

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS

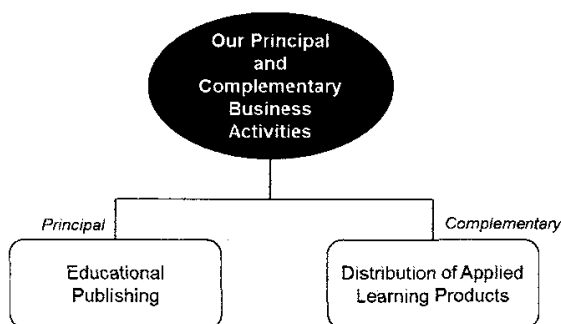
Investors should read the following discussion and analysis of our financial condition and results of operations in conjunction with the pro forma consolidated financial information and the related notes thereon for the past four (4) FYE 31 August 2010 to 2013 and FPE 28 February 2014 as set out in Section 11.4 of this Prospectus.

This discussion and analysis contains data derived from our audited financial statements as well as forward-looking statements that involve risks and uncertainties. The results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 4 of this Prospectus.

12.1 OVERVIEW

Revenue

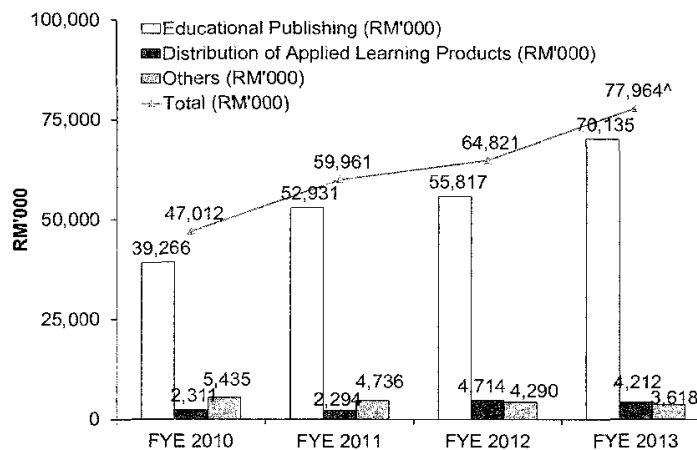
Our Group is mainly involved in the following activities:



For the past four (4) FYE 31 August 2010 to 2013 and FPE 28 February 2014, our Group's revenue (net of credit notes, which are issued, amongst others, for returned stocks, discounts for early payments and incentive discounts) was derived from the following business segments:

- Educational publishing including print publishing of National School Curriculum based educational materials mainly for primary and secondary levels of education as well as supplementary educational materials, and online publishing;
- Distribution of applied learning products; and
- Others include mainly supply of electronic dictionaries, publishing of general title books, distribution of third party publications, and trading of paper.

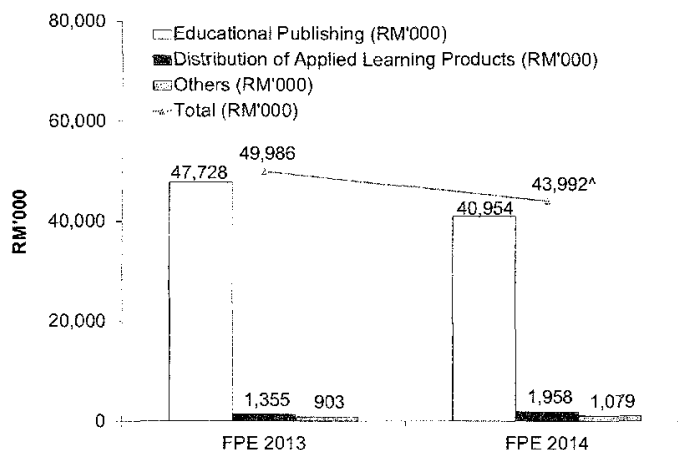
Overall, our total revenue grew from RM47.0 million to RM78.0 million between FYE 31 August 2010 and 2013. This represented an AAGR of 18.4%. Our revenue was mainly derived from our largest revenue segment, namely educational publishing, which contributed 83.5%, 88.3%, 86.1% and 90.0% of our total revenue for the FYE 31 August 2010, 2011, 2012 and 2013 respectively. Distribution of applied learning products accounted for 4.9%, 3.8%, 7.3% and 5.4% of our total revenue for the past four (4) financial years under review respectively. Educational publishing and distribution of applied learning products grew at an AAGR of 21.3% and 22.2% respectively between FYE 31 August 2010 and 2013.



12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Others constituted 11.6%, 7.9%, 6.6% and 4.6% of our total revenue for FYE 31 August 2010, 2011, 2012 and 2013 respectively.

Our total revenue declined from RM50.0 million to RM44.0 million between FPE 28 February 2013 and 2014. This represented a decline of 12.0%. Our revenue was mainly derived from our largest revenue segment, namely educational publishing, which contributed 95.5% and 93.1% of our total revenue for the FPE 28 February 2013 and 2014 respectively. Distribution of applied learning products accounted for 2.7% and 4.5% of our total revenue for the past two (2) financial periods under review respectively. Educational publishing declined by 14.2% while distribution of applied learning products grew by 44.5% between FPE 28 February 2013 and 2014.



Others constituted 1.8% and 2.5% of our total revenue for FPE 28 February 2013 and 2014 respectively.

Our revenue from educational publishing was largely contributed by print publishing. Our print publishing can be further segmented into different subsectors namely National School Curriculum based educational materials and supplementary educational materials. National School Curriculum based educational materials recorded revenue contributions of 83.5%, 87.1%, 81.8% and 81.5% for the FYE 31 August 2010, 2011, 2012 and 2013 respectively. For the FPE 28 February 2013 and 2014, print publishing of National School Curriculum based educational materials accounted for 90.3% and 87.7% of our total revenue respectively.

The main factors that contributed to the increase in our total revenue for the past four (4) financial years under review were due to the following:

- Increase in demand for past year examination papers for UPSR, PMR and SPM in FYE 31 August 2011, 2012 and 2013 as compared to FYE 31 August 2010. This is supported by the fact that we secured the rights from YGMB for the reprinting, distribution, marketing and sales of past year examination papers for UPSR, PMR, SPM and STAM for 2011, 2012 and up till 14 September 2013 whereas for 2010, the contract with YGMB was for the reprinting, distribution, marketing and sales of past year examination papers for SPM and STAM only (Note: The licence from YGMB to reprint, distribute, market and sell the past year examination papers was not renewed upon its expiry on 14 September 2013. In this regard, we have ceased reprinting, distributing, marketing and selling the past year examination papers with effect from 15 September 2013);
- We were awarded more tenders and also received more purchase orders on textbooks from the Ministry of Education for FYE 31 August 2011, 2012 and 2013 as compared to FYE 31 August 2010;
- Commencement of our subsidiary, Orbit Buku, which publish children's books targeted at households and school libraries;
- Commencement of sales of our online educational resources with the launch of four (4) new online educational products between FYE 31 August 2011 and 2013;

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

- Our applied learning products achieved higher sales in the run-up to the World Robot Olympiad 2012 during the initial stage and subsequently the continuing sales of the products, as Malaysia was the host for World Robot Olympiad 2012; and
- Increase in sales of our new range of workbooks for primary and secondary levels of education for FYE 31 August 2013. The higher sales generated was mainly due to the popularity of our new A4 size format. In addition, higher sales of our workbooks for primary levels of education were attributed to the longer lead time available for us to undertake our promotional and marketing efforts on these products before the start of the 2013 academic year.

The main factors that contributed to the decrease in our total revenue between the two (2) financial periods under review, namely FPE 28 February 2013 and 2014, were due to the following:

- Loss in revenue from past year examination papers for UPSR, PMR and SPM as a result of the expiration of the licence from YGMB for reprinting, distribution, marketing and sales of the past year examination papers;
- Decrease in revenue as well as returns for PMR educational materials namely revision guides, assessment books and model test papers as a result of the abolishment of the PMR examinations in 2014;
- Decrease in sales of secondary textbooks due to non-availability of new secondary school textbook tenders from the Ministry of Education during FPE 28 February 2014; and
- Decrease in sales and high sales returns for our iPBS online educational products due to uncertainty in the market in relation to the implementation of School-Based Assessment (PBS) policy. In February 2014, the school based assessment was suspended by the Ministry of Education and the modified version of PBS was implemented in April 2014. Subsequently in April 2014, we have launched new products, namely iPBS (PPPM)/iPS (DSKP) based on the modified version of PBS.

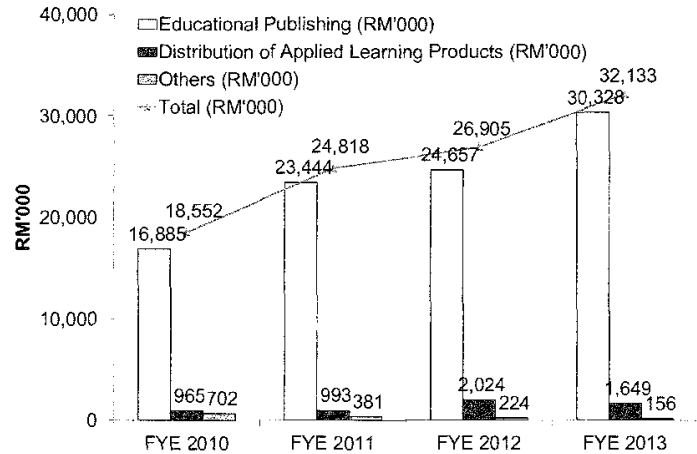
Please also refer to Section 12.2.1 of this Prospectus for a segmental analysis of our Group's revenue for the past four (4) FYE 31 August 2010 to 2013 and FPE 28 February 2014.

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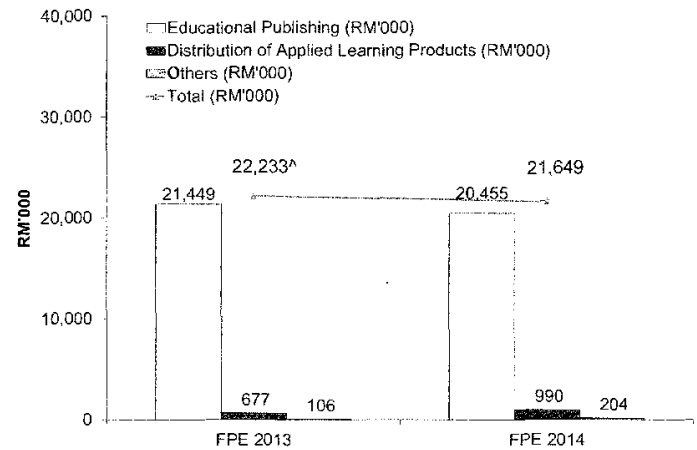
12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Gross profit

Our total gross profit grew from RM18.6 million to RM32.1 million between FYE 31 August 2010 and 2013. This represented an AAGR of 19.9%. Educational publishing, our largest revenue segment, accounted for 91.0%, 94.5%, 91.6% and 94.4% of our total gross profit for the FYE 31 August 2010, 2011, 2012 and 2013 respectively. Distribution of applied learning products constituted 5.2%, 4.0%, 7.5% and 5.1% of our total gross profit for the past four (4) financial years under review respectively. Educational publishing and distribution of applied learning products grew at AAGR of 21.6% and 19.6% respectively between FYE 31 August 2010 and 2013. Others constituted 3.8%, 1.5%, 0.8% and 0.5% of our total gross profit during the past four (4) financial years under review respectively.



Our total gross profit declined from RM22.2 million to RM21.6 million between FPE 28 February 2013 and 2014. This represented a decline of 2.7%. Educational publishing, our largest revenue segment, accounted for 96.5% and 94.5% of our total gross profit for the FPE 28 February 2013 and 2014 respectively. Distribution of applied learning products constituted 3.0% and 4.6% of our total gross profit for the past two (2) financial periods under review respectively. Gross profit from educational publishing declined by 4.6% while gross profit from distribution of applied learning products grew by 46.2% between FPE 28 February 2013 and 2014. Others constituted approximately 0.5% and 0.9% of our total gross profit for the past two (2) financial periods under review, respectively.



Please also refer to Section 12.2.2 of this Prospectus for a segmental analysis of our Group's gross profit for the past four (4) FYE 31 August 2010 to 2013 and FPE 28 February 2014.

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I2. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)**I2.2 RESULTS OF OPERATIONS**

The following is the segmental analysis of our results for the four (4) FYE 31 August 2010 to 2013 and FPE 28 February 2014 based on the assumption that our current Group structure has been in existence throughout the financial years/period under review.

12.2.1 Segmental analysis of revenue**(i) Revenue by Companies**

The breakdown of our Group's revenue by companies is as follows:

	Audited				Unaudited		Audited	
	FYE 31 August		FPE 28 February		2013		2014	
Revenue	2010	2011	2012	2013	2013	2014	2014	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Sasbadi	47,012	59,303	62,695	71,780	47,453	39,986	39,986	90.9
Maya Press	-	-	-	-	-	-	-	-
Orbit Buku	-	108	1,180	470	179	816	816	1.9
Sasbadi Online	n.a.	614	1,164	5,788	2,378	97	97	0.2
Malaysian Book Promotions	-	-	-	-	-	4,234	4,234	9.6
Sasbadi Holdings	n.a.	n.a.	n.a.	-	-	-	-	-
MBP Publications	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sasbadi Learning Solutions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	47,012	60,026 [^]	65,039	78,039 [^]	50,011 [^]	45,132 [^]	45,132 [^]	102.6
	100.0	(65)	(218)	(74)	(25)	(1,141)	(1,141)	(2.6)
Less: Consolidation adjustment	-	-	(218)	(74)	(25)	(1,141)	(1,141)	(2.6)
Total	47,012	59,961	64,821	77,964[^]	49,986	43,992[^]	43,992[^]	100.0

Notes:

[^] Total does not add-up due to rounding.

n.a. Not applicable.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

FYE 31 August 2011 compared to FYE 31 August 2010

For the FYE 31 August 2011, our total revenue increased by 27.7% or RM13.0 million from RM47.0 million in FYE 31 August 2010 to RM60.0 million in FYE 31 August 2011. This was mainly due to the increase in demand for our educational publishing products contributed by the following factors:

- Increase in revenue from textbooks for secondary levels of education which was stimulated by our success in obtaining more purchase orders on textbooks from the Ministry of Education;
- Increase in sales of past year examination papers as a result of the introduction of new additions of UPSR and PMR past year examination papers. In addition, the increase in sales of SPM examination paper due to better market awareness of our product as this product was only introduced in the previous year;

From January 2011 up to 14 September 2013, we were awarded by YGMB as the licensee to undertake reprinting, distribution, marketing and sales of past year examination papers for UPSR, PMR, STAM and SPM. For 2010, the contract with YGMB was for the reprinting, distribution, marketing and sales of past year examination papers for SPM and STAM only;

- Increase in sales of workbooks for primary and secondary levels of education due to increased demand from schools, as well as revision guides for secondary levels of education. As a result of our earlier publication of revision guides in FYE 31 August 2011, these products were available for sale in the market for a longer period before the start of the academic year compared to the previous financial year, which consequently resulted in higher sales; and
- Commencement of our online publishing operations undertaken by our subsidiary, Sasbadi Online.

For FYE 31 August 2011, Sasbadi, which is mainly involved in publishing of printed educational materials and distribution of applied learning products, was our largest revenue contributor at 98.9% (*before consolidation adjustment*) of our total revenue. The revenue contribution from our other subsidiaries, Orbit Buku and Sasbadi Online were minimal at 0.2% and 1.0% (*before consolidation adjustment*) respectively for FYE 31 August 2011 during their first year of operations.

For FYE 31 August 2011, our largest revenue segment was educational publishing, which contributed 88.3% of our total revenue. Within educational publishing, print publishing accounted for 87.2% of our total revenue whilst online publishing only contributed 1.0% of our total revenue for the FYE 31 August 2011. Print publishing largely consists of National School Curriculum based educational materials for secondary and primary levels of education, which accounted for 87.1% of our total revenue with a relatively smaller proportion of 0.1% derived from supplementary educational materials. For the FYE 31 August 2011, growth in our revenue was mainly contributed by National School Curriculum based educational materials for secondary schools, which grew from RM26.4 million in FYE 31 August 2010 to RM37.3 million in FYE 31 August 2011, representing a growth of RM10.9 million or 41.3%.

Distribution of applied learning products and other activities accounted for 3.8% and 7.9% of our total revenue for the FYE 31 August 2011 respectively. Distribution of applied learning products recorded a minor drop in revenue of 0.7% or approximately RM17,000 whilst our other activities decreased by 13.0% from RM5.4 million to RM4.7 million. The decrease in revenue from other activities was largely due to a decrease in the distribution of third party publications.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

FYE 31 August 2012 compared to FYE 31 August 2011

For the FYE 31 August 2012, our total revenue grew by 8.0% or RM4.8 million, from RM60.0 million in FYE 31 August 2011 to RM64.8 million in FYE 31 August 2012. This was mainly due to the following reasons:

- Increase in demand for National School Curriculum based educational materials, which was mainly contributed by past year examination papers of UPSR, PMR and SPM as a result of faster to market, which is making the availability of our books earlier to our customers in FYE 31 August 2012 as compared to FYE 31 August 2011, and better awareness of these publications. However, the increase in demand for these past year examination papers was largely offset by decrease in demand for textbooks, assessment books and revision guides for secondary levels of education as well as assessment books for primary levels of education;
- Increase in sales of our supplementary educational materials as a result of an increase in the range of our publications from 135 titles in FYE 31 August 2011 to 197 titles in FYE 31 August 2012 coupled with improved marketing efforts and activities during book fairs where we participated in nine (9) book fairs in FYE 31 August 2012 as compared to six (6) book fairs in FYE 31 August 2011. This was supported by our increase in expenditure on exhibitions and book fairs;
- Growth in sales of our online educational products with the launch of two (2) new products, namely i-Teach and i-Learn; and
- Increase in demand for applied learning products particularly LEGO Education robotics. Sales were boosted by the run-up to the World Robot Olympiad 2012, which was hosted in Kuala Lumpur in November 2012. There were three (3) categories of competition in World Robot Olympiad 2012, i.e. Regular, Open and Gen II Football. LEGO Education products were exclusively used in all the categories of competition except for the Open category, where other materials could also be incorporated into the students' projects.

For the FYE 31 August 2012, Sasbadi continued to contribute the largest proportion of our total revenue at 96.7% (*before consolidation adjustment*). However, revenue contribution from Sasbadi declined by 2.2 percentage points (*before consolidation adjustment*) for FYE 31 August 2012 as compared to the previous financial year. In terms of value, Sasbadi continued to register a revenue growth of RM3.4 million or 5.7% (*before consolidation adjustment*) as compared to the previous financial year. The drop in Sasbadi's revenue contribution was largely due to increases in revenue contribution from Orbit Buku and Sasbadi Online, each contributing 1.8% to our total revenue (*before consolidation adjustment*) for the FYE 31 August 2012. These represented a revenue growth of 992.6% for Orbit Buku and 89.6% (*before consolidation adjustment*) for Sasbadi Online.

For FYE 31 August 2012, our main revenue contribution segment continues to be educational publishing, which contributed 86.1% of our total revenue. Within educational publishing, print publishing continues to be the dominant segment constituting 84.3% of our total revenue. Nevertheless, revenue contribution from online publishing improved from 1.0% in FYE 31 August 2011 to 1.8% in FYE 31 August 2012. Within print publishing, National School Curriculum based educational materials for secondary and primary levels of education remained as our main source of revenue with a contribution of 81.8% for the FYE 31 August 2012. In addition, revenue contribution of supplementary educational materials increased from 0.1% in FYE 31 August 2011 to 2.5% in FYE 31 August 2012. This is the result of the increase in the range of our publications. For the FYE 31 August 2012, all major segments within educational publishing registered growth.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Distribution of applied learning products and other activities accounted for 7.3% and 6.6% of our total revenue for the FYE 31 August 2012 respectively. Distribution of applied learning products recorded a significant growth of 105.5% compared to FYE 31 August 2011. The growth was boosted by the then upcoming World Robot Olympiad 2012, which was hosted in Kuala Lumpur. Other activities continued to decline by 8.5% from RM4.7 million in FYE 31 August 2011 to RM4.3 million in FYE 31 August 2012. This was mainly due to a decrease in the sales of third party publications.

FYE 31 August 2013 compared to FYE 31 August 2012

For the FYE 31 August 2013, our total revenue grew by 20.4% or RM13.2 million, from RM64.8 million in FYE 31 August 2012 to RM78.0 million in FYE 31 August 2013. This was mainly due to the following reasons:

- Increase in sales of our new range of workbooks for primary and secondary levels of education. The higher sales generated was mainly due to the popularity of our new A4 size format. In addition, higher sales of our workbooks for primary levels of education were attributed to the longer lead time available for us to undertake our promotional and marketing efforts on these products before the start of the academic year;
- Increase in demand for model test papers for SPM as this range of products were published and made available to the market for a longer period in FYE 31 August 2013 as compared to FYE 31 August 2012;
- Increase in revenue from textbooks for secondary levels of education as a result of securing more tenders and obtaining more purchase orders on textbooks from the Ministry of Education; and
- Growth in sales of our online educational products with the launch of a new product, namely iPBS as well as higher sales from i-Learn as a result of securing an MOU with YGMB to supply and implement i-Learn under i-TRIM (Interaktif Tuisyen Rakyat 1Malaysia). For the FYE 31 August 2013, we generated revenue of RM975,000 from the said MOU with YGMB which was valid until end of 2013.

For the FYE 31 August 2013, Sasbadi continued to contribute the largest proportion of our total revenue at 92.1% (*before consolidation adjustment*). However, revenue contribution from Sasbadi declined by 4.6 percentage points (*before consolidation adjustment*) for FYE 31 August 2013 as compared to the previous financial year. In terms of value, Sasbadi continued to register a revenue growth of RM9.1 million or 14.5% (*before consolidation adjustment*) as compared to the previous financial year. The drop in Sasbadi's revenue contribution as a proportion of total revenue was largely due to relatively higher increases in revenue contribution from Sasbadi Online, which contributed 7.4% to our total revenue (*before consolidation adjustment*) for the FYE 31 August 2013. This represented a revenue growth of 397.3% (*before consolidation adjustment*) for Sasbadi Online. For the FYE 31 August 2013, revenue contribution from Orbit Buku was minimal at 0.6% (*before consolidation adjustment*).

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (*Cont'd*)

For FYE 31 August 2013, our main revenue contribution segment continues to be educational publishing, which contributed 90.0% of our total revenue. Within educational publishing, print publishing continues to be the dominant segment constituting 82.6% of our total revenue. Nevertheless, revenue contribution from online publishing improved significantly from 1.8% in FYE 31 August 2012 to 7.4% in FYE 31 August 2013. Within print publishing, National School Curriculum based educational materials for secondary and primary levels of education remained as our main source of revenue with a contribution of 81.5% for the FYE 31 August 2013. Revenue contribution from supplementary educational materials declined from 2.5% in FYE 31 August 2012 to 1.0% in FYE 31 August 2013. This was mainly due to the reduced sales of a range of these products to dealers as part of our process in adopting a different distribution strategy where we intend to increase our focus on selling directly to retail bookstores in FYE 31 August 2014.

Distribution of applied learning products and other activities accounted for 5.4% and 4.6% of our total revenue for the FYE 31 August 2013 respectively. Revenue from distribution of applied learning products declined by 10.6%. This was because of the significant sales increase in the previous financial year during the run-up to the World Robot Olympiad 2012 held in Kuala Lumpur in November 2012. Nevertheless, sales from distribution of applied learning products for the FYE 31 August 2013 at RM4.2 million were still considerably higher than FYE 31 August 2011 at RM2.3 million. Revenue from other activities continued to decline by 16.3% from RM4.3 million in FYE 31 August 2012 to RM3.6 million in FYE 31 August 2013. This was mainly due to a decrease in the sales of third party publications.

FPE 28 February 2014 compared to FPE 28 February 2013

For the FPE 28 February 2014, our total revenue declined by 12.0% or RM6.0 million, from RM50.0 million in FPE 28 February 2013 to RM44.0 million in FPE 28 February 2014. This was mainly due to the following reasons:

- Loss in revenue from past year examination papers for UPSR, PMR and SPM as a result of the expiration of the licence from YGMB for reprinting, distribution, marketing and sales of past year examination papers. Past year examination papers contributed RM7.4 million for the FPE 28 February 2013;
- Decrease in revenue as well as returns for PMR educational materials namely revision guides, assessment books and model test papers as a result of the abolishment of the PMR examinations in 2014, resulting in negative revenue;
- Decrease in sales of secondary textbooks due to non-availability of new secondary school textbook tenders from the Ministry of Education during FPE 28 February 2014; and
- Decrease in sales and high sales returns for our iPBS online educational products due to uncertainty in the market in relation to the implementation of School-Based Assessment (PBS) policy. In February 2014, the school based assessment was suspended by the Ministry of Education and the modified version of PBS was implemented in April 2014. Subsequently in April 2014, we have launched new products, namely iPBS (PPPM)/iPS (DSKP) based on the modified version of PBS.

Nevertheless, the decrease in revenue in FPE 28 February 2014 due to the above factors was partially compensated by the distribution and sales of Pearson titles comprising post-secondary, secondary and primary educational materials, as well as increase in sales of supplementary educational materials, namely logbooks to facilitate the teaching and learning process.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

For the FPE 28 February 2014, Sasbadi continued to contribute the largest proportion of our total revenue at 90.9% (*before consolidation adjustment*). However, revenue contribution from Sasbadi declined by 4.0 percentage points (*before consolidation adjustment*) for FPE 28 February 2014 as compared to the previous corresponding financial period, due to revenue recognition from Malaysian Book Promotions. Malaysian Book Promotions began to recognise revenue when it started the distribution of the acquired stocks of National School Curriculum based educational materials from Pearson Malaysia in September 2013. Malaysian Book Promotions contributed 9.6% to our total revenue (*before consolidation adjustment*) for the FPE 28 February 2014.

For the FPE 28 February 2014, revenue contribution from Orbit Buku and Sasbadi Online were 1.9% and 0.2% respectively (*before consolidation adjustment*). The revenue contribution from Sasbadi Online declined by 4.6 percentage points (*before consolidation adjustment*) for FPE 28 February 2014 as compared to the previous corresponding financial period mainly due to the decrease in sales and high sales returns of iPBS as mentioned above.

For FPE 28 February 2014, our main revenue contribution segment continues to be educational publishing, which contributed 93.1% of our total revenue. Within educational publishing, print publishing continues to be the dominant segment constituting 92.9% of our total revenue. Revenue contribution from online publishing dropped significantly from 4.8% in FPE 28 February 2013 to 0.2% in FPE 28 February 2014 due to the decrease in sales and high sales returns for our iPBS online educational products as mentioned above. Within print publishing, National School Curriculum based educational materials remained as our main source of revenue with a contribution of 87.7% for the FPE 28 February 2014. Revenue contribution from supplementary educational materials grew from 0.4% in FPE 28 February 2013 to 5.2% in FPE 28 February 2014. This was mainly due to the increase in sales of our logbooks to facilitate the teaching and learning process during FPE 28 February 2014.

Distribution of applied learning products and other activities accounted for 4.5% and 2.5% of our total revenue for the FPE 28 February 2014 respectively. Revenue from distribution of applied learning products grew by 44.5%. This was mainly due to an increase in sales of our robotics range of products. Revenue from other activities increased by 22.2% from RM0.9 million in FPE 28 February 2013 to RM1.1 million in FPE 28 February 2014. This was mainly due to an increase in revenue from trading of paper.

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(iii) Revenue by Geographical Markets

The breakdown of our Group's revenue by geographical markets is as follows:

Revenue	Audited				Unaudited			
	2010 RM'000	2011 RM'000	FYE 31 August 2012 RM'000	2013 RM'000	2013 RM'000	FPE 28 February 2014 RM'000	Audited 2014 RM'000	%
Local market	46,891	59,903	64,723	77,561	49,582	44,033	100.1	
Overseas markets	121	58	98	404 [^]	404 [^]	(42) [^]	(0.1)	
Brunei	-	9	61	86	86	(52)	(0.1)	
Denmark	-	-	-	66	66	-	-	
Indonesia	106	22	-	56	56	9	#	
Singapore	13	27	22	26	26	2	#	
Philippines	-	-	15	8	8	-	-	
United States	2	-	-	3	3	-	-	
Others ⁽¹⁾	-	-	-	160	160	-	-	
Total	47,012	100.0	64,821	77,964[^]	49,986	43,992[^]	100.0	100.0

Notes:

[^] Total does not add-up due to rounding.

Insignificant proportion.

(1) Others include Abu Dhabi, Bahrain, China, Costa Rica, Egypt, Germany, Ghana, India, Iran, Japan, Mexico, Nigeria, Oman, Peru, Qatar, Russia, South Africa, Taiwan, Thailand and Ukraine.

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FYE 31 August 2011 compared to FYE 31 August 2010

Malaysia accounted for 99.9% of our total revenue for FYE 31 August 2011 with a small 0.1% of our revenue derived from overseas namely Singapore, Indonesia and Brunei. During FYE 31 August 2011, revenue from Malaysia recorded a growth of 27.7% while revenue from overseas markets recorded a decline of 52.1%. Despite the sharp decline, the impact from overseas markets was minimal as it represented a very small proportion of our overall revenue.

FYE 31 August 2012 compared to FYE 31 August 2011

Malaysia accounted for 99.8% of our total revenue for FYE 31 August 2012. During FYE 31 August 2012, revenue from the local market recorded a growth of 8.0% while revenue from overseas markets recorded a growth of 69.0%. Despite the sharp increase in overseas sales, the growth impact from overseas markets was minimal as it represented a very small proportion of our overall revenue.

FYE 31 August 2013 compared to FYE 31 August 2012

Malaysia accounted for 99.5% of our total revenue for FYE 31 August 2013. During FYE 31 August 2013, revenue from Malaysia recorded a growth of 19.8% while revenue from overseas markets recorded a significant growth of 312.2%. This was largely contributed by registration fees collected from various participating countries in the World Robotic Olympiad held in November 2012.

FPE 28 February 2014 compared to FPE 28 February 2013

Malaysia continued to be our principal market for FPE 28 February 2014. During FPE 28 February 2014, revenue from the local market recorded a decline of 11.2% compared to the FPE 28 February 2013 while overseas markets recorded minimal negative revenue as a result of the sales returns from the Brunei market.

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Gross Profit Margin	Audited				Unaudited	
	< 2010 %	< 2011 %	< 2012 %	< 2013 %	< 2013 %	< 2014 %
Sasbadi	39.5	41.3	40.8	38.2	42.7	45.8
Maya Press	-	-	-	-	-	-
Orbit Buku	-	20.4	54.5	57.7	56.4	67.4
Sasbadi Online	n.a.	50.3	56.0	61.0	60.3	(119.6)
Malaysian Book Promotions	-	-	-	-	-	54.4
Sasbadi Holdings	n.a.	n.a.	n.a.	-	-	-
MBP Publications	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sasbadi Learning Solutions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total	39.5	41.4	41.5	41.2	44.5	49.2

Note:

n.a. Not applicable

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(ii) Gross profit by Business Activities

The tables below set forth the breakdown of our Group's gross profit and gross profit margin by activities is as follows:

	Audited				Unaudited	
	2010	2011	2012	2013	2013	Audited
Gross profit	RM'000	RM'000	RM'000	RM'000	RM'000	2014
	%	%	%	%	%	%
Educational Publishing						
Print Publishing						
National School Curriculum based educational materials	16,875	23,122	23,141	26,392	19,893 [^]	19,479
	91.0 [^]	93.2	86.0	82.1	89.5	90.0 [^]
- Secondary education	11,563 [^]	16,724	16,236	17,477	12,383	9,098
	62.3	67.4	60.3 [^]	54.4	55.7	42.0
- Non-PMR educational materials ⁽³⁾	7,558	10,517	8,962	12,718	9,498	9,178
	40.7	42.4	33.3	39.6	42.7	42.4
PMR educational materials ⁽⁴⁾	2,474	2,556	2,335	1,810	926	(80)
	13.3	10.3	8.7	5.6	4.2	(0.4)
Past year examination papers	1,532	3,651	4,939	2,949	1,959	-
	8.3	14.7	18.4	9.2	8.8	-
- Primary education ⁽¹⁾	5,312	6,398 [^]	6,905	8,915 [^]	7,511	8,145
	28.6	25.8	25.7	27.7 [^]	33.8	37.6
Educational materials ⁽³⁾	5,312	5,554	5,612	8,020	6,764	8,145
	28.6	22.4	20.9	25.0	30.4	37.6
Past year examination papers	-	845	1,293	896	747	-
	-	3.4	4.8	2.8	3.4	-
- Pearson titles	n.a.	n.a.	n.a.	n.a.	n.a.	2,236
	n.a.	n.a.	n.a.	n.a.	n.a.	10.3 [^]
Post-secondary educational materials	n.a.	n.a.	n.a.	n.a.	n.a.	860
	n.a.	n.a.	n.a.	n.a.	n.a.	4.0
Secondary educational materials	n.a.	n.a.	n.a.	n.a.	n.a.	1,333
	n.a.	n.a.	n.a.	n.a.	n.a.	6.2
Primary educational materials	10	24	840	399	120	43
	0.1	0.1	3.1	1.2	0.5	0.2
Supplementary educational materials	16,885	23,146	23,981	26,792 [^]	20,013	20,569
	91.0 [^]	93.3	89.1	83.4 [^]	90.0	95.0
Online Publishing	n.a.	298	676	3,536	1,436	(114)
	n.a.	1.2	2.5	11.0	6.5	(0.5)
Distribution of Applied Learning Products	16,885	23,444	24,657	30,328	21,449	20,455
	91.0	94.5	91.6	94.4	96.5	94.5
Others⁽²⁾	965	993	2,024	1,649	677	990
	5.2	4.0	7.5	5.1	3.0	4.6
Total	702	381	224	156	106	204
	3.8	1.5	0.8	0.5	0.5	0.9
Total	18,552	24,818	26,905	32,133	22,233 [^]	21,649
	100.0	100.0	100.0 [^]	100.0	100.0	100.0

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Notes:

- ^ Total does not add-up due to rounding.
 n.a. Not applicable.
 (1) Include a small proportion of pre-school educational materials.
 (2) Include mainly the supply of electronic dictionaries, publishing of general title books as well as distribution of third party publications and trading of paper.
 (3) Include amongst others textbooks, revision guides, workbooks, assessment books and model test papers.
 (4) Include revision guides, assessment books and model test papers.

