated Registry of Risks and Risk Matrix prepared by the Risk Management Team ("RMT"). While the risk ratings remained consistent, the total number of risk factors has increased after incorporating the additional risk in managing the environment, social and governance ("ESG") strategies and challenges. The Audit Committee also take note of the changes in the suggested risk control action.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is outsourced to Sterling Business Alignment Consulting Sdn Bhd, an external professional firm which is independent of the activities and operations of the Group. They carried out review on the adequacy of the internal control system of the Group. The outsourced internal auditors report directly to the Audit Committee.

A summary of the work carried out by the outsourced internal auditors during the FYE 31 August 2023 is as follows:

- Prepared and presented an internal audit plan for the FYE 31 August 2023 to the Audit Committee. The focus of the internal audit plan for the FYE 31 August 2023, as approved by the Audit Committee was on major subsidiaries of the Company;
- Undertook the internal control assessment in accordance with the internal audit plan for the FYE 31 August 2023, covering the following companies and functional areas/sections:
 - i. Sasbadi Sdn Bhd, Sasbadi Online Sdn Bhd, Orbit Buku Sdn Bhd and Malaysian Book Promotions Sdn Bhd
 - Sales and Marketing
 - ii. United Publishing House (M) Sdn Bhd
 - Finance and Accounts
 - Sales and Marketing
- Undertook follow-up review on previously reported audit findings to ensure weaknesses identified have been or are being addressed; and
- Presented the reports on internal control assessment setting out their findings and recommendations, and Management's responses and actions, to the Audit Committee for deliberation.

The fees incurred by the Group in relation to outsourced internal audit function for the FYE 31 August 2023 were RM30,000.

Statement On Risk Management And Internal Control

INTRODUCTION

The Board of Directors (“the Board”) of Sasbadi Holdings Berhad (“Sasbadi Holdings” or “the Company”) is pleased to present the following Statement on Risk Management and Internal Control of Sasbadi Holdings and its subsidiaries (“the Group”) for the financial year ended (“FYE”) 31 August 2023. This Statement has been prepared in accordance with paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, issued by the Taskforce on Internal Control with the support and endorsement of Bursa Securities (“the Guidelines”).

BOARD RESPONSIBILITIES

The Board recognises the importance of having effective governance, embedding risk management and internal control processes in order for the Group to achieve its objectives and sustain growth and success in its business operations. In this regard, the Board acknowledges its overall responsibility for maintaining a sound risk management and internal control system and for reviewing their adequacy and effectiveness in order to safeguard stakeholders’ investments and the Group’s assets. While maintaining overall responsibility, the Board has delegated its functions pertaining to risk management and internal controls to the Audit Committee. In addition, the Board and the Audit Committee are assisted by the Management in the implementation of the policies and procedures established by the Board on risk management and internal controls.

The Board recognises that, due to the limitations inherent in any internal control system, the system is designed to manage, and not to eliminate, the risk of failure to achieve the Group’s business objectives, and it can only provide reasonable but not absolute assurance against material misstatement of financial information and records, or against financial losses or fraud.

RISK MANAGEMENT

The Group has put in place a risk management framework (“RM Framework”) to assist the Group in managing the various risks faced in its daily business operations. Under the RM Framework, a Risk Management Team (“RMT”), headed by the Group Chief Financial Officer and comprising the Heads of various functions and departments within the Group, has been established to actively manage the risks faced by the Group. The RMT reports to the Executive Management Team (“EMT”) comprising the Executive Directors, and the Audit Committee, who both in turn report to the Board.

The RMT adopts a strategic approach towards risk management which involves risk identification, evaluation, treatment, monitoring and review. The RMT has been assessing, monitoring and managing the risks on a monthly basis via the use of a checklist of risks. In addition, the risks identified together with the steps taken/to be taken to mitigate the risks are deliberated during the periodic management meetings attended by the EMT and the RMT.

INTERNAL CONTROL SYSTEM

The key elements of the Group’s internal control system include, among others, the following:

- Defined organisation structure with proper segregation of duties, responsibilities and authorities among the Directors, management and employees;
- Board Committees (i.e. Audit Committee, Nomination Committee and Remuneration Committee) which undertake their duties and responsibilities according to their delegated functions as set out in their respective Terms of Reference;
- Formalised Code of Conduct, Whistle-Blowing Policy, Anti-Bribery and Corruption Policy, Directors’ Fit and Proper Policy and Sustainability Policy. For the financial year under review, there were no concerns raised of any wrongdoing or improper conduct involving the Group or its Directors or employees;
- Documentation of key business processes and authority matrix to ensure decisions are made by the relevant individuals/groups within the authority limits established;
- Periodic Board, Board Committee and management meetings to discuss, among others, financial, operational, risk and compliance matters;
- Annual budgeting process whereby the annual budget prepared by management is tabled for the Audit Committee’s review before being approved by the Board;
- Outsourced internal audit function which reports to the Audit Committee;
- Employment procedures and processes to facilitate the recruitment and evaluation of employees; and
- Insurance coverage on the Group’s assets, where necessary.



Statement On Risk Management And Internal Control

(continued)

INTERNAL AUDIT FUNCTION

The Group has outsourced the internal audit function to a professional service firm, which is independent of the activities and operations of the Group, to review the adequacy and effectiveness of the internal control system of the Group. The outsourced internal auditors, which report directly to the Audit Committee, conducted internal control assessment on the Group in order to identify areas for improvement, besides compliance with internal best practices, guidelines and objectives.

During the financial year under review, the outsourced internal auditors have carried out an internal control assessment based on the internal audit plan for the FYE 31 August 2023 as approved by the Audit Committee, covering the following subsidiaries and functional areas/sections:

- i. Sasbadi Sdn Bhd, Sasbadi Online Sdn Bhd, Orbit Buku Sdn Bhd and Malaysian Book Promotions Sdn Bhd
 - Sales and Marketing, in respect of new market identification processes and procedures, distributors / agents appointment processes and procedures, new customer / sales leads generation and monitoring, pricing control processes and procedures, order processing, selling and distribution expenses allocation processes and procedures, credit and accounts receivables management, customer retention management, performance monitoring and reporting and implementation process of business development strategy.
- ii. United Publishing House (M) Sdn Bhd
 - Finance and Accounts, in respect of billing and revenue recognition processes and procedures, collection and receivables processes and procedures, payment processes and procedures, debit note and credit note, cash flow management, capital asset management, development costs capitalisation and amortisation and inter-company billing.
 - Sales and Marketing, in respect of new market identification processes and procedures, distributors / agents appointment processes and procedures, new customer / sales leads generation and monitoring, pricing control processes and procedures, order processing, selling and distribution expenses allocation processes and procedures, credit and accounts receivables management, customer retention management, performance monitoring and reporting and implementation process of business development strategy.
- iii. Follow-up review on previously reported audit findings to ensure weaknesses identified have been or are being addressed.

Upon completion of the work, the outsourced internal auditors presented their reports to the Audit Committee during the quarterly meetings whereby the outsourced internal auditors' findings and recommendations as well as the Management's responses and action plans were deliberated.

WEAKNESSES IN INTERNAL CONTROLS WHICH RESULTED IN MATERIAL LOSSES, IF ANY

During FYE 31 August 2023 and up to the date of approval for issuance of this Statement, there were no material losses incurred by the Group arising from weaknesses in its internal control system.

Statement On Risk Management And Internal Control

(continued)

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance to the Guidelines, the Management is responsible to the Board for identifying risks relevant to the business of the Company's objectives and strategies, implementing and maintaining a sound system of risk management and internal control, and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Company's achievement of its objectives and performance.

In producing this Statement, the Board has received assurance from the Group Managing Director and the Group Chief Financial Officer that, to the best of their knowledge, the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the existing risk management and internal control system of the Group for FYE 31 August 2023.

REVIEW OF THIS STATEMENT

Pursuant to paragraph 15.23 of the MMLR of Bursa Securities, the Company's external auditors have reviewed this Statement for inclusion in the 2023 Annual Report of the Company, and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control and risk management.

CONCLUSION

Based on the foregoing, the Board is of the view that the Group's risk management and internal control system is adequate and effective.



Additional Compliance Information

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company has implemented an ESOS of up to ten percent (10%) of the Company's total number of issued shares (excluding treasury shares, if any) for the eligible employees and Executive Directors of the Group (i.e. Sasbadi Holdings and its subsidiaries) effective from 1 September 2016 for a duration of five (5) years, expiring on 31 August 2021. On 17 February 2021, the Board of Directors has approved the extension of the ESOS for a further period of five (5) years to 31 August 2026.

The details of the ESOS during the FYE 31 August 2023 are as follows:

Description	Number of Options
Total number of options outstanding as at 1 September 2022	16,465,000
Total number of options granted to eligible employees	–
Total number of options exercised	(8,770,000)
Total number of options expired / forfeited	(4,365,000)
Total number of options outstanding as at 31 August 2023	3,330,000

In accordance with the By-Laws of the ESOS, not more than 80% of the options available under the ESOS shall be allocated, in aggregate to the Executive Directors and senior management. There were no new ESOS options granted to the senior management during the FYE 31 August 2023. The total ESOS options granted to the senior management represents 29.22% of the total ESOS options granted since the commencement of the ESOS scheme.

There were no options offered to any Director of the Company in respect of FYE 31 August 2023 and since commencement of the ESOS.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred by the Group and the Company for services rendered by the external auditors or a firm or corporation affiliated to the external auditors to the Group and the Company during the FYE 31 August 2023 are as follows:

	Group	Company
	RM'000	RM'000
Audit services		
– BDO PLT	303	65
Non-audit services	13	8

The non-audit services provided by the external auditors were in relation to the review of the Statement on Risk Management and Internal Control and Agreed-Upon Procedures for Determination of the Effective Date of the Green Investment Tax Allowance Incentive.

MATERIAL CONTRACTS INVOLVING DIRECTORS AND/OR MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and/or our subsidiaries involving the interest of Directors and/or major shareholders, either subsisting at the end of the FYE 31 August 2023 or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions entered into by the Group during the FYE 31 August 2023.

UTILISATION OF PROCEEDS

No proceeds were raised from any corporate proposals during the FYE 31 August 2023.

Statement On Directors' Responsibility

The Directors are required by the Companies Act 2016 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year under review and their results and cash flows for the financial year then ended. As required by the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the applicable approved accounting standards in Malaysia.

In preparing the financial statements of the Group and the Company for the financial year ended 31 August 2023, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgments and estimates that are prudent and reasonable;
- ensured applicable approved accounting standards have been complied with, subject to any material departures being disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company. The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect fraud and other such irregularities.

This statement is made in accordance with the resolution of the Board dated 7 December 2023.



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Financial Statements

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 August 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities whilst the Group's subsidiaries are principally involved in the publishing and distribution of printed and digital education materials and related activities.

The details of the Group's subsidiaries are set out in Note 8 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to owners of the Company	<u>10,168</u>	<u>621</u>

DIVIDENDS

On 18 April 2023, the Board of Directors declared and approved the payment of an interim single tier dividend of RM0.005 per ordinary share in respect of the financial year ended 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 which amounts to RM2,154,217.62.

On 30 October 2023, the Board of Directors declared and approved the payment of a second interim single-tier dividend of RM0.0025 per ordinary share in respect of the financial year ended 31 August 2023. This second interim dividend is to be paid on 3 January 2024 to shareholders registered in the Record of Depositors as at 15 December 2023. The dividend will be accounted for as an appropriation of retained earnings in the financial year ending 31 August 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those presented in the statements of changes in equity.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 424,584,500 to 433,354,500 by way of issuance of 450,000 and 8,320,000 new ordinary shares pursuant to options exercised under the Employee's Share Option Scheme ("ESOS") at an exercise price of RM0.12 and RM0.10 respectively per ordinary share for cash. The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.



Financial Statements

(continued)

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the ESOS as disclosed in Note 17 to the financial statements.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Dato' Salleh Bin Mohd Husein
 Law King Hui
 Lee Swee Hang
 Dato' Noor Rezan Binti Bapoo Hashim
 Law Yi Chian
 Tang Yuen Kin
 Datu Dr Rashidah Binti Bolhassan (Appointed on 18 April 2023)
 Law En Ruey (Appointed on 30 October 2023)

Directors of subsidiaries of the Company (excluding those Directors listed above) are as follows:

Kuan Shaw Ping
 Lew Yoke Long
 Lim Jit Ping

DIRECTORS' INTERESTS

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares		
	Balance as at 1.9.2022	Bought	Sold
Interests in the Company			
Dato' Salleh Bin Mohd Husein	300,000	-	-
Law King Hui			
- own	76,783,500	1,500,000	-
- others ⁽¹⁾	5,100,000	450,000	-
Lee Swee Hang	35,811,500	335,500	-
Dato' Noor Rezan Binti Bapoo Hashim	300,000	-	-
Deemed interests in the Company			
Law King Hui ⁽²⁾	76,200,001	-	-
Lee Swee Hang ⁽²⁾	76,200,001	-	-

Notes:

- (1) Interest held by spouse and children of the Director pursuant to Section 59(11)(c) of the Companies Act 2016.
 (2) Deemed interested by virtue of their interests in Karya Kencana Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

By virtue of their interests in the ordinary shares of the Company, Law King Hui and Lee Swee Hang are also deemed interested in the ordinary shares of the subsidiaries during the financial year to the extent that Sasbadi Holdings Berhad has an interest. The other Directors holding office at 31 August 2023 had no interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 August 2023 were as follows:

	Group RM'000	Company RM'000
Fees	322	322
Salaries and other emoluments	844	-
Estimated value of benefit-in-kind	59	-
	<u>1,225</u>	<u>322</u>

INDEMNITY AND INSURANCE

During the financial year, Directors and officers of Sasbadi Holdings Berhad, together with its subsidiaries, are covered under the Directors' and officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and officers of the Group subject to the terms of the policy. The total amount of Directors' and officers' Liability Insurance effected for the Directors and officers of the Group was RM5 million. The total amount of premium paid for the Directors' and officers' Liability Insurance by the Group and the Company was RM10,000.

