

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

**PROPOSED BONUS ISSUE OF UP TO 139,699,500 NEW ORDINARY SHARES ("BONUS SHARE(S)") TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**ALLIANCE INVESTMENT BANK**

**Alliance Investment Bank Berhad** (21605-D)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") and the Proxy Form of Sasbadi Holdings Berhad ("**Sasbadi Holdings**") are enclosed herewith. The EGM of Sasbadi Holdings will be held at The Green III Function Room, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia, on Friday, 28 July 2017 at 10.00 a.m. or any adjournment thereof. Shareholders are advised to refer to the Notice of EGM and Proxy Form, which are enclosed in this Circular.

If you are unable to attend and vote at the EGM, you may appoint a proxy to attend and vote on your behalf. If you wish to do so, you must deposit the Proxy Form at the registered office of Sasbadi Holdings at Suite 11.1A, Level 11, Menara Weld, 76, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time set for the EGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Wednesday, 26 July 2017 at 10.00 a.m.  
Date and time of the EGM : Friday, 28 July 2017 at 10.00 a.m.

This Circular is dated 13 July 2017

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## DEFINITIONS

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In this Circular and the accompanying appendices, the following words and abbreviations shall have the following meanings unless otherwise stated:-

<b>Act</b>	: Companies Act, 2016
<b>AIBB or Principal Adviser</b>	: Alliance Investment Bank Berhad
<b>Board</b>	: Board of Directors of Sasbadi Holdings
<b>Bonus Share(s)</b>	: Up to 139,699,500 new Sasbadi Holdings Shares to be allotted and issued pursuant to the Proposed Bonus Issue
<b>Bursa Depository</b>	: Bursa Malaysia Depository Sdn Bhd
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad
<b>Circular</b>	: This circular to shareholders of Sasbadi Holdings dated 13 July 2017 in relation to the Proposed Bonus Issue
<b>EGM</b>	: Extraordinary General Meeting
<b>Entitled Shareholders</b>	: Shareholders whose names appear in the Record of Depositors of our Company on the Entitlement Date
<b>Entitlement Date</b>	: A date to be determined and announced later by our Board, on which the names of the shareholders of Sasbadi Holdings must appear in the Record of Depositors of our Company as at 5.00 p.m. in order to participate in the Proposed Bonus Issue
<b>EPS</b>	: Earnings per share
<b>ESOS</b>	: An employees' share option scheme involving up to ten percent (10%) of our Company's issued share capital (excluding treasury shares) to be granted and issued to eligible employees and executive directors of Sasbadi Holdings Group, which was implemented on 1 September 2016
<b>FPE</b>	: Financial period ended/ending
<b>FYE</b>	: Financial year ended/ending
<b>Karya Kencana</b>	: Karya Kencana Sdn Bhd
<b>Listing Requirements</b>	: Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	: 30 June 2017, being the latest practicable date prior to the printing of this Circular
<b>Market Day(s)</b>	: Any day from Mondays to Fridays (both days inclusive) which is not a public holiday, and on which Bursa Securities is open for trading of securities
<b>NA</b>	: Net assets
<b>Proposed Bonus Issue</b>	: Proposed bonus issue of up to 139,699,500 Bonus Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) existing Sasbadi Holdings Shares held on the Entitlement Date

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**DEFINITIONS (CONT'D)**

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<b>Record of Depositors</b>	:	A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
<b>RM and sen</b>	:	Ringgit Malaysia and sen respectively
<b>Sasbadi Holdings or Company</b>	:	Sasbadi Holdings Berhad
<b>Sasbadi Holdings Group or Group</b>	:	Sasbadi Holdings and our subsidiaries
<b>Sasbadi Holdings Share(s) or Share(s)</b>	:	Ordinary shares of Sasbadi Holdings
<b>VWAMP</b>	:	Volume weighted average market price

All references to “Sasbadi Holdings” or “our Company” in this Circular are to Sasbadi Holdings Berhad, references to “Sasbadi Holdings Group” or “Group” are to our Company and our subsidiaries and references to “we”, “us”, “our” and “ourselves” are to our Group, our Company, and where the context otherwise requires, our subsidiaries.