	<-----Audited----->		<-----FPE 28 February----->		Audited	
	2010 %	2011 %	2012 %	2013 %	2013 %	2014 %
Gross Profit Margin						
Educational Publishing						
Print Publishing						
National School Curriculum based educational materials	43.0	44.2	43.6	41.5	44.1	50.5
- Secondary education	43.9	44.8	43.5	41.0	43.6	47.6
Non-PMR educational materials ⁽³⁾	44.5	46.0	45.7	46.1	46.1	47.7
PMR educational materials ⁽⁴⁾	43.3	44.0	42.4	40.8	38.0	n.c.
Past year examination papers	42.1	42.3	40.4	27.8	36.7	-
- Primary education ⁽¹⁾	41.2	42.8	44.1	42.6	44.8	50.0
Educational materials ⁽³⁾	41.2	42.9	44.6	45.3	46.0	50.0
Past year examination papers	-	42.3	42.0	27.8	36.7	-
- Pearson titles	n.a.	n.a.	n.a.	n.a.	n.a.	69.4
Post-secondary educational materials	n.a.	n.a.	n.a.	n.a.	n.a.	76.1
Secondary educational materials	n.a.	n.a.	n.a.	n.a.	n.a.	65.6
Primary educational materials	n.a.	n.a.	n.a.	n.a.	n.a.	71.7
Supplementary educational materials	40.0	40.7	51.9	49.0	54.3	48.0
Online Publishing	43.0	44.2	43.9	41.6	44.1	50.3
Distribution of Applied Learning Products	n.a.	48.4	57.7	61.4	60.5	(137.3)
Others ⁽²⁾	43.0	44.3	44.2	43.2	44.9	49.9
Total	41.8	43.3	42.9	39.2	50.0	50.6
	12.9	8.0	5.2	4.3	11.7	18.9
	39.5	41.4	41.5	41.2	44.5	49.2

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Notes:

n.a. Not applicable.

n.c. Not computable.

(1) Include a small proportion of pre-school educational materials.

(2) Include mainly the supply of electronic dictionaries, publishing of general title books as well as distribution of third party publications and trading of paper.

(3) Include amongst others textbooks, revision guides, workbooks, assessment books and model test papers.

(4) Include revision guides, assessment books and model test papers.

FYE 31 August 2011 compared to FYE 31 August 2010

Our Group's gross profit improved by 33.3% or approximately RM6.2 million, from RM18.6 million for FYE 31 August 2010 to RM24.8 million for FYE 31 August 2011. The growth in our gross profit was mainly attributed to the following reasons:

- Gross profit of our educational publishing registered a growth of 38.8% or RM6.6 million for the FYE 31 August 2011. Of this, secondary education materials segment was the largest contributor to our gross profit growth amounting to RM5.2 million. The RM5.2 million was mainly attributed to secondary past year examination papers and textbooks;
- Gross profit of primary education materials recorded growth of 20.4% or RM1.1 million for FYE 31 August 2011. The growth was mainly derived from primary past year examination papers and workbooks; and
- As for online publishing, we achieved a gross profit of RM0.3 million during our first year of commercialisation of online publishing products.

However, our gross profit from other activities decreased by RM0.3 million which was primarily due to the drop in gross profit from distribution of third party publications. This was in tandem with the decline in sales of third party publications during the financial year under review.

Our gross profit margin also increased from 39.5% in FYE 31 August 2010 to 41.4% in FYE 31 August 2011. This was mainly due to:

- Improvement in gross profit margin from our educational publishing, which was mainly attributed to lower paper price that we secured and higher selling prices for some of our National School Curriculum based educational materials; and
- Commencement of our online publishing, which also contributed to the growth in our gross profit margin. The gross profit margin from our online publishing operations at 48.4% for the FYE 31 August 2011 was higher compared to our overall gross profit margin of 41.4% for the FYE 31 August 2011. Despite the higher gross profit margin, its contribution to our gross profit was RM0.3 million from a revenue of RM0.6 million.

FYE 31 August 2012 compared to FYE 31 August 2011

Our Group's gross profit registered a growth of 8.5% or approximately RM2.1 million, from RM24.8 million in FYE 31 August 2011 to RM26.9 million in FYE 31 August 2012. This was in line with the increase in our revenue which recorded a similar growth of 8.0% compared to FYE 31 August 2011. The growth in our gross profit was mainly attributed to the following reasons:

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

- Increase in our gross profit from educational publishing representing a growth of 5.2% for the FYE 31 August 2012. Within educational publishing, our supplementary educational materials was the main contributor to the growth. It grew by 3,400.0% from approximately RM24,000 for the FYE 31 August 2011 to RM0.8 million for the FYE 31 August 2012. This was mainly due to the increase in sales of existing and new products;
- Gross profit from our distribution of applied learning products increased from RM1.0 million for the FYE 31 August 2011 to RM2.0 million for the FYE 31 August 2012. The growth was in tandem with our increase in sales from this segment particularly LEGO Education robotics; and
- Gross profit from our online educational products increased from RM0.3 million for the FYE 31 August 2011 to RM0.7 million for the FYE 31 August 2012. This was mainly attributed to the improvement in sales from new launch of two (2) products, namely i-Teach and i-Learn.

Gross profit from our National School Curriculum based educational materials for secondary levels of education recorded a drop of 2.9% for the FYE 31 August 2012. The decline was mainly due to lower gross profit from secondary school textbooks, assessment books and revision guides for PMR and SPM. However, the drop of 2.9% was offset by the improvement in primary educational materials, which recorded a growth of 7.9%.

For the FYE 31 August 2012, our gross profit margin of 41.5% was similar to our gross profit margin of FYE 31 August 2011 at 41.4%. Nevertheless, gross profit margin of supplementary educational materials and online publishing registered noticeable growth as follows:

- Gross profit margin of supplementary educational materials increased from 40.7% for the FYE 31 August 2011 to 51.9% for the FYE 31 August 2012. This was mainly due to a higher number of our new range of products were given out as samples for promotional and marketing purposes during FYE 31 August 2011; and
- Gross profit margin of our online publishing increased from 48.4% for the FYE 31 August 2011 to 57.7% in FYE 31 August 2012. This was largely due to additional discount given by our technology partner in October 2011 as a result of a lower than anticipated sales for the first batch of our newly launched products as well as the sales of higher margin online educational resources.

However, the gross profit margin growth in the supplementary educational materials and online publishing segments was mainly offset by lower gross profit margin in the following:

- Decrease in gross profit margin from National School Curriculum based educational materials for secondary levels of education. This was mainly due to decrease in gross profit margin of revision guides for PMR and past year examination paper for SPM; and
- Decrease in gross profit margin from other activities. This was mainly due to increase in sales of lower margin activities such as trading of paper and decrease in sales of higher margin activities such as distribution of third party publications.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

FYE 31 August 2013 compared to FYE 31 August 2012

Our Group's gross profit registered a growth of 19.3% or approximately RM5.2 million, from RM26.9 million in FYE 31 August 2012 to RM32.1 million in FYE 31 August 2013. The growth in our gross profit was mainly attributed to the following reasons:

- Increase in our gross profit from educational publishing representing a growth of 23.0% for the FYE 31 August 2013. This was mainly due to increase in sales of workbooks for primary and secondary levels of education as well as model test papers for SPM and textbooks for secondary levels of education. In addition, gross profit increase in educational publishing was also due to increase in sales of our new online educational product, iPBS.

Gross profit from supplementary educational materials, distribution of applied learning products and others declined by approximately RM441,000, RM375,000 and RM68,000 respectively. The decline was mainly due to overall decrease in sales of these segments as well as lower gross profit margins recorded for these segments as explained below.

Our gross profit margin registered a slight decrease by 0.3 percentage point from 41.5% in FYE 31 August 2012 to 41.2% in FYE 31 August 2013. The decrease in gross profit margin was mainly from:

- National School Curriculum based educational materials: This was largely the result of a write down of RM1.2 million of inventory for our past year examination papers for 2010, 2011 and 2012. In addition, our direct labour costs also increased as a result of increased activities to meet peak season requirements. We also made a provision for returns against sales of RM1.5 million for our National School Curriculum based educational materials (with a gross profit impact of approximately RM0.8 million). Nevertheless, the decrease in gross profit margin of National School Curriculum based educational materials was partially offset by the higher selling prices for our workbooks for primary and secondary levels of education;
- Supplementary educational materials, some of which were used as promotional items for marketing purposes;
- Distribution of applied learning products, which was mainly due to higher costs incurred from the organisation of World Robot Olympiad 2012; and
- Others, which were mainly due to a decrease in sales of higher margin products namely third party publications.

However, the decrease in gross profit margin of the above segments was partially offset by the increase in the gross profit margin of our online educational resources, which recorded a gross profit margin of 61.4% in FYE 31 August 2013 as compared to 57.7% in FYE 31 August 2012. This was the result of the launch of our new online educational product, iPBS, which commands a higher gross profit margin as compared to our other online educational resources. Nevertheless, the increased profit margin from iPBS was also partially offset by the lower margin recorded for i-Learn due to bulk discount provided for the supply and implementation of i-Learn under the i-TRIM project as well as provision for returns against sales of approximately RM0.5 million (with a gross profit impact of approximately RM0.3 million).

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

FPE 28 February 2014 compared to FPE 28 February 2013

Our Group's gross profit registered a decline of 2.7% or approximately RM0.6 million from RM22.2 million in FPE 28 February 2013 to RM21.6 million in FPE 28 February 2014. The decrease in our gross profit was mainly attributed to the following reasons:

- Gross profit from our print National School Curriculum based educational materials decreased from RM19.9 million for the FPE 28 February 2013 to RM19.5 million for the FPE 28 February 2014. This was due to a decrease in sales for secondary education materials mainly PMR educational materials such as revision guides, assessment books, model test papers and textbooks from non-PMR educational materials, as well as past year examination papers for UPSR, PMR and SPM; and
- Decrease in gross profit from our online publishing segment mainly due to uncertainty in the market in relation to the implementation of School-Based Assessment (PBS) policy. In February 2014, the school based assessment was suspended by the Ministry of Education and the modified version of PBS was implemented in April 2014. Subsequently in April 2014, we have launched new products, namely iPBS (PPPM)/iPS (DSKP) based on the modified version of PBS.

Nevertheless, the decrease in our gross profit is partially offset by the following:

- Gross profit of approximately RM2.2 million in FPE 28 February 2014 derived from the Pearson titles as a result of the acquisition of the publishing rights, production files and stocks of educational materials from Pearson Malaysia. Please refer to Section 5.1 of this Prospectus for further details on the acquisition of the publishing rights and production files from Pearson Malaysia; and
- Increase in gross profit derived from our supplementary educational materials and distribution of applied learning products, which increased by approximately RM1.0 million and RM0.3 million for the FPE 28 February 2014 respectively compared to FPE 28 February 2013.

Our gross profit margin improved from 44.5% for the FPE 28 February 2013 to 49.2% for the FPE 28 February 2014. The improvement in our gross profit margin was mainly attributed to the following:

- National School Curriculum based educational materials: This was largely due a decline in sales of the lower margin products namely past year examination papers for UPSR, PMR and SPM. During FPE 28 February 2014, the selling prices for revision guides and workbooks of primary and secondary education were higher compared to FPE 28 February 2013. In addition, our range of readers for primary levels of education also recorded higher gross profit margin. This was mainly due to higher average selling price as well as lower per unit cost of printing and transportation as we printed and sold higher volumes of our new range of readers to our customers;
- Among our print publishing segment, educational materials of Pearson titles recorded a relatively high gross profit margin of 69.4% for the FPE 28 February 2014. Of this, gross profit margin of Pearson titles for post-secondary, secondary and primary education was 76.1%, 65.6% and 71.7% respectively. The sales of the Pearson titles commenced in September 2013; and
- Gross profit margin from our distribution of applied learning products improved marginally from 50.0% for the FPE 28 February 2013 to 50.6% for the FPE 28 February 2014.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

The increase in our gross profit margin is partly offset by the decrease in gross profit margin from our online publishing, where gross profit margin of the said products declined from 60.5% for the FPE 28 February 2013 to gross loss margin of 137.3%. This was mainly due to the decrease in sales and high sales returns for our iPBS online educational products due to uncertainty in the market in relation to the implementation of School-Based Assessment (PBS) policy during the financial period under review.

Within print publishing, gross profit margin of our supplementary educational materials also decreased from 54.3% for FPE 28 February 2013 to 48.0% for FPE 28 February 2014. This was mainly attributed to higher sales of logbooks to facilitate teaching and learning process, which has a lower gross profit margin compared to other supplementary educational materials.

(iii) Gross Profit by Geographical Markets

It is not possible to undertake an analysis of gross profit by geographical markets because our expenses such as cost of sales including salaries and wages, material and royalty costs, cannot be meaningfully apportioned according to geographical markets.

12.2.3 Analysis of Operating Expenses

Operating expenses	-----Audited----->							
	<-----FYE 31 August----->							
	2010		2011		2012		2013	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Administrative	5,922	55.6	6,857	55.2	7,311	56.9	9,365	60.9
Distribution	4,492	42.2	5,216	42.0	5,245	40.8	5,535	36.0
Others	243	2.3	341	2.7	296	2.3	476	3.1
Total	10,657	100.0[^]	12,414	100.0[^]	12,852	100.0	15,376	100.0

Operating expenses	Unaudited		Audited	
	<-----FPE 28 February----->			
	2013		2014	
	RM'000	%	RM'000	%
Administrative	4,632	61.2	5,176	48.4
Distribution	2,753	36.4	3,294	30.8
Others	181	2.4	2,222	20.8
Total	7,566	100.0	10,692	100.0

Note:

[^] Total does not add-up due to rounding.

Administrative expenses mainly consist of salaries and wages and other staff related costs, depreciation, director fees, remuneration and bonuses, utilities, insurance, staff accommodation, printing and stationery, upkeep of office and office equipment, warehouse maintenance, communication expenses, postage, security charges, company event and listing expenses.

Distribution costs mainly consist of salaries and wages and other staff related costs, travelling expenses, robotics competition and workshop expenses, upkeep of motor vehicles, expenses on exhibitions, roadshows, book fairs and launching of online educational resources, advertisements, road tax and insurance, sales incentives and business canvassing charges.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Other operating expenses mainly consist of allowance for doubtful debts, audit fees, realised losses on foreign exchange, quit rent and assessment charges, donations, travelling expenses, professional and management fees, impairment of goodwill and loss on property, plant and equipment, stamping, subscription, incorporation and filing fees, sundry expenses, bank charges, meeting expenses, underprovision of sales returns, impairment of intangible assets and various other operating expenses.

Our operating expenses as a proportion of revenue decreased marginally on a period-to-period basis amounting to 22.7%, 20.7%, 19.8% and 19.7% for FYE 31 August 2010, 2011, 2012 and 2013. However, it increased to 24.3% as a proportion of our revenue in FPE 28 February 2014.

FYE 31 August 2011 compared to FYE 31 August 2010

Our operating expenses which consist of administrative expenses, distribution costs, and other operating expenses increased by 15.9% or approximately RM1.7 million from RM10.7 million in FYE 31 August 2010 to RM12.4 million in FYE 31 August 2011. This was mainly due to increase in salary and wages and other staff related costs as a result of salary increments and increase in number of staff, depreciation due to new additions of motor vehicles, road tax and insurance as a result of new additions of motor vehicles as well as directors' bonuses.

FYE 31 August 2012 compared to FYE 31 August 2011

Our operating expenses which consist of administrative expenses, distribution costs and other operating expenses increased by 4.0% or approximately RM0.5 million, from RM12.4 million in FYE 31 August 2011 to RM12.9 million in FYE 31 August 2012. This was mainly due to increase in salary and wages and other staff related costs as a result of salary increments and increase in number of staff, depreciation due to new additions of motor vehicles, book fair expenses due to marketing and promotion of new products published by Sasbadi Online and Orbit Buku during their first year of operations. However, the increase in these operating expenses was partially offset by the decrease in some other operating expenses, mainly travelling expenses which recorded a decline of approximately RM0.2 million.

FYE 31 August 2013 compared to FYE 31 August 2012

Our operating expenses which consist of administrative expenses, distribution costs and other operating expenses increased by 19.4% or approximately RM2.5 million, from RM12.9 million in FYE 31 August 2012 to RM15.4 million in FYE 31 August 2013. This was mainly due to the increase in salary and wages as well as other staff related costs as a result of salary increments and increase in the number of staff, director fees, depreciation due to new additions of motor vehicles, upkeep of office due to repair and maintenance, tinting works as well as installation of new signage, company event organised for business associates and staff members, upkeep of motor vehicles, listing expenses and allowance for doubtful debts. Allowance of doubtful debts increased from approximately RM2,000 to approximately RM108,000.

FPE 28 February 2014 compared to FPE 28 February 2013

Our operating expenses which consist of administrative expenses, distribution costs and other operating expenses increased by 40.8% or approximately RM3.1 million, from RM7.6 million in FPE 28 February 2013 to RM10.7 million in FPE 28 February 2014. This was mainly due to underprovision of sales returns, increase in directors' remuneration, increase in salary for distribution staff, impairment of intangible assets as well as increase in travelling expenses. Our Group recorded an underprovision of sales returns amounting to RM1.3 million in FPE 28 February 2014. There was no underprovision of sales returns recorded in FPE 28 February 2013. Directors' remuneration increased from RM0.6 million in FPE 28 February 2013 to RM1.5 million in FPE 28 February 2014. Our Group recognised RM0.3 million as impairment of intangible assets in FPE 28 February 2014 as a result of the acquisition of the publishing rights and production files from Pearson Malaysia in 2013.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.4 Other Operating Income

Other operating income	Audited							
	FYE 31 August							
	2010		2011		2012		2013	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Gain on disposal of property, plant and equipment	32	10.7	72	19.8	533	65.6	131	16.3
Royalty income	65	21.7	62	17.0	42	5.2	486	60.3
Management fee income	45	15.0	85	23.4	45	5.5	-	-
Sales of written-off stocks	158	52.7	144	39.6	192	23.6	185	23.0
Sponsorship income	-	-	-	-	-	-	5	0.6
Total	300	100.0[^]	364[^]	100.0[^]	812	100.0[^]	806[^]	100.0[^]

Other operating income	Unaudited		Audited	
	FPE 28 February			
	2013		2014	
	RM'000	%	RM'000	%
Gain on disposal of property, plant and equipment	-	-	-	-
Royalty income	-	-	-	-
Management fee income	-	-	-	-
Sales of written-off stocks	153	100.0	94	100.0
Sponsorship income	-	-	-	-
Total	153	100.0	94	100.0

Note:

[^] Total does not add-up due to rounding.

Other operating income comprises gains on disposal of property, plant and equipment, royalty income, management fee income, sponsorship income and sales of written-off stocks as scrap. For the FYE 31 August 2010, 2011, 2012 and 2013 as well as FPE 28 February 2014, other operating income accounted for 0.6%, 0.6%, 1.3%, 1.0% and 0.2% of our total revenue respectively.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

FYE 31 August 2011 compared to FYE 31 August 2010

Our other operating income increased from RM0.3 million in FYE 31 August 2010 to RM0.4 million in FYE 31 August 2011. This was mainly due to higher gains on disposal of property, plant and equipment and increase in management fee income compared to FYE 31 August 2010. Management fee income is mainly derived from the consultation in relation to publishing advisory to The Malaya Press Sdn Bhd.

FYE 31 August 2012 compared to FYE 31 August 2011

In FYE 31 August 2012, our Group recorded a higher level of other operating income of RM0.8 million as compared with RM0.4 million in FYE 31 August 2011. This was mainly due to higher gains on disposal of property, plant and equipment, i.e. motor vehicles, and sales of written-off stocks as scrap.

FYE 31 August 2013 compared to FYE 31 August 2012

In FYE 31 August 2013, other operating income recorded a slight decline of RM6,000 from RM812,000 in FYE 31 August 2012 to RM806,000 in FYE 31 August 2013. This was mainly due to lower gains on disposal of property, plant and equipment, i.e. motor vehicles, partly offset by the increase in royalty income.

FPE 28 February 2014 compared to FPE 28 February 2013

In FPE 28 February 2014, other operating income recorded a decline of approximately RM59,000 from RM153,000 in FPE 31 February 2013 to RM94,000 in FPE 28 February 2014. This was mainly due to lower sales of written-off stocks as scrap.

12.2.5 Finance Costs

Finance costs	-----Audited-----							
	<----- FYE 31 August ----->							
	2010		2011		2012		2013	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bank charges	21	16.7	15	30.6	27	45.8	37	50.7
Finance lease interest	26	20.6	19	38.8	21	35.6	26	35.6
Bank overdraft interest	40	31.7	12	24.5	9	15.3	10	13.7
Term loan interest	39	31.0	3	6.1	1	1.7	-	-
Total	126	100.0	49	100.0	59[^]	100.0[^]	73	100.0

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Finance costs	Unaudited		Audited	
	<----- FPE 28 February----->			
	2013		2014	
	RM'000	%	RM'000	%
Bank charges	7	28.0	65	38.2
Finance lease interest	13	52.0	13	7.6
Bank overdraft interest	5	20.0	93	54.7
Term loan interest	-	-	-	-
Total	25	100.0	170[^]	100.0[^]

Note:

[^] Total does not add-up due to rounding.

Finance costs are mainly interest charged for bank facilities and accounted for 0.3%, 0.1%, 0.1%, 0.1% and 0.4% of our total revenue for FYE 31 August 2010, 2011, 2012 and 2013 as well as FPE 28 February 2014 respectively.

FYE 31 August 2011 compared to FYE 31 August 2010

In FYE 31 August 2011, our Group recorded a lower level of finance costs of approximately RM49,000 as compared to RM0.1 million for FYE 31 August 2010. This was mainly due to a lower level of credit facilities utilised during the year to fund our operations in FYE 31 August 2011. Our reduction in the utilisation of borrowings and credit facilities was supported by sufficient cash flow generated from our operations.

FYE 31 August 2012 compared to FYE 31 August 2011

In FYE 31 August 2012, our Group recorded a higher level of finance costs of approximately RM59,000 as compared with approximately RM49,000 for FYE 31 August 2011. This was mainly due to higher bank charges during the year.

FYE 31 August 2013 compared to FYE 31 August 2012

In FYE 31 August 2013, our Group recorded higher finance costs of approximately RM73,000 as compared to approximately RM59,000 for FYE 31 August 2012. This was mainly due to higher bank charges during the year.

FPE 28 February 2014 compared to FPE 28 February 2013

In FPE 28 February 2014, our Group recorded higher finance costs of approximately RM0.2 million as compared to approximately RM25,000 for FPE 28 February 2013. This was mainly due to higher bank charges and interest for our bank overdraft during the financial period under review.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.6 Income Tax Expenses

Income tax expenses	<-----Audited----->				Unaudited FPE 28 February 2013	Audited February 2014
	2010 %	2011 %	FYE 31 August 2012 %	2013 %		
Effective tax rate	26.4	26.8	26.9	27.8	27.5	26.6
Malaysia statutory tax rate	25.0	25.0	25.0	25.0	25.0	25.0

Income tax expenses comprise the current year's provision for taxation, under or overprovision of taxation in the previous financial year and deferred taxation.

FYE 31 August 2011 compared to FYE 31 August 2010

For FYE 31 August 2011, our Group registered an increase in income tax expense by RM1.3 million to RM3.5 million as compared to RM2.2 million in FYE 31 August 2010. The increase in income tax expense was largely due to an increase in PBT for FYE 31 August 2011. Nevertheless, our income tax expense for the FYE 31 August 2011 represented an effective tax rate of 26.8%, which was higher than the Malaysia statutory tax rate of 25.0%. This was mainly due to non-deductible expenses for tax purposes such as depreciation which were restricted for tax purposes as well as deferred tax assets not recognised.

FYE 31 August 2012 compared to FYE 31 August 2011

For FYE 31 August 2012, our Group registered an increase in income tax expense by approximately RM0.5 million to RM4.0 million, as compared to RM3.5 million in the previous financial year. The increase in income tax expenses was partly due to an increase in PBT as well as non-deductible expenses such as depreciation and under provision of deferred taxation in prior years.

FYE 31 August 2013 compared to FYE 31 August 2012

For FYE 31 August 2013, our Group registered an increase in income tax expense by approximately RM0.9 million to RM4.9 million, as compared to RM4.0 million in FYE 31 August 2012. The increase in income tax expenses was mainly due to an increase in PBT while the higher effective tax rate of 27.8% was mainly due to non-deductible expenses namely depreciation.

FPE 28 February 2014 compared to FPE 28 February 2013

For FPE 28 February 2014, our Group registered a decrease in income tax expense by approximately RM1.2 million to RM2.9 million, as compared to RM4.1 million in FPE 28 February 2013. The decrease in income tax expense was mainly due to a decrease in PBT while the lower effective tax rate of 26.6% was mainly due to over provision of taxation in prior financial period.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

12.2.7 Interest Income

FYE 31 August 2011 compared to FYE 31 August 2010

Our interest income increased from approximately RM177,000 in FYE 31 August 2010 to approximately RM223,000 in FYE 31 August 2011. This was due to increase in interest income from liquid investments as a result of increase in placement for liquid investments.

FYE 31 August 2012 compared to FYE 31 August 2011

Our interest income decreased from approximately RM223,000 in FYE 31 August 2011 to approximately RM92,000 in FYE 31 August 2012. This was due to a decrease in interest income from liquid investments as a result of withdrawal of our liquid investments for payment of royalties during the financial year.

FYE 31 August 2013 compared to FYE 31 August 2012

Our interest income increased from approximately RM92,000 in FYE 31 August 2012 to approximately RM173,000 in FYE 31 August 2013. This was mainly due to interest income from our liquid investments.

FPE 28 February 2014 compared to FPE 28 February 2013

Our interest income decreased from approximately RM145,000 in FPE 28 February 2013 to approximately RM55,000 in FPE 28 February 2014. This was mainly due to decrease in interest income from liquid investments as a result of withdrawal of our liquid investments for the acquisition of the publishing rights and production files, stocks of educational materials and paper from Pearson Malaysia amounting to RM7.7 million. Please refer to Section 5.1 of this Prospectus for further details on the acquisition of the publishing rights and production files, stocks of educational materials and paper from Pearson Malaysia.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.8 Analysis of PBT and PAT

(i) PBT by Companies

The breakdown of our Group's PBT by companies is as follows:

PBT	2010		2011		2012		2013		Audited - FYE 31 August		Unaudited FPE 28 February		Audited 2014	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Sasbadi	8,253	100.1	13,267	102.5	14,783	99.2	15,775	89.3	14,421	96.5	9,158	83.7		
Maya Press	(2)	#	(2)	#	(4)	#	(4)	#	(4)	#	(3)	#		
Orbit Buku	(5)	(0.1)	(560)	(4.3)	53	0.4	(310)	(1.8)	(181)	(1.2)	261	2.4		
Sasbadi Online	n.a.	n.a.	253	2.0	82	0.6	3,075	17.4	1,272	8.5	(499)	(4.6)		
Malaysian Book Promotions	(1)	#	(3)	#	(4)	#	(11)	(0.1)	(5)	#	2,114	19.3		
Sasbadi Holdings	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	(862)	(4.9)	(564)	(3.8)	(93)	(0.9)		
MBP Publications	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
Sasbadi Learning Solutions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
	8,246 [^]	100.0	12,955	100.1 [^]	14,910	100.1 [^]	17,663	100.0 [^]	14,940 [^]	100.0	10,936 [^]	100.0 [^]		
Less: Consolidation adjustment	-	-	(13)	(0.1)	(12)	(0.1)	-	-	-	-	-	-		
Total	8,246	100.0	12,942	100.0	14,898	100.0	17,663	100.0	14,940[^]	100.0	10,936[^]	100.0		

Notes:

n.a.

^ Not applicable.

Total does not add-up due to rounding.

Insignificant proportion.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

PBT margin	Audited			Unaudited	
	< 2010 %	< 2011 %	> 2012 %	< 2013 %	> 2014 %
Sasbadi	17.6	22.4	23.6	30.4	22.9
Maya Press	n.c.	n.c.	n.c.	n.c.	n.c.
Orbit Buku	n.c.	(518.5)	4.5	(101.1)	32.0
Sasbadi Online	n.a.	41.2	7.0	53.5	(514.4)
Malaysian Book Promotions	n.c.	n.c.	n.c.	n.c.	49.9
Sasbadi Holdings	n.a.	n.a.	n.a.	n.c.	n.c.
MBP Publications	n.a.	n.a.	n.a.	n.a.	n.a.
Sasbadi Learning Solutions	n.a.	n.a.	n.a.	n.a.	n.a.
Total	17.5	21.6	23.0	29.9	24.9

Notes:

n.c. Not computable.
n.a. Not applicable.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

FYE 31 August 2011 compared to FYE 31 August 2010

Based on the foregoing factors, our Group's PBT increased by 57.3% or approximately RM4.7 million, from RM8.2 million in FYE 31 August 2010 to RM12.9 million in FYE 31 August 2011. PBT margin for FYE 31 August 2011 also improved from 17.5% in FYE 31 August 2010 to 21.6% in FYE 31 August 2011.

FYE 31 August 2012 compared to FYE 31 August 2011

Based on the foregoing factors, our Group's PBT increased by 15.5% or approximately RM2.0 million, from RM12.9 million in FYE 31 August 2011 to RM14.9 million in FYE 31 August 2012. PBT margin for FYE 31 August 2012 recorded a slight increase from 21.6% in FYE 31 August 2011 to 23.0% in FYE 31 August 2012.

FYE 31 August 2013 compared to FYE 31 August 2012

Based on the foregoing factors, our Group's PBT increased by 18.8% or approximately RM2.8 million, from RM14.9 million in FYE 31 August 2012 to RM17.7 million in FYE 31 August 2013. PBT margin for FYE 31 August 2013 recorded a slight decrease from 23.0% in FYE 31 August 2012 to 22.7% in FYE 31 August 2013.

FPE 28 February 2014 compared to FPE 28 February 2013

Based on the foregoing factors, our Group's PBT declined by 26.8% or approximately RM4.0 million, from RM14.9 million in FPE 28 February 2013 to RM10.9 million in FPE 28 February 2014. PBT margin for FPE 28 February 2013 recorded a decline from 29.9% in FPE 28 February 2013 to 24.9% in FPE 28 February 2014.

(ii) Analysis of PAT**FYE 31 August 2011 compared to FYE 31 August 2010**

Based on the foregoing factors, our Group's PAT consequently increased by 55.7% or approximately RM3.4 million, from RM6.1 million in FYE 31 August 2010 to RM9.5 million in FYE 31 August 2011, which was in line with the increase in our PBT.

FYE 31 August 2012 compared to FYE 31 August 2011

Based on the foregoing factors, our Group's PAT consequently increased by 14.7% or approximately RM1.4 million, from RM9.5 million in FYE 31 August 2011 to RM10.9 million in FYE 31 August 2012.

FYE 31 August 2013 compared to FYE 31 August 2012

Based on the foregoing factors, our Group's PAT increased by 17.4% or approximately RM1.9 million, from RM10.9 million in FYE 31 August 2012 to RM12.8 million in FYE 31 August 2013.

FPE 28 February 2014 compared to FPE 28 February 2013

Based on the foregoing factors, our Group's PAT declined by 25.9% or approximately RM2.8 million, from RM10.8 million in FPE 28 February 2013 to RM8.0 million in FPE 28 February 2014.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(iii) PBT and PAT by Business Activities and Geographical Markets

It is not possible to undertake an analysis of PBT and PAT by business activities and geographical markets because our expenses such as administration, distribution expenses and other operating expenses cannot be meaningfully apportioned according to business activities and geographical markets.

12.2.9 Factors and Trends Affecting Future Financial Condition and Results

Save as disclosed in Section 12.2.10 of this Prospectus, factors that may cause our future financial condition and operation results to differ significantly are as follows:

- (a) Performance of the education sector focusing on primary and secondary schools as disclosed in the IMR report set out in Section 7 of this Prospectus;
- (b) Socio-economic performance such as gross domestic product, per capita income, household expenditure and population growth, will ultimately increase the demand for our products and services;
- (c) Government initiatives as reflected in the Malaysia Education Blueprint 2013-2025, the Government Transformation Programme Roadmap, the Economic Transformation Programme, the 10th Malaysia Plan and federal government expenditure on education and training will spur growth in targeted segments of the educational market as disclosed in the IMR report set out in Section 7 of this Prospectus;
- (d) Growth in reading culture will continue to drive the industry and create business opportunities for our products and services; and
- (e) Our competitive advantages and key strengths will provide a platform for continuing growth including:
 - (i) Brand awareness;
 - (ii) Established track record;
 - (iii) Extensive distribution network;
 - (iv) Large customer base;
 - (v) Diversity in product range;
 - (vi) In-house content development;
 - (vii) Availability of large range of publications;
 - (viii) Economies of scale; and
 - (ix) Experienced management and editorial personnel.

