



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 29 FEBRUARY 2024 ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 29.02.2024 RM'000	Preceding Year Quarter 28.02.2023 RM'000	Current Year-To-Date 29.02.2024 RM'000	Preceding Year-To-Date 28.02.2023 RM'000
Revenue	35,017	31,676	50,270	50,166
Cost of sales	(18,081)	(17,277)	(28,806)	(28,447)
Gross profit	16,936	14,399	21,464	21,719
Other operating income	121	193	374	494
Distribution expenses	(1,621)	(1,184)	(3,087)	(2,809)
Administrative expenses	(4,675)	(4,158)	(8,344)	(7,432)
Other operating expenses	(712)	(764)	(1,403)	(1,341)
Results from operating activities	10,049	8,486	9,004	10,631
Finance income	25	3	43	6
Finance costs	(233)	(225)	(392)	(498)
Profit before tax	9,841	8,264	8,655	10,139
Taxation	(2,829)	(2,521)	(2,636)	(3,094)
Net profit for the financial period	7,012	5,743	6,019	7,045
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	-	4,975
Total comprehensive income for the financial period	7,012	10,718	6,019	12,020
Net profit for the financial period attributable to:				
- Owners of the Company	7,012	5,743	6,019	7,045
- Non-controlling interests	-	-	-	-
	7,012	5,743	6,019	7,045
Total comprehensive income for the financial period attributable to:				
- Owners of the Company	7,012	10,718	6,019	12,020
- Non-controlling interests	-	-	-	-
	7,012	10,718	6,019	12,020
Earnings per share (sen) attributable to owners of the Company:				
- Basic	1.61	1.35	1.39	1.66
- Diluted	1.61	1.34	1.38	1.65

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.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2024 ⁽¹⁾

	Unaudited As at 29.02.2024 RM'000	Audited As at 31.08.2023 RM'000
ASSETS		
Property, plant and equipment	44,243	44,194
Rights-of-use assets	294	405
Investment properties	2,241	2,268
Intangible assets	18,142	18,853
Other investments	1,448	37
Deferred tax assets	506	401
Total non-current assets	66,874	66,158
Inventories	66,061	61,021
Rights to recover returned goods	2,244	1,603
Contract costs	87	104
Trade and other receivables	52,509	37,429
Current tax assets	3,056	4,395
Prepayments	4,317	4,990
Cash and cash equivalents	11,740	11,640
Total current assets	140,014	121,182
Total assets	206,888	187,340
EQUITY		
Share capital	110,623	110,379
Treasury shares	(1)	(1)
Reserves	47,613	42,748
Total equity	158,235	153,126
LIABILITIES		
Loans and borrowings	1,411	1,342
Lease liabilities	212	77
Deferred tax liabilities	8,157	8,619
Total non-current liabilities	9,780	10,038
Loans and borrowings	19,845	7,284
Lease liabilities	103	365
Refund liabilities	4,312	2,897
Trade and other payables	14,325	13,283
Contract liabilities	288	347
Total current liabilities	38,873	24,176
Total liabilities	48,653	34,214
Total equity and liabilities	206,888	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 SIX (6) MONTHS ENDED 29 FEBRUARY 2024 ⁽¹⁾

	----- Non-distributable ----->						Distributable	Total equity RM'000
	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	
At 1 September 2023	110,379	(1)	134	(50,500)	(64)	23,332	69,846	153,126
Total comprehensive income for the financial period	-	-	-	-	-	-	6,019	6,019
Transaction with owners of the Company								
Expiry/Lapse of share options under ESOS	-	-	(2)	-	-	-	2	-
Ordinary shares issued pursuant to ESOS	244	-	(70)	-	-	-	-	174
Dividends to owners of the Company	-	-	-	-	-	-	(1,084)	(1,084)
Total transactions with owners of the Company	244	-	(72)	-	-	-	(1,082)	(910)
At 29 February 2024	110,623	(1)	62	(50,500)	(64)	23,332	74,783	158,235
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	7,045	12,020
Transaction with owners of the Company								
Expiry/Lapse of share options under ESOS	-	-	(214)	-	-	-	214	-
Ordinary shares issued pursuant to ESOS	91	-	(27)	-	-	-	-	64
Total transactions with owners of the Company	91	-	(241)	-	-	-	214	64
At 28 February 2023	109,229	(1)	464	(50,500)	(64)	23,331	68,875	151,334