There were no indemnity and insurance costs effected for auditors of the Group and the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts; and



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(continued)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(I) AS AT THE END OF THE FINANCIAL YEAR (continued)

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps: (continued)
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

Financial Statements

(continued)

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 August 2023 were as follows:

	Group RM'000	Company RM'000
Statutory audit	303	65
Other services	13	8
	<u>316</u>	<u>73</u>

Signed on behalf of the Board in accordance with a resolution of the Directors.

.....
Law King Hui
Director

Kuala Lumpur
7 December 2023

.....
Lee Swee Hang
Director



Financial Statements

(continued)

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

In the opinion of the Directors, the financial statements set out on pages 84 to 137 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2023 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....
Law King Hui

Director

Kuala Lumpur
7 December 2023

.....
Lee Swee Hang

Director

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Chan Yuet Leng (MIA: CA 15995), being the officer primarily responsible for the financial management of Sasbadi Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 84 to 137 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared by the abovenamed at
Kuala Lumpur on
7 December 2023

.....
Chan Yuet Leng (MIA: CA 15995)

Before me:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SASBADI HOLDINGS BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sasbadi Holdings Berhad, which comprise the statements of financial position as at 31 August 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 84 to 137.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Financial Statements

(continued)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SASBADI HOLDINGS BERHAD (continued) (Incorporated in Malaysia)

Key Audit Matters (continued)

Key Audit Matters of the Group

1. Annual impairment assessment of the carrying amount of goodwill

As at 31 August 2023, the carrying amount of goodwill of Sanjung Unggul Sdn. Bhd. and its subsidiaries amounted to RM10,253,000 as disclosed in Note 7 to the financial statements.

We determined the annual assessment of impairment of goodwill to be a key audit matter because of the significance of goodwill to the Group's consolidated financial position and it requires significant management judgement and assumptions in determining the value-in-use of the cash generating units to determine the expected cash flows. These judgements and assumptions include projected growth in sales and gross margins and terminal value, as well as determining appropriate pre-tax discount rate.

Audit response

Our audit procedures included the following:

- a. Compared prior period projection to actual outcome to assess reliability of management's projections;
- b. Compared cash flow projections against the CGU's recent performance, then assessed and evaluated the key assumptions made in the forecast and projections;
- c. Verified projected gross margins, sales growth rates and terminal values to support the key assumptions in projections by corroborating information from other areas of our audit;
- d. Verified pre-tax discount rate used by management for the CGU by comparing to market rate, weighted average cost of capital of the Group and relevant risk factors; and
- e. Performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

2. Valuation of inventories

As at 31 August 2023, the carrying amount of inventories of the Group was RM61,021,000 and the associated allowance for inventories write down was RM3,037,000, as disclosed in Note 12 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SASBADI HOLDINGS BERHAD (continued) (Incorporated in Malaysia)

Key Audit Matters (continued)

Key Audit Matters of the Group (continued)

2. Valuation of inventories (continued)

We determined this to be a key audit matter because it requires management to exercise significant judgements in assessing the level of allowance for inventories write down required.

Audit response

Our audit procedures included the following:

- a. Evaluated the design and implementation over the control of identification of slow moving inventories and tested their effectiveness;
- b. Checked selected inventories samples to sales subsequent to the financial year end to determine that these were sold at more than its cost; and
- c. Assessed the adequacy of the allowance for inventories write down at year end.

Key Audit Matter of the Company

Impairment assessment of investments in subsidiaries

As at 31 August 2023, the carrying amount of the investments in subsidiaries for unquoted equity shares were RM90,334,000 as disclosed in Note 8 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements and assumptions in determining the recoverable amount, estimating the future results and key assumptions applied to cash flow projections of these subsidiaries. These judgements and assumptions include projected growth in sales and gross margins, as well as determining an appropriate pre-tax discount rate.

Audit response

Our audit procedures included the following:

- a. Compared prior period projection to actual outcome to assess reliability of management's projections;
- b. Compared cash flow projections against the subsidiaries' recent performance, then assessed and evaluated the key assumptions made in the forecast and projections;



Financial Statements

(continued)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SASBADI HOLDINGS BERHAD (continued) (Incorporated in Malaysia)

Key Audit Matters (continued)

Key Audit Matter of the Company (continued)

Impairment assessment of investments in subsidiaries (continued)

Audit response (continued)

Our audit procedures included the following: (continued)

- c. Verified projected profit margins, revenue growth rates and terminal values to support the key assumptions in projections by corroborating information from other areas of our audit;
- d. Verified pre-tax discount rate used by management for each subsidiaries by comparing to market rate, weighted average cost of capital of the Group and relevant risk factors; and
- e. Performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SASBADI HOLDINGS BERHAD (continued) (Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.



Financial Statements

(continued)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SASBADI HOLDINGS BERHAD (continued) (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SASBADI HOLDINGS BERHAD (continued) (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
7 December 2023

Tan Seong Yuh
03314/07/2025 J
Chartered Accountant



Financial Statements

(continued)

STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
Property, plant and equipment	5	44,599	37,943	-	-
Investment properties	6	2,268	2,320	-	-
Intangible assets	7	18,853	20,287	-	-
Investments in subsidiaries	8	-	-	90,334	90,414
Other investments	9	37	37	-	-
Deferred tax assets	10	401	694	-	-
Total non-current assets		66,158	61,281	90,334	90,414
Inventories	12	61,021	64,785	-	-
Right to recover returned goods	13	1,603	2,190	-	-
Current tax assets		4,395	3,281	122	2
Contract costs	14	104	253	-	-
Trade and other receivables	15	37,429	35,536	29,099	31,215
Prepayments		4,990	4,363	41	41
Cash and cash equivalents	16	11,640	10,378	92	57
Total current assets		121,182	120,786	29,354	31,315
TOTAL ASSETS		187,340	182,067	119,688	121,729
EQUITY					
Share capital	17	110,379	109,138	110,379	109,138
Reserves	17	42,747	30,112	4,129	6,017
TOTAL EQUITY		153,126	139,250	114,508	115,155
LIABILITIES					
Loans and borrowings	18	1,342	1,359	-	-
Lease liabilities	11	77	358	-	-
Deferred tax liabilities	10	8,619	5,713	-	-
Total non-current liabilities		10,038	7,430	-	-
Loans and borrowings	18	7,284	10,863	-	-
Lease liabilities	11	365	419	-	-
Refund liabilities	13	2,897	4,266	-	-
Trade and other payables	19	13,283	19,009	5,180	6,574
Contract liabilities	14	347	830	-	-
Total current liabilities		24,176	35,387	5,180	6,574
TOTAL LIABILITIES		34,214	42,817	5,180	6,574
TOTAL EQUITY AND LIABILITIES		187,340	182,067	119,688	121,729

The accompanying notes form an integral part of the financial statements.

Financial Statements

(continued)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	20	96,142	69,034	1,039	5,668
Cost of sales		(59,582)	(45,991)	-	-
Gross profit		36,560	23,043	1,039	5,668
Other operating income		540	576	-	-
Distribution expenses		(7,050)	(6,477)	(45)	-
Administrative expenses		(14,026)	(12,390)	(385)	(284)
Net gain on impairment of financial instruments		685	1,044	22	-
Other operating expenses		(2,744)	(2,833)	(334)	(246)
Results from operating activities		13,965	2,963	297	5,138
Finance income		42	30	575	1
Finance costs	21	(857)	(1,022)	(147)	-
Profit before tax	22	13,150	1,971	725	5,139
Taxation	23	(2,982)	(1,130)	(104)	-
Net profit for the financial year attributable to owners of the Company		10,168	841	621	5,139
Other comprehensive income for the financial year, net of tax:					
Item that will not be reclassified subsequently to profit or loss					
Revaluation gain on property, plant and equipment		4,976	-	-	-
Net changes in fair value of equity investments designated at fair value through other comprehensive income		-	(5)	-	-
		4,976	(5)	-	-
Total comprehensive income for the financial year attributable to owners of the Company		15,144	836	621	5,139
Earnings per share (sen)	24				
- Basic		2.38	0.20		
- Diluted		2.37	0.20		

The accompanying notes form an integral part of the financial statements.



Financial Statements

(continued)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

Group	Attributable to owners of the Company						
	Share capital RM'000	Treasury shares RM'000	Merger deficit RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Share options reserve RM'000	Total equity RM'000
As at 1 September 2021	109,073	(1)	(50,500)	(56)	18,356	246	137,888
Net profit for the financial year	-	-	-	-	-	-	841
Other comprehensive loss, net of tax	-	-	-	(5)	-	-	(5)
Total comprehensive (loss)/income for the financial year	-	-	-	(5)	-	-	836
Transfer on disposal of other investment	-	-	-	(3)	-	-	3
<i>Transactions with owners of the Company</i>							
Ordinary shares issued pursuant to ESOS	65	-	-	-	-	(19)	46
Share options lapsed under ESOS	-	-	-	-	-	(2)	-
Share-based payment transactions	-	-	-	-	-	480	480
Total transactions with owners	65	-	-	-	-	459	526
As at 31 August 2022	109,138	(1)	(50,500)	(64)	18,356	705	139,250

Note 17

Financial Statements

(continued)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023 (continued)

<-----Attributable to owners of the Company----->								
Group	Share capital RM'000	Treasury shares RM'000	Merger deficit RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Share options reserve RM'000	Retained earnings RM'000	Total equity RM'000
As at 1 September 2022	109,138	(1)	(50,500)	(64)	18,356	705	61,616	139,250
Net profit for the financial year	-	-	-	-	-	-	10,168	10,168
Other comprehensive income, net of tax	-	-	-	-	4,976	-	-	4,976
Total comprehensive income for the financial year	-	-	-	-	4,976	-	10,168	15,144
Transactions with owners of the Company								
Ordinary shares issued pursuant to ESOS	1,241	-	-	-	-	(355)	-	886
Share options lapsed under ESOS	-	-	-	-	-	(216)	216	-
Dividends paid	-	-	-	-	-	-	(2,154)	(2,154)
Total transactions with owners	1,241	-	-	-	-	(571)	(1,938)	(1,268)
As at 31 August 2023	110,379	(1)	(50,500)	(64)	23,332	134	69,846	153,126
<-----Note 17----->								

<-----Note 17----->

The accompanying notes form an integral part of the financial statements.



Financial Statements

(continued)

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

Company	<-----Non-distributable----->			Distributable	
	Share capital RM'000	Treasury shares RM'000	Share options reserve RM'000	Retained earnings RM'000	Total equity RM'000
As at 1 September 2021	109,073	(1)	246	172	109,490
Net profit and total comprehensive income for the financial year	-	-	-	5,139	5,139
<i>Transactions with owners of the Company</i>					
Ordinary shares issued pursuant to ESOS	65	-	(19)	-	46
Share options lapsed under ESOS	-	-	(2)	2	-
Share-based payment transactions	-	-	480	-	480
Total transactions with owners	65	-	459	2	526
As at 31 August 2022/ 1 September 2022	109,138	(1)	705	5,313	115,155
Net profit and total comprehensive income for the financial year	-	-	-	621	621
<i>Transactions with owners of the Company</i>					
Ordinary shares issued pursuant to ESOS	1,241	-	(355)	-	886
Share options lapsed under ESOS	-	-	(216)	216	-
Dividends paid	-	-	-	(2,154)	(2,154)
Total transactions with owners	1,241	-	(571)	(1,938)	(1,268)
As at 31 August 2023	110,379	(1)	134	3,996	114,508
<-----Note 17----->					

The accompanying notes form an integral part of the financial statements.

Financial Statements

(continued)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		13,150	1,971	725	5,139
<i>Adjustments for:</i>					
Amortisation of intangible assets	7	1,422	1,422	-	-
Depreciation of property, plant and equipment	5	2,194	1,932	-	-
Depreciation of investment properties	6	52	53	-	-
Dividend income	22	-	(1)	(1,039)	(5,668)
Finance costs	21	857	1,022	147	-
Finance income	22	(42)	(30)	(575)	(1)
Gain on disposals of property, plant and equipment	22	(249)	(124)	-	-
Impairment loss on investment in a subsidiary	8(d)	-	-	80	-
Net write down of inventories	12	3,037	3,450	-	-
Net reversal of impairment loss on trade receivables	15(e)	(685)	(1,044)	-	-
Net reversal of impairment losses on amounts due from subsidiaries	15(e)	-	-	(22)	-
Intangible assets written-off	22	12	-	-	-
Property, plant and equipment written-off	22	21	-	-	-
Share-based payment	17(f)	-	480	-	-
Unrealised foreign exchange gain	22	(6)	-	-	-
Operating profit/(loss) before changes in working capital		19,763	9,131	(684)	(530)
Changes in working capital:					
Inventories		319	(9,705)	-	-
Trade and other receivables and prepayments		(1,835)	4,972	-	-
Trade and other payables		(5,720)	5,067	57	10
Contract costs		149	326	-	-
Contract liabilities		(483)	(1,011)	-	-
Right to recover returned goods		587	(1,200)	-	-
Refund liabilities		(1,369)	2,390	-	-
Cash generated from/(used in) operations		11,411	9,970	(627)	(520)
Dividend received		-	-	1,039	2,440
Interest paid		(735)	(821)	(147)	-
Interest received		42	30	575	1
Tax paid		(3,204)	(973)	(225)	-
Tax refunded		735	55	1	4
Net cash from operating activities		8,249	8,261	616	1,925



Financial Statements

(continued)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023 (continued)

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Change in pledged deposits		250	353	-	-
Acquisition of property, plant and equipment	5(b)	(1,201)	(370)	-	-
Net advances to subsidiaries		-	-	(1,467)	(1,966)
Proceeds from disposals of:					
- property, plant and equipment		271	124	-	-
- other investments		-	173	-	-
Dividend received from other investments		-	1	-	-
Net cash (used in)/from investing activities		(680)	281	(1,467)	(1,966)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(122)	(201)	-	-
Dividend paid	25	(2,154)	-	-	-
Payment of lease liabilities		(430)	(571)	-	-
Repayment of term loans		(403)	(4,875)	-	-
Payment of hire purchase liabilities		(114)	(44)	-	-
Net drawdown of bankers' acceptance		2,271	2,402	-	-
Proceeds from issuance of shares pursuant to ESOS		886	46	886	46
Net cash (used in)/from financing activities		(66)	(3,243)	886	46
Net increase in cash and cash equivalents		7,503	5,299	35	5
Cash and cash equivalents at beginning of the financial year		3,576	(1,723)	57	52
Cash and cash equivalents at end of the financial year	16	11,079	3,576	92	57

Financial Statements

(continued)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023 (continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities

	At 1.9.2021 RM'000	Changes RM'000	Net changes from financing cash flows RM'000	At 31.8.2022/ 1.9.2022 RM'000	Changes RM'000	Net changes from financing cash flows RM'000	At 31.8.2023 RM'000
Term loans	6,600	-	(4,875)	1,725	-	(403)	1,322
Bankers' acceptances	2,009	-	2,402	4,411	-	2,271	6,682
Hire purchase	106	-	(44)	62	641	(114)	589
Lease liabilities	1,235	113	(571)	777	95	(430)	442
	9,950	113	(3,088)	6,975	736	1,324	9,035

Cash outflows arising from leases as a lessee

	Included in Operating Activities Short term leases and low value assets paid RM'000	Included in Financing Activities Payment of lease liabilities RM'000	Total RM'000
Group			
As at 31 August 2023	146	430	576
As at 31 August 2022	250	571	821

The accompanying notes form an integral part of the financial statements.



