

**SASBADI HOLDINGS BERHAD**  
Registration No. 201201038178 (1022660-T)  
(Incorporated in Malaysia)

Minutes of the Fully Virtual Eleventh Annual General Meeting of the Company held at the Broadcast Venue at Meeting Room, Lot 12, Jalan Teknologi 3/4, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 30 January 2024 at 10.00 a.m.

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**PRESENT AT THE BROADCAST VENUE**

- Board of Directors** : Mr Tang Yuen Kin (*Chairman of the Meeting*) – *Independent Non-Executive Director*  
Mr Law King Hui – *Group Managing Director*  
Mr Lee Swee Hang – *Executive Director*  
Mr Law En Ruey – *Executive Director*  
Dato' Noor Rezan Binti Bapoo Hashim – *Senior Independent Non-Executive Director*  
Datu Dr Rashidah Binti Bolhassan – *Independent Non-Executive Director*
- Company Secretary** : Ms Tan Fong Shian
- Management** : Ms Chan Yuet Leng – *Group Chief Financial Officer*  
Mr Jonathan Tan – *Senior Finance Manager*

**PARTICIPATING VIA VIDEO CONFERENCING**

- Board of Directors** : Dato' Salleh Bin Mohd Husein – *Independent Non-Executive Chairman*
- Auditors** : Mr Tan Seong Yuh – *BDO PLT*  
Mr Lee Jun Xian – *BDO PLT*  
Ms Pang Yi Lynn – *BDO PLT*  
Ms Nicole Lim Chit Ying – *BDO PLT*
- Shareholders/Corporate Representatives/Proxies** : As per Summary of Attendance via Remote Participation and Electronic Voting ("RPV") facilities

**ABSENT WITH APOLOGIES**

- Board of Directors** : Ms Law Yi Chian – *On sabbatical leave*

1. **INTRODUCTION**

Mr Tang Yuen Kin presided as Chairman of Meeting ("the Chairman") and extended a warm welcome to all members present at the Company's Eleventh Annual General Meeting ("AGM" or "Meeting"), for the purpose of considering the business of the Company as set out in the Notice of AGM dated 29 December 2023.

The Chairman informed the Meeting that Dato' Salleh Bin Mohd Husein ("Dato' Salleh"), the Chairman of the Company, would not be present at the broadcast venue to chair today's AGM as he was unwell. Dato' Salleh however participated in the Meeting remotely.

The Chairman then introduced to the Meeting, the Directors, the Group Chief Financial Officer and the Company Secretary who were present at the Broadcast Venue, and the representatives of the external auditors, Messrs BDO PLT, who joined the Meeting remotely.

The Chairman informed that Ms Law Yi Chian, the Executive Director, is currently on sabbatical leave.

## **2. QUORUM AND SHAREHOLDERS' RIGHTS AS TO VOTING**

Upon receiving confirmation on the presence of a quorum in accordance with Clause 94 of the Company's Constitution from the Company Secretary, the Chairman duly called the Meeting to order.

The Chairman informed that he would exercise his right as the Chairman of the Meeting to demand for a poll in accordance with Clause 98(a) of the Company's Constitution in respect of all resolutions which would be put to vote at the Meeting.

The Meeting was informed that the Company had appointed Mega Corporate Services Sdn Bhd as the Poll Administrator to conduct the polling process and Cygnus Technology Solutions Sdn Bhd as the Scrutineers to verify the poll results. The polling process for all the resolutions would be conducted upon the completion of the deliberation of all items to be transacted at the AGM.

The representative of the Poll Administrators was invited to present a short audio-visual presentation to guide the shareholders who attended through live streaming on where to post their questions and how to locate the Digital Ballot Form ("DBF") for the voting link.

Upon the conclusion of the presentation, the Chairman announced the opening of the voting session and called the Meeting to order.