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.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX (6) MONTHS ENDED 29 FEBRUARY 2024 ⁽¹⁾

	Current Year-To-Date 29.02.2024 RM'000	Preceding Year-To-Date 28.02.2023 RM'000
Cash flows from operating activities		
Profit before tax	8,655	10,139
Adjustments for:		
Amortisation of intangible assets	711	707
Depreciation of property, plant and equipment	1,021	858
Depreciation of investment properties	27	26
Depreciation of rights-of-use assets	208	202
Reversal of impairment loss on trade receivables	(144)	(117)
Gain on disposal of property, plant and equipment	(79)	(158)
Unrealised foreign exchange gain	(5)	-
Finance costs	392	498
Finance income	(43)	(6)
Operating profit before changes in working capital	10,743	12,149
Changes in inventories	(5,040)	(2,050)
Changes in rights to recover returned goods	(641)	(66)
Changes in contract costs	17	62
Changes in trade and other receivables and prepayments	(14,263)	(15,918)
Changes in refund liabilities	1,415	69
Changes in trade and other payables	1,047	680
Changes in contract liabilities	(59)	(219)
Cash used in operations	(6,781)	(5,293)
Tax paid	(1,864)	(351)
Interest paid	(325)	(423)
Interest received	43	6
Net cash used in operating activities	(8,927)	(6,061)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	83	158
Acquisition of other investments	(1,411)	-
Acquisition of property, plant and equipment	(275)	(189)
Net cash used in investing activities	(1,603)	(31)

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 SIX (6) MONTHS ENDED 29 FEBRUARY 2024 ⁽¹⁾ (CONT'D)

	Current Year-To-Date 29.02.2024 RM'000	Preceding Year-To-Date 28.02.2023 RM'000
Cash flows from financing activities		
Net drawdown of bankers' acceptances	2,964	250
Net repayment of finance lease liabilities	(87)	(128)
Net repayment of term loans	(209)	(198)
Net repayment of lease liabilities	(233)	(229)
Proceeds from issuance of shares pursuant to ESOS	174	64
Dividends paid	(1,084)	-
Interest paid	(58)	(59)
Net cash generated from/(used in) financing activities	<u>1,467</u>	<u>(300)</u>
Net decrease in cash and cash equivalents	(9,063)	(6,392)
Cash and cash equivalents at beginning of the financial period	<u>11,079</u>	<u>3,576</u>
Cash and cash equivalents at end of the financial period	<u><u>2,016</u></u>	<u><u>(2,816)</u></u>

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

	Current Year-To-Date 29.02.2024 RM'000	Preceding Year-To-Date 28.02.2023 RM'000
Cash and bank balances	11,031	7,779
Deposit placed with a licensed bank	709	924
	<u>11,740</u>	<u>8,703</u>
Less : Deposits pledged	(528)	(778)
Bank overdrafts	(9,196)	(10,741)
	<u><u>2,016</u></u>	<u><u>(2,816)</u></u>

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 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	Granted	Exercised/ Lapsed	Balance exercisable as at 29.02.2024
RM0.10	3,330,000	-	(1,790,000)	1,540,000

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, 1,740,000 new ordinary shares were issued pursuant to the exercise of this ESOS and 50,000 ESOS lapsed due to resignation of an employee.

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

During the current financial quarter, 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.