Financial Statements

(continued)

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Sasbadi Holdings Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur, W.P. Kuala Lumpur.

The principal place of business of the Company is located at Lot 12, Jalan Teknologi 3/4, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The consolidated financial statements of the Company for the financial year ended 31 August 2023 comprise the Company and its subsidiaries (together referred to as "the Group"). These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 7 December 2023.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities whilst the Group's subsidiaries are principally involved in the publishing and distribution of printed and digital education materials and related activities.

The details of the Group's subsidiaries are set out in Note 8 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 4.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

4.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
<i>Annual Improvements to MFRS Standards 2018 - 2020</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

4.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
<i>MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Insurance Contracts Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17 Insurance Contract)</i>	1 January 2023
<i>Disclosures of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)</i>	1 January 2023
<i>Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)</i>	1 January 2023
<i>Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)</i>	1 January 2023
<i>Lease liability in a sale and leaseback (Amendments to MFRS 16 Leases)</i>	1 January 2024
<i>Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)</i>	1 January 2024
<i>Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)</i>	1 January 2024
<i>Supplier Finance Arrangements (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures)</i>	1 January 2024
<i>Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)</i>	1 January 2025
<i>International Tax Reform-Pillar Two Model Rules (Amendments to MFRS 112 Income Taxes)</i>	Refer paragraph 98M of MFRS 112
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures)</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.



Financial Statements

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5. PROPERTY, PLANT AND EQUIPMENT

Group	Condominiums RM'000	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Computers RM'000	Total RM'000
Cost/Valuation								
Balance as at 1 September 2021	320	21,380	20,253	8,018	3,390	1,247	2,401	57,009
Additions	-	-	124	20	60	-	290	494
Disposals	-	-	-	(737)	-	-	-	(737)
Written-off	-	-	-	-	(26)	-	(10)	(36)
Termination of lease	-	-	(40)	-	-	-	-	(40)
Balance as at 31 August 2022/1 September 2022	320	21,380	20,337	7,301	3,424	1,247	2,681	56,690
Additions	-	-	101	818	864	-	160	1,943
Transfer from inventories	-	-	-	-	-	-	408	408
Reassessment of MFRS 16	-	-	7	-	-	-	-	7
Disposals	-	-	-	(1,327)	(8)	-	-	(1,335)
Written-off	-	-	-	(79)	(10)	-	-	(89)
Termination of lease	-	-	(26)	-	-	-	-	(26)
Adjustment for revaluation	50	3,420	(1,575)	-	-	-	-	1,895
Balance as at 31 August 2023	370	24,800	18,844	6,713	4,270	1,247	3,249	59,493
Representing items at: Cost	-	-	-	-	-	-	-	-
Directors' valuation	370	24,800	18,844	6,713	4,270	1,247	3,249	15,479
Balance as at 31 August 2023	370	24,800	18,844	6,713	4,270	1,247	3,249	59,493

Financial Statements

(continued)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Condominiums RM'000	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Computers RM'000	Total RM'000
Accumulated depreciation and impairment loss								
Balance as at 1 September 2021	17	1,740	2,655	7,558	2,698	699	2,250	17,617
Charge for the financial year	4	498	948	133	147	105	97	1,932
Disposals	-	-	-	(737)	-	-	-	(737)
Written-off	-	-	-	-	(26)	-	(10)	(36)
Termination of lease	-	-	(29)	-	-	-	-	(29)
Balance as at 31 August 2022/ 1 September 2022	21	2,238	3,574	6,954	2,819	804	2,337	18,747
Charge for the financial year	13	589	894	243	156	106	193	2,194
Disposals	-	-	-	(1,310)	(3)	-	-	(1,313)
Written-off	-	-	-	(60)	(8)	-	-	(68)
Termination of lease	-	-	(13)	-	-	-	-	(13)
Adjustment for revaluation	(23)	(2,403)	(2,227)	-	-	-	-	(4,653)
Balance as at 31 August 2023	11	424	2,228	5,827	2,964	910	2,530	14,894
Carrying amount								
Balance as at 31 August 2022	299	19,142	16,763	347	605	443	344	37,943
Balance as at 31 August 2023	359	24,376	16,616	886	1,306	337	719	44,599



Financial Statements

(continued)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) All items of property, plant and equipment are initially recognised at cost. After initial recognition, property, plant and equipment are stated at cost (other than the properties comprising condominiums and leasehold land and buildings which are revalued every 4 to 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value), less accumulated depreciation and any accumulated impairment losses. Additions subsequent to the date of valuation are stated at cost until the next revaluation exercise.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to profit or loss.

Depreciation is calculated to write off the cost of the assets to their residual values. Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Right-of-use assets are depreciated on a straight-line basis over the earlier of their estimated useful lives or the end of the lease term. The estimated useful lives represent common life expectancies applied in the industry. The principal depreciation periods are as follows:

Property, plant and equipment

Motor vehicles	5 years
Office equipment, furniture and fittings	10 years
Renovation	10 years
Computers	3 to 5 years

Right-of-use assets under property, plant and equipment

Condominiums	50 years
Leasehold land	60 to 99 years
Buildings	50 years
Leased warehouse and residential properties (included in Buildings)	2 to 4 years
Motor vehicles	5 years

- (b) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

Group	2023 RM'000	2022 RM'000
Purchase of property, plant and equipment	1,943	494
Leases	(101)	(124)
Financed by hire purchase	(641)	-
Cash payments to purchase property, plant and equipment	<u>1,201</u>	<u>370</u>

- (c) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed under Note 11 to the financial statements.
- (d) Certain land and buildings of the Group with carrying amounts of RM38,137,000 (2022: RM32,745,000) were charged to banks as security for banking facilities granted to the Group (Note 18).

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (e) The Group's condominiums, leasehold land and buildings are stated at Directors' valuation which is supported by the professional valuation carried out in January 2023 by an external independent valuation company, KGV International Property Consultants (M) Sdn. Bhd..

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Property category	Valuation techniques used	Significant unobservable inputs	Inter-relationship between key observable inputs and fair value
Condominiums	Comparison approach	Price per square feet RM103 - 248	The estimated fair value would increase if the price per square foot is higher.
Leasehold land	Comparison approach	Price per square feet RM235	The estimated fair value would increase if the price per square foot is higher.
Buildings	Comparison approach	Price per square feet RM151 - 551	The estimated fair value would increase if the price per square foot is higher.

Had the condominiums, leasehold land and buildings been carried at historical cost less accumulated depreciation, the carrying amounts of the revalued assets that would have been included in the financial statements at the end of the financial year are as follows:

Group	2023 RM'000	2022 RM'000
Condominiums	171	180
Leasehold land	1,826	1,873
Buildings	7,131	7,351
	<u>9,128</u>	<u>9,404</u>

The fair value of condominiums, leasehold land and buildings are categorised as Level 3 in the fair value hierarchy. There were no transfers between levels in the hierarchy during the financial year.



Financial Statements

(continued)

6. INVESTMENT PROPERTIES

Group	Buildings RM'000
Cost	
Balance as at 1 September 2021/31 August 2022/1 September 2022/ 31 August 2023	<u>2,640</u>
Accumulated depreciation	
Balance as at 1 September 2021	267
Charge for the financial year	<u>53</u>
Balance as at 31 August 2022/1 September 2022	320
Charge for the financial year	<u>52</u>
Balance as at 31 August 2023	<u>372</u>
Carrying amount	
Balance as at 31 August 2022	<u>2,320</u>
Balance as at 31 August 2023	<u>2,268</u>

- (a) Investment properties comprise of commercial buildings that are leased to third parties. Each of the lease contains an initial non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessees with an average renewal period of 2 years. No contingent rents are charged.
- (b) Investment properties are stated at cost, less accumulated depreciation and any accumulated impairment losses.

The depreciation policy adopted for investment properties is similar to property assets under property, plant and equipment.

- (c) The following are recognised in profit or loss in respect of investment properties:

	Group	
	2023 RM'000	2022 RM'000
Rental income	120	118
Direct operating expenses	<u>(15)</u>	<u>(15)</u>

- (d) Fair value of the investment properties is categorised as follows:

Group	Level 3	
	2023 RM'000	2022 RM'000
Commercial buildings	<u>2,910</u>	<u>2,680</u>

6. INVESTMENT PROPERTIES (continued)

(d) Fair value of the investment properties is categorised as follows (continued)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation techniques and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Sales comparison method: Entails recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustment made for differences in location, physical characteristics, time element, if any and other relevant characteristics to arrive at the market value.	Price per square foot RM134 - RM404	The estimated fair value would increase if the price per square foot is higher.

(e) The aggregate future minimum lease receivable as at the end of each reporting period as follows:

Group	2023 RM'000	2022 RM'000
Less than one (1) year	116	120
One (1) to two (2) years	10	126
	<u>126</u>	<u>246</u>

7. INTANGIBLE ASSETS

Group	Goodwill RM'000	Development costs RM'000	Software RM'000	Intellectual properties RM'000	Total RM'000
Cost					
Balance as at 1 September 2021					
31 August 2022/ 1 September 2022/	10,964	2,927	152	18,545	32,588
Written-off	(533)	-	(15)	-	(548)
Balance as at 31 August 2023	<u>10,431</u>	<u>2,927</u>	<u>137</u>	<u>18,545</u>	<u>32,040</u>



Financial Statements

(continued)

7. INTANGIBLE ASSETS (continued)

Group	Goodwill RM'000	Development costs RM'000	Software RM'000	Intellectual properties RM'000	Total RM'000
Accumulated amortisation and impairment loss					
Balance as at 1 September 2021	533	1,452	67	8,827	10,879
Charge for the financial year	-	293	15	1,114	1,422
Balance as at 31 August 2022/1 September 2022	533	1,745	82	9,941	12,301
Charge for the financial year	-	293	14	1,115	1,422
Written-off	(533)	-	(3)	-	(536)
Balance as at 31 August 2023	-	2,038	93	11,056	13,187
Carrying amount					
Balance as at 31 August 2022	10,431	1,182	70	8,604	20,287
Balance as at 31 August 2023	10,431	889	44	7,489	18,853

- (a) Intangible assets are initially measured at cost. After initial recognition, intangible assets, excluding goodwill, are carried at cost less any accumulated amortisation and any accumulated impairment losses. Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.
- (b) Subsumed within goodwill are the brand names and the synergies expected to be achieved from integrating Sanjung Unggul Sdn. Bhd. ("Sanjung Unggul") and its subsidiaries ("Sanjung Unggul Group"), Distinct Motion Sdn. Bhd. and its subsidiary ("Distinct Motion Group") and Pinko Creative Sdn. Bhd. ("Pinko Creative") into the Group's existing publishing and applied learning products business.
- (c) Intellectual properties comprise the publishing rights and production files in relation to educational and learning materials for national schools and institutes of teacher education acquired by the Group as well as the publishing rights and production files in relation to dictionaries, comics, storybooks, educational and learning materials for early education and national-type Chinese schools recognised through the acquisitions of United Publishing House (M) Sdn. Bhd. and Sanjung Unggul by the Company.

The intellectual properties are amortised over 15 years as the management estimates that the intellectual properties can be used for commercial activities for a duration of 15 years. Development costs and software are amortised over 10 years.

7. INTANGIBLE ASSETS (continued)

(d) Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units ("CGU"), which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

Group	2023 RM'000	2022 RM'000
Sanjung Unggul Group	10,253	10,253
Distinct Motion Group	-	-
Pinko Creative	178	178
	<u>10,431</u>	<u>10,431</u>

An impairment loss on goodwill amounting to RM533,000 had been previously recognised in respect of Distinct Motion Group CGU within other operating expenses in the statements of profit or loss and other comprehensive income in the previous financial year due to its deteriorating financial performance. This impairment loss had been fully written off during the current financial year.

In assessing whether goodwill is impaired, the carrying amount of the CGU (including goodwill) is compared with the recoverable amount of the CGU.