## **3. NOTICE**

There being no objection, the Notice convening the Meeting, having been circulated earlier to all the shareholders of the Company within the prescribed notice period, was taken as read.

The Chairman informed that in order to facilitate the orderly conduct of the Meeting, question and answer ("Q&A") sessions would be held after the Meeting had procedurally moved each motion.

## **4. AUDITED FINANCIAL STATEMENTS AND REPORTS**

The Audited Financial Statements ("AFS") of the Company for the financial year ended 31 August 2023 ("FYE2023") and the Reports of the Directors and Auditors thereon which had been circulated earlier to all members of the Company within the statutory period were tabled and laid before the Meeting.

The Chairman explained that in accordance with Section 340(1)(a) of the Companies Act 2016, the AFS for the FYE2023 are tabled for adoption only, and will not be put forward for voting. The Chairman then declared that the AFS for the FYE2023 was duly received and adopted.

5. **ORDINARY RESOLUTION 1**  
**APPROVAL OF DIRECTORS' FEES AND BENEFITS**

The Chairman proceeded to the next item on the Agenda and informed the Meeting that there would be a total of 10 resolutions to be passed at the Meeting and each must be separately considered and voted by poll.

Shareholders' approval was sought on the following Ordinary Resolution 1:-

"THAT 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 be and is hereby approved."

6. **ORDINARY RESOLUTION 2**  
**RE-ELECTION OF DIRECTOR – DATO' SALLEH BIN MOHD HUSEIN**

Shareholders' approval was sought for the re-election of Dato' Salleh under Ordinary Resolution 2 as follows:-

"THAT Dato' Salleh Bin Mohd Husein, the Director who is retiring pursuant to Clause 115 of the Company's Constitution, and being eligible, be and is hereby re-elected to the Board."

7. **ORDINARY RESOLUTION 3**  
**RE-ELECTION OF DIRECTOR – MR LAW KING HUI**

Shareholders' approval was sought for the re-election of Mr Law King Hui under Ordinary Resolution 3 as follows:-

"THAT Law King Hui, the Director who is retiring pursuant to Clause 115 of the Company's Constitution, and being eligible, be and is hereby re-elected to the Board."

8. **ORDINARY RESOLUTION 4**  
**RE-ELECTION OF DIRECTOR – DATU DR RASHIDAH BINTI BOLHASSAN**

Shareholders' approval was sought for the re-election of Datu Dr Rashidah Binti Bolhassan under Ordinary Resolution 4 as follows:-

"THAT Datu Dr Rashidah Binti Bolhassan, the Director who is retiring pursuant to Clause 118 of the Company's Constitution, and being eligible, be and is hereby re-elected to the Board."

**9. ORDINARY RESOLUTION 5**  
**RE-ELECTION OF DIRECTOR – MR LAW EN RUEY**

Shareholders' approval was sought for the re-election of Mr Law En Ruey under Ordinary Resolution 5 as follows:-

“THAT Law En Ruey, the Director who is retiring pursuant to Clause 118 of the Company's Constitution, and being eligible, be and is hereby re-elected to the Board.”

**10. ORDINARY RESOLUTION 6**  
**REAPPOINTMENT OF AUDITORS**

Shareholders' approval was sought for the reappointment of BDO PLT as Auditors of the Company, who has given their consent to act as Auditors, under Ordinary Resolution 6 as follows:-

“THAT BDO PLT be and are hereby re-appointed as the Company's Auditors and to hold office until the conclusion of the next AGM AND THAT the Directors be and are hereby authorised to determine their remuneration.”

**11. SPECIAL BUSINESS**  
**ORDINARY RESOLUTION 7 – RETENTION OF DATO' SALLEH BIN MOHD HUSEIN AS INDEPENDENT DIRECTOR**  
**ORDINARY RESOLUTION 8 – RETENTION OF DATO' NOOR REZAN BINTI BAPOO HASHIM AS INDEPENDENT DIRECTOR**

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The Chairman informed the Meeting that the next two (2) items were to seek the shareholders' approval for the retention of Dato' Salleh and Dato' Noor Rezan Binti Bapoo Hashim (“Dato' Noor Rezan”) who have served on the Board of the Company for a cumulative term of 9 years as Independent Non-Executive Directors of the Company.

