



SASBADI HOLDINGS BERHAD

201201038178 (1022660-T)

Incorporated in Malaysia

THIRD QUARTER REPORT ENDED 31 MAY 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 MAY 2024 ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.05.2024 RM'000	Preceding Year Quarter 31.05.2023 RM'000	Current Year-To-Date 31.05.2024 RM'000	Preceding Year-To-Date 31.05.2023 RM'000
Revenue	15,967	29,402	66,237	79,568
Cost of sales	(8,644)	(17,668)	(37,450)	(46,115)
Gross profit	7,323	11,734	28,787	33,453
Other operating income	356	644	730	1,138
Distribution expenses	(1,619)	(1,370)	(4,706)	(4,179)
Administrative expenses	(4,185)	(3,851)	(12,529)	(11,283)
Other operating expenses	(685)	(682)	(2,088)	(2,023)
Results from operating activities	1,190	6,475	10,194	17,106
Finance income	10	14	53	20
Finance costs	(184)	(232)	(576)	(730)
Profit before tax	1,016	6,257	9,671	16,396
Taxation	(771)	(1,644)	(3,407)	(4,738)
Net profit for the financial period	245	4,613	6,264	11,658
Other comprehensive income for the financial period, net of tax :				
Item that will not be reclassified subsequently to profit or loss				
Revaluation of property, plant and equipment	-	-	-	4,975
Total comprehensive income for the financial period	245	4,613	6,264	16,633
Net profit for the financial period attributable to:				
- Owners of the Company	245	4,613	6,264	11,658
- Non-controlling interests	-	-	-	-
	245	4,613	6,264	11,658
Total comprehensive income for the financial period attributable to:				
- Owners of the Company	245	4,613	6,264	16,633
- Non-controlling interests	-	-	-	-
	245	4,613	6,264	16,633
Earnings per share (sen) attributable to owners of the Company:				
- Basic	0.06	1.07	1.44	2.73
- Diluted	0.06	1.07	1.44	2.73

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements of Sasbadi Holdings Berhad ("the Company") for the financial year ended 31 August 2023 and the accompanying explanatory notes attached to these interim financial statements.



SASBADI HOLDINGS BERHAD
201201038178 (1022660-T)
Incorporated in Malaysia
THIRD QUARTER REPORT ENDED 31 MAY 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2024 ⁽¹⁾

	Unaudited As at 31.05.2024 RM'000	Audited As at 31.08.2023 RM'000
ASSETS		
Property, plant and equipment	43,838	44,194
Rights-of-use assets	271	405
Investment properties	2,228	2,268
Intangible assets	17,787	18,853
Other investments	1,448	37
Deferred tax assets	506	401
Total non-current assets	66,078	66,158
Inventories	70,295	61,021
Rights to recover returned goods	2,319	1,603
Contract costs	83	104
Trade and other receivables	35,003	37,429
Current tax assets	3,567	4,395
Prepayments	4,267	4,990
Cash and cash equivalents	10,513	11,640
Total current assets	126,047	121,182
Total assets	192,125	187,340
EQUITY		
Share capital	110,768	110,379
Treasury shares	(1)	(1)
Reserves	45,636	42,748
Total equity	156,403	153,126
LIABILITIES		
Loans and borrowings	1,316	1,342
Lease liabilities	55	77
Deferred tax liabilities	8,110	8,619
Total non-current liabilities	9,481	10,038
Loans and borrowings	6,173	7,284
Lease liabilities	227	365
Refund liabilities	4,431	2,897
Trade and other payables	15,114	13,283
Contract liabilities	296	347
Total current liabilities	26,241	24,176
Total liabilities	35,722	34,214
Total equity and liabilities	192,125	187,340
Net assets per share attributable to owners of the Company (RM)	0.36	0.35

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2023 and the accompanying explanatory notes attached to these interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE (9) MONTHS ENDED 31 MAY 2024 ⁽¹⁾