(i) Sanjung Unggul Group

The recoverable amount of the business unit is higher than its carrying amount and was based on its value in use. Value in use was determined by discounting future cash flows to be generated from the continuing operation of the business as a book publisher and education and supplement material provider and was based on the following key assumptions:

- Cash flows were projected based on actual operating results and financial budget approved by management covering a 5-year business plan.
- The anticipated sales is approximately RM14,066,000 in 2024. The anticipated sales growth rate is 2.58% (2022: 2.00% - 21.00%) from 2024 to 2028.
- The operating expenditure growth was assumed to be 2.58% (2022: 2.42%) per annum. The estimated growth rate was based on the forecasted inflation rate.
- The projected gross margins which reflects the average historical gross margin, adjusted for projected market and economic conditions and internal resource efficiency.
- Terminal value was based on the fifth year cash flow without incorporating any growth rate.
- The unit will continue its operations indefinitely.
- A pre-tax discount rate of 10.33% (2022: 11.02%) was applied in determining the recoverable amount of the CGU. The discount rate applied was estimated based on the Group's weighted average cost of capital and reflect the current market assessment of the risks specific to the CGU.



Financial Statements

(continued)

7. INTANGIBLE ASSETS (continued)

(d) Impairment testing for cash-generating units containing goodwill (continued)

(i) Sanjung Unggul Group (continued)

The values assigned to the key assumptions represent management's assessment of future trends in the industries and are based on both external sources and internal sources.

Sensitivity analysis

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount of the CGU. Based on their review, there is no evidence of impairment on the goodwill allocated to the Sanjung Unggul Group.

(ii) Pinko Creative

The recoverable amount of the business unit is higher than its carrying amount and was based on its value in use. Value in use was determined by discounting future cash flows to be generated from the continuing operation of the business as a book publisher and was based on the following key assumptions:

- Cash flows were projected based on actual operating results and financial budget approved by management covering a 5-year business plan.
- The anticipated sales is approximately RM2,637,000 in 2024. The anticipated sales growth rate is 2.42% (2022: 2.42%) per annum from 2024 to 2028.
- The operating expenditure growth was assumed to be 2.58% (2022: 2.42%) per annum. The estimated growth rate was based on the forecasted inflation rate.
- The projected gross margins which reflects the average historical gross margin, adjusted for projected market and economic conditions and internal resource efficiency.
- Terminal value was based on the fifth year cash flow without incorporating any growth rate.
- The unit will continue its operations indefinitely.
- A pre-tax discount rate of 10.33% (2022: 11.02%) was applied in determining the recoverable amount of the CGU. The discount rate applied was estimated based on the Group's weighted average cost of capital and reflect the current market assessment of the risks specific to the CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industries and are based on both external sources and internal sources.

Sensitivity analysis

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount of the CGU. Based on their review, there is no evidence of impairment on the goodwill allocated to Pinko Creative.

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8. INVESTMENTS IN SUBSIDIARIES

Company	2023 RM'000	2022 RM'000
Unquoted shares, at cost	93,008	93,008
Less: Impairment loss	(2,674)	(2,594)
	<u>90,334</u>	<u>90,414</u>

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less any impairment losses.
- (b) Details of the subsidiaries, which are all incorporated and operating in Malaysia, are as follows:

Name of Company	Effective ownership interest and voting interest		Principal activities
	2023 %	2022 %	
Sasbadi Sdn. Bhd.	100	100	Publisher of printed educational materials, distribution of applied learning products, and trading of paper
Maya Press Sdn. Bhd.	100	100	Imprint for general titles
Orbit Buku Sdn. Bhd.	100	100	Publisher of supplementary educational materials
Sasbadi Online Sdn. Bhd.	100	100	Publisher of online/digital educational materials
Malaysian Book Promotions Sdn. Bhd.	100	100	Publishing and distribution of printed educational materials and organiser of book fairs and exhibitions
MBP Publications Sdn. Bhd.	100	100	Imprint for printed educational materials
Mindtech Education Sdn. Bhd.	100	100	Direct marketing of online/digital educational products
Sanjung Unggul Sdn. Bhd.	100	100	General trade and investment holding
United Publishing House (M) Sdn. Bhd.	100	100	Publishing of dictionaries and books
Sasbadi Learning Solutions Sdn. Bhd.	100	100	Distribution of applied learning products
Subsidiary of Sanjung Unggul Sdn. Bhd.			
The Malaya Press Sdn. Bhd.	100	100	Publishing of books



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(continued)

8. INVESTMENT IN SUBSIDIARIES (continued)

- (b) Details of the subsidiaries, which are all incorporated and operating in Malaysia, are as follows: (continued)

Name of Company	Effective ownership interest and voting interest		Principal activities
	2023 %	2022 %	
Subsidiaries of United Publishing House (M) Sdn. Bhd.			
G-Apple Studio Sdn. Bhd.	100	100	Dormant
Penerbitan Daya Sdn. Bhd.	100	100	Dormant
Penerbitan Minda Sdn. Bhd.	100	100	Dormant
UPH Distributor Sdn. Bhd.	100	100	Dormant
Pinko Creative Sdn. Bhd.	100	100	Publishing of books and trading of all kinds of printed materials
Subsidiary of Sasbadi Learning Solutions Sdn. Bhd.			
Distinct Motion Sdn. Bhd.	100	100	Provider of learning activities related to robotics and science, technology, engineering and mathematics (STEM) education
Subsidiaries of The Malaya Press Sdn. Bhd.			
Jinbang Publication Sdn. Bhd.	100	100	Publication of books
Big Tree Publications Sdn. Bhd.	100	100	Publication of books
Media Distribution Sdn. Bhd.	-	100	Dormant
Subsidiary of Distinct Motion Sdn. Bhd.			
Distinct Element Sdn. Bhd.	100	100	Dormant
Subsidiary of Malaysian Book Promotions Sdn. Bhd.			
Media Distribution Sdn. Bhd.	100	-	Dormant

8. INVESTMENTS IN SUBSIDIARIES (continued)

- (c) The Company reviews the investments in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value in use of the respective subsidiaries. The value in use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect their income and cash flows. Judgement had also been used to determine the discount rate for the cash flows and the future growth of the businesses of the subsidiaries. Impairment losses are made when the carrying amount of the investments in subsidiaries exceed its recoverable amount.

The key assumptions for the impairment testing are disclosed in Note 7(d)(i) to the financial statements.

- (d) During current financial year, the Company had made an impairment of RM80,000 (2022: Nil) in respect of a subsidiary due to its poor financial position. The recoverable amount of the cost of investment in the subsidiary was based on its fair value less cost to sell ("FVLCTS") of the underlying assets. The net assets of the subsidiary were used as a proxy for its recoverable amount based on FVLCTS method and were within Level 3 of the fair value hierarchy.
- (e) On 18 April 2023, a wholly-owned subsidiary of the Company, The Malaya Press Sdn. Bhd. had disposed of its ownership of shares in Media Distribution Sdn. Bhd. to Malaysian Book Promotions Sdn. Bhd., another wholly-owned subsidiary of the Company for a total consideration of RM10,000.

9. OTHER INVESTMENTS

Group	2023 RM'000	2022 RM'000
Fair value through profit or loss		
Club membership	37	37
Fair value through other comprehensive Income		
Shares quoted in Malaysia	-	-
	<u>37</u>	<u>37</u>
Market value of quoted investments	<u>-</u>	<u>-</u>

The Group designated shares quoted in Malaysia as fair value through other comprehensive income because these equity securities represented investments that the Group intended to hold for long-term strategic purposes.

Shares quoted in Malaysia of the Group were categorised as Level 1 in the fair value hierarchy. The fair value of investments was determined based on quoted market prices at the reporting date. Club membership of the Group was categorised as Level 3 in the fair value hierarchy. There was no transfer between levels in hierarchy during the financial year.



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(continued)

9. OTHER INVESTMENTS (continued)

The following table shows a reconciliation of Level 1 fair values of shares quoted in Malaysia:

Group	2023 RM'000	2022 RM'000
Balance as at 1 September 2022/2021	-	178
Disposal	-	(173)
Fair value changes	-	(5)
Balance as at 31 August	-	-

Sensitivity analysis for other investments is not material to the Group.

The maximum exposure to credit risk is represented by the carrying amount of the other investments of the Group.

10. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) are attributable to the following:

Group	Assets		Liabilities		Net	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Property, plant and equipment						
- capital allowance	-	-	(226)	(81)	(226)	(81)
- revaluation	-	-	(8,136)	(6,735)	(8,136)	(6,735)
Right-of-use assets	-	-	(97)	(189)	(97)	(189)
Lease liabilities	102	198	-	-	102	198
Intangible assets	-	-	(1,348)	(1,396)	(1,348)	(1,396)
Contract costs	-	-	-	(111)	-	(111)
Contract liabilities	-	139	-	-	-	139
Unutilised tax losses	-	1,441	-	-	-	1,441
Other deductible temporary differences	1,487	1,715	-	-	1,487	1,715
Tax assets/(liabilities)	1,589	3,493	(9,807)	(8,512)	(8,218)	(5,019)
Set off of tax	(1,188)	(2,799)	1,188	2,799	-	-
	401	694	(8,619)	(5,713)	(8,218)	(5,019)

10. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Movement in temporary differences during the financial year:

Group	Balance as at 1.9.2021 RM'000	Recognised in profit or loss (Note 23) RM'000	Balance as at 31.8.2022/ 1.9.2022 RM'000	Recognised in profit or loss (Note 23) RM'000	Recognised in revaluation reserve (Note 23) RM'000	Balance as at 31.8.2023 RM'000
Property, plant and equipment						
- capital allowance	50	(131)	(81)	(145)	-	(226)
- revaluation	(6,882)	147	(6,735)	171	(1,572)	(8,136)
Right-of-use assets	(295)	106	(189)	92	-	(97)
Lease liabilities	306	(108)	198	(96)	-	102
Intangible assets	(1,710)	314	(1,396)	48	-	(1,348)
Contract costs	(250)	139	(111)	111	-	-
Contract liabilities	442	(303)	139	(139)	-	-
Unutilised tax losses	2,357	(916)	1,441	(1,441)	-	-
Other deductible temporary differences	1,843	(128)	1,715	(228)	-	1,487
	(4,139)	(880)	(5,019)	(1,627)	(1,572)	(8,218)



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10. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Group	2023 RM'000	2022 RM'000
Unutilised tax losses		
- Expires by 31 August 2028	1,587	2,314
- Expires by 31 August 2029	1,670	1,917
- Expires by 31 August 2030	1,755	2,440
- Expires by 31 August 2031	1,076	2,536
- Expires by 31 August 2032	234	247
- Expires by 31 August 2033	16	-
Unabsorbed capital allowances	1,283	1,116
Contract liabilities	456	1,089
Other deductible temporary differences	186	119
	<u>8,263</u>	<u>11,778</u>

Deferred tax assets have not been recognised in respect of these items because there is no sufficient future taxable profits available against which they can be utilised. Unutilised tax losses can be carried forward for ten (10) consecutive years of assessment whilst the unabsorbed capital allowances do not expire under the current tax legislation. These items are subject to the agreement of the Inland Revenue Board.

11. RIGHT-OF-USE ASSETS/(LEASE LIABILITIES)

The Group as a lessee

Right-of-use assets classified within property, plant and equipment

Group	2023 RM'000	2022 RM'000
Carrying amount		
Condominium	359	299
Leasehold land	24,376	19,142
Buildings	16,616	16,763
Motor vehicles	18	38
Total	<u>41,369</u>	<u>36,242</u>

11. RIGHT-OF-USE ASSETS/(LEASE LIABILITIES) (continued)

The Group as lessee (continued)

Lease liabilities	Balance as at 1.9.2022 RM'000	Additions RM'000	Reassessment of MFRS 16 RM'000	Termination RM'000	Lease payments RM'000	Interest expense RM'000	Balance as at 31.08.2023 RM'000
Carrying amount							
Buildings	748	101	7	(13)	(445)	29	427
Motor vehicles	29	-	-	-	(15)	1	15
	777	101	7	(13)	(460)	30	442

	Balance as at 1.9.2021 RM'000	Additions RM'000	Termination RM'000	Lease payments RM'000	Interest expense RM'000	Balance as at 31.08.2022 RM'000
Carrying amount						
Buildings	1,107	124	(11)	(517)	45	748
Motor vehicles	128	-	-	(103)	4	29
	1,235	124	(11)	(620)	49	777



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11. RIGHT-OF-USE ASSETS/(LEASE LIABILITIES) (continued)

The Group as lessee (continued)

Represented by:	Group	
	2023 RM'000	2022 RM'000
Current liabilities	365	419
Non-current liabilities	77	358
	<u>442</u>	<u>777</u>
Lease liabilities owing to financial institutions	15	29
Lease liabilities owing to non-financial institutions	427	748
	<u>442</u>	<u>777</u>

(a) Nature of the leasing activities

Condominiums, leasehold land and buildings

The Group has made upfront payments to secure the right-of-use of condominiums, leasehold land and buildings for its operations. The Group also leases warehouses and residential properties for the purpose of staff accommodation. These leasehold land and buildings, and related leases which have a lease term of more than 12 months are recognised within property, plant and equipment (Note 5).

Motor vehicles

The Group leases motor vehicles for employees for use in operations.

- (b) The right-of-use assets under property, plant and equipment are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The Group has certain leases with lease term less than twelve (12) months, and low value leases of office of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

The right-of-use assets are depreciated on a straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term as disclosed in Note 5 (a) to the financial statements.

11. RIGHT-OF-USE ASSETS/(LEASE LIABILITIES) (continued)

(c) Additions to right-of-use assets during the financial year

Group	2023 RM'000	2022 RM'000
Buildings	101	124

(d) Depreciation charged during the financial year

Group	2023 RM'000	2022 RM'000
Condominium	13	4
Leasehold land	589	498
Buildings	894	948
Motor vehicles	20	20
Total	1,516	1,470

(e) Extension options

Some leases of buildings contain extension options up to 3 years, which are exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessor. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstance within its control.