All references to “you” in this Circular are to the shareholders of our Company.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference to a time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

Any reference in this Circular to any legislation is a reference to that legislation as for the time being amended or re-enacted.

Certain figures in this Circular have been subject to rounding adjustments.

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

**Registered Office:**  
Suite 11.1A, Level 11  
Menara Weld  
76, Jalan Raja Chulan  
50200 Kuala Lumpur  
Malaysia

13 July 2017

## **BOARD OF DIRECTORS**

Dato' Salleh Bin Mohd Husein (*Independent Non-Executive Chairman*)  
Mr. Law King Hui (*Group Managing Director*)  
Mr. Lee Swee Hang (*Executive Director*)  
Ms. Law Yi Chian (*Executive Director*)  
Mr. Lee Eng Sang (*Non-Independent Non-Executive Director*)  
Dato' Noor Rezan Binti Bapoo Hashim (*Senior Independent Non-Executive Director*)  
Mr. Lim Hun Soon @ David Lim (*Independent Non-Executive Director*)

**To : The Shareholders of Sasbadi Holdings Berhad**

Dear Sir/Madam,

**PROPOSED BONUS ISSUE OF UP TO 139,699,500 BONUS SHARES TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")**

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### **1. INTRODUCTION**

On 20 June 2017, on behalf of our Board, AIBB announced that our Company proposed to undertake the Proposed Bonus Issue.

On 6 July 2017, on behalf of our Board, AIBB announced that Bursa Securities had, vide its letter dated 5 July 2017, approved the listing and quotation of up to 139,699,500 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions as set out in Section 6 of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED BONUS ISSUE, AND TO SET OUT THE VIEW AND RECOMMENDATION OF OUR BOARD AS WELL AS TO SEEK YOUR APPROVAL BY WAY OF POLL FOR THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE TO BE TABLED AT OUR COMPANY'S FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING BY WAY OF POLL ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSED BONUS ISSUE**

### **2.1 Basis and number of Bonus Shares**

The Proposed Bonus Issue entails the issuance of up to 139,699,500 Bonus Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) existing Sasbadi Holdings Shares held by the Entitled Shareholders.

As at the LPD, the issued share capital of our Company is RM69,850,000 comprising 279,400,000 Sasbadi Holdings Shares (including 1,000 Sasbadi Holdings Shares held as treasury shares). There have not been any options granted and/or vested pursuant to our Company's ESOS. In conjunction with the Proposed Bonus Issue, Sasbadi Holdings has undertaken the following:

- (i) Sasbadi Holdings will not deal with any Sasbadi Holdings Shares held as treasury shares until the completion of the Proposed Bonus Issue. For the avoidance of doubt, our Company reserves the right to purchase and retain the Sasbadi Holdings Shares so purchased as treasury shares pursuant to our share buy-back; and
- (ii) Sasbadi Holdings will not grant and/or vest any allocation pursuant to our ESOS until the completion of the Proposed Bonus Issue.

The actual number of Bonus Shares to be issued will be determined based on the issued share capital of our Company as at the Entitlement Date. For the avoidance of doubt, any Sasbadi Holdings Shares held as treasury shares as at the Entitlement Date will not be entitled to the Bonus Shares. Please refer to **Section 4** of this Circular for the illustrative effects of the Bonus Shares to be issued pursuant to the Proposed Bonus Issue.

In determining shareholders' entitlements to the Proposed Bonus Issue, fractional entitlements, if any, shall be dealt with by our Board in such a manner as they in their absolute discretion deem fit and expedient in the best interest of Sasbadi Holdings. The Proposed Bonus Issue is not intended to be implemented in stages over a period of time.