	<----- Non-distributable ----->						Distributable	
	Share capital RM'000	Treasury shares RM'000	Share Options reserve RM'000	Merger deficit RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 September 2023	110,379	(1)	134	(50,500)	(64)	23,332	69,846	153,126
Total comprehensive income for the financial period	-	-	-	-	-	-	6,264	6,264
Transaction with owners of the Company								
Expiry/Lapse of share options under ESOS	-	-	(23)	-	-	-	23	-
Ordinary shares issued pursuant to ESOS	389	-	(111)	-	-	-	-	278
Dividends to owners of the Company	-	-	-	-	-	-	(3,265)	(3,265)
Total transactions with owners of the Company	389	-	(134)	-	-	-	(3,242)	(2,987)
At 31 May 2024	110,768	(1)	-	(50,500)	(64)	23,332	72,868	156,403
As at 1 September 2022	109,138	(1)	705	(50,500)	(64)	18,356	61,616	139,250
Total comprehensive loss for the financial period	-	-	-	-	-	4,975	11,658	16,633
Transaction with owners of the Company								
Expiry/Lapse of share options under ESOS	-	-	(216)	-	-	-	216	-
Ordinary shares issued pursuant to ESOS	975	-	(280)	-	-	-	-	695
Dividends to owners of the Company	-	-	-	-	-	-	(2,154)	(2,154)
Total transactions with owners of the Company	975	-	(496)	-	-	-	(1,938)	(1,459)
At 31 May 2023	110,113	(1)	209	(50,500)	(64)	23,331	71,336	154,424

Notes:

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2023 and the accompanying explanatory notes attached to these interim financial statements.


SASBADI HOLDINGS BERHAD

201201038178 (1022660-T)

Incorporated in Malaysia

THIRD QUARTER REPORT ENDED 31 MAY 2024
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE (9) MONTHS ENDED 31 MAY 2024 ⁽¹⁾

	Current Year-To-Date 31.05.2024 RM'000	Preceding Year-To-Date 31.05.2023 RM'000
Cash flows from operating activities		
Profit before tax	9,671	16,396
Adjustments for:		
Amortisation of intangible assets	1,066	1,063
Depreciation of property, plant and equipment	1,568	1,288
Depreciation of investment properties	40	39
Depreciation of rights-of-use assets	312	304
Write-off of property, plant and equipment	-	19
Reversal of impairment loss on trade receivables	(392)	(615)
Gain on disposal of property, plant and equipment	(157)	(253)
Unrealised foreign exchange gain	(5)	-
Finance costs	576	730
Finance income	(53)	(20)
Operating profit before changes in working capital	12,626	18,951
Changes in inventories	(9,274)	(995)
Changes in rights to recover returned goods	(716)	597
Changes in contract costs	21	97
Changes in trade and other receivables and prepayments	3,541	(6,063)
Changes in refund liabilities	1,534	(1,285)
Changes in trade and other payables	1,836	(1,059)
Changes in contract liabilities	(51)	(317)
Cash generated from operations	9,517	9,926
Tax paid	(3,193)	(853)
Interest paid	(471)	(615)
Interest received	53	20
Net cash generated from operating activities	5,906	8,478
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	176	273
Acquisition of other investments	(1,411)	-
Acquisition of property, plant and equipment	(432)	(858)
Net cash used in investing activities	(1,667)	(585)

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2023 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE (9) MONTHS ENDED 31 MAY 2024 ⁽¹⁾ (CONT'D)

	Current Year-To-Date 31.05.2024 RM'000	Preceding Year-To-Date 31.05.2023 RM'000
Cash flows from financing activities		
Net drawdown of bankers' acceptances	(1,835)	1,479
Net repayment of finance lease liabilities	(61)	(2)
Net repayment of term loans	(316)	(300)
Net repayment of lease liabilities	(351)	(344)
Proceeds from issuance of shares pursuant to ESOS	278	695
Dividends paid	(3,265)	(2,154)
Interest paid	(92)	(93)
Net cash used in financing activities	(5,642)	(719)
Net decrease in cash and cash equivalents	(1,403)	7,174
Cash and cash equivalents at beginning of the financial period	11,079	3,576
Cash and cash equivalents at end of the financial period	9,676	10,750

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

	Current Year-To-Date 31.05.2024 RM'000	Preceding Year-To-Date 31.05.2023 RM'000
Cash and bank balances	9,804	10,604
Deposit placed with a licensed bank	709	924
	10,513	11,528
Less : Deposits pledged	(528)	(778)
Bank overdrafts	(309)	-
	9,676	10,750

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2023 and the accompanying explanatory notes attached to these interim financial statements.

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

A1. Accounting Policies and Basis of Preparation

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

These interim financial statements should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 August 2023 and the accompanying explanatory notes attached to these interim financial statements.