The Board of Directors, after having assessed the independence of Dato' Salleh and Dato' Noor Rezan, considered them to be independent based on the justifications as contained in the Annual Report 2023 and had recommended that Dato' Salleh and Dato' Noor Rezan be retained as Independent Non-Executive Directors of the Company and to hold office until the conclusion of the next AGM.

The Chairman also informed the Meeting that the resolutions on the proposed retention of Dato' Salleh and Dato' Noor Rezan will be voted through a two-tier voting process.

For the proposed retention of Dato' Salleh, shareholders' approval was sought under Ordinary Resolution 7 as follows:-

“THAT, 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.”

For the proposed retention of Dato' Noor Rezan, shareholders' approval was sought under Ordinary Resolution 8 as follows:-

“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.”

The Chairman informed the Meeting that Dato’ Salleh and Dato’ Noor Rezan had abstained from all deliberations with regards to the above Ordinary Resolutions 7 and 8 respectively.

**12. SPECIAL BUSINESS**

**ORDINARY RESOLUTION 9**

**AUTHORITY FOR DIRECTORS TO ISSUE SHARES**

Shareholders’ approval was sought for the following Ordinary Resolution 9 as follows:-

“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.”

**13. SPECIAL BUSINESS**

**ORDINARY RESOLUTION 10**

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

Shareholders’ approval was sought for the following Ordinary Resolution 10 as follows:-

“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 ten percent (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).

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.”

There being no other business for which due notice had been given, the Meeting proceeded with the Q&A session prior to the polling on all the resolutions.

#### **14. Q&A SESSION**

The Chairman then invited Mr Law King Hui (“Mr Law”), the Group Managing Director, to address the questions received from the shareholders/corporate representatives/proxies.

The Chairman highlighted that in the event there were any questions submitted by shareholders/corporate representatives/proxies through the questions pane, which the Company was unable to address, the Company would respond via email as soon as possible after the Meeting. He further informed that for expediency, certain similar or overlapping questions may be grouped together.

Before addressing the questions received via email, Mr Law took the opportunity to update shareholders on the recap and highlights of the performance of the Group for the FYE2023 as reported in the 2023 Annual Report. Throughout FYE2023, the Group exhibited resilience and adaptability, which have been its competitive strength. The Group has achieved a record high revenue despite challenges posed by weak retail sentiments and also seasonal factors. Additionally, the Group's educational products continue to garner very encouraging demand from schools and adults, complemented by a variety of non-academic products. FYE2023 stood as a testament to the Group's collective dedication, marking its best performing financial year since 2017 with a revenue surge of 39.58% to RM96.36 million and a staggering 1,110% increase in net profit to RM10.181 million.

The Group has not only surpassed the RM10 million net profit mark but also demonstrated a remarkable rebound from the adversities of the COVID-19 pandemic. Looking forward, the Group's strategic focus on merger and acquisitions ("M&A") aims to propel the Group into new business segments. The Group aims to fill niches where it has limited market presence, some of which with no presence at all. Leveraging on its competitive strengths such as economies of scale, distribution channels including digital capabilities and efficient supply chain, the Group is poised to ensure swift market entry and growth.

The Group will also focus on the early childhood education and care segment, which is the high growth area in Malaysia. The Prime Minister has also recently stressed the importance of early childhood education and the Group has plans to offer top tier education course materials for early childhood and care. The Group is working with strategic partners and forming an expert committee, aiming to establish a strong foothold in this vital sector. With the recent launch of the Digital Education Policy by the Ministry of Education ("MoE"), the Group believes it will also be able to capitalise on its digital capabilities.