As at 31 August 2023, there is no undiscounted potential future rental payments that are not included in the lease term.

(f) The table below summarises the maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	2023 RM'000	2022 RM'000
On demand or within one year	384	448
One to five years	85	367
	469	815

(g) Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help it determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases. The lease payments are discounted using the annual incremental borrowing rate of the Group in range of 2.99% to 5.17% (2022: 2.51% to 5.17%).



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12. INVENTORIES

Group	2023 RM'000	2022 RM'000
At cost/net realisable value		
Raw materials	3,042	8,790
Finished goods	57,979	55,995
	<u>61,021</u>	<u>64,785</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	28,331	29,594
Write down of inventories	<u>3,037</u>	<u>3,450</u>

Cost of inventories is determined using the first-in first-out and weighted average method and are stated at lower of cost and net realisable value.

The Group writes down its obsolete or slow-moving inventories based on assessment of their product lifecycle and nature. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend when making this judgement to evaluate the adequacy of the write down for obsolete or slow-moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

13. RIGHT TO RECOVER RETURNED GOODS/(REFUND LIABILITIES)

Group	2023 RM'000	2022 RM'000
Right to recover returned goods	<u>1,603</u>	<u>2,190</u>
Refund liabilities	<u>(2,897)</u>	<u>(4,266)</u>

An asset with a right to recover returned goods and the corresponding refund liabilities are recognised in relation to finished goods sold with a right of return.

These are measured by reference to the former carrying amounts of the sold inventories less any expected costs to recover those inventories and any potential decreases in the value to the Group of the returned inventories.

14. CONTRACT WITH CUSTOMERS

(a) Contract costs

Group	2023 RM'000	2022 RM'000
Cost to obtain a contract	<u>104</u>	<u>253</u>

Cost to obtain a contract primarily comprises commission fees paid to intermediaries as a result of obtaining contracts and they are recoverable.

Capitalised commission fees are amortised when the related revenues are recognised. During the current financial year, the amount of amortisation was RM1,011,000 (2022: RM1,924,000).

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14. CONTRACT WITH CUSTOMERS (continued)

(b) Contract liabilities

Group	2023 RM'000	2022 RM'000
Contract liabilities	347	830

The contract liabilities primarily relate to the advance consideration received from customers for sale of online/digital materials, which revenue is recognised over time throughout the agreed period. The contract liabilities are expected to be recognised as revenue over a period of 180 days or 365 days (2022: 180 days or 365 days).

Significant changes to contract liabilities balances during the financial year are as follows:

Group	2023 RM'000	2022 RM'000
Contract liabilities at the beginning of the period recognised as revenue	830	1,841

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current Trade				
Trade receivables	38,937	37,645	-	-
Less: Impairment loss	(2,669)	(3,815)	-	-
	36,268	33,830	-	-
Non-trade				
Amounts due from subsidiaries	-	-	32,178	34,316
Less: Impairment loss	-	-	(3,081)	(3,103)
Other receivables and deposits	1,161	1,706	2	2
	1,161	1,706	29,099	31,215
	37,429	35,536	29,099	31,215

- Trade and other receivables are classified as financial assets and are measured at amortised cost.
- These are non-interest bearing and the normal credit terms granted by the Group and the Company ranges from cash term to 90 days (2022: cash term to 90 days). Trade and other receivables are recognised at their original invoices amounts, which represent their fair values on initial recognition.
- Trade and other receivables are denominated in Ringgit Malaysia.
- Amounts due from subsidiaries are non-trade advances in nature, unsecured, bear interest ranging from 2.73% to 3.00% per annum and is repayable in cash and cash equivalents within the next twelve (12) months.



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15. TRADE AND OTHER RECEIVABLES (continued)

(e) Credit risk and impairment policy for trade receivables

As at the end of the reporting period, the maximum credit risk exposure is equivalent to the gross carrying amount of trade receivables of the Group.

As at 31 August 2023, the Group has significant concentration of credit risk in the form of outstanding balances from five (5) (2022: five (5)) trade customers, which amounted to RM10,269,000 (2022: RM8,513,000) representing 26% (2022: 23%) of gross trade receivables. The Directors are of the opinion that the outstanding balances from these customers are fully recoverable based on the following:

- i) Significant payments have been subsequently received from 5 customers after the reporting period; and
- ii) The Directors have made assessments that all these customers have the ability to repay the balances outstanding.

The Group has also entered into small number of sales contracts, all of which are monitored individually for completion and payment. The management is confident that, based on their knowledge of payment patterns and subsequent payments received, the Group is able to fully recover the amounts due from its customers. Where applicable, the Group will demand for guarantees from shareholders/Directors of their customers as a form of safeguard over the outstanding debts.

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Any receivables having significant balances past due more than 330 days, which are deemed to have higher credit risk, are monitored individually.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The Group uses an allowance matrix to measure the lifetime ECL of trade receivables based on the simplified approach. Consistent with the debt recovery process, invoices which are past due 690 days will be considered as credit impaired. Expected loss rates are calculated using the 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 690 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers the differences between (a) economic conditions during the period over which the historical data has been collected, (b) current economic conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. The Group adjusted the loss rates to reflect current and forward-looking information such as gross domestic product, unemployment rate, inflation rate, bank lending rate, non-performing loan ratio and services sector gross domestic product.

Significant judgement is required in determining the probabilities of default by receivables and appropriate forward-looking information in assessing the expected credit loss allowance.

15. TRADE AND OTHER RECEIVABLES (continued)

(e) Credit risk and impairment policy for trade receivables (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2023			
Current (not past due)	17,465	(32)	17,433
1 - 30 days past due	5,316	(49)	5,267
31 - 180 days past due	12,467	(169)	12,298
181 - 330 days past due	1,053	(116)	937
More than 330 days past due	2,463	(2,130)	333
	38,764	(2,496)	36,268
Credit impaired			
Individually impaired	173	(173)	-
	38,937	(2,669)	36,268
Group	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2022			
Current (not past due)	17,099	(95)	17,004
1 - 30 days past due	4,324	(81)	4,243
31 - 180 days past due	11,517	(362)	11,155
181 - 330 days past due	905	(54)	851
More than 330 days past due	3,144	(2,567)	577
	36,989	(3,159)	33,830
Credit impaired			
Individually impaired	656	(656)	-
	37,645	(3,815)	33,830

The movements in the allowance for impairment in respect of trade and other receivables during the financial year are shown below:

Group	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Trade			
Balance as at 1 September 2021	4,100	1,407	5,507
Net remeasurement of loss allowance	(941)	(103)	(1,044)
Receivables written-off	-	(648)	(648)
Balance as at 31 August 2022/ 1 September 2022	3,159	656	3,815
Net remeasurement of loss allowance	(663)	(22)	(685)
Receivables written-off	-	(461)	(461)
Balance as at 31 August 2023	2,496	173	2,669



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15. TRADE AND OTHER RECEIVABLES (continued)

(e) Credit risk and impairment policy for trade receivables (continued)

The movements in the allowance for impairment in respect of trade and other receivables during the financial year are shown below: (continued)

Company	Lifetime ECL RM'000
Non-trade	
Balance as at 1 September 2021	3,233
Receivables written-off	(130)
Balance as at 31 August 2022/1 September 2022	3,103
Reversal of impairment losses	(22)
Balance as at 31 August 2023	3,081

(f) Credit risk and impairment policy for amounts due from subsidiaries and other receivables

As at the end of the reporting period, the maximum credit risk exposure is equivalent to the carrying amounts of amounts due from subsidiaries and other receivables of the Group and of the Company.

The Group and the Company monitor the ability of the subsidiaries and other receivables to repay on an individual basis. These amounts are not secured by any collateral or supported by any other credit enhancements.

Generally, the Group and the Company consider amounts due from subsidiaries and other receivables to have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when a subsidiary's and other receivables' financial position deteriorates significantly or when the counterparty is unable to pay when demanded. As the Company is able to determine the timing of payments of the amount due from subsidiaries when they are payable, the Company considers these to be in default when the subsidiaries are not able to pay when demanded. It is considered to be credit impaired when:

- The subsidiary is unlikely to repay its amount due to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Group and the Company have exercised judgement in determining the probability of default for these amounts due, by obtaining without undue cost or effort both quantitative and qualitative information, including historical experience also ensuring that they are reasonable and supportable.

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16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	10,999	9,486	92	57
Deposits placed with licensed banks	641	892	-	-
As reported in the statements of financial position	11,640	10,378	92	57
Less: Deposits pledged	(528)	(778)	-	-
Less: Bank overdraft	(33)	(6,024)	-	-
Cash and cash equivalents included in the statements of cash flows	11,079	3,576	92	57

(a) Included in the deposits placed with a licensed bank of the Group is RM528,000 (2022: RM778,000) pledged for bank facilities granted to certain subsidiaries (Note 18).

(b) Cash and cash equivalents are denominated in Ringgit Malaysia.

(c) As at the end of the reporting period, the maximum credit risk exposure is equivalent to the carrying amount of cash and cash equivalents of the Group.

No expected credit losses were recognised arising from the deposits with these banks and financial institutions because the probability of default by these financial institutions were negligible.

(d) Weighted average effective interest rate of deposits pledged with licensed banks of the Group as at the end of each reporting period are as follows:

	Group	
	2023	2022
Fixed rate	2.32%	1.79%

17. SHARE CAPITAL AND RESERVES

(a) Share capital

	Group and Company			
	2023		2022	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid up ordinary shares with no par value				
Balance as at 1 September 2022/2021	424,585	109,138	424,175	109,073
Issuance pursuant to ESOS exercised	8,770	1,241	410	65
Balance as at 31 August	433,355	110,379	424,585	109,138



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17. SHARE CAPITAL AND RESERVES (continued)

(a) Share capital (continued)

- i) The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one (1) vote per share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.
- ii) During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 424,584,500 to 433,354,500 by way of issuance of 450,000 and 8,320,000 new ordinary shares pursuant to options exercised under the ESOS at an exercise price of RM0.12 and RM0.10 respectively per ordinary share for cash.
- iii) In the previous financial year, the issued and fully paid-up ordinary shares of the Company increased from 424,174,500 to 424,584,500 by way of issuance of 260,000 and 150,000 new ordinary shares pursuant to options exercised under the ESOS at an exercise price of RM0.12 and RM0.10 respectively per ordinary shares for cash.

(b) Treasury shares

The shareholders of the Company, by an ordinary resolution passed at the annual general meeting held on 16 February 2023, renewed their approval for the Company's plan to purchase up to ten percent (10%) of the total number of issued shares at any point of time.

The purchased shares are being held as treasury shares in accordance with the requirements under Section 127 of the Companies Act 2016.

(c) Merger deficit

The merger deficit comprises the differences between the cost of acquisition and the nominal value of shares acquired during the acquisition of Sasbadi Sdn. Bhd. in 2014.

(d) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity instruments designated at fair value through other comprehensive income until the investments are derecognised or impaired.

(e) Revaluation reserve

The revaluation reserve relates to the revaluation of condominiums, leasehold land and buildings.

(f) Share option reserve

Share option reserve represents the effect of equity-settled share option granted to employees. This reserve is made up of the cumulative value of services received from employees for the issue of share option. Share option reserve in relation to the unexercised option at the expiry of the share option scheme will be transferred to retained earnings.

17. SHARE CAPITAL AND RESERVES (continued)

(f) Share option reserve (continued)

Employees' share option scheme ("ESOS")

The salient features of the Company's ESOS are, inter alia, as follows:

- i) The maximum number of shares which may be issued and allotted pursuant to the ESOS shall not exceed 10% of the total number of issued shares of the Company (excluding treasury shares, if any), at any point of time during the duration of the ESOS;
- ii) Any employee or executive director of the Group is eligible to participate in the ESOS provided that, as at the date of offer:
 - (a) The employee or executive director is a Malaysian citizen who has attained eighteen (18) years of age;
 - (b) The employee or executive director is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (c) The employee or executive director must have been confirmed in service and have served at least six (6) months in the employment of the Group;
 - (d) Where the employee or executive director is under an employment contract, the contract is for a duration of at least one (1) year and shall have not expired within three (3) months from the date of offer; and
 - (e) The employee or executive director has fulfilled any other criteria as may be imposed by the ESOS Committee from time to time.

Notwithstanding the above, the ESOS Committee may, at its sole and absolute discretion, waive any of the eligibility conditions set out above.

- iii) Not more than 10% of the shares available under the ESOS shall be allocated to any individual eligible person, who, either singly or collectively through persons connected with the eligible person, holds 20% or more of the total number of issued shares (excluding treasury shares, if any) of the Company;
- iv) Not more than 80% of the options available under the ESOS shall be allocated, in aggregate to executive directors and senior management;
- v) The ESOS shall be in force for a period of five (5) years from the effective date of 1 September 2016, and may be extended for a further five (5) years or a shorter period from the expiry of the first five (5) years; and
- vi) The exercise price shall be fixed based on the higher of a discount of not more than 10% to the five (5)-day volume weighted average market price of the shares of the Company immediately preceding the date of offer or the par value of the shares of the Company;

The Company has received all the relevant approvals, complied with the requirements pertaining to the ESOS, and submitted the final copy of the By-Laws of the ESOS to Bursa Malaysia Securities Berhad ("Bursa Securities") pursuant to paragraph 6.42 of the Bursa Securities Listing Requirements on 1 September 2016. The implementation of ESOS is thus effective from 1 September 2016. On 17 February 2021, the Board of Directors has approved the extension of the ESOS which will be expiring on 31 August 2021, for a further period of five (5) years from 1 September 2021 to 31 August 2026.