### **2.2 Capitalisation of reserves**

The Proposed Bonus Issue amounting up to RM34,924,875 shall be wholly capitalised from the share premium account of Sasbadi Holdings at RM0.25 per Bonus Share, being the reference to the par value of Sasbadi Holdings Shares immediately before the effective date of the Act.

Based on our Company's latest audited consolidated financial statements for the FYE 31 August 2016 and the latest unaudited consolidated quarterly results for the FPE 28 February 2017, the pro forma effect of the Proposed Bonus Issue on the share premium account of Sasbadi Holdings is illustrated below:

<b>Sasbadi Holdings (Company and Group level)</b>	<b>Audited as at 31 August 2016 (RM'000)</b>	<b>Latest unaudited quarterly results as at 28 February 2017 (RM'000)</b>
Share Premium	38,401	38,401
Less : Amount to be capitalised pursuant to the Proposed Bonus Issue	(34,925)	(34,925)
<b>Share premium* after Proposed Bonus Issue</b>	<b>3,476</b>	<b>3,476</b>

**Note:**

\* Under the no par value regime of the Act which came into effect on 31 January 2017, the concept of share premium will no longer be applicable and any amount standing to the credit of our Company's share premium account shall be consolidated as part of its share capital. However, Section 618(3) of the Act provides that our Company may use its share premium account to fully pay up the Bonus Shares within a 24 months period from 31 January 2017.

Our Board confirms that the Proposed Bonus Issue and the implementation of the Proposed Bonus Issue is and will be in full compliance with the Act and Practice Note 1/2017 issued by the Companies Commission of Malaysia on 8 February 2017 for the purposes of Sections 618(3) and 618(4) of the Act. Pursuant to Paragraph 6.30(1) of the Listing Requirements of Bursa Securities, our Board also confirms that our Company has adequate reserves available for the capitalisation of the Bonus Shares and such reserves are unimpaired by losses on a consolidated basis, based on our Company's latest audited consolidated financial statements for the FYE 31 August 2016 and its latest unaudited consolidated quarterly results for the FPE 28 February 2017.

For illustration purposes, based on the five (5) - day VWAMP of Sasbadi Holdings Shares up to and including the LPD of RM1.38 per Sasbadi Holdings Share, the theoretical ex-bonus share price of Sasbadi Holdings Shares is RM0.92 per Share.

### **2.3 Ranking of Bonus Shares**

The Bonus Shares shall, upon issuance and allotment, rank *pari passu* in all respects with the existing Sasbadi Holdings Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, unless the Bonus Shares were allotted on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions.

### **2.4 Listing and quotation of the Bonus Shares**

Bursa Securities had vide its letter dated 5 July 2017 approved the listing and quotation of the Bonus Shares on the Main Market of Bursa Securities, as detailed in Section 6 of the Circular.

The Bonus Shares will be listed and quoted on the Main Market of Bursa Securities on the next Market Day following the Entitlement Date.

The notice of allotment for the Bonus Shares will be issued and despatched to the Entitled Shareholders within four (4) Market Days after the listing and quotation of the Bonus Shares on the Main Market of Bursa Securities, or such other period as may be prescribed by Bursa Securities.

As the Bonus Shares are prescribed securities under Section 14(5) of the Securities Industry (Central Depositories) Act, 1991, the Bonus Shares will be credited into the respective Central Depository System accounts of the Entitled Shareholders and no physical share certificates will be issued.

### 3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED BONUS ISSUE

The Proposed Bonus Issue is intended to reward the existing shareholders of our Company for their loyalty and continuing support to Sasbadi Holdings Group, by enabling them to have a greater participation in the equity of our Company in terms of the increased number of Sasbadi Holdings Shares held, whilst maintaining their percentage of equity interest. In addition, the Proposed Bonus Issue will potentially improve the liquidity and marketability of Sasbadi Holdings Shares on Bursa Securities by way of a larger capital base.