Recently, the MoE has accepted the Group's offer of a Corporate Social Responsibility (CSR) programme, allowing all Form 4 and Form 5 teachers to access the Group's digital learning portal, i.e. i-LEARN Ace, free of charge. This initiative aims to support teachers in their teaching and learning activities in the classroom. As the Group navigates the path ahead, it remains committed to diversifying its product offerings, upholding the quality synonymous with the Sasbadi brand. The Group's cautious optimism is grounded in the belief that with prudent risk management and focus on cost optimisation, the Group is well positioned for sustained growth.

Mr Law then read out the questions submitted earlier via email by the shareholders, details of the Q&A as annexed herewith as Appendix 2 and by the Minority Shareholder Watch Group ("MSWG") vide letter dated 22 January 2024 and the Company's responses as per the slide presentation attached as Appendix 1. Thereafter, he continued with the questions received prior to the AGM and through the questions pane, full details of the Q&A as annexed herewith as Appendix 2.

The Chairman thereafter, concluded the Q&A session and reminded shareholders/ corporate representatives/proxies to vote via DBF as the voting session would be open for another 5 minutes.

#### 15. **E-VOTING**

At 10.58 a.m., the Chairman then announced that the voting session for the AGM has closed. The Meeting was then adjourned for 5 minutes for the conducting of the poll verification and validation by the Poll Administrators and Scrutineers.

#### 16. **RESULTS OF THE POLL**

At 11.05 a.m., the Chairman called the Meeting back to order for the declaration of the poll results. He informed that the poll results had been verified by the Scrutineers and the Scrutineers have confirmed the poll results.

The poll results in respect of all the Ordinary Resolutions as set out below were displayed on the screen for the information of the shareholders.:

Ordinary Resolution	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<b>Resolution 1</b> Approval of the payment of Directors' Fees and benefits	227,712,377	99.9871	29,307	0.0129	Carried
<b>Resolution 2</b> Re-election of Dato' Salleh Bin Mohd Husein as Director	227,729,455	99.9946	12,229	0.0054	Carried
<b>Resolution 3</b> Re-election of Mr Law King Hui as Director	227,729,577	99.9947	12,107	0.0053	Carried
<b>Resolution 4</b> Re-election of Datu Dr Rashidah Binti Bolhassan as Director	227,729,471	99.9946	12,213	0.0054	Carried
<b>Resolution 5</b> Re-election of Mr Law En Ruey as Director	227,729,577	99.9947	12,107	0.0053	Carried
<b>Resolution 6</b> Reappointment of BDO PLT as Auditors of the Company	227,729,577	99.9947	12,107	0.0053	Carried



Ordinary Resolution	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<b>Resolution 7 – Tier 1</b> Retention of Dato’ Salleh Bin Mohd Husein as Independent Director	154,483,501	100	0	0	Carried
<b>Resolution 7 – Tier 2</b> Retention of Dato’ Salleh Bin Mohd Husein as Independent Director	73,240,625	99.9760	17,558	0.0240	Carried
<b>Resolution 8 – Tier 1</b> Retention of Dato’ Noor Rezan Binti Bapoo Hashim as Independent Director	154,483,501	100	0	0	Carried
<b>Resolution 8 – Tier 2</b> Retention of Dato’ Noor Rezan Binti Bapoo Hashim as Independent Director	73,240,625	99.9760	17,558	0.0240	Carried
<b>Resolution 9</b> Authority for Directors to issue shares	227,501,120	99.6755	740,564	0.3245	Carried
<b>Resolution 10</b> Proposed Renewal of Share Buy-Back Authority	228,226,277	99.9933	15,307	0.0067	Carried

Based on the poll results, the Chairman then declared that the Ordinary Resolutions 1 to 10 were all duly carried.

## 17. **CLOSURE**

The Chairman thanked all participants at the AGM. There being no further business to be transacted, the Meeting was closed at 11.07 a.m. with a vote of thanks to the Chairman.