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17. SHARE CAPITAL AND RESERVES (continued)

(f) Share option reserve (continued)

Employees' share option scheme ("ESOS") (continued)

On 17 February 2021, the Company offered 10,000,000 options at an exercise price of RM0.12 each to its eligible employees under the ESOS ("ESOS 1"). During the current financial year, 450,000 (2022: 260,000) new ordinary shares were issued pursuant to the exercise of this ESOS and 4,165,000 (2022: 50,000) options had lapsed. On 10 March 2022, the Company offered another 12,000,000 options at an exercise price of RM0.10 each to its eligible employees under the ESOS ("ESOS 2"). During the current financial year, 8,320,000 (2022: 150,000) new ordinary shares were issued pursuant to the exercise of this ESOS and 200,000 (2022: Nil) options had lapsed.

In accordance with the ESOS, holders of vested ESOS options are entitled to purchase the Company's shares at the exercise price at the date of grant. The terms and conditions related to the grants of the share option programme are as follows:

Group	Grant date	Number of options ('000)	Vesting conditions	Contractual life of option
ESOS 1	17 February 2021	10,000	None	2 years
ESOS 2	10 March 2022	12,000	None	2 years

The number and weighted average exercise prices of share options are as follows:

Group	2023		2022	
	Exercise price RM	Number of options '000	Exercise price RM	Number of options '000
Outstanding at 1 September 2022/2021				
ESOS 1	0.12	4,615	0.12	4,925
ESOS 2	0.10	11,850	-	-
Granted during the financial year	-	-	0.10	12,000
Exercised:				
ESOS 1	0.12	(450)	0.12	(260)
ESOS 2	0.10	(8,320)	0.10	(150)
Lapsed:				
ESOS 1	0.12	(4,165)	0.12	(50)
ESOS 2	0.10	(200)	0.10	-
Outstanding and exercisable at 31 August		3,330		16,465
ESOS 1	0.12	-	0.12	4,615
ESOS 2	0.10	3,330	0.10	11,850
		3,330		16,465

17. SHARE CAPITAL AND RESERVES (continued)

(f) Share option reserve (continued)

Employees' share option scheme ("ESOS") (continued)

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes model, with the following inputs:

Group	2023 RM	2022 RM
Fair value of share options and assumptions		
<u>Fair value of grant date:</u>		
ESOS 1	0.05	0.05
ESOS 2	0.04	0.04
<u>Volume-weighted average share price:</u>		
ESOS 1	0.1296	0.1296
ESOS 2	0.1025	0.1025
<u>Exercise price:</u>		
ESOS 1	0.12	0.12
ESOS 2	0.10	0.10
<u>Volatility rate:</u>		
ESOS 1	65.37%	65.37%
ESOS 2	73.24%	73.24%
<u>Option life:</u>		
ESOS 1	2 years	2 years
ESOS 2	2 years	2 years
<u>Risk free rate:</u>		
ESOS 1	1.91%	1.91%
ESOS 2	2.65%	2.65%
<u>Dividend yield:</u>		
ESOS 1	Nil	Nil
ESOS 2	Nil	Nil

Value of employee services received for issue of share options is as follows:

Group	2023 RM'000	2022 RM'000
Share options granted, representing expenses recognised		
ESOS 2	-	480

The share options expense is not recognised in the profit or loss of the Company as it has been re-charged to the subsidiaries benefiting from the services of the employees.

18. LOANS AND BORROWINGS

Group	2023 RM'000	2022 RM'000
Non-current		
Hire purchase	447	38
Term loans - secured	895	1,321
	<u>1,342</u>	<u>1,359</u>



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(continued)

18. LOANS AND BORROWINGS (continued)

Group	2023 RM'000	2022 RM'000
Current		
Hire purchase	142	24
Term loans - secured	427	404
Bank overdrafts - secured	33	6,024
Bankers' acceptances - secured	6,682	4,411
	<u>7,284</u>	<u>10,863</u>
	<u>8,626</u>	<u>12,222</u>

- (a) Loans and borrowings are classified as financial liabilities measured at amortised cost.
- (b) Loans and borrowings are denominated in Ringgit Malaysia.
- (c) The term loans of the Group are secured by charges over the land and buildings (Note 5), corporate guarantees by the Company and letter of negative pledge.
- (d) The bank overdrafts of the Group are secured by charges over the land and buildings (Note 5), pledged deposits (Note 16), corporate guarantees by the Company and letter of negative pledge.
- (e) The bankers' acceptances are secured by charges over the land and buildings (Note 5), corporate guarantees by the Company and letter of negative pledge.
- (f) Fair value of the Group's hire purchase is categorised as Level 3 in the fair value hierarchy, which is estimated by discounting expected future cash flows at current market interest rates available for similar financial instruments. There were no transfers between levels in the hierarchy during the financial year. Hire purchase that is not carried at fair value and together with its carrying amount, is as follows:

Group	2023		2022	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Hire purchase	<u>589</u>	<u>666</u>	<u>62</u>	<u>70</u>

The carrying amounts of short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amount of term loans is reasonable approximation of fair value as they are floating rate instruments that are re-priced to market interest rate on or near to the reporting period.

18. LOANS AND BORROWINGS (continued)

- (g) The contractual interest/profit rates and interest profile of the loans and borrowings are as follows:

Group		2023 %	2022 %
Hire purchase	Fixed rates	2.46 - 3.48	2.32 - 2.53
Term loans	Floating rates	5.42 - 6.17	5.42 - 5.67
Bank overdrafts	Floating rates	6.70	6.42 - 7.90
Bankers' acceptances	Fixed rates	3.69 - 4.47	2.13 - 3.61

The exposure to interest rate risk of the Group is not significant and therefore, sensitivity analysis is not presented.

- (h) Maturity profile based on contractual undiscounted repayment obligations

The maturity profile of loans and borrowings at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31 August 2023				
Hire purchase	148	477	-	625
Term loans	499	915	-	1,414
Bank overdrafts	33	-	-	33
Bankers' acceptances	6,682	-	-	6,682
	<u>7,362</u>	<u>1,392</u>	<u>-</u>	<u>8,754</u>
As at 31 August 2022				
Hire purchase	31	39	-	70
Term loans	490	1,391	-	1,881
Bank overdrafts	6,024	-	-	6,024
Bankers' acceptances	4,411	-	-	4,411
	<u>10,956</u>	<u>1,430</u>	<u>-</u>	<u>12,386</u>



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(continued)

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade				
Trade payables	2,746	8,637	-	-
Non-trade				
Amount due to a subsidiary	-	-	4,920	6,371
Other payables and accrued expenses	10,537	10,372	260	203
	<u>13,283</u>	<u>19,009</u>	<u>5,180</u>	<u>6,574</u>

- (a) Trade and other payables are classified as financial liabilities and measured at amortised cost.
- (b) These are non-interest bearing and the normal credit terms granted to the Group and the Company range from cash term to 90 days (2022: cash term to 90 days) respectively. Trade and other payables are recognised at their original invoices amounts, which represent their fair values on initial recognition.
- (c) Trade and other payables are denominated in Ringgit Malaysia.
- (d) Amount due to a subsidiary is a non-trade advances in nature, unsecured, bears interest ranging from 2.73% to 3.00% per annum and is repayable in cash and cash equivalents within the next twelve (12) months.
- (e) Included in other payables and accrued expenses of the Group are accrued royalties payable of RM5,378,000 (2022: RM4,750,000).
- (f) Included in other payables and accrued expenses of the Group and of the Company are amounts due to Directors of RM172,000 (2022: RM120,000).
- (g) The maturity profile of trade and other payables of the Group and of the Company at the reporting date based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.

20. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers				
Sale of printed books, distribution of applied learning products and trading of paper	94,771	65,445	-	-
Sale of online/digital educational material	1,371	3,589	-	-
	<u>96,142</u>	<u>69,034</u>	<u>-</u>	<u>-</u>

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(continued)

20. REVENUE (continued)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers (continued)	96,142	69,034	-	-
Other revenue				
Dividend income	-	-	1,039	5,668
Total revenue	<u>96,142</u>	<u>69,034</u>	<u>1,039</u>	<u>5,668</u>
Timing and recognition for revenue from contracts with customers				
At a point in time	94,771	65,445	-	-
Over time	<u>1,371</u>	<u>3,589</u>	<u>-</u>	<u>-</u>
	<u>96,142</u>	<u>69,034</u>	<u>-</u>	<u>-</u>

- (a) Sale of printed books, distribution of applied learning products and trading of paper are recognised at a point in time when the goods are delivered and accepted by the customers at their premises.
- (b) Sale of online/digital educational material is recognised over time as the customer simultaneously receives and consumes the benefits provided as the Group performs.
- (c) Some contracts for the sales of printed books, distribution of applied learning products and trading of paper and online/digital educational material provide customers with a right of return the goods within a specified period. Under MFRS 15, the consideration received from the customer is variable because the contract allows the customer to return the products. To account for the transfer of products with a right of return, the Group recognises all of the following:
 - (i) revenue for the transferred products in the amount of consideration to which the entity expects to be entitled (therefore, revenue would not be recognised for the products expected to be returned);
 - (ii) a refund liability; and
 - (iii) an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers on settling the refund liability.
- (d) Dividend income is recognised when the shareholder's right to receive payment is established.
- (e) There is no significant financing component in the revenue arising as the sales and services are made on the normal credit terms not exceeding twelve (12) months.



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21. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	827	973	147	-
Interest expense on lease liabilities	30	49	-	-
	<u>857</u>	<u>1,022</u>	<u>147</u>	<u>-</u>

Finance costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

22. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
After charging:				
Auditors' remuneration				
- statutory audit	303	267	65	60
- non-audit services	13	8	8	8
Amortisation of intangible assets	1,422	1,422	-	-
Depreciation of property, plant and equipment	2,194	1,932	-	-
Depreciation of investment properties	52	53	-	-
Expenses related to short-term leases and low-value assets	146	250	-	-
Impairment loss on investment in subsidiaries	-	-	80	-
Interest expenses in relation to lease liabilities	30	49	-	-
Net write down of inventories	3,037	3,450	-	-
Intangible assets written-off	12	-	-	-
Property, plant and equipment written-off	21	-	-	-
Personnel expenses:				
- Contributions to Employees' Provident Fund	2,175	1,872	-	-
- Wages, salaries and others	19,956	17,976	-	-
- Share-based payments	-	480	-	-
Realised foreign exchange loss	105	-	-	-

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(continued)

22. PROFIT BEFORE TAX (continued)

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at: (continued)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
After crediting:				
Dividend income from:				
- subsidiaries (unquoted)	-	-	(1,039)	(5,668)
- other investments (quoted)	-	(1)	-	-
Finance income	(42)	(30)	(575)	(1)
Gain on disposal of property, plant and equipment	(249)	(124)	-	-
Net reversal of impairment loss on trade receivables	(685)	(1,044)	-	-
Net reversal of impairment losses on amounts due from subsidiaries	-	-	(22)	-
Realised foreign exchange gain	-	(4)	-	-
Rental income from investment properties	(120)	(118)	-	-
Unrealised foreign exchange gain	(6)	-	-	-

Interest income is recognised as it accrues, using the effective interest method.

Rental income is accounted for on a straight-line basis over the lease term.

23. TAXATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax				
Current year	1,362	466	104	-
Over provision in prior years	(7)	(216)	-	-
	<u>1,355</u>	<u>250</u>	<u>104</u>	<u>-</u>
Deferred tax				
Origination and reversal of temporary differences (Note 10)	1,401	28	-	-
Under provision in prior years	226	852	-	-
	<u>1,627</u>	<u>880</u>	<u>-</u>	<u>-</u>
	<u>2,982</u>	<u>1,130</u>	<u>104</u>	<u>-</u>



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(continued)

23. TAXATION (continued)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Reconciliation of tax expense				
Profit before tax	13,150	1,971	725	5,139
Income tax using Malaysian tax rate of 24% (2022: 24%)	3,156	473	174	1,233
Non-deductible expenses	897	374	179	127
Non-taxable income	(94)	(242)	(249)	(1,360)
Crystallisation of deferred tax	(186)	(146)	-	-
Utilisation of previously unrecognised deferred tax assets	(1,016)	-	-	-
Unrecognised deferred tax assets	172	35	-	-
Green investment tax allowance	(166)	-	-	-
	2,763	494	104	-
Over provision of current tax in prior years	(7)	(216)	-	-
Under provision of deferred tax in prior years	226	852	-	-
	2,982	1,130	104	-

Tax on each component of other comprehensive income is as follows:

Item that will not be reclassified subsequently to profit or loss

Group 2023	Before tax RM	Tax effect RM	After tax RM
Revaluation gain on property, plant and equipment	6,548	(1,572)	4,976
2022			
Net changes in fair value of equity investments designated at fair value through other comprehensive income	(5)	-	(5)

24. EARNINGS PER ORDINARY SHARE ("EPS")

The calculation of basic EPS was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Group	2023	2022
Profit attributable to ordinary shareholders (RM'000)	10,168	841
Weighted average number of ordinary shares ('000)	427,831	424,432
Basic earnings per ordinary share (sen)	2.38	0.20

Diluted earnings per ordinary share is calculated by dividing profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding, adjusted for the effects of dilutive potential ordinary shares. The effects of dilutive potential ordinary shares have been arrived at based on the assumption that ESOS are exercised and the ordinary shares to be issued are based on the assumed proceeds on the difference between average share price for the financial year and exercise price.

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24. EARNINGS PER ORDINARY SHARE (“EPS”) (continued)

Group	2023	2022
Profit attributable to ordinary shareholders (RM'000)	10,168	841
Weighted average number of ordinary shares ('000)	427,831	424,432
Effect of dilution due to ESOS ('000)	1,147	2,426
Adjusted weighted average number of ordinary shares ('000)	428,978	426,858
Diluted earning per ordinary share (sen)	2.37	0.20

25. DIVIDENDS

On 18 April 2023, the Board of Directors declared and approved the payment of an interim single tier dividend of RM0.005 per ordinary share in respect of the financial year ended 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 which amounts to RM2,154,217.62.