### 4. EFFECTS OF THE PROPOSED BONUS ISSUE

#### 4.1 Issued share capital

The pro forma effects of the Proposed Bonus Issue on the issued share capital of Sasbadi Holdings as at the LPD are as follows:

	No. of Sasbadi Holdings Shares	Amount RM'000
Issued share capital as at the LPD	279,400,000	69,850
Less : Treasury shares held as at the LPD	(1,000)	(1)
	279,399,000	69,849
Number of Bonus Shares to be issued pursuant to the Proposed Bonus Issue	139,699,500	34,925*
<b>Enlarged issued share capital after the Proposed Bonus Issue</b>	<b>419,098,500</b>	<b>104,774</b>

**Note:**

\* Capitalisation from share premium account at RM0.25 per Bonus Share, being the reference to the par value of Sasbadi Holdings Shares immediately before the effective date of the Act.

#### 4.2 NA, NA per share and gearing

Based on the latest audited consolidated financial statements of Sasbadi Holdings for the FYE 31 August 2016, the pro forma effects of the Proposed Bonus Issue on Sasbadi Holdings' consolidated NA, NA per share and gearing are as follows:

	Audited as at FYE 31 August 2016	Adjusted for subsequent events <sup>(i)</sup>	After the Proposed Bonus Issue <sup>(ii)</sup>
	RM'000	RM'000	RM'000
Share capital	69,850	69,850	104,775
Treasury shares	-	(1)	(1)
Share premium	38,401	38,401	3,476
Merger deficit	(50,500)	(50,500)	(50,500)
Fair value reserve	17	17	17
Revaluation reserve	13,596	13,596	13,596
Retained earnings	76,280	76,280	76,180 <sup>^</sup>
<b>Equity attributable to the owners of our Company / NA</b>	<b>147,644</b>	<b>147,643</b>	<b>147,543</b>
No. of Sasbadi Holdings Shares (excluding treasury shares)	279,400,000	279,399,000	419,098,500
NA per share (RM)	0.53	0.53	0.35
Total borrowings (RM'000)	20,036	20,036	20,036
Gearing (times)	0.14	0.14	0.14



**Notes:**

- (i) *After adjusting for the 1,000 Sasbadi Holdings Shares bought back on 6 September 2016 for a consideration of RM1.10 per Sasbadi Holdings Share.*
- (ii) *After (i) and the capitalisation of RM34.93 million from share premium account pursuant to the issuance of up to 139,699,500 Bonus Shares pursuant to the Proposed Bonus Issue.*
- <sup>^</sup> *After deducting the estimated expenses for the Proposed Bonus Issue of RM100,000.*

**4.3 Earnings and EPS**

The Proposed Bonus Issue is not expected to have any material effect on the earnings of Sasbadi Holdings Group for the FYE 31 August 2017.

However, the Bonus Shares to be issued pursuant to the Proposed Bonus Issue will result in a corresponding dilution in Sasbadi Holdings Group's EPS due to the increase in the number of Sasbadi Holdings Shares in issue.

**4.4 Convertible securities**

As at the LPD, Sasbadi Holdings does not have any convertible securities.

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#### 4.5 Substantial shareholders' shareholdings

The Proposed Bonus Issue will not have any effect on the percentage shareholdings of Sasbadi Holdings' substantial shareholders as the number of Sasbadi Holdings Shares held will increase proportionately pursuant to the Proposed Bonus Issue. For illustrative purpose, the pro forma effects of the Proposed Bonus Issue on the substantial shareholders' shareholdings in our Company are as follows:-

	As at the LPD			After Proposed Bonus Issue		
	Direct		Indirect	Direct		Indirect
	No. of Sasbadi Holdings Shares	% <sup>^</sup>		No. of Sasbadi Holdings Shares	% <sup>^^</sup>	
<b>Substantial shareholders</b>						
Karya Kencana	50,800,000	18.18	-	76,200,000	18.18	-
Law King Hui	51,189,000	18.32	50,800,000 <sup>(1)</sup>	76,783,500	18.32	76,200,000 <sup>(1)</sup>
Lee Swee Hang	23,671,000	8.47	50,800,000 <sup>(1)</sup>	35,506,500	8.47	76,200,000 <sup>(1)</sup>
Lee Eng Sang	12,700,000	4.55	50,800,000 <sup>(1)</sup>	19,050,000	4.55	76,200,000 <sup>(1)</sup>
Employees Provident Fund Board	24,018,300	8.60	-	36,027,450	8.60	-

#### Notes:

<sup>^</sup> Based on Sasbadi Holdings' issued share capital of 279,399,000 Sasbadi Holdings Shares (excluding the 1,000 treasury shares) as at the LPD.