Details of our competitive advantages are set out in Section 6.1(c) of this Prospectus.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

12.2.10 Significant Factors Materially Affecting Our Group Operations and Financial Results

In addition to the factors and trends set-out in Section 12.2.9 of this Prospectus, some of the following factors that may have an impact on our operations and financial results are as follows:

(a) Business Growth and Expansion

Our financial results are dependent on our business growth and expansion mainly from markets in Malaysia. Our revenue grew from RM47.0 million for the FYE 31 August 2010 to RM78.0 million for the FYE 31 August 2013. This represented an average annual growth rate of 18.4%.

For FPE 28 February 2014, our revenue declined by 12.0% or RM6.0 million, from RM50.0 million in FPE 28 February 2013 to RM44.0 million in FPE 28 February 2014.

(b) Diversity in Product Range

We publish a diverse range of educational materials including printed and online educational resources, and general title books. This diversity enables us to meet a wide range of educational needs of our end-users namely students and teachers.

Within printed educational materials, we provide both National School Curriculum based and supplementary educational materials. Our National School Curriculum based educational materials for primary and secondary (including post-secondary) schools mainly include textbooks, revision guides, workbooks, assessment books, model test papers and readers covering various topics and subjects. Our supplementary educational materials mainly include a range of children's books, teaching guides, language guides, glossaries and logbooks. Children's books mainly include fiction and informational books such as educational comics, illustrated storybooks and illustrated reference books.

Our online educational resources include cloud-based teaching and learning content, tools and platforms.

Apart from educational materials, we also publish a range of general title books by Malaysian authors.

Our range of applied learning products from LEGO Education, Pitsco and National Instruments are part of the hands-on learning tools that we provide to students.

(c) Demand for the Educational Publishing Industry

Some of the consideration factors that will have impact on the overall educational publishing industry are as follows:

- Per capita income: The increase in the affluence of Malaysia, which can be represented by per capita income, will generally mean greater affordability and higher consumer spending on print materials in general as well as educational materials;
- Population growth: Growth in Malaysia's population will provide the impetus for demand for general publications as well as educational publications;
- Enrolment in schools: Performance in student enrolment in schools will directly affect the demand for educational materials as students are the main end-users of these materials;
- Number of schools: An increasing number of schools may generally represent a better access to formal education, which would in turn improve the enrolment rate of schools in Malaysia;

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

- Number of teachers: As educational materials are used as part of teaching materials in schools, growth in the number of teachers may also create demand for teaching and learning materials; and
- Educational indicators: Literacy and student enrolment rates are some of the indicators of demand for educational materials, which will ultimately affect the Educational Publishing Industry.

(Source: Independent Assessment of the Educational Publishing Industry Focusing on National School Curriculum in Malaysia prepared by Vital Factor)

(d) **Fluctuations in Price of Paper**

Paper is a major raw material used in our business operations. It constitutes the bulk of our direct operating costs. For the FYE 31 August 2013 and FPE 28 February 2014, paper materials contributed 43.9% and 42.8% to our total purchases of materials, services and products respectively.

As paper is a commodity, it is subjected to fluctuations in world paper prices. Paper prices are affected by various factors, notably, prices of raw materials including virgin pulp and pulp from used/recycled paper as well as demand and supply conditions. In the event of a sustained increase in the price of paper, there is a risk that we may be unable to pass the price increase to our customers, or if we do, we may not be price competitive. Under such scenarios, paper price increases may adversely affect our financial performance.

We also keep a certain level of inventory of paper for our Group's needs for up to six (6) months, especially when paper prices are on the uptrend. In instances of a downtrend in paper prices, our Group would adopt a prudent approach by restraining from stocking up on our paper. In the event of a drop in the price of paper, we would be using relatively more expensive inventory paper compared to publishers that purchase paper on the spot market. If our competitors drop their publication prices as a result of lower paper costs, we may not be able to act promptly or, if we drop our publication prices, it may affect our profit margin. Similarly, in the event price of paper were to increase, we would be using relatively cheaper inventory paper compared to publishers that purchase paper on the spot market. Nevertheless, all publishers will be equally affected by fluctuations in the price of paper. As such, it is unlikely for any one (1) publisher to have a sustained cost advantage over other publishers.

Over the past four (4) FYE 31 August 2010 to 2013 as well as FPE 28 February 2014, we have not experienced any material impact on our profitability arising from fluctuations in paper prices. This is substantiated by our continued growth and positive PBT of RM8.2 million, RM12.9 million, RM14.9 million and RM17.7 million for FYE 31 August 2010, 2011, 2012 and 2013 respectively, as well as positive PBT of RM10.9 million for FPE 28 February 2014. However, there is no assurance that our operating results may not be affected by fluctuations in paper prices in the future.

(e) **Abolishment of National Examinations**

In Malaysia, the majority of educational materials are examination oriented, targeted at students preparing to undertake national examinations such as Primary School Achievement Test (UPSR - Ujian Pencapaian Sekolah Rendah), Lower Secondary Assessment (PMR - Penilaian Menengah Rendah) and the Malaysian Certificate of Education (SPM - Sijil Pelajaran Malaysia). As of January 2014, the PMR examination has been abolished with 2013 being the last year of centralised examinations for Form 3 students. As such, publishers may face lower demand for educational materials for PMR.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Based on the circular by the Ministry of Education on 31 March 2014, PMR will be replaced by Form 3 Assessment (PT3 – Pentaksiran Tingkatan 3) whereby the results of the PT3 will be used as a basis for admission of students into certain types of schools and streaming of students for upper secondary levels of education.

(Source: Independent Assessment of the Educational Publishing Industry Focusing on National School Curriculum in Malaysia prepared by Vital Factor)

In the same announcement by the Ministry of Education, the Document of Performance Standard (DSP – Dokumen Standard Prestasi), which are guidelines used by teachers to assess and report on students' achievements, has been simplified into a Student Learning Progress Guide (PPPM – Panduan Perkembangan Pembelajaran Murid). This guideline will form part of the School-Based Assessment (PBS) that will be effective for students in Year 1, 2 and 3 under primary levels of education and Form 1, 2 and 3 under lower secondary levels of education for the academic year of 2014.

In April 2014, our Group has published a new series of PBS educational materials based on PPPM. Also, in June 2014, our Group has launched new series of model test papers based on the PT3 format for lower secondary levels of education. In addition, our Group is also in the midst of publishing new series of assessment books and revision guides based on the PT3 format. Our educational materials which were originally published under our PMR series remain relevant as general revision materials for teachers and students alike.

Nonetheless, there can be no assurance that the abolishment of national examinations will not have a material adverse impact on our business performance.

(f) Changes in National Curriculum and Educational Policies

We are principally a publisher of educational materials focusing on primary and secondary school education based on the Malaysian National School Curriculum. In the event of a change in curriculum or educational policies such as medium of instruction, publishing business like ours may not be able to react quickly to such changes.

However, changes to the Malaysian National School Curriculum are announced ahead of time, and this would usually allow sufficient time for our Group to realign our business activities. An example of such changes is the reversion of Mathematics and Science to be taught in Bahasa Malaysia instead of English, and the introduction of KSSM to replace KBSM in 2017.

A change in curriculum is generally positive for publishers, as it would encourage end-users to buy new educational materials when the older publications are made obsolete by the new curriculum. An example is the new KSSR curriculum incorporating school based assessment and national examination namely UPSR. This curriculum change may stimulate demand for additional purchases of educational materials, such as revision materials, during the academic year.

Publishers with a ready pool of experienced writers and editors with the appropriate subject matter and language skills would be in a better position to quickly adapt to changes in curriculum to minimise any adverse impact, and at the same time benefit from first-mover advantage or fast-to-market.

(Source: Independent Assessment of the Educational Publishing Industry Focusing on National School Curriculum in Malaysia prepared by Vital Factor).

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Our Group has an experienced management and editorial team with the capabilities to develop National School Curriculum based and supplementary educational materials in a timely manner to meet any new National School Curriculum requirements and educational policies. Our Group has published various National School Curriculum based educational materials, including textbooks, in Bahasa Malaysia and English for primary and secondary levels of education as well as some in Chinese for national-type schools (Chinese). With these capabilities, we are able to react quickly to changes in national curriculum and educational policies. Please refer to Section 6.1(c) of this Prospectus for further details of our Group's competitive advantages and key strengths.

However, there can be no assurance that changes in curriculum and educational policies may not have material adverse impact on our business in the future.

(g) Growing Trend towards Online Publishing

Under the Household Use of the Internet Survey 2011 conducted by the Malaysian Communications and Multimedia Commission (MCMC), it was estimated that 63.5% of households used the internet for educational purposes as compared to 46.0% in 2009. With the aim of improving the quality of learning across Malaysia, the Malaysian Government has commenced the implementation of 1BestariNet, which provides high speed internet access and virtual learning environment for 10,000 schools nationwide. The increased usage of online learning materials may threaten and reduce the usage of print educational materials, hence posing a risk to the industry.

In line with the growing trend of learning via online medium, educational publishers that are involved in print publication should consider diversifying into or strengthening their online publishing as a complementary business activity. There are synergies between print and online publishing as the same content and material can be used for both medium of publishing. In addition, digital publications including online publications can be more engaging and interactive, which could be useful for publishers to create brand loyalty among consumers.

(Source: Independent Assessment of the Educational Publishing Industry Focusing on National School Curriculum in Malaysia prepared by Vital Factor)

For the FYE 31 August 2013 and FPE 28 February 2014, print publishing of educational materials accounted for 82.6% and 92.9% of our total revenue respectively. As such, a growing trend towards online publishing may affect our business.

To keep up with the developments towards on-line learning, our Group has embarked on online publishing since 2011. Our online educational resources include cloud-based teaching and learning content, tools and platforms. Our online publishing revenue has increased by 866.7% from approximately RM0.6 million in FYE 31 August 2011 to approximately RM5.8 million in FYE 31 August 2013. For FPE 28 February 2014, we have recorded online publishing revenue of approximately RM83,000 (after netting off sales returns of approximately RM0.6 million mainly due to sales returns for our iPBS online educational products). In line with our emphasis on growing the online publishing, we will continue to develop and introduce new online educational resources in the future. This is expected to grow in the coming years, while our print publishing operations will continue to meet the existing demands in the market.

In recognition of our online educational resources, we had, on 2 April 2013, successfully secured an MOU with YGMB to offer and support an online tutorial programme with self-assessment for 20,000 candidates of UPSR and SPM for 2013 in selected schools in Perak Darul Ridzuan. This was undertaken under i-TR1M (Interaktif Tuisyen Rakyat 1Malaysia), a government education initiative. This involved the supply and implementation of our online educational resources, namely i-Learn. Under the said MOU, our Group had billed YGMB on a quarterly basis based on a fixed schedule. The MOU was valid until end of 2013.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Nevertheless, despite our online efforts, there can be no assurance that the growing trends towards online publishing will not materially impact on our business.

(h) Industry Outlook

The outlook of the Educational Publishing Industry is dependent on the following factors:

- Performance of the education sector focusing on primary and secondary schools;
- Government initiatives;
- Population, income and expenditure; and
- Economic conditions.

Please refer to Sections 6.18.2 and 7 of this Prospectus for further details on the industry outlook.

(i) Competition

We face competition from existing competitors as well as potential new entrants in the educational publishing industry.

The barriers to entry into the educational publishing industry are relatively low based on capital requirements as most functions within the process of transforming a manuscript into the end-product may be outsourced to third parties.

The entry cost for online publishing is even lower as there are no printing costs involved compared to print publishing. In addition, distribution costs for online publishing are minimal as it is made available through the internet. As such, competition within the educational publishing industry may increase.

However, while set-up costs may be low, operating costs are considerably higher. This is due to the need to pay professional staff as well as to extend credit terms to resellers and retailers. In addition, there is a long lead time between obtaining manuscripts and transforming them into final products suitable for sales to consumers. All these factors would pose barriers to entry for new entrants. Furthermore, a more established publisher with a strong brand name, a wide distribution network whilst enjoying economies of scale, would be in a stronger position to compete in the market.

(Source: Independent Assessment of the Educational Publishing Industry Focusing on National School Curriculum in Malaysia prepared by Vital Factor)

We leverage on our competitive strengths such as our established track record, brand awareness, extensive distribution network, large customer base, diversity in product range, in-house content development, availability of large range of publications, economies of scale as well as our experienced management and editorial personnel as set out in Section 6.1(c) of this Prospectus. While we continuously strive to maintain and adopt appropriate strategies to remain competitive, there can be no assurance that a change in the competitive environment would not have a material adverse impact on our business and financial performance.

(j) Impact of Inflation

For FYE 31 August 2010 to 2013 and FPE 28 February 2014, our Group's financial performance was not materially affected by the impact of inflation. Nevertheless, there can be no assurance that future inflation would not have an impact on our business and performance.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

(k) Impact of Interest Rates

For FYE 31 August 2010 to 2013 and FPE 28 February 2014, finance costs incurred on interest bearing bank borrowings were relatively low and our results were not adversely affected by interest rate fluctuations. This is substantiated by the fact that our Group's pro forma gearing ratio after Incorporation of Subsidiaries, Dividend Payment and Acquisitions but before our IPO and utilisation of proceeds stood at 0.15 times as at FPE 28 February 2014. Notwithstanding the above, any interest rate hike will affect businesses and hence, we will monitor and plan for alternative financing options should the need arise.

(l) Government/ Economic/ Fiscal/ Monetary Policies

Risks relating to Government, economic, fiscal or monetary policies, which may materially affect our operations, are set out in Section 4 of this Prospectus. To the best of our knowledge, save for the risks disclosed in Section 4 of this Prospectus, there are no Government, economic, fiscal or monetary policies or factors that may have a material impact on our profitability and financial position.

(m) Foreign Exchange Fluctuations

For FYE 31 August 2013 and FPE 28 February 2014, 5.5% and 9.3% of our purchases of materials, services and products were transacted in USD respectively. In addition, 0.5% of our revenue for FYE 31 August 2013 was transacted in USD and Brunei Dollar. There was no revenue transacted in USD for FPE 28 February 2014, whilst we have recorded minimal negative revenue in Brunei Dollar in the financial period under review as a result of sales returns from the Brunei market. Due to the transactions in foreign currencies being not material, fluctuations in foreign exchange rates will not have a material impact on our purchases as well as revenue. For FYE 31 August 2013 and FPE 28 February 2014, we did not experience any material losses arising from foreign exchange transactions. As at LPD, we do not have any hedging policy in relation to foreign exchange exposure and our payment method is mainly dependent on the prevailing foreign exchange rates.

Nevertheless, we will continue to monitor our foreign currency exposure and take necessary steps to minimise exchange rate exposure whenever deemed appropriate.

12.2.11 Liquidity and capital resources

(i) Working capital

Our business has been financed via a combination of internal and external sources of funds. The internal sources comprises our shareholders' equity and cash generated from our operations while the external sources are the various credit facilities extended to us by financial institutions.

Our principal utilisations of funds have been used for our business growth and operations. As at 28 February 2014, we had bank deposits and cash and bank balances of RM17.7 million and borrowings of RM9.2 million, before taking into consideration the Dividend Payment and proceeds to be raised from the Public Issue. After taking into consideration the Dividend Payment, proceeds to be raised from the Public Issue and utilisation of proceeds, we have bank deposits and cash and bank balances of RM24.5 million while our borrowings remain at RM9.2 million. Further details of our Group's bank deposits and cash and bank balances, and borrowings are disclosed in Sections 11.2 and 12.2.11(ii) and (iii) of this Prospectus.

Further, as at 28 February 2014, we had banking facilities available to our Group amounting to RM13.0 million, of which approximately RM4.0 million has yet to be utilised.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Our Directors are of the opinion that, after taking into consideration the cash and bank balances, the expected funds to be generated from operating activities, amounts available under our existing banking facilities, new banking facilities which may be granted to our Group and the proceeds expected to be raised from the Public Issue, our Group will have adequate working capital to meet our present and foreseeable requirements for a period of 12 months from the date of this Prospectus.

(ii) Cash flows

The following is a summary of our Group's pro forma cash flow for FPE 28 February 2014 based on the pro forma consolidated statement of cash flows (*prior to the Dividend Payment, IPO and utilisation of proceeds*) and should be read in conjunction with the Independent Reporting Accountant's Report On The Compilation Of Pro Forma Financial Information Included In A Prospectus as set out in Section 11.4 of this Prospectus.

	Audited <- FPE 28 February 2014-> RM'000
Net cash generated from operating activities	3,156
Net cash used in investing activities	(6,153)
Net cash generated from financing activities	584
Net decrease in cash and cash equivalents	(2,413)
Cash and cash equivalents at beginning of financial period	12,044
Cash and cash equivalents at end of financial period*	9,631

Note:

* *Components of cash and cash equivalents:*

	As at 28 February 2014 RM'000
<i>Deposits placed with a licensed bank</i>	39
<i>Cash and bank balances</i>	17,641
<i>Bank overdraft</i>	(8,049)
	<u>9,631</u>

Our Directors are of the opinion that there is no economic restriction on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances and are therefore confident that we can meet our cash obligations.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

The following is a summary of Sasbadi Group's (i.e. Sasbadi and its subsidiaries) cash flows for FYE 31 August 2010 to 2013 and FPE 28 February 2014 (Note: Please refer to Section 6.2.4 of the Accountants' Report set out in Section 13 of this Prospectus for further details on the cash flows):

	-----Audited-----				
	<----- FYE 31 August ----->				FPE 28 February
	2010	2011	2012	2013	2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash generated from operating activities	10,944	13,708	3,199	17,144	3,156
Net cash used in investing activities	(593)	(2,087)	(433)	(1,217)	(6,153)
Net cash (used in)/generated from financing activities	(12,693)	(12,114)	(1,843)	(16,417)	584
Net (decrease)/ increase in cash and cash equivalents	(2,342)	(493)	923	(490)	(2,413)
Cash and cash equivalents at beginning of financial year/period	14,446	12,104	11,611	12,534	12,044
Cash and cash equivalents at end of financial year/period	12,104	11,611	12,534	12,044	9,631

Brief commentaries on Sasbadi Group's cash flows for FYE 31 August 2010 to 2013 and FPE 28 February 2014 are as follows:

FYE 31 August 2010

Net cash generated from operating activities

For FYE 31 August 2010, we generated operating cash flows before working capital changes amounting to RM9.3 million. After adjusting for net inflow of RM2.2 million from working capital changes, income tax paid of RM0.7 million, interest paid of approximately RM40,000 and interest received of RM0.2 million, we generated net cash from operating activities of RM10.9 million. Working capital changes arose from increase in inventories of RM3.7 million, decrease in trade and other receivables, and other assets of RM8.5 million and decrease in trade and other payables of RM2.6 million.

Net cash used in investing activities

For FYE 31 August 2010, the net cash used in our investing activities amounted to RM0.6 million. This was attributed to the purchase of property, plant and equipment amounting to RM0.6 million and acquisition of Malaysian Book Promotions, net of cash and cash equivalents acquired of approximately RM21,000 partially offset by proceeds from disposal of property, plant and equipment amounting to approximately RM32,000.

Net cash used in financing activities

For FYE 31 August 2010, the net cash used in financing activities amounted to RM12.7 million. During the financial year, we repaid bank borrowings of RM1.1 million, interest of approximately RM0.1 million and dividends in specie of RM11.5 million.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

FYE 31 August 2011***Net cash generated from operating activities***

For FYE 31 August 2011, we generated operating cash flows before working capital changes amounting to RM14.0 million. After adjusting for net inflow of RM1.8 million from working capital changes, income tax paid of RM2.4 million, interest paid of approximately RM12,000 and interest received of RM0.2 million, we generated net cash from operating activities of RM13.7 million. Working capital changes arose from increase in inventories of RM3.9 million, decrease in trade and other receivables, and other assets of RM1.9 million and increase in trade and other payables of RM3.8 million.

Net cash used in investing activities

For FYE 31 August 2011, the net cash used in our investing activities amounted to RM2.1 million. This was attributed to the purchase of property, plant and equipment amounting to RM2.2 million (mainly for the purchase of motor vehicles), partially offset by proceeds from disposal of property, plant and equipment amounting to RM0.1 million.

Net cash used in financing activities

For FYE 31 August 2011, the net cash used in financing activities amounted to RM12.1 million. During the financial year, we paid bank borrowings of RM0.3 million, interest of approximately RM21,000 and dividends in specie of RM12.2 million. Our Group also generated proceeds from issuance of shares amounting to RM0.4 million.

FYE 31 August 2012***Net cash generated from operating activities***

For FYE 31 August 2012, we generated operating cash flows before working capital changes amounting to RM15.9 million. After adjusting for net outflow of RM9.2 million from working capital changes, income tax paid of RM3.6 million, interest paid of approximately RM10,000 and interest received of RM0.1 million, we generated net cash from operating activities of RM3.2 million. Working capital changes arose from increase in inventories of RM3.8 million, increase in trade and other receivables, and other assets of RM1.9 million and decrease in trade and other payables of RM3.5 million.

For FYE 31 August 2012, the net cash generated from operating activities of RM3.2 million is lower than that of FYE 31 August 2011 of RM13.7 million mainly due to the following:

- Cash used arising from increase in trade and other receivables, and other assets of RM1.9 million in FYE 31 August 2012, mainly due to prepayments of royalties to YGMB for the reprinting, distribution, marketing and sales of past year examination papers, as compared to cash generated from decrease in trade and other receivables, and other assets of RM1.9 million in FYE 31 August 2011; and
- Cash used arising from decrease in trade and other payables of RM3.5 million in FYE 31 August 2012, mainly due to the decrease in trade payables as a result of less purchases of paper made during the end of FYE 31 August 2012 vis-a-vis the end of FYE 31 August 2011, as compared to cash generated arising from increase in trade and other payables of RM3.8 million in FYE 31 August 2011.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Net cash used in investing activities

For FYE 31 August 2012, the net cash used in our investing activities amounted to RM0.4 million. This was attributed to the purchase of property, plant and equipment amounting to RM1.0 million, partially offset by proceeds from disposal of property, plant and equipment amounting to RM0.6 million.

Net cash used in financing activities

For FYE 31 August 2012, the net cash used in financing activities amounted to RM1.8 million. During the financial year, we paid bank borrowings of RM0.3 million, interest of approximately RM22,000 and dividends in specie of RM1.6 million.

FYE 31 August 2013

Net cash generated from operating activities

For FYE 31 August 2013, we generated operating cash flows before working capital changes amounting to RM21.2 million. After adjusting for net outflow of RM6,000 from working capital changes, income tax paid of RM4.2 million, interest paid of approximately RM10,000 and interest received of approximately RM0.2 million, we generated net cash from operating activities of RM17.1 million. Working capital changes arose from decrease in inventories of RM6.5 million, increase in trade and other receivables, and other assets of RM7.1 million and increase in trade and other payables of RM0.6 million.

For FYE 31 August 2013, the net cash generated from operating activities of RM17.1 million is higher than that of FYE 31 August 2012 of RM3.2 million mainly due to the following:

- Higher PBT generated in FYE 31 August 2013 at RM18.5 million as compared to FYE 31 August 2012 at RM14.9 million;
- Cash generated arising from decrease in inventories of RM6.5 million in FYE 31 August 2013 as compared to cash used arising from increase in inventories of RM3.8 million in FYE 31 August 2012;
- Cash generated arising from increase in trade and other payables of RM0.6 million in FYE 31 August 2013 as compared to cash used arising from decrease in trade and other payables of RM3.5 million in FYE 31 August 2012.

This was partly offset by the increase in cash used arising from increase in trade and other receivables and other assets from RM1.9 million in FYE 31 August 2012 to RM7.1 million in FYE 31 August 2013.

Net cash used in investing activities

For FYE 31 August 2013, the net cash used in our investing activities amounted to RM1.2 million. This was attributed to the purchase of property, plant and equipment amounting to RM1.3 million, partially offset by proceeds from disposal of property, plant and equipment amounting to RM0.1 million.

Net cash used in financing activities

For FYE 31 August 2013, the net cash used in financing activities amounted to RM16.4 million. During the financial year, we repaid finance lease liabilities of RM0.3 million, interest of approximately RM26,000 and cash dividends of RM16.1 million.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (*Cont'd*)

FPE 28 February 2014

Net cash generated from operating activities

For FPE 28 February 2014, we generated operating cash flows before working capital changes amounting to RM15.5 million. After adjusting for net outflow of RM10.4 million from working capital changes, income tax paid of RM1.9 million, interest paid of approximately RM0.1 million and interest received of approximately RM55,000, we generated net cash from operating activities of RM3.2 million. Working capital changes arose from increase in inventories of RM0.9 million, increase in trade and other receivables, and other assets of RM14.5 million and increase in trade and other payables of RM5.0 million.

Net cash used in investing activities

For FPE 28 February 2014, the net cash used in our investing activities amounted to RM6.2 million. This was attributed to the purchase of property, plant and equipment amounting to RM0.7 million and purchase of the publishing rights and production files for a list of titles from Pearson Malaysia for RM5.5 million.

Net cash generated from financing activities

For FPE 28 February 2014, the net cash generated from financing activities amounted to RM0.6 million. This was attributed to proceeds obtained from banking facilities of RM0.7 million and repayment of banking facilities of RM0.1 million and interest payment of approximately RM13,000.

(iii) Borrowings

As at 28 February 2014, our Group had a total outstanding bank borrowings of RM9.2 million, all of which are interest-bearing, secured and denominated in RM. The details of the total outstanding bank borrowings as at 28 February 2014 are set out below:

	Note	-----Audited----->		
		----- As at 28 February 2014 ----->		
		Payable within Twelve (12) Months RM'000	Payable after Twelve (12) Months RM'000	Total RM'000
Finance lease liabilities	(i)	165	247	412
Bank overdraft		8,049	-	8,049
Bankers' acceptances		730	-	730
Total		8,944	247	9,191
Gearing*				0.15

Notes:

(i) Finance lease liabilities were for the hire purchase of motor vehicles.

* Calculated based on pro forma shareholders' funds after Incorporation of Subsidiaries, Dividend Payment and Acquisitions but before our IPO and utilisation of proceeds.

As at 28 February 2014, our interest bearing borrowings amounted to RM9.2 million, of which RM0.4 million were obtained for our hire purchase of motor vehicles and RM8.8 million were obtained for working capital purposes. The repayment of the hire purchase will be in accordance with the repayment terms in the hire purchase agreements using our internally generated funds. As at 28 February 2014, the effective interest rate for our bank borrowings ranged from 4.4% to 8.1%.

The details of the finance lease liabilities as at 28 February 2014 are as follows:

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Type of Financial Instruments	Tenure	Interest Rates	Balance as at 28 February 2014 RM'000
Finance lease liabilities	- 36 months installment commencing July 2011	4.81%	16
	- 36 months installment commencing September 2011	5.58%	50
	- 60 months installment commencing September 2012	4.43%	346
			412

As at LPD, our Group does not have any non-interest bearing borrowings or foreign borrowings. We have not defaulted on any payment of either principal sum and/or interest in relation to our borrowings during FYE 31 August 2010 to 2013 as well as FPE 28 February 2014 and up to LPD.

As at LPD, neither our Company nor any of our subsidiary companies is in breach of any terms and conditions or covenants associated with the credit arrangement or bank borrowings which can materially affect our financial position and results or business operations or the investments by holders of our securities.

Currently, our Group does not have any interest rate hedging policy. We will endeavour to manage our interest rate risk by maintaining a mix of fixed and floating rate borrowings where necessary. We will monitor the movement in interest rates and will take the necessary steps to minimise interest rate risk when appropriate, such as implementing a hedging policy. However, no assurance can be given that any future significant movements in interest rates would not have a material adverse impact on our business, operating results and financial position.

(iv) Treasury policies and objectives

Our Group has been funding our operations through shareholders' equity, cash generated from our operations and external sources of funds. Our external sources of funds consist of credit terms granted by our suppliers and borrowings from financial institutions. The goal of our funding policy is to obtain the most suitable type of financing and favourable cost of funding. The goal of our treasury policy is to maintain sufficient working capital to finance our operations, coupled with maintaining adequate credit facilities to meet projected commitments arising from our operational expenditure and financial liabilities.

The normal credit terms granted to our Group by our suppliers range from 30 days to 90 days due to the good relationship which we have established with our suppliers. Our Group's borrowings from financial institutions are finance lease liabilities for our purchases of motor vehicles, and bankers' acceptance and bank overdraft for working capital purposes. In addition, our Group has in place banking facilities amounting to RM13.0 million as at LPD, of which approximately RM8.0 million and RM0.2 million in the form of bank overdraft and bank guarantees respectively, have been utilised by our Group. Please refer to Section 12.2.11(viii) of this Prospectus for further details on our Group's bank guarantees.

The decision to either utilise internally generated funds or banking facilities to finance our operations depends on, inter alia, our cash reserve, expected cash inflows or receipts from customers, future working capital requirements, future capital expenditure requirements and the prevailing interest rates of the banking facilities.

Our minimum cash reserves at any point in time is dependent on, inter alia, the expected cash inflows or receipts from customers, liquidity of our short term placement of funds and our future working capital requirements.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(v) Financial instruments for hedging purposes

For FYE 31 August 2013 and FPE 28 February 2014, 5.5% and 9.3% of our purchases of materials, services and products were transacted in USD. In addition, 0.5% of our revenue for FYE 31 August 2013 was transacted in USD and Brunei Dollar. There was no revenue transacted in USD for FPE 28 February 2014, whilst we have recorded minimal negative revenue in Brunei Dollar in the financial period under review as a result of the sales returns from the Brunei market. Due to the transactions in foreign currencies being not material, fluctuations in foreign exchange rates will not have a material impact on our purchases as well as revenue.

In this regard, as at LPD, our Group does not hold any financial instruments for hedging purposes.

(vi) Capital expenditure and divestment

Our Group's material capital expenditure for the past four (4) FYE 31 August 2010 to 2013, FPE 28 February 2014 and up to LPD was as follows:

Investments	Audited					Unaudited Up to LPD*
	2010 RM'000	FYE 31 August*			FPE 28 February*	
		2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	RM'000
Motor vehicles	259	2,329	1,309	1,116	463	365
Office equipment, furniture and fittings	102	213	42	65	170	4
Computers	235	174	135	167	20	3
Renovation	8	-	-	-	-	-
	604	2,716	1,486	1,348	653	372

Note:

* The value of capital expenditure in the table above is presented based on the costs incurred.

Our material capital expenditure during FYE 31 August 2010 to 2013, FPE 28 February 2014 and up to LPD comprised capital expenditure on motor vehicles, office equipment, furniture and fittings, computers and renovation.

Our Group's material divestments for the past four (4) FYE 31 August 2010 to 2013, FPE 28 February 2014 and up to LPD were as follows:

Divestments	Audited					Unaudited Up to LPD #
	2010 RM'000	FYE 31 August#			FPE 28 February#	
		2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	RM'000
Motor vehicles	*	57	25	*	-	-

Notes:

The value of the capital divestments in the table above is presented based on the net book value of the assets at the point of divestments.

* The net book value of these divestments are nil.

As at LPD, our Group does not have any material capital expenditures or divestments that are currently in progress.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

(vii) Material capital commitments

As at LPD, save as disclosed in Section 3.6 of this Prospectus, our Board is not aware of any material capital commitments incurred or known to be incurred by our Group that has not been provided for, which upon becoming enforceable, may have a material impact on our financial results / position.

(viii) Material Contingent Liabilities

Save as disclosed below, as at LPD, our Board is not aware of any material contingent liabilities, which in the opinion of our Board, will or may substantially affect our financial results or position upon becoming enforceable:

	Notes	RM'000
Bank guarantees obtained by Sasbadi to Ministry of Education	(a)	229 ^(b)

Notes:

- (a) *As part of the agreements with the Ministry of Education, Sasbadi has issued performance bond in the form of bank guarantees to the Ministry of Education for the service provided for the supply of text books and applied learning products.*
- (b) *The performance bond issued by Sasbadi in the form of bank guarantees to the Ministry of Education for applied learning products amounting to approximately RM59,000 has expired in April 2014. As at LPD, our Group is in the midst of seeking to discharge the said bank guarantees.*

(ix) Material litigation, claims or arbitration

As at LPD, neither our Company nor our Group is engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Company or our Group. Our Board has no knowledge of any proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of our Company or our Group.

(x) Key financial ratios

Trade Receivables

A summary of our Group's trade receivables for the four (4) FYE 31 August 2010 to 2013 and FPE 28 February 2014 is set out below:

	< ----- Audited ----- >				FPE 28 February 2014 RM'000
	< ----- FYE 31 August ----- >				
	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	
Trade receivables	10,556	12,218	12,463	19,141	34,049
Revenue	47,012	59,961	64,821	77,964	43,992
Trade receivables turnover period (days)	82	74	70	90	140

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

The normal credit period generally granted to our customers is between 60 days and 90 days. Our credit terms to customers are assessed and approved on a case-by-case basis taking into consideration various factors such as relationship with customers, customers' payment history and credit worthiness while new customers are subject to our credit verification process. Our trade receivables turnover period for the past four (4) FYE 31 August 2010 to 2013 is within our Group's credit period granted to our customers. Nevertheless, our trade receivables turnover period increased from 70 days in FYE 31 August 2012 to 90 days in FYE 31 August 2013. The increase was largely contributed by slower payment for iPBS, which was a new product launched in the later part of FYE 31 August 2013.

For the FPE 28 February 2014, our trade receivables turnover period was 140 days. The increase was mainly attributed to the higher sales during the peak sales period of December and January. In addition, our revenue for the FPE 28 February 2014 of approximately RM44.0 million is net of provision for sales returns of approximately RM6.7 million. For comparison, the provision for sales returns was RM1.5 million for FYE 31 August 2013.