On 30 October 2023, the Board of Directors declared and approved the payment of a second interim single-tier dividend of RM0.0025 per ordinary share in respect of the financial year ended 31 August 2023. This second interim dividend is to be paid on 3 January 2024 to shareholders registered in the Record of Depositors as at 15 December 2023. The dividend will be accounted for as an appropriation of retained earnings in the financial year ending 31 August 2024.

26. OPERATING SEGMENTS

Segmental information is presented in accordance with the Group's operations and products.

For each operation and product, the Group's Managing Director (“GMD”), who is the chief operating decision maker, reviews internal management reports regularly.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation (“EBITDA”), as included in the internal management reports that are reviewed by the GMD. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the GMD. Segment total assets are used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the GMD. Hence, no disclosure is made on segment liabilities.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, and intangible assets other than goodwill.

Geographical segments

The Group operates primarily in Malaysia and as such, there are no geographical segment disclosures.

Major customer

Revenue from a customer of the Group amounted to RM11,463,000 (2022: RM9,979,000) contributed to more than 10% of the Group's revenue.



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26. OPERATING SEGMENTS (continued)

Group 2023	Print Publishing RM'000	Digital Solutions and Network Marketing* RM'000	ALP and STEM Education^ RM'000	Corporate RM'000	Total RM'000
Segment profit/(loss) before tax (EBITDA)	15,491	1,751	1,526	330	19,098
Included in the measure of segment profit/(loss) before tax are:					
Revenue from external customers	87,547	5,584	3,011	-	96,142
Inter-company revenue	3,259	552	774	1,039	5,624
Not included in the measure of segment profit/(loss) before tax but provided to GMD:					
Depreciation and amortisation	(2,448)	(1,203)	(17)	-	(3,668)
Finance income	56	148	-	575	779
Finance costs	(1,447)	-	-	(147)	(1,594)
Taxation	(2,574)	-	(282)	(104)	(2,960)
Segment assets	195,937	12,746	2,252	119,694	330,629
Included in the measure of segment assets are:					
Additions to non-current assets other than financial instruments and deferred tax assets	2,338	292	-	-	2,630

* 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

26. OPERATING SEGMENTS (continued)

Group 2022	Print Publishing RM'000	Digital Solutions and Network Marketing* RM'000	ALP and STEM Education^ RM'000	Corporate RM'000	Total RM'000
Segment profit/(loss) before tax (EBITDA)	6,296	(63)	679	5,126	12,038
Included in the measure of segment profit/(loss) before tax are:					
Revenue from external customers	63,280	3,441	2,313	-	69,034
Inter-company revenue	1,425	148	-	5,668	7,241
Not included in the measure of segment profit/(loss) before tax but provided to GMD:					
Depreciation and amortisation	(2,911)	(481)	(15)	-	(3,407)
Finance income	29	-	-	1	30
Finance costs	(1,022)	-	-	-	(1,022)
Taxation	(1,073)	(105)	48	-	(1,130)
Segment assets	172,307	13,649	1,305	121,723	308,984
Included in the measure of segment assets are:					
Additions to non-current assets other than financial instruments and deferred tax assets	478	-	16	-	494

* 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



(continued)

Reconciliations of reportable segment revenues, profit or loss, assets and other material items

Group 2023	External revenue RM'000	Depreciation and amortisation RM'000	Finance costs RM'000	Finance income RM'000	Segment assets RM'000	Additions to non-current assets RM'000
Total reportable segments	101,766	(3,668)	(1,594)	779	330,629	2,630
Elimination of inter-segment transactions or balances	(5,624)	-	737	(737)	(143,289)	(272)
Consolidated total	96,142	(3,668)	(857)	42	187,340	2,358

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27. CAPITAL COMMITMENT

Group	2023 RM'000	2022 RM'000
Capital expenditure in respect of:		
Purchase of intellectual properties:		
- approved and contracted for	<u>1,000</u>	<u>-</u>

28. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The debt-to-equity ratios are as follows:

Group	2023 RM'000	2022 RM'000
Total loans and borrowings	8,626	12,222
Less: Cash and cash equivalents	<u>(11,640)</u>	<u>(10,378)</u>
Net (cash)/debt	<u>(3,014)</u>	<u>1,844</u>
Total equity	<u>153,126</u>	<u>139,250</u>
Net debt-to-equity ratio	<u>-*</u>	<u>0.01</u>

* The gearing ratio for the Group is not presented as the Group is net cash position.

There was no change in the Group's approach to capital management during the financial year.

(b) Financial risk management

The Group has exposures to the following risks from its use of financial instruments:

- i) Credit risk
- ii) Liquidity risk
- iii) Interest rate risk

i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its outstanding balances from customers and loans and advances to its subsidiaries. There are no significant changes as compared to prior periods.



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28. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

i) Credit risk (continued)

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Information regarding credit risk concentration for trade and other receivables is disclosed in Note 15(e) to the financial statements.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risk. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Information regarding credit risk concentration for cash and cash equivalents is disclosed in Note 16(c) to the financial statements.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM8,037,000 (2022: RM12,160,000) representing the outstanding term loans, bankers' acceptances and bank overdrafts of the subsidiaries as at the end of the reporting period.

Maturity profile of financial guarantee contracts of the Company at the end of each reporting period based on contractual undiscounted repayment obligations, is repayable upon any default by the subsidiaries in respect of the guaranteed bank facilities.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment. The financial guarantees have not been recognised since the fair value on initial recognition was not material.

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

i) Credit risk (continued)

Other investments

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group. Transactions involving derivative financial instruments, if any, are with approved financial institutions.

Information regarding credit risk concentration for other investments is disclosed in Note 9 to the financial statements.

The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain period. There are no significant changes as compared to prior periods.

ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk and the maturity profiles are as follows:

- (a) Lease liabilities, as disclosed in Note 11(f) to the financial statements;
- (b) Loans and borrowings, as disclosed in Note 18(h) to the financial statements; and
- (c) Trade and other payables, as disclosed in Note 19(g) to the financial statements.

The Group maintains a level of cash and cash equivalents and banking facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. There are no significant changes as compared to prior periods.

iii) Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.



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28. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

iii) Interest rate risk (continued)

The Group's and the Company's exposure to interest rate risk and the relating interest rate profiles are as follows:

- (a) Amounts due from subsidiaries, as disclosed in Note 15(d) to the financial statements;
- (b) Lease liabilities, as disclosed in Note 11(g) to the financial statements;
- (c) Cash and cash equivalents, as disclosed in Note 16(d) to the financial statements;
- (d) Loans and borrowings, as disclosed in Note 18(g) to the financial statements; and
- (e) Amount due to a subsidiary, as disclosed in Note 19(d) to the financial statements.

The Group adopts a practice to continuously seek for alternative banking facilities which provide competitive interest rates to finance and/or refinance its working capital requirements.

29. GUARANTEES

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Bank guarantees obtained by the Group to the Ministry of Education	541	181	-	-
In respect of corporate guarantees issued for subsidiaries	-	-	8,037	12,160

As part of the agreements with the Ministry of Education, the Group has issued performance bond in the form of bank guarantees to the Ministry of Education for the supply of textbooks and applied learning products.

30. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel of the Group refer to the Directors of the Group.

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30. RELATED PARTIES (continued)

The Group and the Company have related party relationships with its subsidiaries and key management personnel.

Related party transactions have been entered in the normal course of business under negotiated terms. The significant related party transactions are shown below.

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Subsidiaries				
Share-based payments	-	-	-	(480)
Dividend income	-	-	(1,039)	(5,668)
Key management personnel:				
Directors' remuneration				
- Fees	322	240	322	240
- Other emoluments	844	780	-	-
	<u>1,166</u>	<u>1,020</u>	<u>322</u>	<u>240</u>

The estimated monetary value of Directors' benefit-in-kind of the Group is RM59,100 (2022: RM59,100).



List Of Properties

As At 31 August 2023

Registered/ Beneficial Owner	Location	Description/ Existing Use	Tenure	Land Area/ Built-up Area (sq. ft.)	Approximate Age of Building (Years)	Net Book Value as at 31 August 2023 (RM'000)	Date of Valuation/ Acquisition
Sasbadi Sdn Bhd	Lot 12, Jalan Teknologi 3/4, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan	Industrial land erected upon with a single storey warehouse building with a three (3)-storey office cum internal warehouse building annex/Industrial warehouse and office	Registered lease 60 years (from 22.11.2001 to 21.11.2061)	105,562/ 76,945	19	35,914	03.01.2023 [^]
Sasbadi Sdn Bhd	Unit No. C-10-5, Block C, Bay View Villas, PD World Marina International Resort, 6th Mile Jalan Pantai, Teluk Kemang, 71050 Port Dickson, Negeri Sembilan Darul Khusus	Three (3)-bedroom apartment/ Apartment (currently unoccupied)	Leasehold (99 years expiring on 17.12.2101)	Not applicable/ 1,278	24	126	06.01.2023 [^]
Sasbadi Sdn Bhd	Unit No. B 1-2, Block B, The Regency Tanjung Tuan Beach Resort, 5th Mile, Jalan Pantai, 71050 Port Dickson, Negeri Sembilan Darul Khusus	Two (2)-bedroom apartment/ Holiday apartment	Leasehold (99 years expiring on 13.05.2081)	Not applicable/ 969	37	233	06.01.2023 [^]
Sasbadi Sdn Bhd	L1-09 and L1-10, Cova Square, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan	Two (2) units of retail lots/ Rented out to fellow subsidiary, MindTech Education Sdn Bhd, for use as office and training centre	Leasehold (99 years expiring on 27.04.2107)	Not applicable/ Each measuring 2,260	14	2,310	03.01.2023 [^]
United Publishing House (M) Sdn Bhd	Nos. 21 (Basement, Ground and Mezzanine Floors), 23 (Basement, Ground and Mezzanine Floors), 25 (Basement) and 27 (Basement), Jalan Taiping, Off Jalan Pahang 50410 Kuala Lumpur	Four (4) basement, two (2) ground and two (2) mezzanine floors of four (4) units of adjoining four-and-a-half (4½) storey shop/office/apartment buildings/ Rented out as investment properties	Freehold	Not applicable/ 13,832	46	2,268	12.08.2016
United Publishing House (M) Sdn Bhd	Lot 3-055 and 3-056, Endah Parade, Jalan 1/149E, Taman Sri Endah, 57000 Wilayah Persekutuan Kuala Lumpur.	Two (2) units of retail lot / Office	Leasehold (93 years expiring on 19.02.2083)	Not applicable/ 12,884	25	2,223	03.01.2023 [^]

Notes:

[^] Date of valuation.

Analysis Of Shareholdings

As At 30 November 2023

Number of Issued Shares : 433,704,500 (Including 1,000 shares bought back and retained as treasury shares)
 Class of Shares : Ordinary
 Voting Rights : One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

AS PER THE RECORD OF DEPOSITORS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held [^]	% of Issued Share Capital
Less than 100	66	1.50	2,195	0.00
100 – 1,000	429	9.76	221,089	0.05
1,001 – 10,000	1,638	37.26	10,228,061	2.36
10,001 – 100,000	1,911	43.47	73,005,995	16.83
100,001 – 21,685,174 *	349	7.94	159,615,659	36.80
21,685,175 and above **	3	0.07	190,630,501	43.96
Total	4,396	100.00	433,703,500	100.00

Notes:

[^] Excluding a total of 1,000 shares bought back and retained as treasury shares

* Less than 5% of issued shares

** 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS

AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Director	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
Dato' Salleh Bin Mohd Husein	300,000	0.07	–	–
Law King Hui				
– own	78,283,500	18.05	76,200,001 ⁽¹⁾	17.57
– others	–	–	5,550,000 ⁽²⁾	1.28
Lee Swee Hang	36,147,000	8.33	76,200,001 ⁽¹⁾	17.57
Law Yi Chian	–	–	–	–
Law En Ruey	1,200,000	0.28	–	–
Dato' Noor Rezan Binti Bapoo Hashim	300,000	0.07	–	–
Tang Yuen Kin	–	–	–	–
Datu Dr Rashidah Binti Bolhassan	–	–	–	–

Note:

(1) Deemed interested by virtue of his interest in Karya Kencana Sdn Bhd pursuant to Section 8(4)(c) of the Companies Act 2016

(2) Disclosure of shareholdings of spouse and children pursuant to Section 59(11)(c) of the Companies Act 2016



Analysis Of Shareholdings

As At 30 November 2023

(continued)

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Name of Substantial Shareholder	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
Law King Hui	78,283,500	18.05	76,200,001 ⁽¹⁾	17.57
Karya Kencana Sdn Bhd	76,200,001	17.57	—	—
Lee Swee Hang	36,147,000	8.33	76,200,001 ⁽¹⁾	17.57
Lee Eng Sang	19,050,000	4.39	76,200,001 ⁽¹⁾	17.57

Note:

(1) Deemed interested by virtue of his interest in Karya Kencana Sdn Bhd pursuant to Section 8(4)(c) of the Companies Act 2016

THIRTY LARGEST SHAREHOLDERS

AS PER THE RECORD OF DEPOSITORS

No.	Name of Shareholder	No. of Shares Held	%
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LAW KING HUI (PB)	78,283,500	18.05
2	KARYA KENCANA SDN BHD	76,200,001	17.57
3	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR LEE SWEE HANG (SMART)	36,147,000	8.33
4	LEE ENG SANG	19,050,000	4.39
5	LAW KING YONG	6,750,000	1.56
6	GRUP BUKU KARANGKRAF SDN. BHD.	5,423,600	1.25
7	CHEA LAI MING	4,250,000	0.98
8	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR INTERPAC DANA SAFI	2,538,500	0.58
9	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIEW YUE LIM (E-IMO)	2,362,600	0.54
10	RHB CAPITAL NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR IOANNIS KOROMILAS	2,000,000	0.46
11	MARYAM @ MUHAINI BINTI MOHAMAD ARIFF	1,900,000	0.44
12	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ENSIGN PEAK ADVISORS INC.	1,898,900	0.44
13	CHEONG KOK WAI	1,796,000	0.41
14	LIM JIT PING	1,760,000	0.41
15	CHING HUEI	1,729,800	0.40
16	CHAN YEE FUAN	1,683,000	0.39
17	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH SHIOU CHERNG (J D B TUNGGAL BR-CL)	1,500,000	0.35
18	MA TIEN LEONG	1,396,200	0.32
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOR CHIN CHEW	1,350,000	0.31