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 29 February 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	32,828	864	1,747	(422)	35,017
Cost of sales	(16,864)	(727)	(912)	422	(18,081)
Gross profit	<u>15,964</u>	<u>137</u>	<u>835</u>	<u>-</u>	<u>16,936</u>
Add/(Less):					
Other operating income					121
Distribution expenses					(1,621)
Administrative expenses					(4,675)
Other operating expenses					(712)
Results from operating activities					<u><u>10,049</u></u>

Current financial year-to-date ended 29 February 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	45,486	2,494	3,921	(1,631)	50,270
Cost of sales	(26,733)	(1,659)	(1,874)	1,460	(28,806)
Gross profit	<u>18,753</u>	<u>835</u>	<u>2,047</u>	<u>(171)</u>	<u>21,464</u>
Add/(Less):					
Other operating income					374
Distribution expenses					(3,087)
Administrative expenses					(8,344)
Other operating expenses					(1,403)
Results from operating activities					<u><u>9,004</u></u>



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 28 February 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	30,902	695	277	(198)	31,676
Cost of sales	(16,871)	(642)	(132)	368	(17,277)
Gross profit	14,031	53	145	170	14,399
Add/(Less):					
Other operating income					193
Distribution expenses					(1,184)
Administrative expenses					(4,158)
Other operating expenses					(764)
Results from operating activities					8,486

Preceding financial year's corresponding year-to-date ended 28 February 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	47,928	3,450	912	(2,124)	50,166
Cost of sales	(28,592)	(1,495)	(318)	1,958	(28,447)
Gross profit	19,336	1,955	594	(166)	21,719
Add/(Less):					
Other operating income					494
Distribution expenses					(2,809)
Administrative expenses					(7,432)
Other operating expenses					(1,341)
Results from operating activities					10,631

Notes:

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

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



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 29 February 2024.

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

B1. Review of Performance

Current Quarter ended 29 February 2024 against Preceding Financial Year’s Corresponding Quarter ended 28 February 2023

The Group recorded a revenue of RM35.017 million for the current financial quarter as compared to RM31.676 million for the preceding financial year’s corresponding quarter. This represents an increase of RM3.341 million (equivalent to 10.55%), mainly contributed by our Print Publishing Division and ALP & STEM Education Division.

The increase was mainly attributed to the strong sales of our academic publications and applied learning products for the new school academic year beginning in March 2024.

The Group recorded a profit before tax (“PBT”) of RM9.841 million for the current financial quarter vis-à-vis a PBT of RM8.264 million for the preceding financial year’s corresponding quarter, representing an increase of RM1.577 million (equivalent to 19.08%) mainly due to higher 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 29 February 2024 against Preceding Financial Year's Corresponding Year-to-Date ended 28 February 2023

The Group recorded a revenue of RM50.270 million for the current financial year-to-date as compared to RM50.166 million for the preceding financial year's corresponding year-to-date. This represents an increase of RM0.104 million (equivalent to 0.21%).

The increase was mainly contributed by our ALP & STEM Education Division with revenue of RM3.921 million for the current financial year-to-date as compared to RM0.912 million for the preceding financial year's corresponding year-to-date, representing an increase of RM3.009 million due to the higher sales mentioned above.

However, this increase was cushioned by a decrease in revenue from our Print Publishing and Digital Solutions & Network Marketing Division to RM45.486 million and RM2.494 million respectively for the current financial year-to-date as compared to RM47.928 million and RM3.450 million respectively for the preceding financial year's corresponding year-to-date, representing a decrease of RM2.442 million and RM0.956 million respectively. These were mainly due to the absence of the MOE contracts for delivery of textbooks in the current financial year-to-date as compared to RM5.909 million recorded in the preceding financial year's corresponding year-to-date, and lower contribution from the MOE contracts for the service of supplying and delivering market-ready digital solutions to schools in the current financial year-to-date of RM0.459 million as compared to RM2.111 million recorded in the preceding financial year's corresponding year-to-date.

After taking into consideration the impact of lower government contracts contribution, the Print Publishing and Digital & Network Marketing Divisions have shown improvement due to stronger school sales of our academic publications and digital products and recorded RM45.486 million and RM2.035 million in the current financial year-to-date as compared to RM42.019 million and RM1.339 million respectively in the preceding financial year's corresponding year-to-date, representing an increase of RM3.467 million and RM0.696 million respectively.