<sup>^^</sup> Based on Sasbadi Holdings' enlarged issued share capital of 419,098,500 Sasbadi Holdings Shares, after taking into consideration the issuance of up to 139,699,500 Bonus Shares pursuant to the Proposed Bonus Issue.

<sup>(1)</sup> Deemed interested by virtue of his interest in Karya Kencana pursuant to Section 8(4)(c) of the Act.

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## 5. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Sasbadi Holdings Shares as traded on Bursa Securities for the past 12 months up to June 2017 are as follows:-

	High (RM)	Low (RM)
<b><u>2016</u></b>		
July	1.231	1.172
August	1.182	1.015
September	1.153	1.015
October	1.399	1.034
November	1.507	1.330
December	1.438	1.310
<b><u>2017</u></b>		
January	1.566	1.389
February	1.599	1.460
March	1.599	1.530
April	1.559	1.510
May	1.530	1.360
June	1.410	1.290

Last transacted market price of Sasbadi Holdings Shares on 19 June 2017, being the day prior to the date of the announcement of the Proposed Bonus Issue **RM1.35**

Last transacted market price of Sasbadi Holdings Shares as at the LPD **RM1.38**

(Source: Bloomberg)

## 6. APPROVALS REQUIRED

The Proposed Bonus Issue is conditional upon the following approvals being obtained:-

- (i) Bursa Securities, which was obtained vide its letter dated 5 July 2017, for the listing and quotation of up to 139,699,500 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities, subject to the following conditions:

Conditions	Status of compliance
(a) Sasbadi Holdings and AIBB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue;	Noted
(b) Sasbadi Holdings and AIBB to inform Bursa Securities upon the completion of the Proposed Bonus Issue;	To be complied
(c) Sasbadi Holdings to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed; and	To be complied
(d) Sasbadi Holdings and AIBB are required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a), 6.35(2)(b) and 6.35(4) of the Listing Requirements.	To be complied

; and

- (ii) the shareholders of Sasbadi Holdings at the forthcoming EGM for the Proposed Bonus Issue.

The Proposed Bonus Issue is not conditional or inter-conditional upon any other proposals undertaken or to be undertaken by our Company.

**7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

None of our directors and/or major shareholders of Sasbadi Holdings and/or any persons connected with them have any interest, direct or indirect, in the Proposed Bonus Issue, save for their respective entitlements as shareholders of our Company under the Proposed Bonus Issue, the rights of which are also available to all existing shareholders of Sasbadi Holdings as at the Entitlement Date.

**8. DIRECTORS' STATEMENT AND RECOMMENDATION**

Our Board, having considered all aspects of the Proposed Bonus Issue, including but not limited to the rationale and effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interests of our Company.

Accordingly, our Board recommends that you vote in favour of the resolution pertaining to the Proposed Bonus Issue to be tabled at the forthcoming EGM.

**9. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances, the Proposed Bonus Issue is expected to be completed by the third (3<sup>rd</sup>) quarter of 2017. The tentative timeline for the implementation of the Proposed Bonus Issue is as follows:-

Event	Tentative timeline
EGM	28 July 2017
Announcement of the Entitlement Date	28 July 2017
Entitlement Date	Mid August 2017
Listing and quotation of the Bonus Shares on the Main Market of Bursa Securities	Mid August 2017

**10. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposed Bonus Issue, our Board confirms that as at the date of this Circular, there are no other outstanding corporate exercises that have been announced but pending completion by our Company.