As at 28 February 2014, the net trade receivables of our Group amounted to approximately RM34.0 million which can be analysed as follows:

	<----Within Credit Period (days) ---->			<----Exceeding Credit Period (days) ---->		
	0 – 30	31 – 60	61 – 90	91 – 120	Over 120	Total
Trade receivables (RM'000)	8,297	9,449	11,160	1,731	3,836	34,473
Less: Allowance for impairment (RM'000)	-	-	-	-	(424)	(424)
Net trade receivables (RM'000)	8,297	9,449	11,160	1,731	3,412	34,049
Percentage of total net trade receivables (%)	24.4	27.8	32.8	5.1	10.0	100.0 [^]
Subsequent collections/credit notes up to LPD (RM'000)	(1,921)	(5,277)	(8,724)	(1,327)	(542)	(17,792) [^]
Net trade receivables net of subsequent collections/credit notes (RM'000)	6,376	4,172	2,436	404	2,870	16,257 [^]
Percentage of net trade receivables net of subsequent collections/credit notes to total net trade receivables (%)	18.7	12.3	7.2	1.2	8.4	47.7 [^]
Revenue (RM'000)						43,992
Percentage of net trade receivables net of subsequent collections/credit notes to revenue (%)	14.5	9.5	5.5	0.9	6.5	37.0 [^]

Note:

[^] Total does not add-up due to rounding.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Up to LPD, of the net trade receivables outstanding as at 28 February 2014 of RM34.0 million, RM12.9 million has been collected while credit notes totalling RM4.9 million have been issued mainly for early payments, incentive discounts and stock returns, of which RM3.2 million was in relation to stock returns. In this regard, the value of net trade receivables as at 28 February 2014 that are still outstanding as at LPD was approximately RM16.3 million. Our Directors are of the opinion that the remaining trade receivables of RM16.3 million are recoverable after taking into consideration the long term relationship between most of these customers and our Group, and various credit control measures being implemented by us to minimise customer default.

Trade Payables

A summary of our Group's trade payables for the four (4) FYE 31 August 2010 to 2013 and FPE 28 February 2014 is set out below:

	<----- Audited ----->				
	<----- FYE 31 August ----->				FPE 28 February
	2010	2011	2012	2013	2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables	2,303	4,948	1,981	2,009	4,976
Cost of sales	28,460	35,143	37,916	45,831	22,343
Trade payables turnover period (days)	30	51	19	16	40

The normal credit period granted to our Group by our suppliers ranges from 30 days to 90 days.

For the FYE 31 August 2010 and 2011, our trade payables turnover periods were approximately 30 days and 51 days, which were within the credit periods that were granted to us. Our Group normally proceeds with payment approximately 30 days after the date of invoice for purchases of main materials, specifically paper materials.

As for the FYE 31 August 2012 and 2013, our trade payables turnover periods were 19 days and 16 days respectively as a result of our prompt payment practice in order to secure timely and consistent supply of materials as well as maintaining good relationships with our suppliers. In addition, there were less purchases of paper made during the end of FYE 31 August 2012 and 2013.

For the FPE 28 February 2014, our trade payables turnover period was 40 days, which was within the normal credit period granted to us. The increase was mainly attributed to higher purchases of materials and services to cater for the expected high demand for our products in the first half of calendar year of 2014.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

As at 28 February 2014, the trade payables of our Group amounted to approximately RM5.0 million which can be analysed as follows:

	<-Within Credit Period (days)->			<-Exceeding Credit Period (days) ->		Total
	0 – 30	31 – 60	61 – 90	91 – 120	Over 120	
Trade payables (RM'000)	1,280	2,563	1,053	37	41	4,976 [^]
Percentage of total trade payables (%)	25.7	51.5	21.2	0.7	0.8	100.0 [^]
Subsequent payments up to LPD (RM'000)	(858)	(1,324)	(821)	(4)	#	(3,007)
Trade payables net of subsequent payments (RM'000)	422	1,239	232	33	41	1,969 [^]
Percentage of trade payables net of subsequent payments to total trade payables (%)	8.5	24.9	4.7	0.7	0.8	39.6

Notes:

[^] Total does not add-up due to rounding.
[#] Insignificant amount.

Up to LPD, a total of RM3.0 million of the trade payables outstanding as at 28 February 2014 has been paid, which represents 60.4% of the trade payables outstanding on that date. The amount of trade payables as at 28 February 2014 that are still outstanding as at LPD was approximately RM2.0 million.

Inventory

A summary of our Group's inventory for the four (4) FYE 31 August 2010 to 2013 and FPE 28 February 2014 is set out below:

	< ----- Audited ----- >				
	< ----- FYE 31 August ----- >				FPE 28 February
	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000
Inventory	13,722	17,663	21,492	15,033	15,952
Cost of sales	28,460	35,143	37,916	45,831	22,343
Inventory turnover period (days)	176	183	207	120	129

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Our Group's inventory turnover period was on an increasing trend over the three (3) financial years between FYE 31 August 2010 and 2012. For the FYE 31 August 2011, the main factors for the increase were due to introduction of our new series of revision guides and workbooks as well as our new online products where we had made an initial bulk purchase of printed access code cards from our technology partner. Each of these cards contains a unique access code for subscribers to gain access to our online educational resources. For the FYE 31 August 2012, our stocks for paper increased by RM2.7 million or 82.7% compared to FYE 31 August 2011. However, in FYE 31 August 2013, our inventory turnover period decreased to 120 days. This was mainly due to a decrease in our stocks for paper by RM3.7 million or 61.0%, workbooks and revision guides by RM1.7 million or 27.8% as compared to FYE 31 August 2012 as well as write down of RM1.2 million of inventory for our past year examination papers for 2010, 2011 and 2012.

For the FPE 28 February 2014, our inventory turnover period was approximately 129 days, which was mainly attributed to an increase in inventory of our workbooks and revision guides. The inventory of the said products increased from RM6.7 million as at FYE 31 August 2013 to RM8.3 million as at FPE 28 February 2014, which was to cater for the expected demand in the first half of calendar year of 2014. However, our stock for paper declined from RM2.4 million as at FYE 31 August 2013 to RM1.8 million as at FPE 28 February 2014.

12.2.12 Trend Analysis

As at LPD, save as disclosed in this Prospectus and to the best of our Board's knowledge and belief, our operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position and operations other than those discussed in this Section and Sections 3, 4 and 6 of this Prospectus;
- (ii) material commitment for capital expenditure, other than as set out in Section 12.2.11 (vii) of this Prospectus;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this Section and in Section 4 of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our revenue and/or profits save for those that have been disclosed in this Section, industry overview as set out in Section 7 of this Prospectus and future plans and strategies as set out in Section 6.18.1 of this Prospectus;
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position other than those disclosed in this Section and in Section 4 of this Prospectus; and
- (vi) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, other than those discussed in this Section and in Section 4 of this Prospectus.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.3 Order book

Order book is not relevant to our business operations as we do not receive long-term orders from our customers. Our business is commonly based on confirmed purchase orders from our customers.

12.4 Dividend Policy

Upon Listing, our Board intends to adopt the policy of recommending up to fifty percent (50%) of the profit attributable to the owners of our Company in each financial year to be distributed as dividends to allow our shareholders to participate in the profits of our Group. However, our ability to declare dividends or make other distributions to our shareholders in the future years is subject to various factors such as having profits and excess funds which are not required to be retained to fund our business.

Our Board will consider the following factors that they currently intend to apply when recommending dividends for approval by our shareholders or when declaring any interim dividends:

- (i) The level of cash and level of indebtedness;
- (ii) Required and expected interest expense, cash flow, our profits and return on equity and retained earnings;
- (iii) Our expected results of operations and future level of operations; and
- (iv) Our projected levels of capital expenditure and other investment plans.

The payment and amount of any dividends and distributions to our shareholders will be at the discretion of our Board and will depend on factors stated above. There can be no assurance as to whether dividend distribution will occur as intended, the amount of dividend payment or the timing of such payment.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

12.5 CAPITALISATION AND INDEBTEDNESS

The following information shall be read in conjunction with the the Independent Reporting Accountants' Report On The Compilation Of Pro Forma Financial Information Included In A Prospectus and the Accountants' Report set out in Sections 11.4 and 13 of this Prospectus respectively.

The following table shows our Group's cash and cash equivalents, capitalisation and indebtedness:

- (i) based on our pro forma financial position as at 28 February 2014 after Incorporation of Subsidiaries, Dividend Payment and Acquisitions; and
- (ii) as adjusted for the proceeds arising from our Public Issue and utilisation of proceeds.

	Pro forma As at 28 February 2014 [^]	After Public Issue [#]
	RM'000	RM'000
Cash and cash equivalents	9,180	24,538
Indebtedness		
<i>Short term borrowings (Due within 12 months)</i>		
Secured and unguaranteed		
Finance lease liabilities	165	165
Secured and guaranteed		
Bank overdraft	8,049	8,049
Bankers' acceptances	730	730
<i>Long term borrowings (Due after 12 months)</i>		
Secured and unguaranteed		
Finance lease liabilities	247	247
Total indebtedness	9,191	9,191
Shareholders' equity	63,172	86,337
Total capitalisation and indebtedness	72,363	95,528

Notes:

[^] Based on the pro forma financial information after taking into account the Incorporation of Subsidiaries, Dividend Payment and Acquisitions but before the Public Issue and utilisation of IPO proceeds.

[#] Based on the pro forma financial information after taking into account the Incorporation of Subsidiaries, Dividend Payment, Acquisitions, proceeds from our Public Issue and utilisation of IPO proceeds.

The indebtedness shown in the table above is fully denominated in RM and interest-bearing in nature. Please refer to Section 12.2.11 (iii) of this Prospectus for further details on our Group's indebtedness.

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13. ACCOUNTANTS' REPORT



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The Board of Directors
No 12, Jalan Teknologi 3/4
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan

9 June 2014

Dear Sirs

Accountants' Report

1. Introduction

This report has been prepared by Messrs KPMG, an approved company auditor, for inclusion in the Prospectus of Sasbadi Holdings Berhad ("Sasbadi Holdings" or "the Company") issued in connection with the listing of and quotation for the entire enlarged issued and paid-up share capital of Sasbadi Holdings on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied upon for any other purposes.

2. General information

2.1 Background

Sasbadi Holdings was incorporated in Malaysia under the Companies Act, 1965 as a private limited liability company under the name of Sasbadi Holdings Sdn. Bhd. on 30 October 2012. The Company changed its status from a private limited liability company into a public limited liability company on 15 March 2013 and since then, assumed the name of Sasbadi Holdings Berhad.

Sasbadi Holdings is principally engaged in investment holding activities. The principal activities of Sasbadi Holdings' wholly-owned subsidiaries acquired under the Listing Scheme, namely Sasbadi Sdn. Bhd. ("Sasbadi"), Malaysian Book Promotions Sdn. Bhd. ("Malaysian Book Promotions"), Maya Press Sdn. Bhd. ("Maya Press"), Orbit Buku Sdn. Bhd. ("Orbit Buku"), Sasbadi Online Sdn. Bhd. ("Sasbadi Online") (collectively referred to as "Sasbadi Group"), and its newly incorporated subsidiaries, Sasbadi Learning Solutions Sdn. Bhd. ("Sasbadi Learning Solutions") and MBP Publications Sdn. Bhd. ("MBP Publications") are disclosed in Section 4.1 of this Accountants' Report.

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
9 June 2014

2.2 Share capital

Sasbadi Holdings was incorporated with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each and issued and fully paid-up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each.

On 13 March 2013, a share split has taken place, subdividing the authorised share capital of RM100,000 into 200,000 ordinary shares of RM0.50 each ("Shares") and issued and fully paid-up share capital of RM2.00 into 4 ordinary shares of RM0.50 each.

Following the completion of the Acquisitions as set out in Section 3.2, the authorised share capital of the Sasbadi Holdings has been increased to RM500,000,000 comprising 1,000,000,000 ordinary shares of RM0.50 each, of which RM52,900,000 comprising 105,800,000 Shares have been issued and credited as fully paid. Upon completion of the listing of and quotation for the entire issued and paid-up share capital of Sasbadi Holdings on the Main Market of Bursa Securities, the issued and paid-up share capital will be increased to RM63,500,000 comprising 127,000,000 ordinary shares of RM0.50 each.

2.3 Incorporation of Subsidiaries

Sasbadi Holdings had incorporated and subscribed for 999 ordinary shares of RM1.00 each and subsequently acquired 1 ordinary share of RM1.00 from a third party for a consideration of RM1.00 per share in each of the following entities:-

No.	Name of Subsidiary	Date of incorporation	Issued and paid-up share capital	Total consideration paid
1.	MBP Publications	28 March 2014	RM1,000 comprising 1,000 ordinary shares of RM1.00 each	RM1,000
2.	Sasbadi Learning Solutions	3 April 2014	RM1,000 comprising 1,000 ordinary shares of RM1.00 each	RM1,000

3. Listing Scheme

3.1 Dividend Payment

Prior to acquisitions of subsidiaries by Sasbadi Holdings as set out in Section 3.2 of this Accountants' Report, Sasbadi had distributed dividends of RM2.5 million and RM6.0 million ("Dividend Payment") to its existing shareholders on 3 April 2014 and 16 May 2014 respectively.

3.2 Acquisitions of Subsidiaries

On 19 May 2014, Sasbadi Holdings had acquired the entire issued and paid-up share capital in Sasbadi comprising 2,400,000 ordinary shares of RM1.00 each from the Offerors as vendors ("Law King Hui, Lee Swee Hang and Lee Eng Sang collectively") for a total purchase consideration of RM52,899,998 satisfied by the issuance of 105,799,996 new Sasbadi Holdings Shares at an issue price of RM0.50 per share credited as fully paid.

In addition, Sasbadi Holdings acquired the following Subsidiaries from Sasbadi:

- a. the entire issued and paid-up share capital in Maya Press comprising 2 ordinary shares of RM1.00 each from Sasbadi for a total purchase consideration of RM1.00 and reflected as amount owing by Sasbadi Holdings to Sasbadi;

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
9 June 2014

3. Listing Scheme

3.2 Acquisitions of Subsidiaries (continued)

- b. the entire issued and paid-up share capital in Orbit Buku comprising 10,000 ordinary shares of RM1.00 each from Sasbadi for a total purchase consideration of RM1.00 and reflected as amount owing by Sasbadi Holdings to Sasbadi;
- c. the entire issued and paid-up share capital in Malaysian Book Promotions comprising 75,005 ordinary shares of RM1.00 each from Sasbadi for a total purchase consideration of RM77,754 and reflected as amount owing by Sasbadi Holdings to Sasbadi; and
- d. the entire issued and paid-up share capital in Sasbadi Online comprising 10,000 ordinary shares of RM1.00 each from Sasbadi for a total purchase consideration of RM277,919 and reflected as amount owing by Sasbadi Holdings to Sasbadi.

Subsequent to the incorporation of new subsidiaries and acquisitions of subsidiaries, the new group structure for Sasbadi Holdings and its subsidiaries (Sasbadi, Maya Press, Orbit Buku, Malaysian Book Promotions, Sasbadi Online, Sasbadi Learning Solutions and MBP Publications (collectively known as "the Subsidiaries") (hereinafter referred to as "the Group") is shown in Section 4.

3.3 Initial Public Offering

3.3.1 Public Issue

Public issue of 21,200,000 new Sasbadi Holdings Shares, representing approximately 16.7% of the enlarged and paid-up share capital of 127,000,000 Shares, at RM1.19 per Share ("Public Issue") to be allocated in the following manner:

(a) Public ("Public Tranche")

6,350,000 Public Issue Shares, representing 5.0% of the enlarged issued and paid-up share capital, have been reserved for application by the Public, of which at least 50.0% shall be set aside for Bumiputera investors including individuals, companies, societies, co-operatives and institutions.

(b) Eligible Directors, employees and persons who have contributed to the success of the Group ("Pink Form Tranche")

5,700,000 Public Issue Shares, representing approximately 4.5% of the enlarged issued and paid-up share capital, have been reserved for application by the eligible Directors, employees and persons who have contributed to the success of the Group.

(c) Selected Investors via Placement ("Placement Tranche")

9,150,000 Public Issue Shares, representing approximately 7.2% of the enlarged issued and paid-up share capital, have been reserved for placement to selected investors.

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
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3.3.2 Offer for Sale

The Offerors will offer up to 35,950,000 existing Sasbadi Holdings Shares, representing approximately 28.3% of the enlarged issued and paid-up share capital of 127,000,000 Shares, at RM1.19 per share ("Offer Shares") to be allocated in the following manner:

(i) **Bumiputra Investors approved by the Ministry of International Trade and Industry ("MITI Tranche")**

Up to 12,700,000 Offer Shares, representing up to 10.0% of the enlarged issued and paid-up share capital, to Bumiputera investors approved by the Ministry of International Trade and Industry ("MITI"); and

(ii) **Selected Investors via Placement ("Non-MITI Tranche")**

Up to 23,250,000 Offer Shares, representing up to approximately 18.3% of the enlarged issued and paid-up share capital, have been reserved for placement to selected investors.

3.4 Vendors' Shareholdings Reorganisation ("Reorganisation")

The Vendors of Sasbadi will undertake a reorganisation exercise involving the transfer of 25,400,000 Sasbadi Holdings Shares which they received from the Acquisition of Sasbadi to Karya Kencana Sdn. Bhd. ("Karya Kencana"), an investment holding company substantially owned by the Vendors ("Reorganisation"). In this regard, the Vendors have entered into a conditional share sale agreement with Karya Kencana for the Reorganisation for a purchase consideration of RM30,226,000. The purchase consideration will be satisfied via issuance of 99,000 new ordinary shares of RM1.00 each in Karya Kencana at par value and the balance will remain as amount owing from Karya Kencana to the Vendors.

Details of the Reorganisation are as follows:

Vendor	No. of Shares to be transferred under the Reorganisation	To be satisfied via	
		Ordinary shares of RM1.00 each in Karya Kencana	Amount owing by Karya Kencana to the Vendors RM
Law King Hui	12,700,000	49,500	15,063,500
Lee Swee Hang	6,350,000	24,750	7,531,750
Lee Eng Sang	6,350,000	24,750	7,531,750
Total	25,400,000	99,000	30,127,000

3.5 Listing and quotation

The entire enlarged issued and paid-up share capital of RM63,500,000 comprising 127,000,000 Shares will be admitted to the Official List of Bursa Securities.

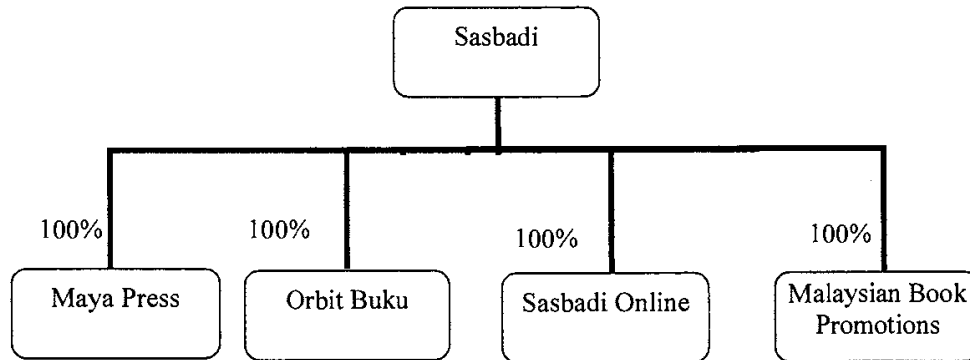
13. ACCOUNTANTS' REPORT (Cont'd)



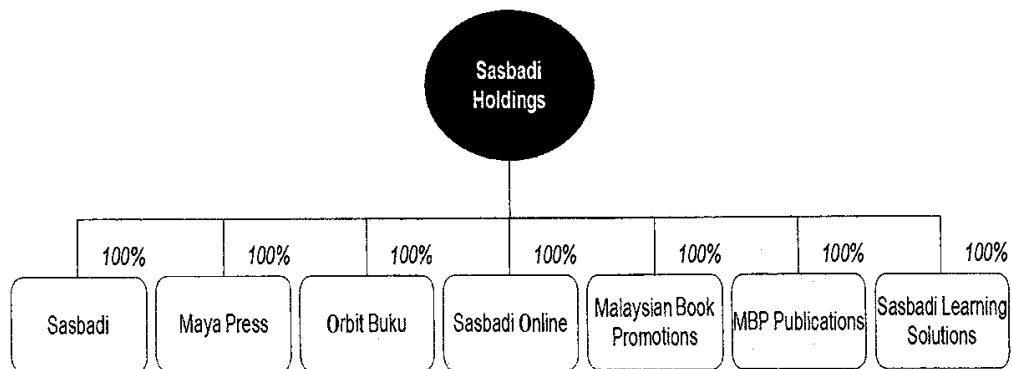
Sasbadi Holdings Berhad
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4. Group structure

Prior to the Acquisitions of Subsidiaries by Sasbadi Holdings, the structure of Sasbadi Group was as follows:-



Subsequent to the Incorporation of Subsidiaries and Acquisitions of Sasbadi Group by Sasbadi Holdings, the Group structure is as follows:-



13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
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4.1 Information on subsidiaries

Sasbadi Holdings' subsidiaries are incorporated in Malaysia as private limited liability companies under the Companies Act, 1965 and domiciled in Malaysia. The subsidiaries of Sasbadi Holdings as at the date of this report and their principal activities are as follows:

Name of subsidiary	Date of incorporation	Equity ownership interest	<---Share capital--->		Principal activities
			Authorised	Issued and fully paid-up	
		%	RM	RM	
Sasbadi	3 May 1985	100	5,000,000	2,400,000	Publisher of printed educational materials, distribution of applied learning products and trading of paper
Orbit Buku	19 March 2010	100	100,000	10,000	Publisher of supplementary educational materials
Sasbadi Online	5 July 2011	100	100,000	10,000	Publisher of online educational resources
Maya Press #	3 July 2002	100	100,000	2	Imprint for general titles
Malaysian Book Promotions#	4 August 1994	100	100,000	75,005	Publishing and distribution of printed educational materials and organiser of book fairs and exhibitions
MBP Publications#	28 March 2014	100	400,000	1,000	Imprint for printed educational materials
Sasbadi Learning Solutions#	3 April 2014	100	400,000	1,000	Dormant

Not audited by member firms of KPMG International.

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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5. Financial statements and auditors

The financial year end of the Group is 31 August for all relevant years. The financial statements for the 6 months financial period ended 28 February 2014 are prepared solely in connection with the Company's proposed listing of and quotation for its entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities.

The auditors who audited the financial statements of the Company and its subsidiaries are as follows:

Name of entity	FYE/FPE	Auditors	Auditors' Report
Sasbadi	FYE 31 August 2010	KPMG	Appendix I
	FYE 31 August 2011	KPMG	Appendix I
	FYE 31 August 2012	KPMG	Appendix I
	FYE 31 August 2013	KPMG	Appendix I
	FPE 28 February 2014	KPMG	Appendix I
Orbit Buku	FPE 31 August 2010	YYC & CO. (formerly known as S.F.YAP & CO)	Appendix II
	FYE 31 August 2011	KPMG	Appendix II
	FYE 31 August 2012	KPMG	Appendix II
	FYE 31 August 2013	KPMG	Appendix II
	FPE 28 February 2014	KPMG	Appendix II
Sasbadi Online	FPE 31 August 2011	KPMG	Appendix III
	FYE 31 August 2012	KPMG	Appendix III
	FYE 31 August 2013	KPMG	Appendix III
	FPE 28 February 2014	KPMG	Appendix III
Maya Press	FPE 31 August 2010	YYC & CO.	Appendix IV
	FYE 31 August 2011	YYC & CO.	Appendix IV
	FYE 31 August 2012	YYC & CO.	Appendix IV
	FYE 31 August 2013	YYC & CO.	Appendix IV
	FPE 28 February 2014	YYC & CO.	Appendix IV
Malaysian Book Promotions	FYE 31 December 2010	W.K. LEE & CO.	Appendix V
	FPE 31 August 2011	W.K. LEE & CO.	Appendix V
	FYE 31 August 2012	W.K. LEE & CO.	Appendix V
	FYE 31 August 2013	W.K. LEE & CO.	Appendix V
	FPE 28 February 2014	W.K. LEE & CO.	Appendix V
Sasbadi Holdings Berhad	FPE 31 August 2013	KPMG	Appendix VI
	FPE 28 February 2014	KPMG	Appendix VI

MBP Publications and Sasbadi Learning Solutions were incorporated on 28 March 2014 and 3 April 2014 respectively, hence no audited financial statements are available at the date of this report.

13. ACCOUNTANTS' REPORT (*Cont'd*)

*Sasbadi Holdings Berhad
Accountants' Report
9 June 2014*

5. Financial statements and auditors (continued)

The auditors' reports of all audited financial statements for the relevant financial years/periods under review were not subject to any qualification, modification or disclaimer of opinion except for the auditors' reports on the financial statements of Maya Press for the financial periods/years ended 31 August 2010, 31 August 2011, 31 August 2012, 31 August 2013 and 28 February 2014 which contained an emphasis of matters paragraph as disclosed below:

Maya Press*Financial period ended 31 August 2010*

Without qualifying our opinion, we draw attention to Note 2 (basis of preparation), the Company incurred a loss after taxation of RM2,135.00 for the financial period ended 31st August 2010 and has a deficit in shareholders' equity of RM15,727.00. The ability of the Company to continue as a going concern is dependent upon future profitable operations, the ability to generate sufficient funds from operation and continued financial support from its directors and shareholders.

Financial year ended 31 August 2011

Without qualifying our opinion, we draw attention to Note 2 (basis of preparation), the Company incurred a loss after taxation of RM2,062.80 for the financial year ended 31st August 2011 and has a capital deficiency of RM17,789.80. The ability of the Company to continue as a going concern is dependent upon future profitable operations, the ability to generate sufficient funds from operation and continued financial support from its directors and shareholders.

Financial year ended 31 August 2012

Without qualifying our opinion, we draw attention to Note 2 (basis of preparation), the Company incurred a loss after taxation of RM3,518.60 for the financial year ended 31st August 2012 and has a capital deficiency of RM21,308.40. The ability of the Company to continue as a going concern is dependent upon future profitable operations, the ability to generate sufficient funds from operation and continued financial support from its directors and shareholders.

13. ACCOUNTANTS' REPORT (*Cont'd*)

*Sasbadi Holdings Berhad
Accountants' Report
9 June 2014*

5. Financial statements and auditors (continued)**Maya Press (continued)**

Financial year ended 31 August 2013

Without qualifying our opinion, we draw attention to Note 2, the Company incurred a loss after taxation of RM4,143.00 for the financial year ended 31st August 2013 and has a capital deficiency of RM25,451.40. The ability of the Company to continue as a going concern is dependent upon future profitable operations, the ability to generate sufficient funds from operation and continued financial support from its Directors and shareholders.

Financial period ended 28 February 2014

Without qualifying our opinion, we draw attention to Note 2, the Company incurred a loss after taxation of RM3,432.25 for the financial period ended 28th February 2014 and has a capital deficiency of RM28,883.65. The ability of the Company to continue as a going concern is dependent upon future profitable operations, the ability to generate sufficient funds from operation and continued financial support from its Directors and shareholders.

There were no audited financial statements prepared and issued subsequent to the financial period ended 28 February 2014 for all the companies in the Group.

5.1 Accounting policies and standards

The accounting policies adopted in the preparation of this report are set out in Section 7 and are consistent with the accounting policies adopted by Sasbadi Group in the latest audited financial statements. The same policies are adopted by Sasbadi Holdings.

The financial information presented in this report is based on the audited financial statements of Sasbadi Holdings and of its Subsidiaries, which have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 1965 in Malaysia except for the audited financial statements for the 6 months ended 28 February 2014 which have been prepared in accordance with MFRSs and IFRSs.

There were no changes in the significant accounting policies adopted by Sasbadi Group during the periods covered in this report.

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
9 June 2014

5.2 Dividends

The dividends declared and paid by Sasbadi in respect of the relevant financial years under review were as follows:

	RM per share	Total amount RM'000	Date of payment
2010			
Interim 2010 (single tier)	5.75	11,500 *	23 July 2010
		=====	
2011			
Interim 2011 (single tier)	5.10	12,240 *	23 July 2011
		=====	
2012			
First interim 2012 (single tier)	0.65	1,560 *	23 July 2012
Second interim 2012 (net of tax)	0.21	500 ^	6 December 2012
Third interim 2012 (net of tax)	2.08	5,000 ^	14 January 2013
Fourth interim 2012 (net of tax)	4.43	10,625 ^	26 March 2013

		17,685	
		=====	
2014			
First interim 2014 (single tier)	1.04	2,500 #	3 April 2014
Second interim 2014 (single tier)	2.50	6,000 #	16 May 2014

		8,500	
		=====	

* These are single tier dividends paid in specie by way of offsetting against the advances to the Directors.

^ These are dividends declared but not yet paid as at 31 August 2012.

These are dividends declared and paid after 28 February 2014.

No final dividend was paid or declared by Sasbadi during the relevant financial years under review.

The other subsidiaries did not pay or declare any dividend during the relevant financial years/periods under review.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Sasbadi Holdings Berhad
Accountants' Report
9 June 2014

6. Financial statements

As Sasbadi Holdings was incorporated on 30 October 2012, there are no consolidated financial statements for the Group for the financial years ended 31 August 2010, 31 August 2011, and 31 August 2012. The audited statement of financial position as at 31 August 2013 and 28 February 2014 of Sasbadi Holdings is shown in Section 6.1. The audited financial statements for the financial years ended 31 August 2010, 31 August 2011, 31 August 2012, 31 August 2013 and 28 February 2014 of Sasbadi Group are shown in Section 6.2.

Certain figures and disclosures for the financial years presented have been reclassified and/or extended, as compared to the original statutory accounts, as follows:

- (i) Reclassification of single tier dividends paid in specie by way of offsetting against the advances to the Directors from "operating activities" to "financing activities" in the statement of cash flows; and
- (ii) Extended disclosure on notes to the financial statements for:
 - (a) Prepayment of royalties made for the licence to reprint, distribute, market and sell past year examination papers of UPSR, PMR, STAM and SPM;
 - (b) Reversal of inventories write-down for financial year ended 31 August 2010; and
 - (c) Trade receivables due from a company in which certain Directors have interests.

As MBP Publications and Sasbadi Learning Solutions were incorporated on 28 March 2014 and 3 April 2014 respectively, hence, there are no financial statements for the financial years/period ended 31 August 2010, 31 August 2011, 31 August 2012, 31 August 2013 and 28 February 2014. The unaudited statement of financial position of MBP Publications and Sasbadi Learning Solutions as at 28 March 2014 and 3 April 2014 respectively are shown in Sections 6.3 and 6.4 respectively.

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
9 June 2014

6.1 Sasbadi Holdings Berhad

6.1.1 Statement of financial position

	Section	31.08.2013 RM	28.02.2014 RM
Assets			
Prepayments		175,386	192,872
Cash and cash equivalents		2	2
Total assets		<u>175,388</u>	<u>192,874</u>
Equity			
Share capital	6.1.5	2	2
Accumulated losses		(862,294)	(955,138)
Total equity attributable to owners of the Company		<u>(862,292)</u>	<u>(955,136)</u>
Liabilities			
Payables and accruals	6.1.6	1,037,680	1,148,010
Total equity and liabilities		<u><u>175,388</u></u>	<u><u>192,874</u></u>

6.1.2 Statement of profit or loss and other comprehensive income

	Section	30.10.2012 to 31.08.2013 RM	01.09.2013 to 28.02.2014 RM
Administrative expenses		(862,294)	(92,844)
Loss before tax	6.1.7	<u>(862,294)</u>	<u>(92,844)</u>
Tax expense	6.1.8	-	-
Loss for the period and total comprehensive expense for the period		<u><u>(862,294)</u></u>	<u><u>(92,844)</u></u>

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
9 June 2014

6.1 Sasbadi Holdings Berhad

6.1.3 Statement of changes in equity

	Share capital RM	Accumulated losses RM	Total RM
At 30 October 2012 (date of incorporation)	2	-	2
Loss for the period/total comprehensive expense for the period	-	(862,294)	(862,294)
At 31 August 2013/1 September 2013	2	(862,294)	(862,292)
Loss for the period/total comprehensive expense for the period	-	(92,844)	(92,844)
At 28 February 2014	2	(955,138)	(955,136)

Note 6.1.5

6.1.4 Statement of cash flows

	30.10.2012 to 31.08.2013 RM	01.09.2013 to 28.02.2014 RM
Cash flows from operating activities		
Loss before tax	(862,294)	(92,844)
Operating loss before changes in working capital	(862,294)	(92,844)
Changes in working capital:		
Prepayments	(175,386)	(17,486)
Payables and accruals	1,037,680	110,330
Net cash used in operating activities	-	-
Net increase in cash and bank balances	-	-
Cash and bank balances at date of incorporation/ beginning of the financial period	2	2
Cash and bank balances at end of the financial period	2	2

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
9 June 2014

6.1 Sasbadi Holdings Berhad

Notes to the consolidated financial statements (continued)

6.1.5 Share capital

	Amount 31.08.2013 RM	Number of Shares 31.08.2013 RM	Amount 28.02.2014 RM	Number of Shares 28.02.2014 RM
Ordinary shares of RM0.50 each				
Authorised	100,000	200,000	100,000	200,000
Issued and fully paid	2	4	2	4

As the date of incorporation, the Company issued subscribers' shares representing 2 ordinary shares of RM1.00 each at par for cash with an authorised share capital of 100,000 ordinary shares of RM1.00 each.

On 13 March 2013, the authorised share capital of the Company of 100,000 ordinary shares of RM1.00 each were subdivided into 200,000 ordinary shares of RM0.50 each. The issued and paid-up share capital of the Company of 2 ordinary shares of RM1.00 each were subdivided into 4 ordinary shares of RM0.50 each on the same date.