The Group recorded a PBT of RM8.655 million for the current financial year-to-date vis-à-vis a PBT of RM10.139 million for the preceding financial year's corresponding year-to-date. This represents a decrease of RM1.484 million (equivalent to 14.64%) mainly due to higher administrative expenses, salary adjustments and staff bonus paid out in line with the Group's improved performance.

B2. Variation of Results for the Current Financial Quarter ended 29 February 2024 against the Immediate Preceding Financial Quarter

	Current Quarter 29.02.2024 RM'000	Preceding Quarter 30.11.2023 RM'000	Change RM'000
Revenue	35,017	15,253	19,764
Profit/(Loss) Before Tax	<u>9,841</u>	<u>(1,186)</u>	11,027

The Group recorded a revenue of RM35.017 million for the current financial quarter as compared to RM15.253 million for the immediate preceding financial quarter, representing an increase of RM19.764 million (equivalent to 129.57%) due to the seasonality of our business as explained in Note A3 and reasons mentioned above.

The Group recorded a PBT of RM9.841 million for the current financial quarter as compared to a loss before tax of RM1.186 million for the immediate preceding financial quarter, representing an increase of RM11.027 million, mainly due to the reasons mentioned above.



SASBADI HOLDINGS BERHAD

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Incorporated in Malaysia

SECOND QUARTER REPORT ENDED 29 FEBRUARY 2024

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 is pleased to report that for our second quarter ("Q2") of financial year ending 31 August 2024 ("FYE 2024"), we have achieved our highest-ever recorded quarterly revenue of RM35.017 million, a feat achieved through market share expansion, representing a year-on-year ("y-o-y") increase of 10.55% from RM31.676 million and firmly cementing itself as a significant milestone for our Group. This achievement attests to our Group's capabilities in producing market-leading products even in our 39th year of operation. Furthermore, we recorded the second-highest quarterly net profit since the Group's IPO of RM7.012 million, increasing y-o-y by 22.10% from RM5.743 million and demonstrating our Group's capabilities in defending our profit margins. This favourable performance was due to the robust sales of our academic publications for the 2024 academic year, in addition to the increase in sales of our LEGO® Education STEM products in tandem with intensifying efforts by the Ministry of Education Malaysia ("MOE") to promote STEM education amongst Malaysian students.

Moving forward, Sasbadi Group intends to maintain our lead in the Malaysian education landscape by building upon our long-established digital capabilities to capitalise on the MOE's Digital Education Policy ("DEP") and to enhance our hybrid academic publications. Our Group is cognizant of the increasing digitalisation experienced by the education fraternity, particularly post the launch of the DEP on 28 November 2023 by the Minister of Education, and has responded swiftly by intensifying our efforts in leveraging our digital assets to create new potential revenue streams. As a collaboration initiative, our flagship digital learning platform, i-LEARN Ace, was offered to the MOE and has been accepted to be included on the MOE's Digital Educational Learning Initiative platform, DELIMA, to allow Form 4 and Form 5 teachers free access to our digital resources for their daily teaching and learning processes. Our Group hopes to benefit from the spin-off effect of this collaboration. Our digital capabilities also strengthen our print publications through the enhancement of digital elements within our hybrid print publications, a distinguishing feature of Sasbadi products which our customers appreciate. We believe that print publications are still relevant and here to stay despite the increasing shift towards digital, and we will continue to be at the forefront of the development of hybrid academic print publications that elevate the teaching and learning experience.

Our Group will also place added emphasis towards our STEM & ALP segment for FYE 2024 and beyond, particularly by ramping up efforts in marketing and promoting our LEGO® Education STEM products. As the STEM field has become a key focus for the MOE (such as the allocation of RM100mil to empower and cultivate STEM Education in Budget 2024), we believe our LEGO® Education products will continue to play an instrumental role in nurturing STEM interest and skills amongst students in Malaysia schools. As a testament to the MOE and Sasbadi's strategic collaborations since 2005, the Malaysian contingent had emerged as the Overall Champion for the 9th time at the World Robotics Olympiad ("WRO") 2023 in Panama City by winning four out of the eight gold medals on offer, generating huge interest and inspiration amongst the MOE fraternity. Suffice to say, STEM education in Malaysia currently presents many opportunities for our Group and is an area which we will pay close attention to.