READ AND CONFIRMED BY

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CHAIRMAN

Date:



# SASBADI HOLDINGS BERHAD

Registration No. 201201038178 (1022660-T) (Incorporated in Malaysia)

**11<sup>th</sup> Annual General Meeting**  
**30 January 2024**

**Replies to Minority Shareholders**  
**Watch Group's Questions**



## Operational and Financial Matters – Question 1

The Company has highlighted the strategy of mergers and acquisitions (M&As) to achieve heightened growth.

Please provide more details on the specific niches or business segments that Sasbadi is considering for potential acquisitions in FYE 31 August 2024?

### Answers:

We are currently exploring potential acquisitions in specific niches or business segments where the Group currently has little or no prominent presence.

These include early childhood education, non-academic titles in various languages that cater to a wide age group, and/or any other segments that have the potential to complement or enhance our existing market share in the education /publishing industry.

## Operational and Financial Matters – Question 2

*“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 Digital Education Policy's aspirations.” (Page 29 of the Annual Report 2023)*

Please elaborate on the specific digital education capabilities Sasbadi has developed over the past decade?

(continue)

## Operational and Financial Matters – Question 2 (cont'd)

### Answers:

Over the past decade, we have developed digital capabilities in the areas of cloud-based applications and mobile applications that employ analytics, API Integration, gamification, and augmented reality technologies. We have a full team of in-house software designers and engineers that are capable of fulfilling the Group's market-driven demands. The evidence is in our product lineup, featuring cloud-based applications such as i-LEARN Ace and Digital Question Banks, mobile applications such as Sasbadi App, Funtastic AR Board Book App, Peapod Pal, and more.

Notably, as part of our Group's CSR initiatives, our digital learning portal i-LEARN Ace has been accepted by the Ministry of Education Malaysia recently as a supplementary teaching and learning resource platform for all Form 4 and 5 teachers for the entirety of the 2024 academic year.

## Operational and Financial Matters – Question 3

The Group installed the photovoltaic solar system at the cost of approximately RM0.77 million during the FYE 31 August 2023. The installation is in line with the Group's sustainability efforts to reduce our carbon footprint and achieve economic savings.

How much annual savings are expected from the solar system installed?

**Answers:**

Our annual savings are expected to be approximately RM140,000 per annum in electricity bills.

## Operational and Financial Matters – Question 4

The Group managed to secure two (2) contracts to supply reprinted textbooks (BCS) to schools under the Ministry of Education for the period from 2022 to 2024 (Package 3 and 5 - Peninsula Malaysia).

What are the other projects that may provide sustained revenue visibility for print publishing business beyond year 2024?

### Answers:

To put things into perspective, typically, government contracts contribute only about 10% to our print publishing revenues as they are usually obtained via tender exercise and its timing is beyond our Group's control. Having said that, our Group's successful acquisition of numerous contracts over the years from the Ministry of Education (MoE) serves as a positive indicator of our Group's capabilities in clinching future tenders.

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# Operational and Financial Matters – Question 4 (cont'd)

## Answers:

Looking beyond 2024, besides participating in tenders for the reprinting of textbooks, our Group will participate in, amongst others:

1. Tenders for new textbooks when the MoE implements new curriculums for the 2027-2032 academic years.
2. The MoE's procurement of reading materials and education resources via our distribution network.
3. Tenders by the Jabatan Kemajuan Masyarakat (KEMAS) under the Ministry of Rural and Regional Development to supply Early Childhood Education products.



## Operational and Financial Matters – Question 5

The table below set forth the Group's inventories for the past 3 financial years:

	FYE 31 August		
	2021	2022	2023
Inventories (RM'000)	58,530	64,785	61,021

Please provide a summary of inventory aging analysis for the past 3 financial years. How much of the inventories are expected to be obsolete by 31 August 2024?