6.1.6 Payables and accruals

	31.08.2013 RM	28.02.2014 RM
Non-trade		
Amount due to a related party	1,035,680	1,109,877
Accrued expenses	2,000	38,133
	1,037,680	1,148,010

6.1.7 Loss before tax

	30.10.2012 to 31.08.2013 RM	01.09.2013 to 28.02.2014 RM
Loss before tax is arrived at after charging:		
Auditors' remuneration	10,000	10,000
Expenses in relation to proposed listing exercise	852,294	85,375

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
9 June 2014

6.1 Sasbadi Holdings Berhad

Notes to the consolidated financial statements (continued)

6.1.8 Tax expense

	30.10.2012 to 31.08.2013 RM	01.09.2013 to 28.02.2014 RM
Total income tax expense	-	-
Reconciliation of tax expense		
Loss for the period	(862,294)	(92,844)
Total income tax expense	-	-
Loss excluding tax	(862,294)	(92,844)
Tax at Malaysian tax rate of 25%	(215,574)	(23,211)
Non-deductible expenses	215,574	23,211
Tax expense	-	-

6.1.9 Financial instruments

(i) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as loans and receivables and other financial liabilities measured at amortised cost.

	Carrying amount	
	31.08.2013 RM	28.02.2014 RM
Financial assets categorised as loans and receivables:		
Cash and bank balances	2	2
Financial liabilities measured at amortised cost:		
Payables and accruals	1,037,680	1,148,010

(ii) Financial risks management objectives and policies

The Company has exposure to the following financial risks:

- (a) credit risk arising from cash and bank balances; and
- (b) liquidity risk from other payables

The Directors are of the view that the above risks are not significant.

13. ACCOUNTANTS' REPORT *(Cont'd)*



*Sasbadi Holdings Berhad
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6.1 Sasbadi Holdings Berhad

Notes to the consolidated financial statements (continued)

6.1.9 Financial instruments (continued)

(iii) Fair values of financial instruments

The carrying amounts of cash and bank balances and payables and accruals approximate fair values due to the relative short term nature of these financial instruments.

6.1.10 Capital management

The Company's capital is represented by its total equity in the statement of financial position. The Directors monitor the adequacy of capital on an ongoing basis and seek continuous financial support from a related party, where necessary.

There is no external capital requirement imposed on the Company.

6.1.11 Related parties

6.1.11.1 Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of senior management of the Company.

The Company has a related party relationship with its Directors and a company in which certain Directors have control.

6.1.11.2 Transactions with key management personnel

There were no transactions with key management personnel during the financial period.

6.1.11.3 Other related party transactions

The amount due to a related party, being a company controlled by certain Directors, is disclosed in Section 6.1.6.

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries

6.2.1 Consolidated statement of financial position

	Section	31.8.2010 RM'000	31.8.2011 RM'000	31.8.2012 RM'000	31.8.2013 RM'000	28.2.2014 RM'000
Assets						
Property, plant and equipment	6.2.5	21,885	23,189	28,591	28,023	27,650
Goodwill		20	20	-	-	-
Other investments		37	37	37	37	37
Intangible assets	6.2.6	-	-	-	-	5,225
Total non-current assets		21,942	23,246	28,628	28,060	32,912
Inventories	6.2.7	13,722	17,663	21,492	15,033	15,952
Trade and other receivables, and other assets	6.2.8	14,514	12,379	12,780	21,000	35,573
Prepayments	6.2.9	-	200	1,725	584	464
Current tax assets		1,990	926	411	154	318
Cash and cash equivalents	6.2.10	12,104	11,611	12,534	12,044	17,680
Total current assets		42,330	42,779	48,942	48,815	69,987
Total assets		64,272	66,025	77,570	76,875	102,899
Equity						
Share capital		2,000	2,400	2,400	2,400	2,400
Reserves		53,876	51,112	48,487	62,104	70,227
Total equity attributable to owners of Sasbadi	6.2.11	55,876	53,512	50,887	64,504	72,627
Liabilities						
Borrowings	6.2.12	88	324	546	297	247
Deferred tax liabilities	6.2.13	2,533	2,517	3,811	4,040	2,975
Total non-current liabilities		2,621	2,841	4,357	4,337	3,222
Borrowings	6.2.12	243	254	266	249	8,944
Trade and other payables	6.2.14	5,532	9,370	5,919	6,533	11,486
Provisions	6.2.15	-	-	-	1,061	4,149
Dividends payable		-	-	16,125	-	-
Current tax liabilities		-	48	16	191	2,471
Total current liabilities		5,775	9,672	22,326	8,034	27,050
Total liabilities		8,396	12,513	26,683	12,371	30,272
Total equity and liabilities		64,272	66,025	77,570	76,875	102,899

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries

6.2.2 Consolidated statement of profit or loss and other comprehensive income

Section	<-----Financial year ended ----->				6 months ended
	31.8.2010 RM'000	31.8.2011 RM'000	31.8.2012 RM'000	31.8.2013 RM'000	28.2.2014 RM'000
Revenue	47,012	59,961	64,821	77,964	43,992
Cost of sales	(28,460)	(35,143)	(37,916)	(45,831)	(22,343)
Gross profit	18,552	24,818	26,905	32,133	21,649
Other operating income	300	364	812	806	94
Distribution costs	(4,492)	(5,216)	(5,245)	(5,535)	(3,294)
Administrative expenses	(5,922)	(6,857)	(7,311)	(8,502)	(5,083)
Other operating expenses	(243)	(341)	(296)	(475)	(2,222)
Operating profit	8,195	12,768	14,865	18,427	11,144
Interest income	177	223	92	173	55
Finance costs	(126)	(49)	(59)	(74)	(170)
Profit before tax	8,246	12,942	14,898	18,526	11,029
Income tax expense	6.2.19 (2,176)	(3,466)	(4,006)	(4,909)	(2,906)
Profit for the financial year/period	6.2.16 6,070	9,476	10,892	13,617	8,123
Other comprehensive income, net of tax					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Revaluation of property, plant and equipment	6.2.17 4,172	-	4,168	-	-
Total comprehensive income for the financial year/period	10,242	9,476	15,060	13,617	8,123
Basic earnings per ordinary share (sen)	303.50	394.83	453.83	567.38	338.45

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries

6.2.3 Consolidated statement of changes in equity

Section	Non-distributable		Distributable	Total RM'000
	Share capital RM'000	Revaluation reserve RM'000	Retained earnings RM'000	
At 1 September 2009	2,000	3,000	52,134	57,134
Revaluation of property, plant and equipment	-	4,172	-	4,172
Other comprehensive income for the financial year	6.2.17	4,172	-	4,172
Profit for the financial year	-	-	6,070	6,070
Total comprehensive income for the financial year	-	4,172	6,070	10,242
Dividends to owners of Sasbadi	6.2.20	-	(11,500)	(11,500)
At 31 August 2010/ 1 September 2010	2,000	7,172	46,704	55,876
Profit and total comprehensive income for the financial year	-	-	9,476	9,476
Issue of ordinary shares	400	-	-	400
Dividends to owners of Sasbadi	6.2.20	-	(12,240)	(12,240)
Total transactions with owners of Sasbadi	400	-	(12,240)	(11,840)
At 31 August 2011/ 1 September 2011	2,400	7,172	43,940	53,512
Revaluation of property, plant and equipment	-	4,168	-	4,168
Other comprehensive income for the financial year	6.2.17	4,168	-	4,168
Profit for the financial year	-	-	10,892	10,892
Total comprehensive income for the financial year	-	4,168	10,892	15,060
Dividends to owners of Sasbadi	6.2.20	-	(17,685)	(17,685)
At 31 August 2012	2,400	11,340	37,147	50,887
	Section 6.2.11.1	Section 6.2.11.2	Section 6.2.11.3	

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries

6.2.3 Consolidated statement of changes in equity (continued)

Section	Share capital	Non-distributable Revaluation reserve	Distributable Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000
At 1 September 2012	2,400	11,340	37,147	50,887
Profit /total comprehensive income for the financial year	-	-	13,617	13,617
At 31 August 2013/ 1 September 2013	2,400	11,340	50,764	64,504
Profit /total comprehensive income for the financial period	-	-	8,123	8,123
At 28 February 2014	2,400	11,340	58,887	72,627
	Section 6.2.11.1	Section 6.2.11.2	Section 6.2.11.3	

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries

6.2.4 Consolidated statement of cash flows

Section	-----Financial year ended ----->				6 months
	31.8.2010 RM'000	31.8.2011 RM'000	31.8.2012 RM'000	31.8.2013 RM'000	ended 28.2.2014 RM'000
Cash flows from operating activities					
Profit before tax	8,246	12,942	14,898	18,526	11,029
Adjustments for:					
Amortisation of intangible assets	-	-	20	-	275
Depreciation on property, plant and equipment	1,184	1,355	1,618	1,916	1,026
Gain on disposal of property, plant and equipment	(32)	(72)	(533)	(131)	-
Impairment loss on:					
- Property, plant and equipment	20	-	-	-	-
Interest expense	105	33	32	36	106
Interest income	(177)	(223)	(92)	(173)	(55)
Provision for sales returns	-	-	-	1,061	3,088
Operating profit before changes in working capital	9,346	14,035	15,943	21,235	15,469
Changes in working capital:					
Inventories	(3,726)	(3,941)	(3,829)	6,459	(919)
Trade and other receivables, and other assets	8,500	1,935	(1,926)	(7,079)	(14,453)
Trade and other payables	(2,646)	3,839	(3,452)	614	4,952
Cash generated from operations	11,474	15,868	6,736	21,229	5,049
Income taxes paid net of refund	(667)	(2,371)	(3,619)	(4,248)	(1,855)
Interest paid	(40)	(12)	(10)	(10)	(93)
Interest received	177	223	92	173	55
Net cash generated from operating activities	10,944	13,708	3,199	17,144	3,156
Cash flows from investing activities					
Purchase of property, plant and equipment	(i) (604)	(2,216)	(991)	(1,348)	(653)
Proceeds from disposal of property, plant and equipment	32	129	558	131	-
Acquisition of a subsidiary, net of cash and cash equivalents acquired	(21)	-	-	-	-
Purchase of publication rights	-	-	-	-	(5,500)
Net cash used in investing activities	(593)	(2,087)	(433)	(1,217)	(6,153)

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries

6.2.4 Consolidated statement of cash flows (continued)

Section	←-----Financial year ended----->				6 months
	31.8.2010 RM'000	31.8.2011 RM'000	31.8.2012 RM'000	31.8.2013 RM'000	ended 28.2.2014 RM'000
Cash flows from financing activities					
Interest paid	(65)	(21)	(22)	(26)	(13)
Repayment of finance leases liabilities	(245)	(193)	(240)	(266)	(133)
Repayment of term loans	(883)	(60)	(21)	-	-
Proceeds from issuance of share capital	-	400	-	-	-
Drawdown of bankers' acceptances	-	-	-	-	730
Dividends paid	6.2.20 (11,500)	(12,240)	(1,560)	(16,125)	-
Net cash (used in)/generated from financing activities	(12,693)	(12,114)	(1,843)	(16,417)	584
Net (decrease)/increase in cash and cash Equivalents					
Cash and cash equivalents at beginning of the financial year/period	14,446	12,104	11,611	12,534	12,044
Cash and cash equivalents at end of the financial year/period	(ii) 12,104	11,611	12,534	12,044	9,631

(i) Cash and cash equivalents

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

	31.8.2010 RM'000	31.8.2011 RM'000	31.8.2012 RM'000	31.8.2013 RM'000	28.2.2014 RM'000
Cash and bank balances	3,639	3,537	2,456	6,977	17,641
Deposit placed with a licensed bank	85	-	39	39	39
Liquid investments	8,380	8,074	10,039	5,028	-
Bank overdraft – secured	-	-	-	-	(8,049)
	12,104	11,611	12,534	12,044	9,631

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements
6.2.5 Property, plant and equipment

	Condominiums		Leasehold land		Buildings	Motor vehicles	Office equipment, furniture and fittings	Renovation	Computers	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Cost/Valuation</i>										
At 1 September 2009	450	3,168	12,372	7,018	1,499	260	831	25,598		
Additions	-	-	-	259	102	8	235	604		
Disposals	-	-	-	(83)	-	-	-	(83)		
Adjustment on revaluation	(150)	4,232	(327)	-	-	-	-	3,755		
At 31 August 2010	300	7,400	12,045	7,194	1,601	268	1,066	29,874		
<i>Representing items at:</i>										
Cost	-	-	-	7,194	1,601	268	1,066	10,129		
Directors' valuation	300	7,400	12,045	-	-	-	-	19,745		
At 31 August 2010	300	7,400	12,045	7,194	1,601	268	1,066	29,874		
At 1 September 2010	300	7,400	12,045	7,194	1,601	268	1,066	29,874		
Additions	-	-	-	2,329	213	-	174	2,716		
Disposals	-	-	-	(287)	-	-	-	(287)		
At 31 August 2011	300	7,400	12,045	9,236	1,814	268	1,240	32,303		
<i>Representing items at:</i>										
Cost	-	-	-	9,236	1,814	268	1,240	12,558		
Directors' valuation	300	7,400	12,045	-	-	-	-	19,745		
At 31 August 2011	300	7,400	12,045	9,236	1,814	268	1,240	32,303		

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)
6.2.5 Property, plant and equipment (continued)

	Condominiums RM'000	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Computers RM'000	Total RM'000
<i>Cost/Valuation (continued)</i>								
At 1 September 2011	300	7,400	12,045	9,236	1,814	268	1,240	32,303
Additions	-	-	-	1,309	42	-	135	1,486
Disposals	-	-	-	(3,196)	-	-	-	(3,196)
Write-off	-	-	-	-	(312)	-	(339)	(651)
Adjustment on revaluation	(2)	3,150	1,505	-	-	-	-	4,653
At 31 August 2012	298	10,550	13,550	7,349	1,544	268	1,036	34,595
<i>Representing items at:</i>								
Cost	-	-	-	7,349	1,544	268	1,036	10,197
Directors' valuation	298	10,550	13,550	-	-	-	-	24,398
At 31 August 2012	298	10,550	13,550	7,349	1,544	268	1,036	34,595
At 1 September 2012	298	10,550	13,550	7,349	1,544	268	1,036	34,595
Additions	-	-	-	1,116	65	-	167	1,348
Disposals	-	-	-	(586)	-	-	-	(586)
At 31 August 2013	298	10,550	13,550	7,879	1,609	268	1,203	35,357
<i>Representing items at:</i>								
Cost	-	-	-	7,879	1,609	268	1,203	10,959
Directors' valuation	298	10,550	13,550	-	-	-	-	24,398
At 31 August 2013	298	10,550	13,550	7,879	1,609	268	1,203	35,357

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)
6.2.5 Property, plant and equipment (continued)

	Condominiums RM'000	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Computers RM'000	Total RM'000
<i>Cost/Valuation (continued)</i>								
At 1 September 2013	298	10,550	13,550	7,879	1,609	268	1,203	35,357
Additions	-	-	-	463	170	-	20	653
At 28 February 2014	298	10,550	13,550	8,342	1,779	268	1,223	36,010
<i>Representing items at:</i>								
Cost	-	-	-	8,342	1,779	268	1,223	11,612
Directors' valuation	298	10,550	13,550	-	-	-	-	24,398
At 28 February 2014	298	10,550	13,550	8,342	1,779	268	1,223	36,010

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
9 June 2014

6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)
6.2.5 Property, plant and equipment (continued)

	Condominiums RM'000	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Computers RM'000	Total RM'000
<i>Depreciation and impairment loss</i>								
At 1 September 2009	211	223	1,069	5,287	876	195	814	8,675
Depreciation for the financial year	4	53	247	688	126	7	59	1,184
Disposals	-	-	-	(83)	-	-	-	(83)
Impairment loss	20	-	-	-	-	-	-	20
Adjustment on revaluation	(215)	(276)	(1,316)	-	-	-	-	(1,807)
Accumulated depreciation	-	-	-	5,892	1,002	202	873	7,969
Accumulated impairment loss	20	-	-	-	-	-	-	20
At 31 August 2010/ 1 September 2010	20	-	-	5,892	1,002	202	873	7,989
Depreciation for the financial year	4	145	294	664	136	7	105	1,355
Disposals	-	-	-	(230)	-	-	-	(230)
Accumulated depreciation	4	145	294	6,326	1,138	209	978	9,094
Accumulated impairment loss	20	-	-	-	-	-	-	20
At 31 August 2011	24	145	294	6,326	1,138	209	978	9,114

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)
6.2.5 Property, plant and equipment (continued)

	C Condominiums RM'000	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Computers RM'000	Total RM'000
<i>Depreciation and impairment loss (continued)</i>								
At 1 September 2011	24	145	294	6,326	1,138	209	978	9,114
Depreciation for the financial year	4	145	294	858	146	7	164	1,618
Disposals	-	-	-	(3,171)	-	-	-	(3,171)
Write-off	-	-	-	-	(312)	-	(339)	(651)
Adjustment on revaluation	(28)	(290)	(588)	-	-	-	-	(906)
Accumulated depreciation	-	-	-	4,013	972	216	803	6,004
Accumulated impairment loss	-	-	-	-	-	-	-	-
At 31 August 2012/ 1 September 2012	-	-	-	4,013	972	216	803	6,004
Depreciation for the financial year	4	215	339	1,053	146	7	152	1,916
Disposals	-	-	-	(586)	-	-	-	(586)
Accumulated depreciation	4	215	339	4,480	1,118	223	955	7,334
Accumulated impairment loss	-	-	-	-	-	-	-	-
At 31 August 2013	4	215	339	4,480	1,118	223	955	7,334

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
9 June 2014

6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)
6.2.5 Property, plant and equipment (continued)

	Condominiums RM'000	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Computers RM'000	Total RM'000
<i>Depreciation and impairment loss (continued)</i>								
At 1 September 2013	4	215	339	4,480	1,118	223	955	7,334
Depreciation for the financial period	2	108	169	605	72	5	65	1,026
Accumulated depreciation	6	323	508	5,085	1,190	228	1,020	8,360
Accumulated impairment loss	-	-	-	-	-	-	-	-
At 28 February 2014	6	323	508	5,085	1,190	228	1,020	8,360

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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9 June 2014

6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)
6.2.5 Property, plant and equipment (continued)

	Leasehold land		Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Computers RM'000	Total RM'000
	Condominiums RM'000	RM'000						
<i>Carrying amounts</i>								
At 31 August 2010/ 1 September 2010	280	7,400	12,045	1,302	599	66	193	21,885
At 31 August 2011/ 1 September 2011	276	7,255	11,751	2,910	676	59	262	23,189
At 31 August 2012/ 1 September 2012	298	10,550	13,550	3,336	572	52	233	28,591
At 31 August 2013/ 1 September 2013	294	10,335	13,211	3,399	491	45	248	28,023
28 February 2014	292	10,227	13,042	3,257	589	40	203	27,650

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
9 June 2014

6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.5 Property, plant and equipment (continued)

Titles

The strata title for the condominiums and individual title for the leasehold land have not yet been issued to Sasbadi Group. The lease period of the leasehold land expires on 21 November 2061.

Revaluation

The condominiums, leasehold land and buildings are stated at Directors' valuation which is supported by the professional valuation done in December 2012 by an external independent valuation company, City Valuers & Consultants Sdn. Bhd. on the open market basis.

Had the leasehold land, condominiums and buildings been carried at historical cost less accumulated depreciation, the carrying amounts of the revalued assets that would have been included in the financial statements at the end of the financial year/period are as follows:

	31.8.2010	31.8.2011	31.8.2012	31.8.2013	28.2.2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Leasehold land	2,435	2,388	2,342	2,296	2,271
Condominiums	288	279	270	261	256
Buildings	7,498	7,320	7,142	6,964	6,874
	<u>10,221</u>	<u>9,987</u>	<u>9,754</u>	<u>9,521</u>	<u>9,401</u>

Finance lease liabilities

Included in property, plant and equipment are motor vehicles acquired under finance lease arrangements with an aggregate carrying amount of RM1,054,000 (31 August 2013: RM1,239,000; 31 August 2012: RM1,570,000; 31 August 2011: RM1,429,000; 31 August 2010: RM569,000).

Security

Land and buildings with an aggregate carrying amount of RM23,269,000 (31 August 2013: RM23,630,000; 31 August 2012: RM24,185,000; 31 August 2011: RM19,086,000; 31 August 2010: RM19,525,000) were charged to banks as security for term loans (see Section 6.2.12) and banking facilities granted to Sasbadi Group.

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries Notes to the consolidated financial statements (continued)

6.2.5 Property, plant and equipment (continued)

Fair value information

Fair value of properties are categorised as follows:

28 February 2014	Level 1	Level 2	Level 3	Total
Group				
Leasehold land	-	-	10,227	10,227
Condominiums	-	-	292	292
Buildings	-	-	13,042	13,042
	-	-	23,561	23,561

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical properties that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the property, either directly or indirectly.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Transfer between Level 1 and 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial period ended 28 February 2014.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the property.

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6.2 Sasbadi Sdn. Bhd. and its subsidiaries Notes to the consolidated financial statements (continued)

6.2.5 Property, plant and equipment (continued)

Fair value information (continued)

Level 3 fair value (continued)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Comparison method of valuation which entails comparing the property with similar properties that were sold recently and those that are currently offered for sale in the vicinity.	<p>Recent transactions of similar properties at or near reporting date with similar land usage, land size and location.</p> <p>The characteristics, merits and disadvantages of these properties are noted and diligent adjustments thereof are then made by valuer to reflect the differences and to arrive at the value of the property.</p>	The estimated fair value would increase (decrease) if recent transactions of similar properties at or near reporting date with similar land usage, land size and location were higher (lower).

Valuation processes applied by the Group for Level 3 fair value

The fair values of properties are determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the locations and categories of properties being valued. Changes in Level 3 fair values are analysed by the management every 4 to 5 years, or at shorter intervals if the fair values of the properties are expected to differ materially from their carrying values, after obtaining valuation report from the valuation company.

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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.6 Intangible assets

	Note	Intellectual properties RM' 000
Cost		
At 1 September 2009/ 31 August 2010/ 31 August 2011/ 31 August 2012/ 31 August 2013/		-
Additions	6.2.6.1	5,500
At 28 February 2014		<u>5,500</u>
Amortisation and impairment loss		
At 1 September 2009/ 31 August 2010/ 31 August 2011/ 31 August 2012/ 31 August 2013/		-
Amortisation for the period	6.2.6.1	275
At 28 February 2014		<u>275</u>
Carrying amount		
At 1 September 2009/ 31 August 2010/ 31 August 2011/ 31 August 2012/ 31 August 2013		-
At 28 February 2014		<u>5,225</u>

6.2.6.1 Intellectual properties

The carrying amount of intellectual properties represents the acquisition of the publishing rights and production files from Pearson Malaysia Sdn. Bhd. Sasbadi Group has amortised the intellectual properties over 10 years as the management estimates that the intellectual properties can be used for commercial activities for a duration of 10 years.

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6.2 Sasbadi Sdn. Bhd. and its subsidiaries

Notes to the consolidated financial statements (continued)

6.2.7 Inventories

	31.8.2010	31.8.2011	31.8.2012	31.8.2013	28.2.2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Raw materials	3,958	3,295	6,075	2,367	1,842
Finished goods	9,764	14,368	15,417	12,666	14,110
	<u>13,722</u>	<u>17,663</u>	<u>21,492</u>	<u>15,033</u>	<u>15,952</u>
<i>Recognised in profit or loss:</i>					
Inventories recognised as cost of sales	18,820	22,713	25,261	32,127	18,569
Write-down to net realisable value	-	-	-	1,001	-
Reversal of write-down	(1,959)	(854)	(46)	-	(541)
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

Reversal of write-down

The reversal of write-down amounting to RM1,959,000 for the financial year ended 31 August 2010 was mainly due to the changes in the Directors' estimation on the shelf life for revision books and reference materials from 2 years to 3 years.

6.2.8 Trade and other receivables, and other assets

		31.8.2010	31.8.2011	31.8.2012	31.8.2013	28.2.2014
	Section	RM'000	RM'000	RM'000	RM'000	RM'000
Trade						
Trade receivables	6.2.8.1	11,198	12,952	12,581	19,367	34,473
Less: Allowance for impairment losses	6.2.8.2	(642)	(734)	(118)	(226)	(424)
		<u>10,556</u>	<u>12,218</u>	<u>12,463</u>	<u>19,141</u>	<u>34,049</u>
Non-trade						
Other receivables and deposits	6.2.8.3	3,958	161	317	1,859	1,524
		<u>14,514</u>	<u>12,379</u>	<u>12,780</u>	<u>21,000</u>	<u>35,573</u>
		<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

6.2.8.1 Included in trade receivables of the Group as at 31 August 2013 was RM2,791,000 respectively due from a company controlled by a close family member of a Director of the Company. During the period under review, the close family member of the Director ceased to have control in the company.

6.2.8.2 During the financial year, trade receivables amounting to Nil (2013: Nil; 2012: RM618,000; 2011: Nil; 2010: Nil) have been written off against the allowance for impairment losses.

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries Notes to the consolidated financial statements (continued)

6.2.8 Trade and other receivables, and other assets (continued)

6.2.8.3 Included in other receivables and deposits were :

- (i) amounts due from Directors of Nil (31 August 2013: Nil; 31 August 2012: Nil; 31 August 2011: RM24,000; 31 August 2010: RM3,735,000). The amounts due from Directors were unsecured, interest free and repayable on demand.
- (ii) RM1,100,000 (31 August 2013: RM1,032,000; 31 August 2012: Nil; 31 August 2011: Nil; 31 August 2010: Nil) due from a company with common Directors.

6.2.9 Prepayments

Included in prepayments as at 31 August 2012 were royalties amounted to RM1,490,000 paid in advance to Yayasan Guru Malaysia Berhad for the license to reprint, distribute, market and sell past year examination papers of UPSR, PMR, STAM and SPM. There were no prepayments of the same nature in the other financial years/period under review.

6.2.10 Cash and cash equivalents

	31.8.2010	31.8.2011	31.8.2012	31.8.2013	28.2.2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	3,639	3,537	2,456	6,977	17,641
Deposit placed with a licensed bank	85	-	39	39	39
Liquid investments	8,380	8,074	10,039	5,028	-
	<u>12,104</u>	<u>11,611</u>	<u>12,534</u>	<u>12,044</u>	<u>17,680</u>

The Directors regard liquid investments as cash and cash equivalents when they are highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in fair value.

6.2.11 Capital and reserves

6.2.11.1 Share capital

	31.8.2010	31.8.2011	31.8.2012	31.8.2013	28.2.2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Authorised:					
Ordinary shares of RM1 each	5,000	5,000	5,000	5,000	5,000
Issued and fully paid:					
Ordinary shares of RM1 each					
At beginning of year/period	2,000	2,000	2,400	2,400	2,400
Issued during the financial year	-	400	-	-	-
At end of year/period	<u>2,000</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries

Notes to the consolidated financial statements (continued)

6.2.11 Capital and reserves (continued)

6.2.11.1 Share capital (continued)

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of Sasbadi.

In the financial year ended 31 August 2011, Sasbadi issued 400,000 new ordinary shares of RM1 each for cash at par for working capital purposes.

6.2.11.2 Revaluation reserve

The revaluation reserve relates to the revaluation of the condominiums, leasehold land and buildings.

6.2.11.3 Retained earnings

The Finance Act 2007 introduced a single tier company income tax system with effect from 1 January 2008. The remaining Section 108 tax credit available to Sasbadi has lapsed upon expiry of the six-year transitional period on 31 December 2013.

6.2.12 Borrowings

	31.8.2010	31.8.2011	31.8.2012	31.8.2013	28.2.2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Non current					
Finance lease liabilities	68	324	546	297	247
Term loans - secured	20	-	-	-	-
	88	324	546	297	247
Current					
Finance lease liabilities	182	233	266	249	165
Term loans - secured	61	21	-	-	-
Bankers' acceptances - secured	-	-	-	-	730
Bank overdraft - secured	-	-	-	-	8,049
	243	254	266	249	8,944
	331	578	812	546	9,191

Security:

The term loans, bankers' acceptances and bank overdraft facility are secured by:-
(a) Charge over the land and buildings (see Section 6.2.5); and
(b) Joint and several guarantees by the Directors.

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.12 Borrowings (continued)

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
31.8.2010			
Less than one year	193	(11)	182
Between one and five years	82	(14)	68
	275	(25)	250
	275	(25)	250
31.8.2011			
Less than one year	256	(23)	233
Between one and five years	349	(25)	324
	605	(48)	557
	605	(48)	557
31.8.2012			
Less than one year	291	(25)	266
Between one and five years	605	(59)	546
	896	(84)	812
	896	(84)	812
31.8.2013			
Less than one year	273	(24)	249
Between one and five years	332	(35)	297
	605	(59)	546
	605	(59)	546
28.2.2014			
Less than one year	183	(18)	165
Between one and five years	276	(29)	247
	459	(47)	412
	459	(47)	412

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6.2 Sasbadi Sdn. Bhd. and its subsidiaries Notes to the consolidated financial statements (continued)

6.2.13 Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	31.8.2010	31.8.2011	31.8.2012	31.8.2013	28.2.2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment					
- Capital allowance	225	208	150	410	339
- Revaluation	2,308	2,309	3,661	3,630	3,586
Provisions	-	-	-	-	(950)
	<u>2,533</u>	<u>2,517</u>	<u>3,811</u>	<u>4,040</u>	<u>2,975</u>

Movement in temporary differences during the financial years/period:

Section	<-----Financial year ended----->				6 months
	31.8.2010	31.8.2011	31.8.2012	31.8.2013	ended 28.2.2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment					
- Capital allowance					
At beginning of year/period	119	225	208	150	410
Recognised in profit or loss	106	(17)	(58)	260	(71)
At end of year/period	<u>225</u>	<u>208</u>	<u>150</u>	<u>410</u>	<u>339</u>
Property, plant and equipment					
- Revaluation					
At beginning of year/period	938	2,308	2,309	3,661	3,630
Recognised in profit or loss	(20)	1	(39)	(31)	(44)
Recognised directly in equity	6.2.17	1,390	-	1,391	-
At end of year/period	<u>2,308</u>	<u>2,309</u>	<u>3,661</u>	<u>3,630</u>	<u>3,586</u>
Provisions					
At beginning of year/period	-	-	-	-	-
Recognised in profit or loss	-	-	-	-	(950)
At end of year/period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(950)</u>

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.13 Deferred tax liabilities (continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	31.8.2010	31.8.2011	31.8.2012	31.8.2013	28.2.2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	-	629	575	779	914
Property, plant and equipment	-	5	(5)	(54)	(62)
Other deductible temporary differences	-	-	-	81	110
	<u>-</u>	<u>634</u>	<u>570</u>	<u>806</u>	<u>962</u>

The unutilised tax losses and deductible temporary differences of subsidiaries do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is uncertain if future taxable profit will be available against which the subsidiaries can utilise the benefits.

6.2.14 Trade and other payables

		31.8.2010	31.8.2011	31.8.2012	31.8.2013	28.2.2014
	Section	RM'000	RM'000	RM'000	RM'000	RM'000
Trade						
Trade payables		2,303	4,948	1,981	2,009	4,976
Non-trade						
Other payables and accrued expenses	6.2.14.1	3,229	4,422	3,938	4,524	6,510
		<u>5,532</u>	<u>9,370</u>	<u>5,919</u>	<u>6,533</u>	<u>11,486</u>

6.2.14.1 Included in other payables and accrued expenses of the Group are accrued royalties expenses of RM5,552,000 (31 August 2013: RM3,426,000; 31 August 2012: RM3,176,000; 31 August 2011: RM3,582,000; 31 August 2010: RM2,696,000).

Included in other payables and accrued expenses of the Group at 31 August 2013 were amounts due to Directors of RM227,000.

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6.2 Sasbadi Sdn. Bhd. and its subsidiaries

Notes to the consolidated financial statements (continued)

6.2.15 Provisions

In the previous financial year, the Group has set up a formal policy for the provision of sales returns from customers. The estimated liabilities are made after taking into consideration the historical trends of sales returns.

	RM'000
Sales returns	
At 1 September 2009/ 31 August 2010/ 31 August 2011/ 31 August 2012	-
Provisions made during the year	1,061
At 31 August 2013/ 1 September 2013	1,061
Provisions made during the period	3,088
At 28 February 2014	4,149

6.2.16 Profit for the financial year/period

	<-----Financial year ended----->				6 months ended
	31.8.2010	31.8.2011	31.8.2012	31.8.2013	28.2.2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the financial year/period is arrived at after charging:					
Auditors' remuneration					
Audit services					
Auditors of Sasbadi	35	60	90	90	93
Other auditors	2	2	3	3	4
Amortisation of intangible assets	-	-	-	-	275
Depreciation on property, plant and equipment	1,184	1,355	1,618	1,916	1,026
Impairment loss on:					
- Goodwill	-	-	20	-	-
- Property, plant and equipment	20	-	-	-	-
- Trade receivables	80	92	9	130	198
Inventories write down	-	-	-	1,001	-
Personnel expenses (including key management personnel):					
- Contribution to Employees Provident Fund	881	1,034	1,222	1,322	850
- Wages, salaries and others	8,267	9,652	10,106	11,896	7,513
Provision for sales returns	-	-	-	1,061	3,088
Rental of hostel and warehouse	139	149	155	-	-
Realised foreign exchange loss	-	-	78	63	39

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.16 Profit for the financial year/period (continued)

	<-----Financial year ended----->				6 months
	31.8.2010	31.8.2011	31.8.2012	31.8.2013	ended
	RM'000	RM'000	RM'000	RM'000	28.2.2014
					RM'000
and after crediting:					
Interest income	177	223	92	173	55
Gain on disposal of property, plant and equipment	32	72	533	131	-
Reversal of impairment loss on trade receivables	-	-	7	22	-
Reversal of inventories written down	1,959	854	46	-	541
	=====	=====	=====	=====	=====

6.2.17 Other comprehensive income

	Before tax RM'000	Tax expense RM'000	Net of tax RM'000
Items that will not be reclassified subsequently to profit or loss			
Financial year ended 31 August 2010			
Revaluation of property, plant and equipment	5,562	(1,390)	4,172
	=====	=====	=====
Financial year ended 31 August 2011			
Revaluation of property, plant and equipment	-	-	-
	=====	=====	=====
Financial year ended 31 August 2012			
Revaluation of property, plant and equipment	5,559	(1,391)	4,168
	=====	=====	=====
Financial year ended 31 August 2013			
Revaluation of property, plant and equipment	-	-	-
	=====	=====	=====
6 months period ended 28 February 2014			
Revaluation of property, plant and equipment	-	-	-
	=====	=====	=====

6.2.18 Key management personnel compensation

	<-----Financial year ended----->				6 months
	31.8.2010	31.8.2011	31.8.2012	31.8.2013	ended
	RM'000	RM'000	RM'000	RM'000	28.2.2014
					RM'000
Directors' remuneration:					
- Fees	200	200	200	218	230
- Other emoluments	1,289	1,060	1,047	1,437	1,362
	=====	=====	=====	=====	=====
	1,489	1,260	1,247	1,655	1,592
	=====	=====	=====	=====	=====

The estimated monetary value of Directors' benefit-in-kind of the Group and of the Company are RM39,000 (2013: RM78,000; 2012:RM76,000; 2011: RM80,000; 2010: RM80,000).