**11. EGM**

The EGM will be held at The Green III Function Room, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia, on Friday, 28 July 2017 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution as set out in the Notice of EGM enclosed in this Circular, with or without modifications, to give effect to the Proposed Bonus Issue.

If you are unable to attend and vote at the forthcoming EGM, you are requested to complete, sign and return the enclosed Proxy Form for the EGM in accordance with the instructions printed therein as soon as possible, so as to arrive at the registered office of our Company not later than forty-eight (48) hours before the time set for the EGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending, speaking and voting in person at the EGM, should you subsequently wish to do so.

## **12. FURTHER INFORMATION**

Shareholders are advised to refer to the appendix set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**SASBADI HOLDINGS BERHAD**

**LAW KING HUI**  
Group Managing Director

**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Circular false or misleading.

**2. CONSENTS**

AIBB, being the Principal Adviser for the Proposed Bonus Issue, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

**3. DECLARATION ON CONFLICT OF INTEREST**

Save as disclosed below, AIBB is not aware of any conflict of interest which exists or likely to exist in AIBB's capacity to act as the Principal Adviser to Sasbadi Holdings for the Proposed Bonus Issue:

As at the LPD, Alliance Bank Malaysia Berhad, the holding company of AIBB, and its subsidiaries ("**ABMB Group**") have extended credit facilities to Sasbadi Holdings Group. AIBB is of the opinion that the financial relationship of ABMB Group with Sasbadi Holdings Group as mentioned above would not give rise to a conflict of interest situation for AIBB to act as the Principal Adviser to Sasbadi Holdings for the Proposed Bonus Issue, based on the following:

- (i) The total credit facilities granted by ABMB Group are part of the ordinary course of business of ABMB Group and are not material when compared to the shareholders' funds of ABMB Group as at 31 March 2017 of RM5.00 billion; and
- (ii) The credit facilities were not granted by AIBB. The conduct of ABMB Group in its banking business is strictly regulated by the Financial Services Act 2013, the Islamic Financial Services Act 2013 and its own internal controls and checks. In addition, AIBB is a licensed investment bank and its appointment as the Principal Adviser to Sasbadi Holdings pursuant to the Proposed Bonus Issue is conducted in the ordinary course of its business. The conduct of AIBB is strictly regulated by the Financial Services Act 2013, the Capital Markets and Services Act 2007 and its own internal controls, policies and procedures.

**4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant or otherwise, and our Board is not aware of any proceedings pending or threatened against Sasbadi Holdings, or our subsidiaries or of any facts likely to give rise to any proceedings which may materially or adversely affect the position or business of Sasbadi Holdings and/or any of our subsidiaries.

**5. MATERIAL COMMITMENTS**

As at the LPD, our Board is not aware of any material commitments contracted or known to be contracted by our Group, which may have a material impact on the financial position of our Group.

**6. MATERIAL CONTINGENT LIABILITIES**

Save as disclosed below, as at the LPD, our Board is not aware of any material contingent liabilities incurred or known to be incurred by Sasbadi Holdings Group, which upon becoming enforceable, may have a material impact on the financial position of Sasbadi Holdings Group.

	<b>RM'000</b>
Bank guarantees obtained by our subsidiaries and provided to the Ministry of Education Malaysia	643
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**7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of Sasbadi Holdings at Suite 11.1A, Level 11, Menara Weld, 76, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia, during normal business hours from Mondays to Fridays (except on public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) The constitution of Sasbadi Holdings;
- (ii) The audited consolidated financial statements of Sasbadi Holdings Group for the FYE 31 August 2015 and FYE 31 August 2016 as well as its latest unaudited consolidated quarterly results for the six (6)-month FPE 28 February 2017; and
- (iii) The letter of consent and declaration on conflict of interest referred to in Sections 2 and 3 above, respectively.