### Answers:

We do not rely on aging in determining our stock obsolescence. Instead, this assessment is based on our products' saleability. For the purpose of provision, we refer to products that have not been saleable after a certain number of years.

For the past 10 years, the amount of inventories being written off is approximately RM3 million per year.

## Sustainability Matters – Question 6

During the FYE 31 August 2023, there was one 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.

- (a) What are the specific measures undertaken to prevent future attack?
- (b) How long does the Group take to restore the affected data?

(continue)

## Sustainability Matters – Question 6 (cont'd)

### Answers:

#### (a) Some of the key actions taken include:

- **Enhancing employee awareness:** We have reinforced cybersecurity awareness that ensures all employees are well-informed about potential risks and can detect phishing attempts.
- **Enhancing User Access Management Policies:** We have introduced countermeasures in the areas of role management and access security. We will review and refresh these user access management policies from time to time.
- **Regularly updating and patching systems:** We have established proactive measures to mitigate known vulnerabilities and reduce risks.
- **Reviewing and improving backup procedures:** We have reviewed and strengthened our data backup policies to ensure full redundancy of critical data.

(continue)

## Sustainability Matters – Question 6 (cont'd)

### Answers:

#### (a) (cont'd)

These measures collectively aim to strengthen our cybersecurity defenses and mitigate the risk of similar incidents in the future. While we strive to prevent them, we acknowledge that achieving a 100% foolproof solution is challenging, given the dynamic nature of the internet where new threats emerge regularly.

(b) The backup was restored within a day and we took approximately 2 weeks to fully reconcile the restored data.

## Pre-AGM Q&amp;As

No.	Question	Management's Response
1.	<p><i>Re: a core strategy for FY24 on early childhood education segment, I hope you can feature more on Malaysian flora and fauna – I was exercising at a local park, a little boy was excited to see a rather big bird - a black-crowned night heron - near the lake, and he shouted “mum, see, penguin!”</i></p> <p><i>It's amazing how little we know about our local plants and animals, compared to those not found in Malaysia. Would you be able to play a role in instilling the knowledge through early childhood education? As well as through the publishing of academic books and non-academic books?</i></p>	<p>It is in the Group's pipeline and it is part of our early childhood education expansion plan.</p>
2.	<p><i>Your sustainability goals on environmental stewardship - material sourcing and managing waste, you said “to the best of our abilities, our purchases of raw materials are made from manufacturers who support sustainability initiatives and bodies, such as the SFI, FSC and PEFC”. Can you quantify in % term the raw materials coming from these sources vs other (non-certified) sources?</i></p>	<p>We do not have a very rigid policy in purchasing only products or papers from mills that are compliant to sustainability forest policies. Hence, the percentage changes from year to year depending on pricing and the fulfillment of delivery timing.</p> <p>However, we always try our very best whenever and wherever possible to buy from mills that are compliant with the sustainability policies. For example, the latest order placed just yesterday was placed with a mill which is Forest Stewardship Council (FSC) certified. It is an international, well established, recognised certification body.</p>
3.	<p><i>Among your sustainability goals, on environmental stewardship, have you considered contributing towards environmental education and education for sustainable development (ESD), through creating relevant contents (which is your core competency)? This will support Malaysia to achieve the SDGs. Please explore strategic partnership with environmental NGOs too.</i></p>	<p>This is about the contribution towards the sustainability and environmental goals. The most direct way that our Group can contribute towards environmental education is through the articles and passages that we have included in all our publications.</p> <p>We will try to alert and raise awareness among all our authors to include maybe proportionally even a higher percentage of articles and contents that reflect on the importance of the environment, social and governance (“ESG”).</p>

No.	Question	Management's Response
4.	<i>Re: sustainability building a sustainable community addressing learning poverty, please consider donating books to alternative learning centers for stateless children in Sabah.</i>	Learning poverty means the inability to read at the age of 10. For many years, Sasbadi has been supporting and collaborating with the Reading Bus Club which has been established for more than 10 years. Reading Bus Club is a non-profit organisation (NGO) which distributes new books to children in rural communities in Sarawak to enable them to learn and create. Besides supporting the Reading Bus Club, we also support numerous localised social welfare bodies and we are always ready to support for a worthy cause and will continue to do so.