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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.19 Income tax expense

	6 months				
	<-----Financial year ended-----> ended				
	31.8.2010	31.8.2011	31.8.2012	31.8.2013	28.2.2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Recognised in profit or loss					
Current tax expense					
- current year	2,194	3,580	4,148	4,941	3,696
- (over)/under provision in prior years	(104)	(98)	(45)	(261)	275
	2,090	3,482	4,103	4,680	3,971
Deferred tax expense					
- Origination and reversal of temporary differences	24	(55)	(181)	(1)	(754)
- Under/(over) provision in prior years	82	38	123	261	(267)
Crystallisation of deferred tax liability on revaluation surplus of properties	(20)	1	(39)	(31)	(44)
	86	(16)	(97)	229	(1,065)
	2,176	3,466	4,006	4,909	2,906
Reconciliation of effective tax expense:					
Profit before tax	8,246	12,942	14,898	18,526	11,029
Income tax using Malaysian tax rate of 25%	2,061	3,236	3,725	4,632	2,757
Effect of lower tax rate*	(25)	(37)	(31)	(50)	(38)
Non-deductible expenses	183	215	289	299	184
Effect of deferred tax assets not recognised	-	111	-	59	39
Utilisation of deferred tax assets not recognised	-	-	(16)	-	-
	2,219	3,525	3,967	4,940	2,942
Crystallisation of deferred tax liability on revaluation surplus of properties	(21)	1	(39)	(31)	(44)
(Over)/Under provision in prior years	(22)	(60)	78	-	8
Income tax expense	2,176	3,466	4,006	4,909	2,906

* With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax at 20% on chargeable income up to RM500,000.

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries

Notes to the consolidated financial statements (continued)

6.2.20 Dividends

Dividends recognised are:

	RM per share	Total amount RM'000	Date of payment
2010			
Interim 2010 (single tier)	5.75	11,500	23 July 2010*
2011			
Interim 2011 (single tier)	5.10	12,240	23 July 2011*
2012			
First interim 2012 (single tier)	0.65	1,560	23 July 2012*
Second interim 2012 (net of tax)	0.21	500	6 December 2012^
Third interim 2012 (net of tax)	2.08	5,000	14 January 2013^
Fourth interim 2012 (net of tax)	4.43	10,625	26 March 2013^
		<u>17,685</u>	

* These are single tier dividends paid in specie by way of offsetting against the advances to the Directors.

^ These are dividends declared but not yet paid as at 31 August 2012.

Dividends declared and paid after 28 February 2014 are as follows:

	RM per share	Total amount RM'000	Date of payment
First interim 2014 (single tier)	1.04	2,500	3 April 2014
Second interim 2014 (single tier)	2.50	6,000	16 May 2014
		<u>8,500</u>	



6.2 Sasbadi Sdn. Bhd. and its subsidiaries

Notes to the consolidated financial statements (continued)

6.2.21 Operating segments

Sasbadi Group's reportable segments are organised in accordance with the Group entities, which are the Group's strategic business units. The strategic business units offer products to different markets and are managed separately because they require different marketing strategies. For each of the strategic business units, the Group's Managing Director ("GMD"), who is the chief operating decision maker reviews internal management reports regularly. The principal activities of the Group entities are as disclosed in Section 4.1.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the GMD. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the GMD. Segment total assets are used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the GMD. Hence, no disclosure is made on segment liabilities.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year/period to acquire property, plant and equipment, and intangible assets other than goodwill.

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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.21 Operating segments (continued)

	Sasbadi Sdn. Bhd. RM'000	Sasbadi Online Sdn. Bhd. RM'000	Orbit Buku Sdn. Bhd. RM'000	Maya Press Sdn. Bhd. RM'000	Malaysian Book Promotions Sdn. Bhd. RM'000	Total RM'000
Year ended 31 August 2010	9,387	-	(1)	(2)	(5)	9,379
Segment profit/(loss)	47,012	-	-	-	-	47,012

Included in the measure of segment profit/(loss) are:
Revenue from external customers

Not included in the measure of segment profit but provided
to Group Managing Director:
Depreciation and amortisation
Finance costs
Income tax expense
Interest income

Segmental assets

Included in the measure of segment assets are:
Additions to non-current assets other than financial instruments
and deferred tax assets

(1,184)	-	-	-	-	-	(1,184)
(126)	-	-	-	-	-	(126)
(2,176)	-	-	-	-	-	(2,176)
177	-	-	-	-	-	177
64,275	-	1	2	89	-	64,367
604	-	-	-	-	-	604

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.21 Operating segments (continued)

	Sasbadi Sdn. Bhd. RM'000	Sasbadi Online Sdn. Bhd. RM'000	Orbit Buku Sdn. Bhd. RM'000	Maya Press Sdn. Bhd. RM'000	Malaysian Book Promotions Sdn. Bhd. RM'000	Total RM'000
Year ended 31 August 2011	14,449	240	(560)	(2)	(3)	14,124
Segment profit/(loss)	59,275	611	75	-	-	59,961
	28	3	33	-	-	64
Included in the measure of segment profit/(loss) are:						
Revenue from external customers						
Inter-company revenue						
Not included in the measure of segment profit but provided to Group Managing Director:						
Depreciation and amortisation	(1,355)	-	-	-	-	(1,355)
Finance costs	(49)	-	-	-	-	(49)
Income tax expense	(3,466)	-	-	-	-	(3,466)
Interest income	223	-	-	-	-	223
Segmental assets	64,139	2,544	963	2	92	67,740
Included in the measure of segment assets are:						
Additions to non-current assets other than financial instruments and deferred tax assets	2,709	-	7	-	-	2,716

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.21 Operating segments (continued)

	Sasbadi Sdn. Bhd. RM'000	Sasbadi Online Sdn. Bhd. RM'000	Orbit Buku Sdn. Bhd. RM'000	Maya Press Sdn. Bhd. RM'000	Malaysian Book Promotions Sdn. Bhd. RM'000	Total RM'000
Year ended 31 August 2012	16,369	82	53	(4)	(4)	16,496
Segment profit/(loss)	62,535	1,135	1,151	-	-	64,821
	160	29	29	-	-	218
Included in the measure of segment profit/(loss) are:						
Revenue from external customers						
Inter-company revenue						
Not included in the measure of segment profit but provided to Group Managing Director:						
Depreciation and amortisation	(1,618)	-	-	-	-	(1,618)
Finance costs	(59)	-	-	-	-	(59)
Income tax expense	(3,991)	(15)	-	-	-	(4,006)
Interest income	92	-	-	-	-	92
Segmental assets	76,932	2,904	1,348	23	81	81,288
Included in the measure of segment assets are:						
Additions to non-current assets other than financial instruments and deferred tax assets	1,485	-	1	-	-	1,486

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.21 Operating segments (continued)

	Sasbadi Sdn. Bhd. RM'000	Sasbadi Online Sdn. Bhd. RM'000	Orbit Buku Sdn. Bhd. RM'000	Maya Press Sdn. Bhd. RM'000	Malaysian Book Promotions Sdn. Bhd. RM'000	Total RM'000
Year ended 31 August 2013	17,574	3,092	(309)	(4)	(1)	20,352
Segment profit/(loss)	71,744	5,755	465	-	-	77,964
	36	33	5	-	-	74
Included in the measure of segment profit/(loss) are:						
Revenue from external customers						
Inter-company revenue						
Not included in the measure of segment profit but provided to Group Managing Director:						
Depreciation and amortisation	(1,897)	(18)	(1)	-	-	(1,916)
Finance costs	(74)	-	-	-	-	(74)
Income tax expense	(4,153)	(756)	-	-	-	(4,909)
Interest income	173	-	-	-	-	173
Segmental assets	74,208	7,066	960	2	70	82,306
Included in the measure of segment assets are:						
Additions to non-current assets other than financial instruments and deferred tax assets	1,161	187	-	-	-	1,348

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.21 Operating segments (continued)

6 months ended 28 February 2014

Segment profit/(loss)

Sasbadi Sdn. Bhd. RM'000	Sasbadi Online Sdn. Bhd. RM'000	Orbit Buku Sdn. Bhd. RM'000	Maya Press Sdn. Bhd. RM'000	Malaysian Book Promotions Sdn. Bhd. RM'000	Total RM'000
10,554	(479)	261	(3)	2,112	12,445

Included in the measure of segment profit/(loss) are:

Revenue from external customers
Inter-company revenue

39,031	97	816	-	4,048	43,992
955	-	1	-	184	1,140

Not included in the measure of segment profit but provided

to Group Managing Director:
Depreciation and amortisation
Finance costs
Income tax expense
Interest income

(1,281)	(20)	-	-	-	(1,301)
(170)	-	-	-	-	(170)
(2,305)	(53)	-	-	(548)	(2,906)
55	-	-	-	-	55

Segmental assets

Included in the measure of segment assets are:

Additions to non-current assets other than financial instruments
and deferred tax assets

99,242	5,132	1,727	2	5,214	111,317
6,142	11	-	-	-	6,153

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.21 Operating segments (continued)

Reconciliations of reportable segment revenues, profit or loss, assets, liabilities and other material items

	<-----Financial year ended----->				6 months
	31.8.2010	31.8.2011	31.8.2012	31.8.2013	ended 28.2.2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit or loss					
Total profit or loss for reportable segments	9,379	14,124	16,496	20,352	12,445
Elimination of inter-segment profits	-	(1)	(13)	(9)	-
Depreciation and amortisation	(1,184)	(1,355)	(1,618)	(1,916)	(1,301)
Finance costs	(126)	(49)	(59)	(74)	(170)
Interest income	177	223	92	173	55
Consolidated profit before tax	<u>8,246</u>	<u>12,942</u>	<u>14,898</u>	<u>18,526</u>	<u>11,029</u>

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.21 Operating segments (continued)

Reconciliations of reportable segment revenues, profit or loss, assets, liabilities and other material items (continued)

	External revenue RM'000	Depreciation and amortisation RM'000	Finance costs RM'000	Interest income RM'000	Segment assets RM'000	Additions to non-current assets RM'000
As at /Financial year ended 31 August 2010						
Total reportable segments	47,012	(1,184)	(126)	177	64,367	604
Elimination of inter-segment transactions or balances	-	-	-	-	(95)	-
Consolidated total	47,012	(1,184)	(126)	177	64,272	604
As at /Financial year ended 31 August 2011						
Total reportable segments	60,025	(1,355)	(49)	223	67,740	2,716
Elimination of inter-segment transactions or balances	(64)	-	-	-	(1,715)	-
Consolidated total	59,961	(1,355)	(49)	223	66,025	2,716
As at /Financial year ended 31 August 2012						
Total reportable segments	65,039	(1,618)	(59)	92	81,288	1,486
Elimination of inter-segment transactions or balances	(218)	-	-	-	(3,718)	-
Consolidated total	64,821	(1,618)	(59)	92	77,570	1,486

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.21 Operating segments (continued)

Reconciliations of reportable segment revenues, profit or loss, assets, liabilities and other material items (continued)

	External revenue RM'000	Depreciation and amortisation RM'000	Finance costs RM'000	Interest income RM'000	Segment assets RM'000	Additions to non-current assets RM'000
As at /Financial year ended 31 August 2013						
Total reportable segments	78,038	(1,916)	(74)	173	82,306	1,348
Elimination of inter-segment transactions or balances	(74)	-	-	-	(5,431)	-
Consolidated total	77,964	(1,916)	(74)	173	76,875	1,348
As at /Financial period ended 28 February 2014						
Total reportable segments	45,132	(1,301)	(170)	55	111,317	6,153
Elimination of inter-segment transactions or balances	(1,140)	-	-	-	(8,418)	-
Consolidated total	43,992	(1,301)	(170)	55	102,899	6,153

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries Notes to the consolidated financial statements (continued)

6.2.21 Operating segments (continued)

Geographic segments

Sasbadi Group operates primarily in Malaysia and as such, no geographical segment disclosures are made.

Major customers

Sasbadi Group has a major customer, with revenue generated for the financial period ended 28 February 2014 amounting to RM3,550,000 (2013: RM8,057,000; 2012: RM6,672,000; 2011: RM5,610,000; 2010: RM4,367,000).

6.2.22 Financial instruments

6.2.22.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables (L&R);
- (b) Available-for-sale financial assets (AFS); and
- (c) Financial liabilities measured at amortised cost (FL).

	Carrying amount RM'000	L&R/ (FL) RM'000	AFS RM'000
31.8.2010			
Financial assets			
Other investments	37	-	37
Trade and other receivables, and other assets	14,514	14,514	-
Cash and cash equivalents	12,104	12,104	-
	26,655	26,618	37
Financial liabilities			
Borrowings	(331)	(331)	-
Trade and other payables	(5,532)	(5,532)	-
	(5,863)	(5,863)	-
31.8.2011			
Financial assets			
Other investments	37	-	37
Trade and other receivables, and other assets	12,379	12,379	-
Cash and cash equivalents	11,611	11,611	-
	24,027	23,990	37

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.22 Financial instruments (continued)

6.2.22.1 Categories of financial instruments (continued)

	Carrying amount RM'000	L&R/ (FL) RM'000	AFS RM'000
31.8.2011			
Financial liabilities			
Borrowings	(578)	(578)	-
Trade and other payables	(9,370)	(9,370)	-
	(9,948)	(9,948)	-
31.8.2012			
Financial assets			
Other investments	37	-	37
Trade and other receivables, and other assets	12,780	12,780	-
Cash and cash equivalents	12,534	12,534	-
	25,351	25,314	37
Financial liabilities			
Borrowings	(812)	(812)	-
Trade and other payables	(5,919)	(5,919)	-
Dividends payable	(16,125)	(16,125)	-
	(22,856)	(22,856)	-
31.8.2013			
Financial assets			
Other investments	37	-	37
Trade and other receivables, and other assets	21,000	21,000	-
Cash and cash equivalents	12,044	12,044	-
	33,081	33,044	37
Financial liabilities			
Borrowings	(546)	(546)	-
Trade and other payables	(6,533)	(6,533)	-
	(7,079)	(7,079)	-

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.22 Financial instruments (continued)

6.2.22.1 Categories of financial instruments (continued)

	Carrying amount RM'000	L&R/ (FL) RM'000	AFS RM'000
28.2.2014			
Financial assets			
Other investments	37	-	37
Trade and other receivables, and other assets	35,573	35,573	-
Cash and cash equivalents	17,680	17,680	-
	<u>53,290</u>	<u>53,253</u>	<u>37</u>
Financial liabilities			
Borrowings	(9,191)	(9,191)	-
Trade and other payables	(11,486)	(11,486)	-
	<u>(20,677)</u>	<u>(20,677)</u>	<u>-</u>

6.2.22.2 Net gains and losses arising from financial instruments

	<-----Financial year ended----->				6 months ended
	31.8.2010	31.8.2011	31.8.2012	31.8.2013	28.2.2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Net gain/(loss) on:					
Loans and receivables	97	131	90	65	(143)
Financial liabilities measured at amortised cost	(126)	(49)	(137)	(137)	(209)
	<u>(29)</u>	<u>82</u>	<u>(47)</u>	<u>(72)</u>	<u>(352)</u>

6.2.22.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

6.2.22.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers.

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries Notes to the consolidated financial statements (continued)

6.2.22 Financial instruments (continued)

6.2.22.4 Credit risk (continued)

6.2.22.4.1 Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.

Where applicable, the Group will demand for guarantees from shareholders/Directors of their customers as a form of safeguard over the outstanding debts.

Impairment losses

The Group maintains an ageing analysis in respect of trade receivables only. The ageing profiles of trade receivables as at the end of the reporting period were:

	Gross RM'000	Individual impairment RM'000	Net RM'000
31.8.2010			
Not past due	3,129	-	3,129
Past due 1 – 30 days	1,813	-	1,813
Past due 31 – 120 days	4,232	-	4,232
Past due more than 120 days	2,024	(642)	1,382
	11,198	(642)	10,556
31.8.2011			
Not past due	3,851	-	3,851
Past due 1 – 30 days	1,251	-	1,251
Past due 31 – 120 days	5,951	-	5,951
Past due more than 120 days	1,899	(734)	1,165
	12,952	(734)	12,218

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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.22 Financial instruments (continued)

6.2.22.4.1 Receivables (continued)

Impairment losses (continued)

	Gross RM'000	Individual impairment RM'000	Net RM'000
31.8.2012			
Not past due	3,904	-	3,904
Past due 1– 30 days	2,654	-	2,654
Past due 31 – 120 days	4,630	-	4,630
Past due more than 120 days	1,393	(118)	1,275
	12,581	(118)	12,463
31.8.2013			
Not past due	5,579	-	5,579
Past due 1– 30 days	1,905	-	1,905
Past due 31 – 120 days	7,684	-	7,684
Past due more than 120 days	4,199	(226)	3,973
	19,367	(226)	19,141
28.2.2014			
Not past due	17,745	-	17,745
Past due 1– 30 days	11,160	-	11,160
Past due 31 – 120 days	2,543	-	2,543
Past due more than 120 days	3,025	(424)	2,601
	34,473	(424)	34,049

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	31.8.2010 RM'000	31.8.2011 RM'000	31.8.2012 RM'000	31.8.2013 RM'000	28.2.2014 RM'000
At 1 September 2009/2010/ 2011/2012/2013	562	642	734	118	226
Impairment loss recognised	80	92	9	130	198
Impairment loss reversed	-	-	(7)	(22)	-
Impairment loss written off	-	-	(618)	-	-
At 31 August 2010/2011/2012 /2013/ 28 February 2014	642	734	118	226	424



6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.22 Financial instruments (continued)

6.2.22.4.1 Receivables (continued)

Impairment losses (continued)

The allowance account in respect of trade receivables is used to record impairment losses. Unless Sasbadi Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

6.2.22.4.2 Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than Sasbadi Group. Transactions involving derivative financial instruments, if any, are with approved financial institutions.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, Sasbadi Group has only invested in money market fund. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

The investments and other financial assets are unsecured.

6.2.22.5 Liquidity risk

Liquidity risk is the risk that Sasbadi Group will not be able to meet its financial obligations as they fall due. Sasbadi Group's exposure to liquidity risk arises principally from its various payables and borrowings.

Sasbadi Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries

Notes to the consolidated financial statements (continued)

6.2.22 Financial instruments (continued)

6.2.22.5 Liquidity Risk (continued)

Maturity analysis

The table below summarises the maturity profile of Sasbadi Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/ coupon %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000
31.8.2010					
<i>Non-derivative financial liabilities</i>					
Term loans	81	7.55-8.05	85	63	22
Finance lease liabilities	250	5.82-7.09	275	193	82
Trade and other payables	5,532	-	5,532	5,532	-
	<u>5,863</u>		<u>5,892</u>	<u>5,788</u>	<u>104</u>
31.8.2011					
<i>Non-derivative financial liabilities</i>					
Term loans	21	8.35	22	22	-
Finance lease liabilities	557	4.82-7.09	605	256	349
Trade and other payables	9,370	-	9,370	9,370	-
	<u>9,948</u>		<u>9,997</u>	<u>9,648</u>	<u>349</u>
31.8.2012					
<i>Non-derivative financial liabilities</i>					
Finance lease liabilities	812	4.43-5.58	896	291	605
Trade and other payables	5,919	-	5,919	5,919	-
Dividends payable	16,125	-	16,125	16,125	-
	<u>22,856</u>		<u>22,940</u>	<u>22,335</u>	<u>605</u>
31.8.2013					
<i>Non-derivative financial liabilities</i>					
Finance lease liabilities	546	4.43-5.58	605	273	332
Trade and other payables	6,533	-	6,533	6,533	-
	<u>7,079</u>		<u>7,138</u>	<u>6,806</u>	<u>332</u>

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.22 Financial instruments (continued)

6.2.22.5 Liquidity risk (continued)

	Carrying amount RM'000	Contractual interest rate/ coupon %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000
28.2.2014					
<i>Non-derivative financial liabilities</i>					
Finance lease liabilities	412	4.43-5.58	459	183	276
Trade and other payables	11,486	-	11,486	11,486	-
Bankers' acceptances	730	-	730	730	-
Bank overdraft	8,049	8.1	8,701	8,701	-
	<u>20,677</u>		<u>21,376</u>	<u>21,100</u>	<u>276</u>

6.2.22.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

6.2.22.6.1 Currency risk

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily *U.S. Dollar (USD)*.

Risk management objectives, policies and processes for managing the risk

The Group's exposure to foreign currency risk is monitored on an ongoing basis and forward exchange contracts are used to hedge foreign currency risk when necessary. Forward exchange contracts, if any, would have maturities of less than one year. Where necessary, the forward exchange contracts are rolled over at maturity.

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.22 Financial instruments (continued)

6.2.22.6.1 Currency risk (continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in <i>USD</i>				
	31.8.2010 RM'000	31.8.2011 RM'000	31.8.2012 RM'000	31.8.2013 RM'000	28.2.2014 RM'000
Trade payables	33	16	135	689	1,118
Exposure in statement of financial position	<u>33</u>	<u>16</u>	<u>135</u>	<u>689</u>	<u>1,118</u>

Foreign currency risk arises from the aforementioned exposure is not material, hence, sensitivity analysis is not presented.

13. ACCOUNTANTS' REPORT (Cont'd)



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6.2 Sasbadi Sdn. Bhd. and its subsidiaries Notes to the consolidated financial statements (continued)

6.2.22 Financial instruments (continued)

6.2.22.6.2 Interest rate risk

Sasbadi Group's investments in fixed rate debt securities and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

Sasbadi Group adopts a practice to continuously seek for alternative banking facilities which provide competitive interest rates to finance and/or refinance its working capital requirements.

Exposure to interest rate risk

The interest rate profile of Sasbadi Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	31.8.2010	31.8.2011	31.8.2012	31.8.2013	28.2.2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Floating rate instruments					
Liquid investments	8,380	8,074	10,039	5,028	-
Term loans	(81)	(21)	-	-	-
Bank overdraft – secured	-	-	-	-	(8,049)
	<u>8,299</u>	<u>8,053</u>	<u>10,039</u>	<u>5,028</u>	<u>(8,049)</u>
Fixed rate instruments					
Finance lease liabilities	(250)	(557)	(812)	(546)	(412)
Bankers' acceptances	-	-	-	-	(730)
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

Sasbadi Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and Sasbadi Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries
Notes to the consolidated financial statements (continued)

6.2.22 Financial instruments (continued)

6.2.22.6.2 Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bps) in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss	
	100 bps increase RM'000	100 bps decrease RM'000
31.08.2010		
Floating rate instruments	67	(67)
Cash flow sensitivity (net)	67	(67)
31.08.2011		
Floating rate instruments	65	(65)
Cash flow sensitivity (net)	65	(65)
31.08.2012		
Floating rate instruments	80	(80)
Cash flow sensitivity (net)	80	(80)
31.08.2013		
Floating rate instruments	38	(38)
Cash flow sensitivity (net)	38	(38)
28.02.2014		
Floating rate instruments	(60)	60
Cash flow sensitivity (net)	(60)	60

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries

Notes to the consolidated financial statements (continued)

6.2.22 Financial instruments (continued)

6.2.22.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

It was not practicable to estimate the fair value of Sasbadi Group's investment in unquoted investments due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Carrying amount RM'000	Fair value RM'000
31.8.2010		
Finance lease liabilities	(250)	(257)
	=====	=====
31.8.2011		
Finance lease liabilities	(557)	(551)
	=====	=====
31.8.2012		
Finance lease liabilities	(812)	(804)
	=====	=====
31.8.2013		
Finance lease liabilities	(546)	(540)
	=====	=====
28.2.2014		
Finance lease liabilities	(412)	(412)
	=====	=====

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

6.2.22.7.1 Fair value hierarchy

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries Notes to the consolidated financial statements (continued)

6.2.22 Financial instruments (continued)

6.2.22.7 Fair value of financial instruments (continued)

6.2.22.7.1 Fair value hierarchy (continued)

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial period. (2013/2012/2011/2010: no transfer in either directions)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Interest rates used to determine fair value

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	31.08.2010	31.08.2011	31.08.2012	31.08.2013	28.02.2014
	%	%	%	%	%
Finance lease liabilities	4.66 – 5.68	4.82 – 6.08	4.43 – 5.58	4.43 – 5.58	4.43 – 5.58
	=====	=====	=====	=====	=====

6.2.23 Capital management

Sasbadi Group's capital is represented by their total equity in the consolidated statement of financial position. The Directors monitor the adequacy of capital on an ongoing basis.

There is no external capital requirement imposed on Sasbadi Group.

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
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6.2 Sasbadi Sdn. Bhd. and its subsidiaries Notes to the consolidated financial statements (continued)

6.2.24 Related party transactions

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to Sasbadi Group if Sasbadi Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where Sasbadi Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of Sasbadi Group either directly or indirectly. The key management personnel include all the Directors of Sasbadi Group, and certain members of senior management of Sasbadi Group.

The balances with related parties are disclosed in Section 6.2.8 and Section 6.2.14; whilst the significant related party transactions of Sasbadi Group, other than key management personnel compensation (see Section 6.2.18), are as follows:

	<-----Financial year ended----->				6 months ended
	31.8.2010	31.8.2011	31.8.2012	31.8.2013	28.2.2014
	RM'000	RM'000	RM'000	RM'000	RM'000
Directors of Sasbadi					
Disposal of motor vehicles	-	-	78	-	-
	=====	=====	=====	=====	=====
Connected persons to					
Directors of Sasbadi:					
Sales of goods	(299)	(1,457)	(2,046)	(4,130)	(16)
Purchases of goods	2,608	1,358	363	11	2
Management fees	(45)	(45)	(45)	-	-
	=====	=====	=====	=====	=====

The abovementioned transactions are entered into with the related parties under negotiated terms.

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
9 June 2014

6.3 MBP Publications Sdn. Bhd.

6.3.1 Statement of financial position

	Unaudited as At 28.3.2014 RM
Assets	
Cash and cash equivalents	1,000
Total assets	<u>1,000</u>
Equity	
Share capital	1,000
Total equity attributable to owners of MBP Publications	<u>1,000</u>
Total equity	<u>1,000</u>

13. ACCOUNTANTS' REPORT (Cont'd)



Sasbadi Holdings Berhad
Accountants' Report
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6.4 Sasbadi Learning Solutions Sdn. Bhd.

6.4.1 Statement of financial position

	Unaudited as at 3.4.2014 RM
Assets	
Cash and cash equivalents	1,000
Total assets	<u>1,000</u>
Equity	
Share capital	1,000
Total equity attributable to owners of Sasbadi Learning Solutions	<u>1,000</u>
Total equity	<u>1,000</u>



7. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in this report.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.



7. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting period except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.



7. Significant accounting policies (continued)

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group categorises and measures financial instruments as follows:

Financial assets

(a) *Financial assets at fair value through profit or loss*

Fair value through profit or loss category comprises financial assets that are held for trading including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Financial assets categorised as fair value through profit or loss are subsequently measured at the fair values with the gain or loss recognised in profit or loss.



7. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

(b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(c) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at the fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 7(i)(i)).



7. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.



7. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.



7. Significant accounting policies (continued)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost/valuation less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain and loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount and is recognised net within "other operating income" or "other operating expenses" respectively in profit or loss.



7. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Property, plant and equipment under the revaluation model

The Group revalues its property comprising condominiums and leasehold land and buildings every 4 to 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Additions subsequent to the date of valuation are stated at cost until the next revaluation exercise.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.



7. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

Leasehold land	60 years
Condominiums	50 years
Buildings	50 years
Motor vehicles	5 years
Office equipment, furniture and fittings	10 years
Renovation	10 years
Computers	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.



7. Significant accounting policies (continued)

(e) Leased assets (continued)

(ii) Operating lease

Leases where the Group does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(f) Intangible assets

(i) Goodwill

Goodwill arising on business combinations is measured at cost less any accumulated impairment losses.

(ii) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The fair value of intellectual properties acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.



7. Significant accounting policies (continued)

(f) Intangible assets (continued)

(iv) Amortisation

Amortisation is based on the cost of an asset less its residual value.

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use.

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful life of intangible assets from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Intellectual properties	10 years
-------------------------	----------

Amortisation methods, useful lives, and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.



7. Significant accounting policies (continued)

(i) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investments in subsidiaries) are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.



7. Significant accounting policies (continued)

(i) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or a group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (or a group of cash-generating units) on a *pro rata* basis.



7. Significant accounting policies (continued)

(i) Impairment (continued)

(ii) Other assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial period in which the reversals are recognised.

(j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(k) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



7. Significant accounting policies (continued)

(k) Employee benefits (continued)

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Sales returns

A provision for sales returns is recognised based on the estimated liabilities arising from the returns of goods sold by the customers. The estimated liabilities are made after taking into consideration the historical trend of sales returns.

(m) Revenue recognition and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.



7. Significant accounting policies (continued)

(m) Revenue recognition and other income (continued)

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(n) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(o) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.



7. Significant accounting policies (continued)

(o) Tax expense (continued)

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial period, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial periods.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.



7. Significant accounting policies (continued)

(q) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker, which in this case is the Group Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(r) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

Where it is not probable that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow of economic benefits is remote. Possible entitlements, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

13. ACCOUNTANTS' REPORT (*Cont'd*)



*Sasbadi Holdings Berhad
Accountants' Report
9 June 2014*

7. Significant accounting policies (continued)

(s) Fair value measurements

From 1 September 2013, the Group adopted MFRS 13, *Fair Value Measurement* which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In accordance with the transitional provision of MFRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of MFRS 13 has not significantly affected the measurements of the Group's assets or liabilities other than the additional disclosures.

8. Audited financial statements

No audited financial statements have been prepared in respect of any period subsequent to 28 February 2014 for the Group.

9. Events after the reporting period

There were no significant events between the date of the last financial statements used in the preparation of this report and the date of this report which will affect materially the contents of this report.

Yours faithfully,

KPMG
AF 0758
Chartered Accountants

Petaling Jaya,
Date: 9 June 2014



KPMG (Firm No. AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
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Independent Auditors' Report to the members of Sasbadi Sdn. Bhd.

(Company No. 139288 - X)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Sasbadi Sdn. Bhd., which comprise the balance sheets as at 31 August 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 29.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Company No. 139288 - X

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 August 2010 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 3 to the financial statements.
- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Petaling Jaya,

Date: 31 March 2011

Chin Shoon Chong
Approval Number: 2823/04/11(J)
Chartered Accountant



KPMG (Firm No. AF 0758)
Chartered Accountants
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8, First Avenue, Bandar Utama
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Internet www.kpmg.com.my

Independent Auditors' Report to the members of Sasbadi Sdn. Bhd.

(Company No. 139288 - X)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Sasbadi Sdn. Bhd., which comprise the balance sheets as at 31 August 2011 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 33.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Company No. 139288 - X

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 August 2011 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 3 to the financial statements.
- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Chin Shoon Chong
Approval Number: 2823/04/13(J)
Chartered Accountant

Petaling Jaya,

Date: 26 March 2012



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Independent Auditors' Report to the members of Sasbadi Sdn. Bhd.

(Company No. 139288-X)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Sasbadi Sdn. Bhd., which comprise the statements of financial position as at 31 August 2012 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 73.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13



Company No. 139288-X

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 August 2012 and of their financial performance and cash flows for the financial year then ended.


Report on Other Legal and Regulatory Requirements

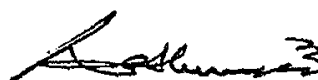
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 4 to the financial statements.
- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


 KPMG
 Firm Number: AF 0758
 Chartered Accountants


 Chin Shoon Chong
 Approval Number: 2823/04/13(J)
 Chartered Accountant

Petaling Jaya,

Date: 25 February 2013



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Independent Auditors' Report to the members of Sasbadi Sdn. Bhd.

(Company No. 139288-X)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Sasbadi Sdn. Bhd., which comprise the statements of financial position as at 31 August 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 71.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AB



Company No. 139288-X

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 August 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 4 to the financial statements.
- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Chin Shoon Chong
Approval Number: 2823/04/15(J)
Chartered Accountant

Petaling Jaya,

Date: 4 December 2013



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Independent Auditors' Report to the Board of Directors of Sasbadi Sdn. Bhd.