These interim financial statements provide an explanation of significant events and transactions that contributed to the changes in the financial position and performance of the Company and its subsidiaries (“the Group”) since the financial year ended 31 August 2023.

The significant accounting policies and methods of computation applied in these unaudited condensed interim financial statements are consistent with those adopted for the Audited Financial Statements of the Company for the financial year ended 31 August 2023, except for the following accounting standards, amendments and interpretations that have been issued by the MASB but have not been adopted by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants*
- Amendments to MFRS 7, *Financial Instruments: Disclosures* and MFRS 107, *Statement of Cash Flows – Supplier Finance Arrangements*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 7, *Financial Instruments: Disclosures* and MFRS 9, *Financial Instruments – Classification and Measurement of Financial Instruments*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

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

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

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

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

A2. Auditors’ Report on Preceding Annual Financial Statements

The Auditors’ Reports on the financial statements of the Company and its subsidiaries for the financial year ended 31 August 2023 were not qualified.

A3. Seasonality or Cyclicity of Operations

The Group’s business operations are exposed to seasonality patterns as the Group generally experiences significantly higher quarterly sales in months approaching the beginning of the school academic year. As a result, the seasonal sales patterns may adversely impact the Group’s quarterly revenue, profit and cash flow.

The Group takes the seasonality patterns into consideration in our cash flow planning. In addition, the Group is consistently seeking ways to reduce the impact of seasonality patterns such as stepping up our efforts to grow our non-academic and digital solutions segments, which are less prone to seasonality, and the private and international schools segment which follows a different academic year period from that of our national schools.

A4. Unusual Items Affecting the Financial Statements

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

Going forward, this may change again as the Ministry of Education has announced that they are currently working on reverting the commencement of the new academic year to January.

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

A5. Changes in Estimates

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

A6. Debt and Equity Securities

Employees’ Share Option Scheme (“ESOS”)

Option Price	Balance as at 1.9.2023	Exercised	Lapsed/ Expired	Balance exercisable as at 31.05.2024
RM0.10	3,330,000	-	(3,330,000)	-

On 10 March 2022, the Company offered 12,000,000 options at an exercise price of RM0.10 each to its eligible employees. During the current financial year-to-date, 2,780,000 new ordinary shares were issued pursuant to the exercise of this ESOS. Additionally, 50,000 options lapsed due to an employee’s resignation and 500,000 options expired on 9 March 2024.

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

A7. Dividend Paid

On 3 January 2024, the Company paid a second interim single tier dividend of RM0.0025 per ordinary share in respect of the financial year ended 31 August 2023.

On 24 May 2024, the Company paid an interim single tier dividend of RM0.005 per ordinary share in respect of the financial year ending 31 August 2024.

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

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

Current financial quarter ended 31 May 2024

	Print Publishing RM'000	Digital Solutions & Network Marketing * RM'000	ALP & STEM Education ^ RM'000	Inter- segment elimination RM'000	Total RM'000
Revenue	15,212	1,067	1,177	(1,489)	15,967
Cost of sales	(8,776)	(852)	(705)	1,689	(8,644)
Gross profit	6,436	215	472	200	7,323
Add/(Less):					
Other operating income					356
Distribution expenses					(1,619)
Administrative expenses					(4,185)
Other operating expenses					(685)
Results from operating activities					1,190

Current financial year-to-date ended 31 May 2024

	Print Publishing RM'000	Digital Solutions & Network Marketing * RM'000	ALP & STEM Education ^ RM'000	Inter- segment elimination RM'000	Total RM'000
Revenue	60,698	3,561	5,098	(3,120)	66,237
Cost of sales	(35,509)	(2,511)	(2,579)	3,149	(37,450)
Gross profit	25,189	1,050	2,519	29	28,787
Add/(Less):					
Other operating income					730
Distribution expenses					(4,706)
Administrative expenses					(12,529)
Other operating expenses					(2,088)
Results from operating activities					10,194

Notes:

* Digital/Online and Technology-enabled Solutions and Network Marketing Business Division (including Linguaskill and Bookr)

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

A. EXPLANATION NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING (CONT'D)
A8. Segment Information (cont'd)
Preceding financial year's corresponding quarter ended 31 May 2023