Questions received during the live streaming of the Company's AGM, which were sent by participants through the question pane on the AGM streaming platform, accompanied by the corresponding responses.

No.	Question	Management's Response
1.	<p><i>1) What is the yearly dividend payout ratio practice? Does the company have a dividend policy?</i></p> <p><i>2) The company did a good job in FY2023 despite a weak economy. Well done. Will the company be able to maintain last year's performance or even better?</i></p>	<p>1. Our policy is to pay out up to 50% of the profits attributable to the owners of the Company. However, this is subject to various factors such as level of cash, indebtedness, projected capital expenditures and investments etc.</p> <p>2. We remain hopeful. Up to this point of 2024, I think we will be able to achieve very good results, another good year and with the M&amp;A in the pipeline, we hope to be able to continue the good performance.</p>
2.	<i>The Print Publishing Segment is still the major contributor to the Group's Revenue and Profitability. In view of the increasing digitalisation of the education landscape, what are the strategies undertaken in the short and medium term to reduce the dependency on the Print Publication Segment?</i>	<p>We have market ready digital solutions with an in-house team to support.</p> <p>However, we believe print publishing will remain relevant and is unlikely to disappear overnight.</p> <p>With the launch of the Digital Education Policy, the Group may benefit significantly. However, not the entire Malaysian population can leverage on or benefiting from the digital policies. Perhaps we can hope to see a sustained print publishing segment with a heightened growth for digital. This is because digital resources may be used by those who can afford and have the facilities at home to supplement the print products that we offer.</p>

No.	Question	Management's Response
3.	<p><i>Noticed it was mentioned in the annual report that Sasbadi has a team of programmers and developers to cater to the development of the various technological products for the needs of students and teachers.</i></p> <p><i>How big is this development team and who is heading this?</i></p>	<p>The team currently comprise 15-20 persons and is headed by the Chief Technology Officer ("CTO").</p> <p>Our team comprises programmers, designers and also web editors and our Executive Director, Mr Law En Ruey who is also very knowledgeable in relation to software development and he has a lot of hands-on experience in this area. Together with the CTO who has more than 10 years of experience across various sectors, we believe our Group is more than capable of developing the solutions that market demand going forward.</p>
4.	<p><i>In the initiation report issued by Inter Pacific dated 3 January 2024, it was stated that in the past, Sasbadi has a dividend policy to distribute at least 50% of its earnings. Given Sasbadi's recent earnings recovery and its current net cash position, is it the company's intention to distribute at least 50% of its future earnings as dividends?</i></p>	<p>We have distributed RM0.075 sen of dividend/share totaling to RM 3.2 million, representing 31% of the earnings of FYE 2023.</p> <p>As mentioned earlier our distribution is subject to various factors such as level of cash, indebtedness, projected capital expenditures and investments, etc.</p> <p>Also, as also mentioned earlier, the Company is looking to M&amp;A as a strategy for growth. So it will be more prudent to also retain some of the earnings for this purpose.</p>
5.	<p><i>The Net Write down of inventories has been averaging at RM3 million + in the last 2 financial years. Inventories has also been maintained at around RM60 million. What are the action taken to further reduce the yearly write down of inventories. Is the Group Inventories Management System integrated with the Group Sales management system for better inventories management?</i></p>	<p>In managing our inventories write down, we are constantly taking a conservative approach in relation to the print order quantities and the releasing of new titles. Our inventories management system is integrated with the group's sales management system.</p> <p>We are also exploring new market channels to market and sell our products, including book fairs (online and offline) and live-streaming. In addition, we have also held a warehouse sale once and may continue to do so as a way to monetise our stocks, especially the older ones.</p> <p>We have been closely monitoring the development of the market behaviours, including related government policies. We also rely on historical data for better management when we order new prints.</p>