As mentioned previously, our Group will be focusing on Mergers & Acquisitions ("M&As") to achieve inorganic growth for FYE 2024 and beyond. As an update, we have conducted several rounds of discussions with a company that focuses on non-academic publications and another that focuses on non-publication educational products, which can expand our Group's product offerings. We believe that these companies operating segments strategically fills niches which our Group has little to no presence in. Such M&As, if successful, will be able to smoothen our Group's seasonality patterns associated with our academic publishing segment. We will make the necessary announcements when the M&As materialise.

Overall, our Group's FYE 2024 performance has been encouraging. As a strategy to heighten growth, Sasbadi Group aims to diversify revenue streams that extend beyond academic publications. We will rely on the trust we have garnered over the past 39 years and uphold the quality synonymous with our brand in our endeavour to expand our offerings. Taking everything into account, we are cautiously optimistic about the 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 29.02.2024 RM'000	Preceding Year Quarter 28.02.2023 RM'000	Current Year-To-Date 29.02.2024 RM'000	Preceding Year-To-Date 28.02.2023 RM'000
Amortisation of intangible assets	356	350	711	707
Depreciation on property, plant and equipment	525	447	1,021	858
Depreciation on investment properties	13	13	27	26
Depreciation on rights-of-use assets	104	169	208	202
Gain on disposal of property, plant and equipment	(79)	(137)	(79)	(158)
Reversal of impairment loss on trade receivables	(103)	(82)	(144)	(117)
Finance costs	233	225	392	498
Finance income	(25)	(3)	(43)	(6)
Realised foreign exchange (gain)/loss	(20)	-	(34)	5
Unrealised foreign exchange loss/(gain)	21	-	(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 29.02.2024 RM'000	Preceding Year Quarter 28.02.2023 RM'000	Current Year-To-Date 29.02.2024 RM'000	Preceding Year-To-Date 28.02.2023 RM'000
Current tax expense				
Current period	2,770	1,009	3,203	1,025
Deferred tax expense				
Current period	59	1,512	(567)	2,069
	<u>2,829</u>	<u>2,521</u>	<u>2,636</u>	<u>3,094</u>

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 29 February 2024 were as follows:

	As at 29.02.2024 RM'000	As at 31.08.2023 RM'000
Non-current		
Finance lease liabilities	739	447
Term loans - secured	672	895
	<u>1,411</u>	<u>1,342</u>
Current		
Finance lease liabilities	562	142
Term loans - secured	441	427
Bank overdrafts - secured	9,196	33
Bankers' acceptances - secured	9,646	6,682
	<u>19,845</u>	<u>7,284</u>
	<u>21,256</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 will be paid on 24 May 2024 to shareholders registered in the Record of Depositors as at 13 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 29.02.2024 RM'000	Preceding Year Quarter 28.02.2023 RM'000	Current Year-To-Date 29.02.2024 RM'000	Preceding Year-To-Date 28.02.2023 RM'000
Net profit attributable to owners of the Company	7,012	5,743	6,019	7,045
Weighted average number of ordinary shares in issue ('000)	434,329	424,802	434,017	424,702
Basic earnings per ordinary share (sen)	1.61	1.35	1.39	1.66

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 29.02.2024 RM'000	Preceding Year Quarter 28.02.2023 RM'000	Current Year-To-Date 29.02.2024 RM'000	Preceding Year-To-Date 28.02.2023 RM'000
Net profit attributable to owners of the Company	7,012	5,743	6,019	7,045
Weighted average number of ordinary shares in issue ('000)	434,329	424,802	434,017	424,702
Effect of dilution due to ESOS ('000)	613	2,256	658	1,421
Adjusted weighted average number of ordinary shares ('000)	434,942	427,058	434,675	426,123
Diluted earnings per ordinary share (sen)	1.61	1.34	1.38	1.65

B12. Derivative Financial Instruments

The Group did not enter into any derivative financial instruments which were outstanding as at 29 February 2024.

By order of the Board
Kuala Lumpur
24 April 2024