	Print Publishing RM'000	Digital Solutions & Network Marketing * RM'000	ALP & STEM Education ^ RM'000	Inter-segment elimination RM'000	Total RM'000
Revenue	28,157	852	1,251	(858)	29,402
Cost of sales	(16,935)	(724)	(435)	426	(17,668)
Gross profit	11,222	128	816	(432)	11,734
Add/(Less):					
Other operating income					644
Distribution expenses					(1,370)
Administrative expenses					(3,851)
Other operating expenses					(682)
Results from operating activities					<u>6,475</u>

Preceding financial year's corresponding year-to-date ended 31 May 2023

	Print Publishing RM'000	Digital Solutions & Network Marketing * RM'000	ALP & STEM Education ^ RM'000	Inter-segment elimination RM'000	Total RM'000
Revenue	76,085	4,302	2,163	(2,982)	79,568
Cost of sales	(45,527)	(2,219)	(753)	2,384	(46,115)
Gross profit	30,558	2,083	1,410	(598)	33,453
Add/(Less):					
Other operating income					1,138
Distribution expenses					(4,179)
Administrative expenses					(11,283)
Other operating expenses					(2,023)
Results from operating activities					<u>17,106</u>

Notes:

* Digital/Online and Technology-enabled Solutions and Network Marketing Business Division (including Linguaskill and Bookr)

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

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

A9. Valuation of Property, Plant and Equipment

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

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

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

A11. Effects of Changes in Composition of the Group

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

A12. Capital Commitments

There were no capital commitments for the Group in respect of the current financial quarter.

A13. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

There were no material changes in the Group's contingent liabilities since the last audited statement of financial position as at 31 August 2023.

Contingent Assets

The Group does not have any material contingent assets as at 31 May 2024.

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

B1. Review of Performance

Current Quarter ended 31 May 2024 against Preceding Financial Year's Corresponding Quarter ended 31 May 2023

The Group recorded a revenue of RM15.967 million for the current financial quarter as compared to RM29.402 million for the preceding financial year's corresponding quarter. This represents a decrease of RM13.435 million (equivalent to 45.69%), mainly arising from our Print Publishing Division.

The decrease was mainly attributed to the lower retail sales arising from more cautious consumer spending amidst the rising inflation.

The Group recorded a profit before tax ("PBT") of RM1.016 million for the current financial quarter vis-à-vis a PBT of RM6.257 million for the preceding financial year's corresponding quarter, representing a decrease of RM5.241 million (equivalent to 83.76%) mainly due to lower revenue achieved.

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

B1. Review of Performance (cont'd)

Current Financial Year-to-Date ended 31 May 2024 against Preceding Financial Year's Corresponding Year-to-Date ended 31 May 2023

The Group recorded a revenue of RM66.237 million for the current financial year-to-date as compared to RM79.568 million for the preceding financial year's corresponding year-to-date. This represents a decrease of RM13.331 million (equivalent to 16.75%).

The decrease was mainly due to a decrease in revenue from our Print Publishing Division to RM60.698 million for the current financial year-to-date as compared to RM76.085 million for the preceding financial year's corresponding year-to-date, representing a decrease of RM15.387 million. These were mainly due to slower retail sales overall in addition to the absence of the MOE contracts for the delivery of textbooks and the service of supplying and delivering market-ready digital solutions to schools in the current financial year-to-date as compared to the preceding financial year's corresponding year-to-date.

However, this decrease was cushioned by the increase in contribution by our ALP & STEM Education Division with revenue of RM5.098 million for the current financial year-to-date as compared to RM2.163 million for the preceding financial year's corresponding year-to-date, representing an increase of RM2.935 million due to higher sales attributed from the intensified efforts by the MOE to promote STEM education amongst Malaysian students.

The Group recorded a PBT of RM9.671 million for the current financial year-to-date vis-à-vis a PBT of RM16.396 million for the preceding financial year's corresponding year-to-date. This represents a decrease of RM6.725 million (equivalent to 41.02%) mainly due to the lower revenue and higher administrative expenses.

B2. Variation of Results for the Current Financial Quarter ended 31 May 2024 against the Immediate Preceding Financial Quarter

	Current Quarter 31.05.2024 RM'000	Preceding Quarter 29.02.2024 RM'000	Change RM'000
Revenue	15,967	35,017	(19,050)
Profit Before Tax	<u>1,016</u>	<u>9,841</u>	(8,825)

The Group recorded a revenue of RM15.967 million for the current financial quarter as compared to RM35.017 million for the immediate preceding financial quarter, representing a decrease of RM19.050 million (equivalent to 54.40%) due to the seasonality of our business as explained in Note A3 and reasons mentioned above.