No.	Question	Management's Response
6.	<i>The Group indicated in the MD&amp;A that it is resuming M&amp;A activities which includes entering into new business segments. What are the "new business segments" that the Group are looking into. How will these new business segment synergize with the current core business of the Group?</i>	Please refer to our response to the MSWG queries.
7.	<p>1) <i>printing segment (what is the order book currently from this segment ? And how management overcome the potential impairment due to the change of syllabus etc from government, and solution to reduce the risk of this segment which dependent on government contract?)</i></p> <p>2) <i>digital revenue (ILA, ece , tutor2u etc.. ) what is the current Subscribers base? And what is the strategy that company took in order to retain the top sales agent? And what is the market position and market share of this business, and will company change this business model to reduce dependency of top sales agent?)</i></p> <p>3) <i>m&amp;a progress?</i></p> <p>4) <i>total technical staff and content creator headcount? And does company able to utilize AI to reduce staff cost?</i></p>	<p>1. We monitor the changes in government policy. The next change in syllabus will only be in 2027. For changes in syllabus, normally we have a few years to clear stock. That also gives us ample time and advance notice to plan. Of course, we will be very cautious when we are approaching 2027 to avoid overprinting of stocks that may become obsolete due to the change of the curriculum. New syllabus means a new business opportunity for us to publish new titles.</p> <p>2. We have more than 21,000 members. In order to retain the top sales agents, we provide marketing support and training. We do not have available data on the market share. There are no plans to change business model for the time being. We utilise the digital contents to spin off other products such as teaching aid.</p> <p>3. As of now, I can only say that we are currently having some preliminary discussions with more than one target company. We shall report more when the timing is right.</p> <p>4. Please refer to the earlier reply.</p>
8.	<i>Any bonus of shares issued?</i>	The Company has no such plan currently.
9.	<i>Are AI have any effect on company?</i>	Artificial Intelligence ("AI") is used to improve/aid our efficiency but is not able to replace our judgement/creativity. AI is a very useful tool and it will be able to help us to lower our costs.



No.	Question	Management's Response
9.	<i>Are AI have any effect on company? – cont'd</i>	But we are still very much reliant on our experienced team of authors and editors where AI can play a very effective role in helping us during the whole entire process. I would like to assure our customers and our shareholders that our company will not leave our work to AI.
10.	<i>Mr. Law, in your personal view, do you believe Sasbadi's stock is undervalued?</i>	<p>A resounding definite yes. I think that the share is definitely very much undervalued.</p> <p>We are just still a little bit lagging behind in the area of retail as the retail segment has not fully recovered. We are very cautiously optimistic that the Group will perform well and we will be able to achieve growth particularly with M&amp;A in the pipelines and with our early childhood and care education segment. We plan to enhance our market presence. Hence, please continue to support the Group, buy more shares and keep them for better returns.</p>
11.	<i>May I know the revenue of digital segment (is it base on pay per use or yearly subscription fee? ) and any refund policy from this segment ?</i>	<p>These are made up of several types of products, i-Learn Ace, BOOKR, Linguaskill with different business models.</p> <p>For products with a yearly subscription model, once subscribed and activated, it will not be refundable. However, for Linguaskill, which is an English test offered by Cambridge, charges will be based on a per-user per-test basis. We have various products targeting different markets, and we employ different marketing strategies for each product.</p>
12.	<i>Please give us some doorgifts/e vouchers/e wallet for attending this RPEV as a token of appreciation. Tq</i>	We are pleased to inform that a door gift of RM50 cash voucher to be used in our Shopee shop will be given to those who have registered and attended today's AGM.