(Company No. 139288-X)
(Incorporated in Malaysia)

The Board of Directors

Sasbadi Sdn. Bhd.
Lot 12, Jalan Teknologi 3/4
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya
Selangor

Dear Sirs,

Report on the Financial Statements

We have audited the financial statements of Sasbadi Sdn. Bhd., which comprise the statements of financial position as at 28 February 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 1 to 65.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

13



Company No. 139288-X

Auditors' Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 28 February 2014 and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

The comparatives for the statements of profit or loss and other comprehensive income, changes in equity and cash flows as well as the comparatives in the notes to the financial statements relating to the period ended 28 February 2013 were extracted and compiled by management from the Group's and the Company's management accounts. We did not perform an audit or review on these comparatives and accordingly, we express no assurance thereon.

This report has been prepared solely for the Board of Directors of the Company in connection with Sasbadi Holdings Berhad's proposed listing of and quotation for its shares on the Main Market of Bursa Malaysia Securities Berhad and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Petaling Jaya

Date: 9 June 2014

13. ACCOUNTANTS' REPORT (*Cont'd*)

Appendix II

S.F.YAP & CO.

(FIRM NO. AP 0055)
CHARTERED ACCOUNTANTS
17 & 19, Jalan Brunei Barat, Pudu
55100 Kuala Lumpur
Tel: 21426689 (8 lines) Fax: 21410957



(A member firm of Malaysian
Institute of Accountants)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ORBIT BUKU SDN. BHD.**

(Company No: 894135-W)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **ORBIT BUKU SDN. BHD.**, which comprise the balance sheet as at 31st August 2010, and the income statement, statement of changes in equity and cash flow statement for the period from the date of incorporation to 31st August 2010 then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 14.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Company No : 894135-W

Appendix II

Opinion

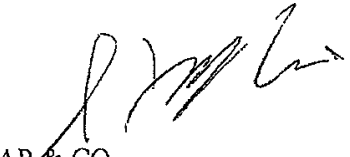
In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st August 2010 and of its financial performance and cash flows for the period then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

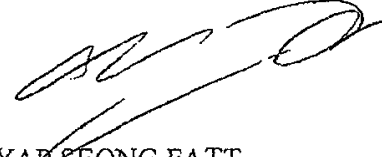
This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



S.F. YAP & CO.
NO. AF 0055
CHARTERED ACCOUNTANTS
Kuala Lumpur

Dated :

- 8 FEB 2011



YAP SEONG FATT
NO. 398/04/12 (J)
CHARTERED ACCOUNTANT



KPMG (Firm No. AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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Independent Auditors' Report to the members of Orbit Buku Sdn. Bhd.

(Company No. 894135-W)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Orbit Buku Sdn. Bhd., which comprise the balance sheet as at 31 August 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 17.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Company No. 894135-W

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 August 2011 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

The financial statements of the Company as at and for the period ended 31 August 2010 were audited by another auditor who expressed an unmodified opinion on those statements on 8 February 2011.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Chin Shoon Chong
Approval Number: 2823/04/13(J)
Chartered Accountant

Petaling Jaya,

Date: 26 March 2012



KPMG (Firm No. AF 0758)
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Independent Auditors' Report to the members of Orbit Buku Sdn. Bhd.

(Company No. 894135-W)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Orbit Buku Sdn. Bhd., which comprise the statement of financial position as at 31 August 2012, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 29.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with the requirement of Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Company No. 894135-W

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirement of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 August 2012 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Chin Shoon Chong
Approval Number: 2823/04/13(J)
Chartered Accountant

Petaling Jaya,

Date: 25 February 2013



KPMG (Firm No. AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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Fax +60 (3) 7721 3399
Internet www.kpmg.com.my

Independent Auditors' Report to the members of Orbit Buku Sdn. Bhd.

(Company No. 894135-W)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Orbit Buku Sdn. Bhd., which comprise the statement of financial position as at 31 August 2013, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 28.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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A3



Company No. 894135-W

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2013 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Chin Shoon Chong
Approval Number: 2823/04/15(J)
Chartered Accountant

Petaling Jaya,

Date: 4 December 2013



KPMG (Firm No. AF 0758)
Chartered Accountants
Level 10, KPMG Tower
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47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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Fax +60 (3) 7721 3399
Internet www.kpmg.com.my

Independent Auditors' Report to the Board of Directors of Orbit Buku Sdn. Bhd.

(Company No. 894135-W)
(Incorporated in Malaysia)

The Board of Directors
Orbit Buku Sdn. Bhd.
Lot 12, Jalan Teknologi 3/4
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya
Selangor

Dear Sirs,

Report on the Financial Statements

We have audited the financial statements of Orbit Buku Sdn. Bhd., which comprise the statement of financial position as at 28 February 2014 of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 1 to 26.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Company No. 894135-W

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 28 February 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

The comparatives for the statements of profit or loss and other comprehensive income, changes in equity and cash flows as well as the comparatives in the notes to the financial statements relating to the period ended 28 February 2013 were extracted and compiled by management from the Company's management accounts. We did not perform an audit or review on these comparatives and accordingly, we express no assurance thereon.

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Company No. 894135-W

Other Matters (continued)

This report has been prepared solely to the Board of Directors of the Company in connection with Sasbadi Holdings Berhad's proposed listing of and quotation for its shares on the Main Market of Bursa Malaysia Securities Berhad and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'KPMG' followed by a stylized flourish.

KPMG
Firm No: AF 0758
Chartered Accountants

Petaling Jaya,

Date: 9 June 2014



KPMG (Firm No. AF 0758)
Chartered Accountants
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8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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Internet www.kpmg.com.my

Independent auditors' report to the members of Sasbadi Online Sdn. Bhd.

(Company No. 951383-X)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Sasbadi Online Sdn. Bhd., which comprise the balance sheet as at 31 August 2011, and the income statement, statement of changes in equity and cash flow statement for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 15.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Company No. 951383-X

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 August 2011 and of its financial performance and cash flows for the financial period then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'KPMG' followed by a stylized flourish.

KPMG
Firm Number: AF 0758
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Chin Shoon Chong' with a stylized flourish.

Chin Shoon Chong
Approval Number: 2823/04/13(J)
Chartered Accountant

Petaling Jaya,

Date: 26 March 2012



KPMG (Firm No. AF 0758)
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Selangor Darul Ehsan, Malaysia

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Fax +60 (3) 7721 3399
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Independent auditors' report to the members of Sasbadi Online Sdn. Bhd.

(Company No. 951383-X)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Sasbadi Online Sdn. Bhd., which comprise the statement of financial position as at 31 August 2012, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 25.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Company No. 951383-X

Opinion


In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 August 2012 and of its financial performance and cash flows for the financial year then ended.

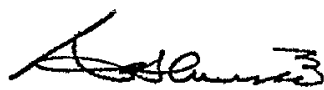
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


KPMG
Firm Number: AF 0758
Chartered Accountants


Chin Shoon Chong
Approval Number: 2823/04/13(J)
Chartered Accountant

Petaling Jaya,

Date: 25 February 2013



KPMG (Firm No. AF 0758)
Chartered Accountants
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8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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Independent auditors' report to the members of Sasbadi Online Sdn. Bhd.

(Company No. 951383-X)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Sasbadi Online Sdn. Bhd., which comprise the statement of financial position as at 31 August 2013, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 29.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Company No. 951383-X

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2013 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Chin Shoon Chong
Approval Number: 2823/04/15(J)
Chartered Accountant

Petaling Jaya,

Date: 4 December 2013



KPMG (Firm No. AF 0758)
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Internet www.kpmg.com.my

Independent Auditors' Report to the Board of Directors of Sasbadi Online Sdn. Bhd.

(Company No. 951383-X)
(Incorporated in Malaysia)

The Board of Directors
Sasbadi Online Sdn. Bhd.
Lot 12, Jalan Teknologi 3/4
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya
Selangor

Dear Sirs,

Report on the Financial Statements

We have audited the financial statements of Sasbadi Online Sdn. Bhd., which comprise the statement of financial position as at 28 February 2014 of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 1 to 25.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Company No. 951383-X

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 28 February 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

The comparatives for the statements of profit or loss and other comprehensive income, changes in equity and cash flows as well as the comparatives in the notes to the financial statements relating to the period ended 28 February 2013 were extracted and compiled by management from the Company's management accounts. We did not perform an audit or review on these comparatives and accordingly, we express no assurance thereon.

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Company No. 951383-X

Other Matters (continued)

This report has been prepared solely to the Board of Directors of the Company in connection with Sasbadi Holdings Berhad's proposed listing of and quotation for its shares on the Main Market of Bursa Malaysia Securities Berhad and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'KPMG' followed by a stylized flourish.

KPMG
Firm Number: AF 0758
Chartered Accountants

Petaling Jaya,

Date: 9 June 2014

13. ACCOUNTANTS' REPORT (*Cont'd*)

Appendix IV

S. F. YAP & CO.

(FIRM NO. AF 0055)
CHARTERED ACCOUNTANTS
17 & 19, Jalan Brunei Barat, Pudu
55100 Kuala Lumpur
Tel:21426689 (8 lines) Fax:21410957



(A member firm of Malaysian
Institute of Accountants)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAYA PRESS SDN. BHD.**
(Company No: 585059 - A)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **MAYA PRESS SDN. BHD.**, which comprise the balance sheet as at 31st August 2010, and the income statement, statement of changes in equity and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 14.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Appendix IV

Company No: 585059 - A

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st August 2010 and of its financial performance and cash flows for the period then ended.

Report on Other Legal and Regulatory Requirements

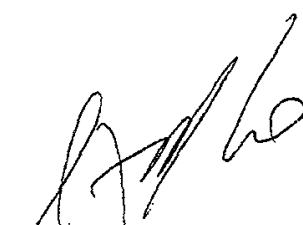
In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters


This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Without qualifying our opinion, we draw attention to the following:-

As stated in Note 2, the Company incurred a loss after taxation of RM2,135.00 for the financial period ended 31st August 2010 and has a deficit in shareholders' equity of RM15,727.00. The ability of the Company to continue as a going concern is dependent upon future profitable operations, the ability to generate sufficient funds from operation and continued financial support from its directors and shareholders.



S.F. YAP & CO.
NO. AF.0055
CHARTERED ACCOUNTANTS



YAP SEONG FATT
NO. 398/04/12 (J)
CHARTERED ACCOUNTANT

Kuala Lumpur
Dated :

- 8 FEB 2011

13. ACCOUNTANTS' REPORT (*Cont'd*)

Appendix IV

S. F. YAP & CO.

(FIRM NO. AF 0055)
CHARTERED ACCOUNTANTS
17 & 19, Jalan Brunei Barat, Pudu
55100 Kuala Lumpur
Tel:21426689 (8 lines) Fax:21410957



(A member firm of Malaysian
Institute of Accountants)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAYA PRESS SDN. BHD.**
(Company No: 585059 - A)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **MAYA PRESS SDN. BHD.**, which comprise the balance sheet as at 31st August 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 14.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

Appendix IV

Company No: 585059 - A

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st August 2011 and of its financial performance and cash flows for the year then ended.

Emphasis of matter


Without qualifying our opinion, we draw attention to Note 2, the Company incurred a loss after taxation of RM2,062.80 for the financial year ended 31st August 2011 and has a capital deficiency of RM17,789.80. The ability of the Company to continue as a going concern is dependent upon future profitable operations, the ability to generate sufficient funds from operation and continued financial support from its directors and shareholders.

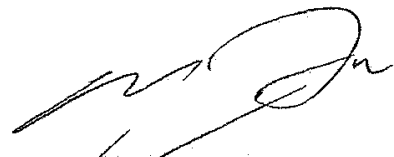
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

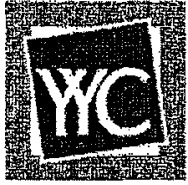

S.F. YAP & CO.
NO. AF 0055
CHARTERED ACCOUNTANTS


YAP SEONG FATT
NO. 398/04/12 (J)
CHARTERED ACCOUNTANT

Kuala Lumpur
Dated :

12 DEC 2011

585059 A

**YYC & CO.**

CHARTERED ACCOUNTANTS (Firm No.: AF 0055)

(Formerly known as S.F.YAP & CO.)

17 & 19, Jalan Brunel Barat, Off Jalan Pudu, 55100 Kuala Lumpur.

T: +60(3)-2142 6689 | F: +80(3)-2141 0957

Website: www.yycadvlsors.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAYA PRESS SDN. BHD.

(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **MAYA PRESS SDN. BHD.**, comprise the statements of financial position as at 31st August 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 20.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

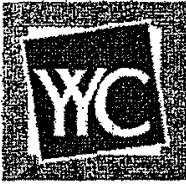
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (*Cont'd*)

Appendix IV

585059 | A



YYC & CO.

CHARTERED ACCOUNTANTS (Firm No.: AF 0055)

(Formerly known as S.F.YAP & CO.)

17 & 19, Jalan Brunel Barat, Off Jalan Pudu, 55100 Kuala Lumpur.

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Website: www.yycadvisors.com

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAYA PRESS SDN. BHD.**
(Incorporated in Malaysia)

(continued)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st August 2012 and of its financial performance and cash flows for the financial year then ended.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2, the Company incurred a loss after taxation of RM3,518.60 for the financial year ended 31st August 2012 and has a capital deficiency of RM21,308.40. The ability of the Company to continue as a going concern is dependent upon future profitable operations, the ability to generate sufficient funds from operation and continued financial support from its directors and shareholders.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

YYC & CO.
(Formerly known as S.F.YAP & CO.)
(NO. AF 0055)
CHARTERED ACCOUNTANTS

YAP SEONG FATT
NO. 398/04/14 (J)
CHARTERED ACCOUNTANTS

Kuala Lumpur,

Dated : - 3 DEC 2012

585059 | A

**YYC & CO.**

CHARTERED ACCOUNTANTS (Firm No.: AF 0055)

17 & 18, Jalan Brunei Barat, Off Jalan Pudu, 55100 Kuala Lumpur.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAYA PRESS SDN. BHD.**
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **MAYA PRESS SDN. BHD.**, comprise the statements of financial position as at 31st August 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 20.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

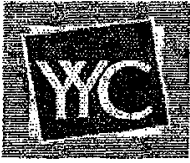
Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

585059 | A



YYC & CO.

CHARTERED ACCOUNTANTS (Firm No.: AF 0055)

17 & 19, Jalan Brunei Barat, Off Jalan Pudu, 55100 Kuala Lumpur.

T: +60(3)-2142 8689 | F: +60(3)-2141 0957

Website: www.yycadvisors.com

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAYA PRESS SDN. BHD.**
(Incorporated in Malaysia)

(continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st August 2013 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of matter


Without qualifying our opinion, we draw attention to Note 2, the Company incurred a loss after taxation of RM4,143.00 for the financial year ended 31st August 2013 and has a capital deficiency of RM25,451.40. The ability of the Company to continue as a going concern is dependent upon future profitable operations, the ability to generate sufficient funds from operation and continued financial support from its Directors and shareholders.


Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


YYC & CO.
(NO. AF 0055)
CHARTERED ACCOUNTANTS


YAP SEONG FATT
NO. 398/04/14 (J)
CHARTERED ACCOUNTANT

Kuala Lumpur,

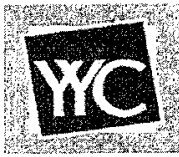
Dated :

- 2 DEC 2013

13. ACCOUNTANTS' REPORT (*Cont'd*)

Appendix IV

585059 | A

**YYC & CO.**

CHARTERED ACCOUNTANTS (Firm No.: AF 0055)

17 & 19, Jalan Brunei Barat, Off Jalan Pudu, 55100 Kuala Lumpur.

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Website: www.yycadvisors.com

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAYA PRESS SDN. BHD.**
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **MAYA PRESS SDN. BHD.**, comprise the statements of financial position as at 28th February 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the six months financial period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 17.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

Appendix IV

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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 28th February 2014 and of its financial performance and cash flows for the six months financial period then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2, the Company incurred a loss after taxation of RM3,432.25 for the six months financial period ended 28th February 2014 and has a capital deficiency of RM28,883.65. The ability of the Company to continue as a going concern is dependent upon future profitable operations, the ability to generate sufficient funds from operation and continued financial support from its Directors and shareholders.

Report on Other Legal and Regulatory Requirements

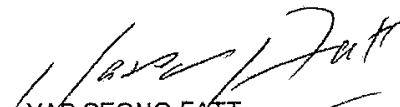
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

The comparatives for the statements of comprehensive income, changes in equity and cash flows as well as the comparatives in the notes to the financial statements relating to the period ended 28th February 2013 were extracted and compiled by management from the Company's management accounts. We did not perform an audit or review on these comparatives and accordingly, we express no assurance thereon.

This report has been prepared solely to the Board of Directors of the Company in connection with Sasbadi Holdings Berhad's proposed listing of and quotation for its shares on the Main Market of Bursa Malaysia Securities Berhad and for no other purpose. We do not assume responsibility to any other person for the content of this report.


 YKC & CO.
 NO. AF 0055
 CHARTERED ACCOUNTANTS


 YAP SEONG FATT
 NO. 398/04/16 (J)
 CHARTERED ACCOUNTANT

Kuala Lumpur,

Dated : 09 JUN 2014



No. 1 & 1A, 2nd Floor (Room 1), Jalan Ipoh Kecil,
50350 Kuala Lumpur, Wilayah Persekutuan.
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E-mail: wkleeco@gmail.com

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MALAYSIAN BOOK PROMOTIONS SDN. BHD. (310517-A)
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Malaysian Book Promotions Sdn. Bhd., which comprise the balance sheet as at December 31, 2010 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 14.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that given a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia, and such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of December 31, 2010 and of its financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

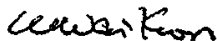
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**W. K. LEE & CO.**

No. AF 1147

Chartered Accountants**LEE WAI KUEN**

No. 1844/07/12 (J)

Chartered Accountant

Kuala Lumpur

Dated: 01 JUN 2011



No. 1 & 1A, 2nd Floor (Room 1), Jalan Ipoh Kecil,
50350 Kuala Lumpur, Wilayah Persekutuan.
Tel : 603-4043 5758 Fax: 603-4043 5755
E-mail: wkleeeco@gmail.com

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MALAYSIAN BOOK PROMOTIONS SDN. BHD. (310517-A)**
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Malaysian Book Promotions Sdn. Bhd., which comprise the balance sheet as at August 31, 2011 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 13.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that given a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia, and such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

310517 | A

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Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of August 31, 2011 and of its financial performance and cash flows for the period then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

W. K. Lee

W. K. LEE & CO.

No. AF 1147

Chartered Accountants

Lee Wai Kuen

LEE WAI KUEN

No. 1844/07/12 (J)

Chartered Accountant

Kuala Lumpur

Dated: 8 FEB 2012



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E-mail: wkleeco@gmail.com

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF
MALAYSIAN BOOK PROMOTIONS SDN. BHD. (310517-A)
(Incorporated in Malaysia)

Report to the financial statements

We have audited the financial statements of Malaysian Book Promotions Sdn. Bhd., which comprise the statement of financial position as at August 31, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 17.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

310517 A

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Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of August 31, 2012 and of its financial performance and cash flows for the year ended.

Reports on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



W.K.LEE & CO.
No. AF 1147
Chartered Accountants



LEE WAI KUEN
No. 1844/07/14 (J)
Chartered Accountants

Kuala Lumpur
Dated: 25 FEB 2013



No. 1 & 1A, 2nd Floor (Room 1), Jalan Ipoh Kecil,
50350 Kuala Lumpur, Wilayah Persekutuan.
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E-mail: wkleeco@gmail.com

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MALAYSIAN BOOK PROMOTIONS SDN. BHD. (310517-A)
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Malaysian Book Promotions Sdn. Bhd., which comprise the balance sheet as at August 31, 2013 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 16.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

310517 A

6

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of August 31, 2013 and of its financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



W. K. LEE & CO.
No. AF 1147
Chartered Accountants



LEE WAI KUEN
No. 1844/07/14 (J)
Chartered Accountant

Kuala Lumpur
Dated: 28 NOV 2013



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Tel : 603-4043 5758 Fax: 603-4043 5755
E-mail: wkleeco@gmail.com

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MALAYSIAN BOOK PROMOTIONS SDN. BHD. (310517-A)
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Malaysian Book Promotions Sdn. Bhd., which comprise the balance sheet as at February 28, 2014 and the income statement, statement of changes in equity and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 17.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

310517 A

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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of February 28, 2014 and of its financial performance and cash flows for the period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

The comparatives for the statements of profit or loss and other comprehensive income, changes in equity and cash flows as well as the comparatives in the notes to the financial statements relating to the period ended February 28, 2013 were extracted and compiled by management from the Company's management accounts. We did perform an audit or review on these comparatives and accordingly, we express no assurance thereon.

This report has been prepared solely to the Board of Directors of the Company in connection with Sasbadi Holdings Berhad's proposed listing of and quotation for its shares on the Main Market of Bursa Malaysia Securities Berhad and for no other purpose. We do not assume responsibility to any other person for the content of this report.

*wklee***W. K. LEE & CO.**

No. AF 1147

Chartered Accountants

Kuala Lumpur

Dated: June 09, 2014



KPMG (Firm No. AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 3399
Internet www.kpmg.com.my

Independent auditors' report to the members of Sasbadi Holdings Berhad

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

Report on the Financial Statements

We have audited the financial statements of Sasbadi Holdings Berhad, which comprise the statement of financial position as at 31 August 2013 of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 19.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Company No. 1022660-T

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2013 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Chin Shoon Chong
Approval Number: 2823/04/15(J)
Chartered Accountant

Petaling Jaya,

Date: 4 December 2013



KPMG (Firm No. AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 3399
Internet www.kpmg.com.my

Independent Auditors' Report to the Board of Directors of Sasbadi Holdings Berhad

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

The Board of Directors
Sasbadi Holdings Berhad
Lot 12, Jalan Teknologi 3/4
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya
Selangor

Dear Sirs,

Report on the Financial Statements

We have audited the financial statements of Sasbadi Holdings Berhad, which comprise the statement of financial position as at 28 February 2014 of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 1 to 17.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Company No. 1022660-T

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 28 February 2014 and of its financial performance and cash flows for the period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

The comparatives for the statements of profit or loss and other comprehensive income, changes in equity and cash flows as well as the comparatives in the notes to the financial statements relating to the period ended 28 February 2013 were extracted and compiled by management from the Company's management accounts. We did not perform an audit or review on these comparatives and accordingly, we express no assurance thereon.

A handwritten signature in black ink, appearing to be 'H3', is located at the bottom right of the page.



Company No. 1022660-T

Other Matters (continued)

This report has been prepared solely to the Board of Directors of the Company in connection with the Company's proposed listing of and quotation for its shares on the Main Market of Bursa Malaysia Securities Berhad and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'KPMG' followed by a flourish.

KPMG
Firm No: AF 0758
Chartered Accountants

Petaling Jaya,

Date: 9 June 2014

14. VALUATION CERTIFICATES



**CITY VALUERS
AND CONSULTANTS SDN BHD**

Date : 31st December 2012

Our Ref : V/SEL/1467/2012

Sasbadi Holdings Sdn Bhd
Lot No. 12, Jalan Teknologi 3/4, Section 3
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya

co no: 98373-K
reg no: VE (1) 0015

Headquarters:
Suites B-9-12, 13 & 13A,
Gateway Corporate Suites,
No 1, Jalan Desa Kiara,
Mont Kiara,
50480 Kuala Lumpur.

tel: 03 6205 2882
fax: 03 6201 9009

Kuching Branch:
tel: 082 23 7746
fax: 082 23 9746

Penang Branch:
tel: 04 397 9889
fax: 04 390 6898

Dear Sirs,

**VALUATION CERTIFICATE
FOR SUBMISSION TO THE SECURITIES COMMISSION MALAYSIA**

**THE SUBLEASEHOLD INTEREST WITH AN UNEXPIRED TERM
OF 49 YEARS IN LOT PT 9909, HSD 241020, PEKAN BARU SUNGAI BULOH
DISTRICT OF PETALING, SELANGOR DARUL EHSAN.
(Lot No. 12, Jalan Teknologi 3/4, Section 3, Taman Sains Selangor 1
Kota Damansara 47810 Petaling Jaya)**

Term of Reference

This Valuation Certificate of the abovementioned property is prepared on the instruction of Sasbadi Holdings Sdn Bhd (to be known as Sasbadi Holdings Berhad upon conversion into a public company) for the inclusion in Sasbadi Holdings Berhad's prospectus to be dated 7 Jul. 2014 in relation to the proposed listing and quotation for the enlarged issued and paid up share capital of Sasbadi Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad ('Bursa Securities').

Sasbadi Holdings Sdn Bhd's interest in the abovementioned subject property is a 60 years sub-lease from 22nd November 2001 to 21st November 2061 held via a Lease Agreement dated 27th February 2002 between the registered owner of the land i.e. the Perbadanan Kemajuan Negeri Selangor (PKNS) who hold the Master Lease on the property via the title H.S. (D) 241020 for a period of 99 years expiring on 18th October 2106 and Sasbadi Sdn Bhd. Sasbadi Sdn Bhd is proposed to be a wholly owned subsidiary of Sasbadi Holdings Sdn Bhd. Sasbadi Sdn Bhd's 60 years leasehold interest in the property has an unexpired term of 49 years as at the date of this valuation.

Our term of reference is to determine the Market Value of Sasbadi Sdn Bhd's unexpired 49 years sub-leasehold interest in the subject property as at 18th December 2012.

Valuation Standards Compliance

Our valuation is prepared in compliance with the Malaysian Valuation Standards (MVS) issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and the Asset Valuation Guidelines issued by the Securities Commission Malaysia.

Definition of Market Value

Market Value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

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14. VALUATION CERTIFICATES (Cont'd)

Valuation Certificate
For submission to the Securities Commission Malaysia

The subleasehold interest with an unexpired term of 49 years in Lot PT 9909, HSD 241020,
Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan
(Lot No. 12, Jalan Teknologi 3/4, Section 3, Taman Sains Selangor 1, Kota Damansara 47810 Petaling Jaya)
Ref No. V/SEL/1467/2012 Date : 31st December 2012



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Date of Inspection

We inspected the subject property on 18th December 2012.

Date of Valuation

The relevant date of valuation of the subject property is 18th December 2012.

The Subject Property

The subject property, identified as Lot P.T. 9909, H.S. (D) 241020, Pekan Baru Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan is a **9,807 square metres (105,562 square feet) parcel of industrial land erected upon with a single storey warehouse building with a 3-storey office cum internal warehouse building annex** located at No. 12, Jalan Teknologi 3/4, Taman Sains Selangor 1 in Kota Damansara, Petaling Jaya, Selangor Darul Ehsan. The buildings and improvements on the land were built by Sasbadi Sdn Bhd in 2005 and completed in 2006 at a cost of RM9,218,481. The buildings provide 3,549 square metres (38,200 square feet) of single-storey warehouse space and 3,600 square metres (38,745 square feet) of 3-storey office cum internal warehouse space.

The buildings are constructed as follows:-

Warehouse

The warehouse building comprises two sections which are constructed of dual pitch and single pitch steel structure with 'I' beam steel columns and rafters. The steel columns and rafters are spaced every 20 feet apart and have a span of 200 feet (with a central steel column at the mid point) in the larger front section and a span of 60 feet in the smaller rear section.

Both sections have a ground to eaves height of 27 feet (8.15 metres). The ground to ridge height is 35 feet (10.66 metres) for the front section and 30 feet (9.15 metres) for the rear section. The external walls are of plastered and painted brick from the ground to 12 feet high with metal deck sheet cladding above to eaves level and metal deck sheet fascia to roof level. The flooring is of hardened reinforced concrete finished with smooth cement render.

Office cum Internal Warehouse

The 3-storey office cum internal warehouse annexe building is situated adjoining the warehouse building on the eastern portion of the site fronting Jalan Teknologi 3/4.

The office section forms half of the ground floor and the whole of the first floor whilst the internal warehouse section forms half of the ground floor and the whole of the 2nd floor. All 3 floors in both sections are fully air-conditioned.

The building is of a modern design with a large facade of glass and alucubond panels. The structure is of reinforced concrete columns and beams with reinforced concrete floors and reinforced concrete flat roof. The typical height per floor is 11 feet for the ground floor and 10 feet for the 1st and 2nd floors.

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14. VALUATION CERTIFICATES (Cont'd)

CITY VALUERS
AND CONSULTANTS SDN BHD

Valuation Certificate
For submission to the Securities Commission Malaysia

The subleasehold interest with an unexpired term of 49 years in Lot PT 9909, HSD 241020,
Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.
(Lot No. 12, Jalan Teknologi 3/4, Section 3, Taman Sains Selangor 1, Kota Damansara 47810 Petaling Jaya)
Ref No. V/SEL/1467/2012 Date : 31st December 2012

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The external walls are a mix of plastered brickwork clad with alucubond panels and aluminium framed glass panels. Vertical access within the 3 storeys is provided by a passenger lift with 8 persons capacity and 3 reinforced concrete staircases with stainless steel handrails located at the east, centre and west sections of the building.

Town Planning and Building Approval

The subject property was issued with the Certificate of Fitness for Occupation (C.F.O.) by the Majlis Bandaraya Petaling Jaya on 17th January 2007. We have noted that there are also two small open sided covered ancillary areas at the front of the main and rear warehouse buildings and a guardhouse have been constructed within the subject site. These ancillary structures are however not shown in the approved site layout and building plans. The owner has informed us that these are approved by the MBPJ as they were already in place at the date of their inspection and issue of the C.F.O. The ancillary floor areas are small and negligible, we have thus not taken into consideration the value of these ancillary structures.

Title Particulars

Lot No.	: P.T. 9909
Title No.	: HS (D) 241020
Bandar/Pekan/Mukim	: Pekan Baru Sungai Buloh
District	: Petaling
State	: Selangor Darul Ehsan
Land Area (see note 1)	: 9,807 square metres
Annual Rent	: RM9,754.00
Tenure	: Leasehold for a period of 99 years expiring on 18 th October 2106 (i.e. an unexpired term of 94 years).
Category of Land Use	: 'Perusahaan'
Registered Owner	: Perbadanan Kemajuan Negeri Selangor.
Express Condition	: 'Perusahaan'
Restrictions-in-Interest	: Tanah ini boleh dipindahmilik, dipajak atau digadai setelah mendapat kebenaran Pihak Berkuasa Negeri.
Endorsement	: Nombor Penerimaan : 48760/2009 Pajakan Seluruh Tanah kepada Sasbadi Sdn Bhd (No. Sykt : 139288-X) Lot 12, Jalan Teknologi 3/4, Taman Sains Selangor 1, Kota Damansara, Petaling Jaya, 47810 Selangor bagi tempoh masa selama 60 tahun.
Encumbrances	: Nombor Penerimaan : 48761/2009 Gadaian Pajakan keatas Pajakan Seluruh Tanah No Pers 48760/2009 oleh Sasbadi Sdn Bhd, No. Syarikat : 139288-X kepada Alliance Bank Malaysia Berhad.

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14. VALUATION CERTIFICATES (Cont'd)

Valuation Certificate
For submission to the Securities Commission Malaysia

The subleasehold interest with an unexpired term of 49 years in Lot PT 9909, HSD 241020,
Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.
(Lot No. 12, Jalan Teknologi 3/4, Section 3, Taman Sains Selangor 1, Kota Damansara 47810 Petaling Jaya)
Ref No. V/SEL/1467/2012 Date : 31st December 2012



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Note 1 : We note that in the Lease Agreement dated 27th February 2002, the land area is stated as 105,415.20 square feet. In the title document which has the 'Tarikh Daftar' as 19th October 2007, the land area is stated as 9,807 square metres i.e. 105,561.665 square feet. Since the title was issued later, we are adopting the titled area of 9,807 square metres as the correct land area of the subject property.

Occupancy

The subject buildings are presently owner occupied by Sasbadi Sdn Bhd for office and warehouse use. The buildings have been occupied by Sasbadi Sdn Bhd since the C.F.O. was issued in January 2007.

Basis of Valuation

The basis of valuation is the 'Market Value' of Sasbadi Sdn Bhd's 49 years unexpired sub-leasehold interest in the subject land and buildings in their existing condition and use free from encumbrances as at the date of this valuation i.e. 18th December 2012. In determining the 'Market Value' of the remaining sub-lease term, we also take into consideration that under the Lease Agreement, the client is entitled to an 'extension of lease' for an additional term of 30 years from the date of expiry of the lease for the land at the prevailing market price (excluding the building on the land).

Method of Valuation

- Cost Method : The Cost Method of Valuation is an approach that provides an indication of value using the economic principle that a buyer will pay for an asset the cost to obtain an asset of equal utility whether by purchase (i.e. the land) or construction (i.e. the building). Adjustments are then made where relevant, to the costs of the land and building for various factors such as time, tenure, depreciation, cost of finance, profit, etc.
- Direct Comparison Method : The Direct Comparison Method of Valuation entails enlisting recorded open market sales and other relevant market evidences such as current offers for sale of similar properties and making adjustment thereto for value affecting factors such as location, shape, size and tenure of the land, design, age, finishes, improvements and condition of the building, the demand for the property in its existing use and condition and legal and planning conditions affecting the property.

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14. VALUATION CERTIFICATES (Cont'd)

Valuation Certificate
For submission to the Securities Commission Malaysia

The subleasehold interest with an unexpired term of 49 years in Lot PT 9909, HSD 241020,
Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.
(Lot No. 12, Jalan Teknologi 3/4, Section 3, Taman Sains Selangor 1, Kota Damansara 47810 Petaling Jaya)
Ref No. V/SEL/1467/2012 Date : 31st December 2012



CITY VALUERS
AND CONSULTANTS SDN BHD

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Sources of Information

- Land prices - Recorded transactions of vacant detached industrial lands in the subject neighbourhood as published by Jabatan Penilaian & Perkhidmatan Harta (JPPH) and the National Property Information Centre (NAPIC).
- Building cost - The actual construction cost of the subject building in 2005/2006 and current building costs as published by Quantity Surveyors, Messrs. Davis Langdon & Seah in their annual Construction Cost Handbook and Quarterly Construction Cost Review.
- Market prices of completed properties - Recorded transactions of completed factories in Taman Sains Selangor 1 as published by JPPH.