The Group recorded a PBT of RM1.016 million for the current financial quarter as compared to a PBT of RM9.841 million for the immediate preceding financial quarter, representing a decrease of RM8.825 million, mainly due to the reasons mentioned above.

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

B3. Group's Prospects for the financial year ending ("FYE") 31 August 2024

Sasbadi Group's third quarter ("Q3") of financial year ending 31 August 2024 ("FYE 2024") did not perform within our expectations, registering a quarterly revenue of RM15.967 million and net profit of RM0.245 million. Year-on-year, this represents a decrease of RM13.435 million in revenue from RM29.402 million (equivalent to 45.69%) and RM4.368 million in net profit from RM4.613 million (equivalent to 94.69%). This was primarily due to the poor performance in the retail segment which resulted in a notable decrease in book orders from bookstores. Our Group was taken aback by how poorly the retail segment performed and can only attribute it to increasingly cautious consumer spending amidst rising inflation and cost of living.

Despite our Q3 performance, our Group is hopeful for the fourth quarter ("Q4") of FYE 2024 and beyond due to several initiatives. Firstly, our Prime Minister Datuk Seri Anwar Ibrahim had announced on 30 May 2024 that pupils from Year Four all the way to secondary and tertiary levels (as well as those in teacher education institutes) will be given up to RM100 book vouchers which were distributed on 1 June 2024 via the Book Capital (or *Kota Buku*) e-commerce platform. Our Group was delighted with the news as we, together with other Malaysian publishers and booksellers, are key beneficiaries of this significant initiative by the MADANI Government. The redemption period of these vouchers is until 31 December 2024 and thus far, we have recorded an uptick in revenue not only via our own Sasbadi Store on Book Capital but also through an increase in book orders from our booksellers operating on the platform. Besides top-line growth, these book vouchers also provide an excellent opportunity for first time customers to acquire quality Sasbadi publications completely for free, effectively expanding our customer base and market share. This initiative has given and will continue to give the retail segment (and book/publishing industry) a very much-needed boost amidst challenging macroeconomic factors, and we are hopeful that its positive financial effects will continue well into the entirety of Q4 FYE 2024 and beyond.

Besides book vouchers, our Group is also betting on our digital education solutions in view of the Digital Education Policy ("DEP", or *Dasar Pendidikan Digital*) by the Ministry of Education Malaysia ("MoE"). Our Group is taking heed of the government's aspiration to provide each student with a device to facilitate digital learning, to be implemented in phases and expected to begin as early as this year, and is actively in discussion with solutions integrators to provide our education software that are fully aligned with the latest national curriculum as a bundled offering. Our solutions are fully compatible across all platforms and devices and will serve as a key differentiator to create a total solution that combines quality hardware with trusted software. It is also our hope that our capabilities in producing education-related software solutions will come in handy to support the MoE by satisfying their education software needs in the implementation of the DEP. A case in point is our Group's digital resources which are being offered to all Form 4 and 5 teachers via the MoE's Digital Educational Learning Initiative Malaysia ("DELIMa") platform under the MoE's "Rakan DELIMa" program. This is being offered as our Group's CSR initiative for the 2024 academic year. In addition, our Group anticipates increased demand for our English competency assessment product, Linguaskill by Cambridge Assessment English, in FYE 31 August 2025 due to the MoE's ongoing focus in ensuring teachers' English language competency achieves a minimum of C1 in the Common European Framework of References for Languages ("CEFR"). Linguaskill, being a 100% online and computer-based test, allows for the swift deployment of accurate, convenient, and cost-effective English competency testing which places it above other competing products in the market.

Overall, despite our Q3 FYE 2024 performance, our Group remains hopeful in our prospects for FYE 2024 and beyond due to the initiatives mentioned above. As always, we will rely on the trust we have garnered over the past 39 years and uphold the quality synonymous with our brand in our business expansion endeavours. Taking everything into account, we remain cautiously optimistic about our Group's prospects for FYE 2024.