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## **SASBADI HOLDINGS BERHAD**

(Company No.: 1022660-T)

(Incorporated in Malaysia)

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting ("EGM") of Sasbadi Holdings Berhad ("Sasbadi Holdings" or "Company") will be held at The Green III Function Room, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 28 July 2017 at 10.00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution, with or without modifications:

#### **ORDINARY RESOLUTION**

**PROPOSED BONUS ISSUE OF UP TO 139,699,500 NEW ORDINARY SHARES ("BONUS SHARE(S)") TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES HELD IN SASBADI HOLDINGS ("SASBADI HOLDINGS SHARES") ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")**

**"THAT** subject to the approvals of all relevant authorities being obtained, where required, approval be and is hereby given to the Board of Directors of the Company ("**Board**") to capitalise an amount of up to RM34,924,875 from the share premium account of the Company and to apply such capitalisation sum for the issuance and allotment of up to 139,699,500 new ordinary shares in Sasbadi Holdings ("**Bonus Share(s)**"), credited as fully-paid-up, on the basis of one (1) Bonus Share for every two (2) existing Sasbadi Holdings Shares held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board.

**THAT** any fractional entitlements of the Bonus Shares arising from the Proposed Bonus Issue shall be dealt with in such a manner as the Board shall in their absolute discretion deem fit and expedient in the best interest of the Company.

**THAT** the Bonus Shares shall, upon issuance and allotment, rank *pari passu* in all respects with the existing Sasbadi Holdings Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or other distributions unless the Bonus Shares are allotted on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions.

**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 Proposed Bonus Issue 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 and in the best interests of the Company."

By Order of the Board  
**SASBADI HOLDINGS BERHAD**

**TAN FONG SHIAN (MAICSA 7023187)**  
**LIM FEI CHIA (MAICSA 7036158)**  
Secretaries

Kuala Lumpur  
13 July 2017



**Notes:-**

- (1) *A member may appoint up to two (2) proxies to attend and vote instead of him/her at the meeting. If the member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. A proxy may but need not be a member of the Company.*
- (2) *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- (3) *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
- (4) *Only a depositor whose name appears in the Company's Record of Depositors as at 24 July 2017 shall be regarded as a member and entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend and vote on his/her behalf.*
- (5) *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
- (6) *The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company at Suite 11.1A, Level 11, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting.*
- (7) *The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to the Company or its agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.*



## SASBADI HOLDINGS BERHAD

(Company No.: 1022660-T)  
(Incorporated in Malaysia)

### FORM OF PROXY

I/We \_\_\_\_\_ NRIC/Company No. \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_  
(Address)

being a member of **SASBADI HOLDINGS BERHAD**, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS & NRIC NO.) (Address)

or failing him/her \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS & NRIC NO.)

of \_\_\_\_\_  
(Address)

or failing him/her, the Chairman of the Meeting\* as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at The Green III Function Room, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 28 July 2017 at 10.00 a.m. and any adjournment thereof. My/Our proxy/proxies shall vote as indicated below:

RESOLUTION	FOR	AGAINST
Ordinary Resolution		
Proposed Bonus Issue		

Please indicate with a "√" or "X" in the appropriate space how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he or she thinks fit, or, at his or her discretion, abstain from voting.

Dated this ..... day of .....

Number of ordinary shares held

Signature/Common Seal of Member

Central Depository System Account No.

\* Delete the words "the Chairman of the Meeting" if you wish to appoint some other person(s) only to be your proxy/proxies.

#### Notes:-

- (1) A member may appoint up to two (2) proxies to attend and vote instead of him/her at the meeting. If the member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. A proxy may but need not be a member of the Company.
- (2) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.



- (3) *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
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- (6) *The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company at Suite 11.1A, Level 11, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting.*
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Fold this flap for sealing

Then fold here

AFFIX  
STAMP

The Company Secretary  
**Sasbadi Holdings Berhad**  
c/o Archer Corporate Services Sdn Bhd  
Suite 11.1A Level 11  
Menara Weld  
76 Jalan Raja Chulan  
50200 Kuala Lumpur

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