Analysis Of Shareholdings

As At 30 November 2023

(continued)

THIRTY LARGEST SHAREHOLDERS (continued)

AS PER THE RECORD OF DEPOSITORS

No.	Name of Shareholder	No. of Shares Held	%
20	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE JEN TONG (7003685)	1,346,500	0.31
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR KENANGA EQUITYEXTRA FUND (990405)	1,327,700	0.31
22	LIM HUAT BEE	1,304,500	0.30
23	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR QUEK LAI CHAI (CCTS)	1,281,000	0.29
24	LAW EN RUEY	1,200,000	0.28
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD KOAY CHIANG LING	1,200,000	0.28
26	CHEN YEE CHEONG	1,198,100	0.28
27	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND	1,195,400	0.28
28	YOUNG PEY FEEI	1,170,000	0.27
29	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM PANG KIAM	1,000,000	0.23
30	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP KOON TECK (PENANG-CL)	1,000,000	0.23
TOTAL		261,242,301	60.24



Notice of Eleventh Annual General Meeting



SASBADI HOLDINGS BERHAD
Registration No. 201201038178 (1022660-T)
(Incorporated in Malaysia)

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of Sasbadi Holdings Berhad will be conducted on a virtual basis through live streaming from the Broadcast Venue at Lot 12, Jalan Teknologi 3/4, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor on Tuesday, 30 January 2024 at 10.00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 August 2023 and the Reports of Directors and Auditors thereon.
2. To approve the payment of a sum of not exceeding RM560,000.00 as total Directors' Fees and benefits for the financial year ending 31 August 2024. **Resolution 1**
3. To re-elect the following Directors who are retiring by rotation pursuant to Clause 115 of the Company's Constitution:-
 - 3.1 Dato' Salleh Bin Mohd Husein **Resolution 2**
 - 3.2 Mr Law King Hui **Resolution 3**
4. To re-elect the following Directors who are retiring by casual vacancy pursuant to Clause 118 of the Company's Constitution:-
 - 4.1 Datu Dr Rashidah Binti Bolhassan **Resolution 4**
 - 4.2 Mr Law En Ruey **Resolution 5**
5. To re-appoint BDO PLT as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Resolution 6**

SPECIAL BUSINESS

To consider and if deemed fit, with or without any modification(s), to pass the following Resolutions:-

6. **RETENTION OF DATO' SALLEH BIN MOHD HUSEIN AS INDEPENDENT DIRECTOR** **Resolution 7**
 "THAT, subject to the passing of Resolution 2, Dato' Salleh Bin Mohd Husein be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next Annual General Meeting, subject to the provisions of the relevant regulatory authorities."
7. **RETENTION OF DATO' NOOR REZAN BINTI BAPOO HASHIM AS INDEPENDENT DIRECTOR** **Resolution 8**
 "THAT, Dato' Noor Rezan Binti Bapoo Hashim be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next Annual General Meeting, subject to the provisions of the relevant regulatory authorities."

Notice of Eleventh Annual General Meeting

(continued)

8. AUTHORITY FOR DIRECTORS TO ISSUE SHARES

Resolution 9

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”), and subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental and/or regulatory authorities (if any), the Directors be and are hereby empowered to allot and issue new shares in the Company at any time, without first offer to holders of existing issued shares of the Company, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) at the time of issue.

THAT pursuant to Section 85 of the Act, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act.

THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company.”

9. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Resolution 10

“THAT subject to the provisions of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of issued ordinary shares in the share capital of the Company as may be determined by the Directors of the Company from time to time through Bursa Securities, upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:-

- (a) the aggregate number of shares purchased does not exceed 10% of the total number of issued shares of the Company (“Purchased Shares”) at any point in time;
- (b) the maximum amount of funds to be allocated by the Company for the purposes of purchasing the Purchased Shares shall not exceed the aggregate amount of the retained earnings of the Company at the time of purchase;
- (c) the authority conferred by this resolution will commence immediately upon passing of this resolution and will continue to be in force until:-
 - (i) the conclusion of the next AGM of the Company at which time the authority shall lapse unless it is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting;whichever occurs first,
- (d) upon completion of the purchase by the Company of the Purchased Shares, the Directors of the Company be and are hereby empowered to deal with Purchased Shares in the following manner:-
 - (i) cancel the Purchased Shares;
 - (ii) retain the Purchased Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act);
 - (iii) retain part of the Purchased Shares as treasury shares and cancel the remainder;
 - (iv) in any other manner as may be prescribed by the Act, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.; or

any combination of the above (i), (ii), (iii) and (iv).



Notice of Eleventh Annual General Meeting

(continued)

AND THAT the Directors of the Company be and are hereby authorised to take all such steps and to do all acts and things as may be required (including executing all documents) to give full effect to the purchase of the Company's own shares, with full power to assent to any conditions, variations, modifications, and/or amendments in any manner as may be required or permitted by any relevant authorities or as may be deemed necessary by the Board of Directors and in the best interests of the Company."

10. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board
SASBADI HOLDINGS BERHAD

TAN FONG SHIAN (SSM PC No. 201908004045) (MAICSA 7023187)
LIM FEI CHIA (SSM PC No. 202008000515) (MAICSA 7036158)
Secretaries

Kuala Lumpur
29 December 2023

Notes:

- (1) *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be present at the main venue of the Meeting. Shareholders/proxies from the public will NOT be allowed to be physically present at the Broadcast Venue. Shareholders who wish to participate the AGM will have to register online and attend remotely.*

Kindly read and follow the procedures in the Administrative Notes for the AGM in order to participate remotely.

- (2) *A member of the Company entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. Where a member appoints more than one proxy to attend, speak and vote at the Meeting, such appointment shall be invalid unless he/she shall specifies the proportion of his/her holdings to be represented by each proxy.*
- (3) *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
- (4) *Only a depositor whose name appears in the Company's Record of Depositors as at 23 January 2024 shall be regarded as a member and entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.*
- (5) *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
- (6) *The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Poll Administrator's Office, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or submitted via email at AGM-support.Sasbadi@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting. You also have the option to register directly at <https://vps.megacorp.com.my/hD6QjY> to submit the proxy appointment electronically. For further information on the electronic submission of proxy form, kindly refer to the Administrative Notes.*
- (7) *The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.*

Notice of Eleventh Annual General Meeting

(continued)

EXPLANATORY NOTES

Resolution 1 – Payment of Directors' Fees and benefits

There is no increase in the Directors' Fees and benefits for the financial year ending 31 August 2024.

Resolutions 2 to 5 – Re-election of Directors

The profiles of Dato' Salleh Bin Mohd Husein, Mr Law King Hui, Datu Dr Rashidah Binti Bolhassan and Mr Law En Ruey who are standing for re-election are set out under the profile of directors in the Annual Report 2023 (collectively the "Retiring Directors").

For the purpose of determining the eligibility of the Directors to stand for re-election at this 11th AGM and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Nomination Committee ("NC") has reviewed and assessed the Retiring Directors, save for Mr Law En Ruey who was appointed on 30 October 2023, through the annual assessment and evaluation of the Board.

The NC had recommended the re-election of Retiring Directors based on the following considerations and the Board of Directors endorsed the recommendation of the NC:-

- (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;
- (ii) met the fit and proper criteria under the Company's Fit & Proper Policy in discharging their roles as directors of the Company;
- (iii) their ability to act in the best interest of the Company in decision-making; and
- (v) level of independence demonstrated by the independent directors.

Resolutions 7 and 8

The proposed Resolutions 7 and 8 are to seek shareholders' approval to retain Dato' Salleh Bin Mohd Husein and Dato' Noor Rezan Binti Bapoo Hashim, who have served the Board of Directors of the Company for a cumulative term of more than 9 years, as Independent Non-Executive Directors of the Company. The Board recommended that Dato' Salleh Bin Mohd Husein and Dato' Noor Rezan Binti Bapoo Hashim be retained as Independent Non-Executive Directors based on the following justifications: -

- (i) Confirmation and declaration that they met the criteria of Independent Director prescribed under Paragraph 1.01 of the Listing Requirements of Bursa Securities;
- (ii) Confirmation and declaration that they have no conflict of interests with the Company and have not been entering/ are not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies; and
- (iii) Their length of service on the Board do not in any way interfere with their exercise of balance and objective views to Board deliberations. Their experiences and knowledge in the Group's business and operations enable them to contribute effectively to Board deliberations and decision making.

Resolution 9

The proposed Resolution 9, if passed, will renew the authority given to the Directors of the Company to allot and issue new shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") ("General Mandate"), without first offer to holders of existing issued shares of the Company, provided that the number of shares issued pursuant to this General Mandate, when aggregated with the number of shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue and waive the statutory pre-emptive rights of shareholders of the Company ("Waiver"). This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The purpose to seek the General Mandate is to enable the Company to raise funds expeditiously for the purpose of funding future investment project(s), working capital, repayment of borrowings and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.



Notice of Eleventh Annual General Meeting

(continued)

The Waiver will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

The Company did not issue any new shares pursuant to mandate obtained at the Tenth AGM of the Company held on 16 February 2023.

Resolution 10

The proposed Resolution 10, if passed, will renew the authority given to the Directors to purchase issued ordinary shares in the Company of not exceeding 10% of the total number of issued shares of the Company through Bursa Securities in accordance with the Act, the provisions of the Constitution of the Company and the requirements of Bursa Securities. This authority unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Details on the proposal contained under Resolution 10 above are set out in the Statement to Shareholders dated 29 December 2023.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

No individual is standing for election as Director at the forthcoming Eleventh Annual General Meeting of the Company.



FORM OF PROXY

SASBADI HOLDINGS BERHAD

Registration No. 201201038178 (1022660-T)
(Incorporated in Malaysia)

Number of ordinary shares held		Central Depository System Account No.	
--------------------------------	--	---------------------------------------	--

I/We _____ NRIC/Company No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(ADDRESS)

being a member of **SASBADI HOLDINGS BERHAD**, hereby appoint

Full Name	NRIC/Passport No.	Proportion of shareholdings	
		No. of Shares	%
Email Address	Mobile No.		

* and/or

Full Name	NRIC/Passport No.	Proportion of shareholdings	
		No. of Shares	%
Email Address	Mobile No.		

or failing him/her, the CHAIRMAN OF THE MEETING* as my/our proxy(ies) to vote for me/us and on my/our behalf at the Eleventh Annual General Meeting of the Company to be held on a virtual basis at the Broadcast Venue at Lot 12, Jalan Teknologi 3/4, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor on Tuesday, 30 January 2024 at 10.00 a.m. and any adjournment thereof. My/Our proxy(ies) shall vote as indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
Resolution 1	Approval of the payment of Directors' Fees and benefits		
Resolution 2	Re-election of Dato' Salleh Bin Mohd Husein as Director		
Resolution 3	Re-election of Mr Law King Hui as Director		
Resolution 4	Re-election of Datu Dr Rashidah Binti Bolhassan as Director		
Resolution 5	Re-election of Mr Law En Ruey as Director		
Resolution 6	Re-appointment of BDO PLT as Auditors of the Company		
Resolution 7	Retention of Dato' Salleh Bin Mohd Husein as Independent Director		
Resolution 8	Retention of Dato' Noor Rezan Binti Bapoo Hashim as Independent Director		
Resolution 9	Authority for Directors to issue shares		
Resolution 10	Proposed Renewal of Share Buy-Back Authority		

Please indicate with a "✓" or "X" in the appropriate space how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he or she thinks fit, or, at his or her discretion, abstain from voting.

Dated this _____ day of _____
Signature/Common Seal of Member

* Delete the words "the CHAIRMAN OF THE MEETING" if you wish to appoint some other person(s) only to be your proxy/proxies.

Notes:-

- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be present at the main venue of the Meeting. Shareholders/proxies from the public will NOT be allowed to be physically present at the Broadcast Venue. Shareholders who wish to participate the AGM will have to register online and attend remotely.
Kindly read and follow the procedures in the Administrative Notes for the AGM in order to participate remotely.
- A member of the Company entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. Where a member appoints more than one proxy to attend, speak and vote at the Meeting, such appointment shall be invalid unless he/she shall specifies the proportion of his/her holdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- Only a depositor whose name appears in the Company's Record of Depositors as at 23 January 2024 shall be regarded as a member and entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Poll Administrator's Office, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or submitted via email at AGM-support.Sasbadi@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting. You also have the option to register directly at <https://vps.megacorp.com.my/hd6QjY> to submit the proxy appointment electronically. For further information on the electronic submission of proxy form, kindly refer to the Administrative Notes.
- The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.

FOLD THIS FLAP FOR SEALING

THEN FOLD HERE

AFFIX
STAMP

Sasbadi Holdings Berhad
Registration No. 201201038178 (1022660-T)
c/o Poll Administrator’s Office
Mega Corporate Services Sdn Bhd
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

FIRST FOLD HERE

2023

ANNUAL REPORT



SASBADI HOLDINGS BERHAD

Registration Number: 201201038178 (1022660-T)



Lot 12, Jalan Teknologi 3/4, Taman Sains Selangor 1,
Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.



+603-6145 1188



+603-6145 1199



www.sasbadiholdings.com