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

B4. Variance of Profit Forecast

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

B5. Notes to the Statement of Comprehensive Income

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.05.2024 RM'000	Preceding Year Quarter 31.05.2023 RM'000	Current Year-To-Date 31.05.2024 RM'000	Preceding Year-To-Date 31.05.2023 RM'000
Amortisation of intangible assets	355	356	1,066	1,063
Depreciation on property, plant and equipment	547	430	1,568	1,288
Depreciation on investment properties	13	13	40	39
Depreciation on rights-of-use assets	104	102	312	304
Gain on disposal of property, plant and equipment	(78)	(95)	(157)	(253)
Write-off of property, plant and equipment	-	19	-	19
Reversal of impairment loss on trade receivables	(248)	(498)	(392)	(615)
Finance costs	184	232	576	730
Finance income	(10)	(14)	(53)	(20)
Realised foreign exchange (gain)/loss	1	33	(33)	38
Unrealised foreign exchange loss/(gain)	-	-	(5)	-

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

B6. Income Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.05.2024 RM'000	Preceding Year Quarter 31.05.2023 RM'000	Current Year-To-Date 31.05.2024 RM'000	Preceding Year-To-Date 31.05.2023 RM'000
Current tax expense				
Current period	672	1,507	3,875	2,532
Prior period	146	(8)	146	(8)
	818	1,499	4,021	2,524
Deferred tax expense				
Current period	(47)	145	(614)	2,214
	771	1,644	3,407	4,738

The effective tax rate for the current financial quarter is higher than the statutory tax rate of 24% mainly due to certain expenses of the Group not allowable for tax purposes.

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

B7. Status of Corporate Proposals and Utilisation of Proceeds

i) Status of Corporate Proposals

There is no corporate proposal announced but not completed at the date of this report.

ii) Utilisation of Proceeds

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

B8. Loans and Borrowings

The Group's loans and borrowings as at 31 May 2024 were as follows:

	As at 31.05.2024 RM'000	As at 31.08.2023 RM'000
Non-current		
Finance lease liabilities	758	447
Term loans - secured	558	895
	<u>1,316</u>	<u>1,342</u>
Current		
Finance lease liabilities	569	142
Term loans - secured	448	427
Bank overdrafts - secured	309	33
Bankers' acceptances - secured	4,847	6,682
	<u>6,173</u>	<u>7,284</u>
	<u>7,489</u>	<u>8,626</u>

The above borrowings are denominated in Ringgit Malaysia.

B9. Material Litigation

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

B10. Dividend

On 24 April 2024, the Board of Directors of the Company has declared and approved the payment of an interim single tier dividend of RM0.005 per ordinary share in respect of the financial year ending 31 August 2024. The interim dividend was paid on 24 May 2024 to shareholders registered in the Record of Depositors as at 13 May 2024.



SASBADI HOLDINGS BERHAD

201201038178 (1022660-T)

Incorporated in Malaysia

THIRD QUARTER REPORT ENDED 31 MAY 2024

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

B11. Earnings Per Share ("EPS")

i) Basic Earnings Per Share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.05.2024 RM'000	Preceding Year Quarter 31.05.2023 RM'000	Current Year-To-Date 31.05.2024 RM'000	Preceding Year-To-Date 31.05.2023 RM'000
Net profit attributable to owners of the Company	245	4,613	6,264	11,658
Weighted average number of ordinary shares in issue ('000)	436,135	429,355	434,723	426,253
Basic earnings per ordinary share (sen)	0.06	1.07	1.44	2.73

ii) Diluted Earnings Per Share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.05.2024 RM'000	Preceding Year Quarter 31.05.2023 RM'000	Current Year-To-Date 31.05.2024 RM'000	Preceding Year-To-Date 31.05.2023 RM'000
Net profit attributable to owners of the Company	245	4,613	6,264	11,658
Weighted average number of ordinary shares in issue ('000)	436,135	429,355	434,723	426,253
Effect of dilution due to ESOS ('000)	-	2,277	-	1,383
Adjusted weighted average number of ordinary shares ('000)	436,135	431,632	434,723	427,636
Diluted earnings per ordinary share (sen)	0.06	1.07	1.44	2.73

Diluted EPS for the current financial quarter and financial year-to-date are equivalent to basic EPS as the Group no longer have any other instruments with potential dilutive effects upon expiry of the Group's ESOS on 9 March 2024.

B12. Derivative Financial Instruments

The Group did not enter into any derivative financial instruments which were outstanding as at 31 May 2024.

By order of the Board
Kuala Lumpur
25 July 2024