



# 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)

### 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.

(continue)

## 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.

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## 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.



# Thank You

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