Cost Method of Valuation**Land Value**

Comparable No.	1	2	3
Date of sale	13/09/10	26/07/10	22/04/10
Tenure	Leasehold	Leasehold	Leasehold
Unexpired lease term	94	94	94
Location	Lot 8, Jln Teknologi 3/6	No. 8, Jln Teknologi 3/4	No.10, Jln Teknologi 3/4
Title No.	HS(D) 241030	HS(D) 241018	HS(D) 241019
Lot No.	PT 9919	PT 9907	PT 9908
Mukim	Pekan Baru Sg.Buloh	Pekan Baru Sg.Buloh	Pekan Baru Sg.Buloh
Land Area (sq. ft.)	94,001	114,388	111,934
Planning	Industrial	Industrial	Industrial
Category of Land Use	Industry	Industry	Industry
Land use at date of sale	Vacant	Vacant	Vacant
Access	Service road	Service road	Service road
Vendor	Pfizer (Malaysia) S/B	T.H. Hin S/B	TWT Hardware S/B
Purchaser	Nouvelle Lot 8 S/B	Albert Wines & Spirit (M) S/B	Nouvelle Lot 10 S/B
Consideration	RM11,400,000	RM10,980,960	RM11,193,400
Value analysed (psf)	RM121	RM96	RM100
Adjustments	Upward adjustment for time; Downward adjustment for shape and lease tenure; No adjustment for land size and location	Upward adjustment for time; Downward adjustment for shape and lease tenure; No adjustment for land size and location	Upward adjustment for time; Downward adjustment for shape and lease tenure; No adjustment for land size and location
Market Value of Land (psf)	RM102.85	RM91.00	RM95.00
Conclusion of value	Giving greater weightage to the value indication of RM102.85 per square foot as it is based on the latest comparable sale, the Market Value of the subject land is concluded at RM100 psf or RM10,556,200.		

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14. VALUATION CERTIFICATES (Cont'd)

Valuation Certificate
For submission to the Securities Commission Malaysia

The subleasehold interest with an unexpired term of 49 years in Lot PT 9909, HSD 241020,
Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.
(Lot No. 12, Jalan Teknologi 3/4, Section 3, Taman Sains Selangor 1, Kota Damansara 47810 Petaling Jaya)
Ref No. V/SEL/1467/2012 Date : 31st December 2012



CITY VALUERS
AND CONSULTANTS SDN BHD

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Building Value

Particulars	Price psf /Percentage	-	Cost / Value
Construction cost of the subject buildings in 2005/2006	RM114.34	-	RM 8,797,821
Professional Fees paid in 2005/2006	4.08%	-	RM 359,316
Total Cost		-	RM 9,157,137
Increase in Cost from 2006 to 2012 (Based on building cost index published by Quantity Surveyors Messrs. Davis Langdon & Seah in their annual Construction Cost Handbook and Quarterly Construction Cost Review)	45.00%		
Construction costs in 2012	RM165.80	-	RM12,756,840
Professional Fees in 2012	4.08%	-	RM 520,479
Total Cost		-	RM13,277,319
<u>Other Factors taken into consideration</u>			
Finance cost, profit, depreciation and purpose built factors		-	RM 250,941
Adjusted Market Value of Building		-	RM13,528,260
Add Cost of fencing and site improvements		-	RM 61,344
Total			RM13,589,604

Market Value by Cost Method

Land Value	RM10,556,200
Building Value	RM13,589,604
Market Value	RM24,145,804
	Say <u>RM24,100,000</u>

Direct Comparison Method of Valuation

Three comparable detached factories were transacted in Taman Sains Selangor 1 in 2011 at prices of RM480 per square foot, RM461 per square foot and RM522 per square foot. The market value of the subject property was derived from these sales evidence by the Direct Comparison Method of Valuation as follows:-

Comparison	Single-storey detached factory with office	Detached three-storey industrial cum office building	Single-storey detached factory with office
Type of factory	Single-storey detached factory with office	Detached three-storey industrial cum office building	Single-storey detached factory with office
Transaction date	29/08/2011	03/08/2011	11/03/2011
Title No	HS(D) 255766	Under Master Title	HS(D) 241013
Lot No.	PT 12162	-	PT 9902
Mukim	Pekan Baru Sg Buloh	Pekan Baru Sg Buloh	Pekan Baru Sg Buloh
Address	16, Jln Teknologi 3/5	Parcel No. 2, Jln Teknologi	16, Jln Teknologi
Location	Tmn Sains Selangor 1	Tmn Sains Selangor 1	Tmn Sains Selangor 1
Tenure	Leasehold with unexpired term of 96 years	Leasehold with unexpired term of 94 years	Leasehold with unexpired term of 94 years
Vendor	Intercosmetic Holdings S/B	Luxor YRM S/B	Henikwon Corporation S/B
Purchaser	Bidarcita S/B	Cyber Business Solutions S/B	Secret Recipe Manufacturing S/B

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14. VALUATION CERTIFICATES (Cont'd)

Valuation Certificate
For submission to the Securities Commission Malaysia

The subleasehold interest with an unexpired term of 49 years in Lot PT 9909, HSD 241020,
Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.
(Lot No. 12, Jalan Teknologi 3/4, Section 3, Taman Sains Selangor 1, Kota Damansara 47810 Petaling Jaya)
Ref No. V/SEL/1467/2012 Date : 31st December 2012



CITY VALUERS
AND CONSULTANTS SDN BHD

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Consideration (RM)	17,000,000	18,000,000	28,000,000
Land Area (sf)	76,854	37,400	232,263
Floor Area (sf)	35,449	39,000	53,657
Ratio of floor area to land area	46%	104%	23%
Price /floor area (RM psf)	480	461	522
Adjustments	Downward adjustments were made for the shorter lease tenure and age of the building and upward adjustment for time factor.	Downward adjustments were made for the shorter lease tenure and age of the building and upward adjustment for time factor.	Downward adjustments were made for the shorter lease tenure and age of the building and upward adjustment for time factor.
Market Value (RM psf)	350	336	381
Conclusion of Value	Taking further into consideration the ratio of floor area to land area in the subject property at 73%, the Market Value of the subject property should lie midway between RM350 per square foot (ratio 46%) and RM336 per square foot (ratio 104%). Thus the Market Value of the subject property is concluded at RM343.00 per square foot or RM26,400,000.00.		

Reconciliation of Value

The Market Value of the subject property as derived by the two methods of valuation are as follows:-

Method of Valuation**Indicative Market Value**

Cost Method of Valuation

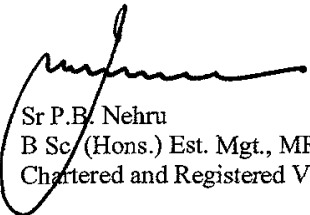
RM24,100,000

Direct Comparison Method of Valuation

RM26,400,000

Based on the above two indications of Market Value and giving greater weightage to the value as indicated by the Cost Method of Valuation since the subject property is a purpose built building where the land was bought initially as a vacant site and then erected with the subject buildings by the client for their own use, we are of the considered opinion that the Market Value of the subject property as at 18th December 2012 is **RM24,100,000.00** (Ringgit: Twenty Four Million and One Hundred Thousand only).

Yours faithfully,

CITY VALUERS AND CONSULTANTS SDN BHD


Sr P.B. Nehru
B Sc (Hons.) Est. Mgt., MRICS, FRISM
Chartered and Registered Valuer -V189

V/SEL/1467/2012
31st December 2012
GS/imp



Chartered Surveyors
Valuation Consultancy Market Study Real Estate Management

www.cityvaluers.com

14. VALUATION CERTIFICATES (Cont'd)



CITY VALUERS
AND CONSULTANTS SDN BHD

Date : 5th May 2014

Our Ref : V/SEL/0354/2014 (Previous Ref. No. V/SEL/1467/2012)

co no: 98373-K
reg no: VE (1) 0015

Sasbadi Holdings Berhad
Lot No. 12, Jalan Teknologi 3/4, Section 3
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya

Headquarters:
Suites B-9-12, 13 & 13A,
Gateway Corporate Suites,
No 1, Jalan Desa Kiara,
Mont Kiara,
50480 Kuala Lumpur.

Dear Sirs,

tel: 03 6205 2882
fax: 03 6201 9009

UPDATE VALUATION CERTIFICATE

**THE SUBLEASEHOLD INTEREST WITH AN UNEXPIRED TERM
OF 47 YEARS IN LOT PT 9909, HSD 241020, PEKAN BARU SUNGAI BULOH
DISTRICT OF PETALING, SELANGOR DARUL EHSAN.
(Lot No. 12, Jalan Teknologi 3/4, Section 3, Taman Sains Selangor 1
Kota Damansara 47810 Petaling Jaya)**

Kuching Branch:
tel: 082 23 7746
fax: 082 23 9746

Penang Branch:
tel: 04 397 9889
fax: 04 390 6898

Term of Reference

This Update Valuation Certificate on the abovementioned property is prepared on the instruction of Sasbadi Holdings Berhad for inclusion in the prospectus dated 7 Jul 2014..... in relation to the listing and quotation for the entire enlarged issued and paid up share capital of Sasbadi Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad ('Bursa Securities').

A Report and Valuation on the abovementioned property in full compliance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and the Asset Valuation Guidelines of the Securities Commission Malaysia was previously prepared by us under Reference No. V/SEL/1467/2012 dated 31st December 2012. This Update Valuation Certificate should be read in conjunction with the said full Report and Valuation.

Sasbadi Holdings Berhad's interest in the abovementioned subject property is a 60 years sub-lease from 22nd November 2001 to 21st November 2061 held via a Lease Agreement dated 27th February 2002 between the registered owner of the land i.e. the Perbadanan Kemajuan Negeri Selangor (PKNS) who hold the Master Lease on the property via the title H.S. (D) 241020 for a period of 99 years expiring on 18th October 2106 and Sasbadi Sdn Bhd. Sasbadi Sdn Bhd is a wholly owned subsidiary of Sasbadi Holdings Berhad. Sasbadi Sdn Bhd's 60 years leasehold interest in the property has an unexpired term of 47 years as at the date of this update valuation.

Our term of reference for this update valuation certificate is to determine the Market Value of Sasbadi Sdn Bhd's unexpired 47 years sub-leasehold interest in the subject property as at 25th April 2014.

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14. VALUATION CERTIFICATES (Cont'd)

Update Valuation Certificate

*The subleasehold interest with an unexpired term of 47 years in Lot PT 9909, HSD 241020, Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.
(Lot No. 12, Jalan Teknologi 3/4, Section 3, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya)
Ref No. WSEL/0354/2014*



- 2 -

Date of Inspection

We have re-inspected the subject property on 25th April 2014.

Date of Valuation

The relevant date of valuation for this Update Valuation Certificate is 25th April 2014.

The Physical Condition of the Subject Property

The physical condition of the subject buildings are unchanged since our last inspection for the full report and valuation dated 31st December 2012 and the relevant details can be referred to in the abovementioned full report and valuation.

Town Planning and Building Approval

The Town Planning for the subject property has remained unchanged from that stated in our full report and valuation dated 31st December 2012.

The subject property was issued with the Certificate of Fitness for Occupation (C.F.O.) by the Majlis Bandaraya Petaling Jaya on 17th January 2007.

Title Particulars

The title particulars of the subject property based on our title search carried out on 24th April 2014 has remained unchanged from that stated in our full report and valuation dated 31st December 2012.

Occupancy

The subject buildings are owner occupied by Sasbadi Holdings Berhad for office and warehouse use.

Industrial Property Market Condition

The Property Market Report 2013 (PMR 2013) by the Ministry of Finance Malaysia indicates that the volume of transactions of industrial properties in Selangor decreased by 13.0% between 2012 and 2013 but that the value however increased moderately by 1.9% during the same period of time on an overall basis.

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14. VALUATION CERTIFICATES (Cont'd)

Update Valuation Certificate

The subleasehold interest with an unexpired term of 47 years in Lot PT 9909, HSD 241020, Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.
(Lot No. 12, Jalan Teknologi 3/4, Section 3, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya)
Ref No. V/SEL/0354/2014



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In selected areas, the PMR 2013 reported that the increase in value was quite significant particularly for single-storey and 1 ½-storey terrace factories which grew by 17.6% to 27.5% in Pusat Bandar Puchong, Bandar Baru Sg. Buloh and Bandar Puchong Jaya. Prices of double-storey terrace factories are also reported to have grown by 14.6% to 15.4% in Subang Light Industrial Park and Mah Sing Intergrated Industrial Park in Sungai Buluh/Subang.

Our market research of the price movements in the secondary market for the 1 ½-storey to 3-storey new semi-detached factory cum showroom buildings within Taman Sains Selangor 1, Kota Damansara indicated an increase in price of about 4.6% (from an average of RM295.25 per sq. foot to RM308.80 per sq. foot) for units with land areas of 10,000 sq. feet to 21,000 sq. feet and 14.7% (from an average of RM500.25 per sq. foot to RM574.20 per sq. foot) for units with land areas below 10,000 sq. feet between the years 2012 and 2013.

Semi-detached factories with average floor areas of between 5,000 sq. feet to 9,000 sq. feet here are currently being advertised for rent at RM2.50 to RM3.50 per sq. foot whilst the larger detached factories with average floor areas of between 15,000 sq. feet to 40,000 sq. feet are being advertised for rent at RM1.50 to RM2.00 per sq. foot which is an increase of about 20% to 25% over the asking rents in 2012 for the same properties.

Based on the overall industrial market conditions of demand and price as reported by the PMR 2013 and our market research in Taman Sains Selangor 1, Kota Damansara on current prices and rents and with the Mass Rapid Transit (MRT) line and stations within Kota Damansara already under construction compared to previously when construction had not commenced as yet, the prices of industrial properties within Taman Sains Selangor 1 are expected to have increased by between 5% to 15% depending on the size and type of property.

Basis of Valuation

The basis of valuation is the 'Market Value' of Sasbadi Sdn Bhd's 47 years unexpired sub-leasehold interest in the subject land and buildings in their existing condition and use free from encumbrances as at the date of this valuation i.e. 25th April 2014. In determining the 'Market Value' of the remaining sub-lease term, we also take into consideration that under the Lease Agreement, Sasbadi Sdn Bhd is entitled to an 'extension of lease' for an additional term of 30 years from the date of expiry of the lease for the land at the prevailing market price (excluding the building on the land).

Method of Valuation

We have adopted the Cost and Direct Comparison Methods of Valuation similar to our previous full report and valuation dated 31st December 2012.

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14. VALUATION CERTIFICATES (Cont'd)

*Update Valuation Certificate*

*The subleasehold interest with an unexpired term of 47 years in Lot PT 9909, HSD 241020, Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.
(Lot No. 12, Jalan Teknologi 3/4, Section 3, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya)
Ref No. V/SEL/0354/2014*

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Valuation**Cost Method of Valuation**

In arriving at the Market Value of the subject property by the Cost Method of Valuation, we have adopted the same comparable data as per our previous full report and valuation dated 31st December 2012 as there are no new recorded transactions of similar detached properties.

We have however adjusted upwards for time factor as the prices of industrial properties within Taman Sains Selangor 1 and in selected popular areas in Selangor which are comparable to the subject locality have increased upward since December 2012 by between 5% to 15%.

Taking into consideration the above upward movement in market prices since December 2012 and the Market Value of the subject property by the Cost Method of Valuation at RM24,145,804 on 31st December 2012, we have adopted a 5% increase in value to reflect time factor and thus the Market Value of the subject property is concluded at **RM25,353,094.00**

Direct Comparison Method of Valuation

We have adopted the same comparable sales as per our previous full report and valuation dated 31st December 2012 as there are no new recorded transactions of similar detached properties.

We have however adjusted upwards for time factor as the prices of industrial properties within Taman Sains Selangor 1 and in comparable areas in Selangor have increased since December 2012 by between 5% to 15%. Thus the Market Value of the subject property by the Direct Comparison Method of Valuation can be concluded as follows:-

Market Value (as before)

76,945 square feet @ RM343.00	RM26,400,000.00
Increase in price @ 5% (for time factor)	<u>RM 1,320,000.00</u>
Present Market Value	<u>RM27,720,000.00</u>

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14. VALUATION CERTIFICATES (Cont'd)

Update Valuation Certificate

The subleasehold interest with an unexpired term of 47 years in Lot PT 9909, HSD 241020,
Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.
(Lot No. 12, Jalan Teknologi 3/4, Section 3, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya)
Ref No. V/SEL/0354/2014


CITY VALUERS
AND CONSULTANTS SDN BHD

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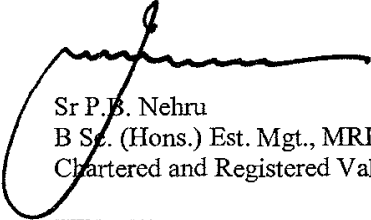
Reconciliation of Values

Giving due consideration to the indicative values by the Cost and Direct Comparison Methods of Valuation at RM25,353,094.00 and RM27,720,000.00 respectively, but giving slightly greater weightage to the Cost Method of Valuation since the subject property is a purpose built building where the land was bought initially as a vacant site and then erected with the subject buildings by the client for their own use, we are of the considered opinion that the Market Value of the subject property as at 25th April 2014 is **RM26,000,000.00**.

Opinion of Value

Having considered all the salient features of the subject property and the current market conditions of demand and supply, it is our considered opinion that the Market Value of Sasbadi Sdn Bhd's subleasehold interest in the subject property with an unexpired term of 47 years in its existing condition and use with benefit of a good registerable Lease Agreement free from encumbrances as at 25th April 2014 is **RM26,000,000.00** (Ringgit: Twenty Six Million only).

Yours faithfully,
CITY VALUERS AND CONSULTANTS SDN BHD


Sr P. B. Nehru
B Sc. (Hons.) Est. Mgt., MRICS, FRISM
Chartered and Registered Valuer -V189

V/SEL/0354/2014
5th May 2014
GS/imp



14. VALUATION CERTIFICATES (Cont'd)



**CITY VALUERS
AND CONSULTANTS SDN BHD**

Date : 27th December 2012

Our Ref : VNS/1469/2012

Sasbadi Holdings Sdn Bhd
Lot No. 12, Jalan Teknologi 3/4, Section 3
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya

co no: 98373-K
reg no: VE (1) 0015

Headquarters:
Suites B-9-12, 13 & 13A,
Gateway Corporate Suites,
No 1, Jalan Desa Kiara,
Mont Kiara,
50480 Kuala Lumpur.

Dear Sirs,

**VALUATION CERTIFICATE
FOR SUBMISSION TO THE SECURITIES COMMISSION MALAYSIA**

tel: 03 6205 2882
fax: 03 6201 9009

**APARTMENT UNIT NO. C-10-5, BLOCK C
[DEVELOPER'S PARCEL NO. C3-10-5P-3F], BAY VIEW VILLAS,
PD WORLD MARINA INTERNATIONAL RESORT (FORMERLY PD MARINA
INTERNATIONAL RESORT), 6TH MILE, JALAN PANTAI, TELUK KEMANG,
71050 PORT DICKSON, NEGERI SEMBILAN DARUL KHUSUS.**

Kuching Branch:
tel: 082 23 7746
fax: 082 23 9746

Term of Reference

Penang Branch:
tel: 04 397 9889
fax: 04 390 6898

This Valuation Certificate of the abovementioned property is prepared on the instruction of Sasbadi Holdings Sdn Bhd (to be known as Sasbadi Holdings Berhad upon conversion into a public company) for the inclusion in Sasbadi Holdings Berhad's prospectus to be dated 7 Jul 2014 in relation to the proposed listing and quotation for the enlarged issued and paid up share capital of Sasbadi Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad ('Bursa Securities').

Our term of reference is to determine the Market Value of the abovementioned 3-bedroom apartment situated on level 10 of Block C, Bay View Villas, PD World Marina International Resort at Port Dickson, Negeri Sembilan Darul Khusus as at 12th December 2012.

Valuation Standards Compliance

Our valuation is prepared in compliance with the Malaysian Valuation Standards (MVS) issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and the Asset Valuation Guidelines issued by the Securities Commission, Malaysia.

Definition of Market Value

Market Value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Date of Inspection

We inspected the subject property on 12th December 2012.

Date of Valuation

The relevant date of valuation of the subject property is 12th December 2012.

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14. VALUATION CERTIFICATES (Cont'd)

Valuation Certificate
for submission to The Securities Commission Malaysia

Apartment Unit No. C-10-5, Block C [Developer's Parcel No. C3-10-5P-3F], Bay View Villas
PD World Marina International Resort (formerly PD Marina International Resort), 6th Mile
Jalan Pantai, Teluk Kemang, 71050 Port Dickson, Negeri Sembilan Darul Khusus
Ref: V/NS/1469/2012 Date: 27th December 2012



CITY VALUERS
AND CONSULTANTS SDN BHD

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The Subject Property

The subject property is a **3-bedroom apartment** situated on level 10 of an 18-storey apartment building known as Block C, Bay View Villas, PD World Marina International Resort in Teluk Kemang, Port Dickson, Negeri Sembilan Darul Khusus. It bears the postal address Unit No. C-10-5, Block C, Bay View Villas, PD World Marina International Resort, 6th Mile Jalan Pantai, Teluk Kemang, 71050 Port Dickson, Negeri Sembilan Darul Khusus. The subject apartment has a provisional floor area of approximately 1,278 square feet (i.e. 118.73 square metres) as stated in the Sale and Purchase Agreement for the subject property dated 25th March 1995. It comes together with one accessory parcel open car park.

The subject apartment block is constructed of reinforced concrete frames and beams structure, plastered brick infill walls finished with smooth plaster and paint, reinforced concrete flat roof and reinforced concrete floors finished with broken marble, ceramic tiles and parquet in the individual units. The internal partition walls are of plastered brick work.

Town Planning

The subject property is designated for residential purpose. The subject development is an approved residential development with a Certificate of Fitness for Occupation issued on 14th May 1999.

Title Particulars

Our inquiry with the Joint Management Body of the subject development indicates that the subject property has not been issued with an individual strata title as yet. Legal ownership of the subject property has thus far been conveyed through a Sale and Purchase Agreement pending the issuance of the individual strata title.

In accordance with the Principal Sale and Purchase Agreement dated 25th March 1995 between the developer, Cempaka Mewah Sdn Bhd and the purchaser, Sasbadi Sdn Bhd (*see note below*), provided to us for reference by the client, the subject property is identified as Developer's Parcel No. C3-10-5P-3F, Unit No. 5P, Type No. 3F, Floor No. 10, Building No. C3, PD Marina International Resort (now renamed "PD World Marina International Resort"), Phase 3, (Bay View Villas) together with one accessory parcel car park bay. The subject apartment has a provisional floor area of approximately 1,278 square feet (118.73 square metres).

We have confirmed with Sasbadi Sdn Bhd that the property is presently free of all charges, leases, tenancies and encumbrances. We note that the parent title is now known as PN 11589, Lot 1131, Pekan Teluk Kemang, District of Port Dickson, Negeri Sembilan Darul Khusus and has an unexpired term of 89 years as at the date of valuation.

Note: We are informed by the client that Sasbadi Sdn Bhd is proposed to be a wholly owned subsidiary of Sasbadi Holdings Sdn Bhd.

Occupancy

The subject property is presently unoccupied. It is a barc unit which has not been occupied since its completion. There are no light and fan fittings or basic kitchen cabinet and stove within the unit.

3/...



14. VALUATION CERTIFICATES (Cont'd)

Valuation Certificate
for submission to The Securities Commission Malaysia

Apartment Unit No. C-10-5, Block C [Developer's Parcel No. C3-10-5P-3F], Bay View Villas
PD World Marina International Resort (formerly PD Marina International Resort), 6th Mile
Jalan Pantai, Teluk Kemang, 71050 Port Dickson, Negeri Sembilan Darul Khusus
Ref: VNS/1469/2012 Date: 27th December 2012



CITY VALUERS
AND CONSULTANTS SDN BHD

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Basis of Valuation

The basis of valuation is the 'Market Value' of the subject property in its existing use and condition as at 12th December 2012.

Method of Valuation

- Direct Comparison Method** : The Direct Comparison Method of Valuation entails enlisting recorded open market sales and other relevant market evidences such as current offers for sale of similar properties and making adjustment thereto for value affecting factors such as location, shape, size and tenure of the land, design, age, finishes, improvements and condition of the building, the demand for the property in its existing use and condition and legal and planning conditions affecting the property.
- Income Method** : The Income Method of Valuation entails capitalising the rent and other benefits (if any) that a property can generate over the unexpired term of the interest in the property by a market capitalisation rate to derive the Market Value of the interest in the property. The rent and capitalisation rates must be market derived.

Sources of Information

Recorded transactions of apartments within the subject development and in the subject neighbourhood as published by Jabatan Penilaian & Perkhidmatan Harta (JPPH) and information provided by the Joint Management Bodies of Bay View Villas and comparable properties.

Direct Comparison Method of Valuation

Five comparable apartments were transacted within PD World Marina International Resort in 2012 and December 2011 at prices of RM90, RM90, RM82, RM74 and RM72 per square foot. The market value of the subject property was derived from these sales evidence by the Direct Comparison Method of Valuation as follows:-

Transaction date	06/07/12	27/04/12	26/01/12	29/12/11	29/12/11
Address	Apartment Unit No. C4-01-12P-3E, PD World Marina International Resort, Port Dickson.	Apartment Unit No. B3-07-12G-3A, PD World Marina International Resort, Port Dickson.	Apartment Unit No. C4-01-04P, 05P & 09P, PD World Marina International Resort, Port Dickson.	Apartment Unit No. C4-01-12P, PD World Marina International Resort, Port Dickson.	Apartment Unit No. B4-01-01P, 02P & 03P, PD World Marina International Resort, Port Dickson.
Tenure	Leasehold with unexpired term of 89 years	Leasehold with unexpired term of 89 years	Leasehold with unexpired term of 89 years	Leasehold with unexpired term of 89 years	Leasehold with unexpired term of 89 years
Vendor	Heiw Ah Lan	Feizal Tan Bin Tan	Oval Paradise SB	Oval Paradise SB	Oval Paradise SB
Purchaser	Lim Kim Chai	Dasimah Binti Mohd Ali	Buildcode SB	Yvonne Isuruma De Silva	Buildcode SB
Consideration (RM)	165,000	100,000	150,000	135,000	132,000

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14. VALUATION CERTIFICATES (Cont'd)

Valuation Certificate
for submission to The Securities Commission Malaysia

Apartment Unit No. C-10-5, Block C [Developer's Parcel No. C3-10-5P-3F], Bay View Villas
PD World Marina International Resort (formerly PD Marina International Resort), 6th Mile
Jalan Pantai, Teluk Kemang, 71050 Port Dickson, Negeri Sembilan Darul Khusus
Ref: V/NS/1469/2012 Date: 27th December 2012



CITY VALUERS
AND CONSULTANTS SDN BHD

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Floor Area (sf)	1,831	1,113	1,831	1,831	1,843
Price /floor area (RM/psf)	RM90	RM90	RM82	RM74	RM72
Adjustments	Our analysis of the market data indicates that the market has not made any adjustments for size, time and floor level. We are thus accordingly also not making any adjustments these factors.				
Adjusted Value x Floor Area of subject unit	RM115,020	RM115,020	RM104,796	RM94,572	RM92,016
Less for Bare Condition	RM10,000	RM10,000	RM10,000	RM10,000	RM10,000
The bare condition of the subject unit was considered significant and thus we have adjusted for this factor by RM10,000.					
Adjusted Market Value	RM105,020	RM105,020	RM94,796	RM84,572	RM82,016
Average Market Value	RM94,284				
Conclusion of Value	Giving weightage to the Market Value derived from to the two latest sales in 2012 at RM105,020 and the average value at RM94,284, the Market Value of the subject property is concluded at RM100,000.00 .				

Income Method of Valuation

In arriving at the Market Value of the subject property by the Income Method of Valuation, we have adopted the following market data.

Market Rental	Our analysis of current market rents of similar apartments within the subject PD Marina International Resort and in the comparable schemes of Kemang Indah Condominium and PD Perdana Condominium Resort indicates the gross rent to range between RM0.60 psf and RM0.70 psf. In arriving at the market rental of the subject property, we have adopted RM0.70 psf.
Gross Yield	The comparable properties in PD Marina International Resort, Kemang Indah Condominium and PD Perdana Condominium Resort indicate a gross yield of 9.33%, 10.50% and 9.47%. These yields reflect all the salient features and factors affecting the properties including the void factor, outgoings and the sustainability of the rent, as they are market derived. For the purpose of this valuation, we have adopted the gross yield of 9.33% as the open market yield for the subject property.
Tenantable Condition	As the subject property is not in a tenantable condition, we have deducted RM10,000 as the depreciated cost of the light fittings, fans and basic kitchen cabinets. We have also deducted a depreciated cost of RM20,000 for the stove, beds and cupboards, living room sofas, dining table and chairs.
Conclusion of Value	Based on the above open market rent of RM0.70 psf, gross yield of 9.33% and the depreciated cost to bring the subject unit to tenantable condition at RM30,000.00, the Market Value of the subject property is concluded at RM85,000.00 .

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14. VALUATION CERTIFICATES (Cont'd)

Valuation Certificate
for submission to The Securities Commission Malaysia

Apartment Unit No. C-10-5, Block C [Developer's Parcel No. C3-10-5P-3F], Bay View Villas
PD World Marina International Resort (formerly PD Marina International Resort), 6th Mile
Jalan Pantai, Teluk Kemang, 71050 Port Dickson, Negeri Sembilan Darul Khusus
Ref: V/NS/1469/2012 Date: 27th December 2012



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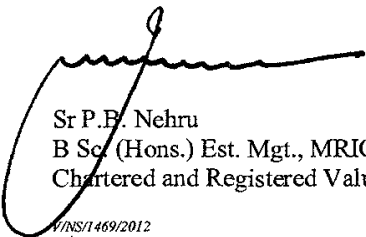
Reconciliation of Value

The Market Value of the subject property as derived by the two methods of valuation are as follows :-

<u>Method of Valuation</u>	<u>Indicative Market Value</u>
Direct Comparison Method of Valuation	RM100,000
Income Method of Valuation	RM 85,000

Giving due consideration to the indicative values by the two methods of valuation, the large number of units in PD World Marina International Resort and the significant number of units being sold at auctions by financial institutions at reduced reserve prices, we are of the opinion that the lower indicative value of **RM85,000.00** as derived by the 'Income' method of valuation fairly reflects the open Market Value of the subject unit as at the date of this valuation.

Yours faithfully,
CITY VALUERS AND CONSULTANTS SDN BHD


Sr P.B. Nehru
B Sc. (Hons.) Est. Mgt., MRICS, FRISM
Chartered and Registered Valuer -V189

V/NS/1469/2012
27th December 2012
GS



14. VALUATION CERTIFICATES (Cont'd)



**CITY VALUERS
AND CONSULTANTS SDN BHD**

Date : 5th May 2014

Our Ref : V/NS/0352/2014 (Previous Ref. No. V/NS/1469/2012)

co no: 98373-K
reg no: VE (1) 0015

Sasbadi Holdings Berhad
Lot No. 12, Jalan Teknologi 3/4, Section 3
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya

Headquarters:
Suites B-9-12, 13 & 13A,
Gateway Corporate Suites,
No 1, Jalan Desa Kiara,
Mont Kiara,
50480 Kuala Lumpur.

Dear Sirs,

tel: 03 6205 2882
fax: 03 6201 9009

UPDATE VALUATION CERTIFICATE

**APARTMENT UNIT NO. C-10-5, BLOCK C
[DEVELOPER'S PARCEL NO. C3-10-5P-3F], BAY VIEW VILLAS,
PD WORLD MARINA INTERNATIONAL RESORT (FORMERLY PD MARINA
INTERNATIONAL RESORT), 6TH MILE, JALAN PANTAI, TELUK KEMANG,
71050 PORT DICKSON, NEGERI SEMBILAN DARUL KHUSUS.**

Kuching Branch:
tel: 082 23 7746
fax: 082 23 9746

Penang Branch:
tel: 04 397 9889
fax: 04 390 6898

Term of Reference

This Update Valuation Certificate on the abovementioned property is prepared on the instruction of Sasbadi Holdings Berhad for inclusion in the prospectus dated 7 Jul 2014 in relation to the listing and quotation for the entire enlarged issued and paid up share capital of Sasbadi Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad ('Bursa Securities').

A Report and Valuation on the abovementioned property in full compliance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and the Asset Valuation Guidelines of the Securities Commission Malaysia was previously prepared by us under Reference No. V/NS/1469/2012 dated 27th December 2012. This Update Valuation Certificate should be read in conjunction with the said full Report and Valuation.

Our term of reference for this update valuation certificate is to determine the Market Value of the abovementioned subject property as at 28th April 2014.

Date of Inspection

We have re-inspected the subject property on 28th April 2014.

Date of Valuation

The relevant date of valuation for this Update Valuation Certificate is 28th April 2014.

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14. VALUATION CERTIFICATES (Cont'd)

Update Valuation Certificate

Apartment Unit No. C-10-5, Block C [Developer's Parcel No. C3-10-5P-3F], Bay View Villas
PD World Marina International Resort (formerly PD Marina International Resort), 6th Mile
Jalan Pantai, Teluk Kemang, 71050 Port Dickson, Negeri Sembilan Darul Khusus
Ref: V/NS/0352/2014


CITY VALUERS
AND CONSULTANTS SDN BHD

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The Physical Condition of the Subject Property

The physical condition of the subject property has remained unchanged from our last inspection for the full report and valuation dated 27th December 2012.

Town Planning

The Town Planning for the subject property has also remained unchanged from that stated in our full report and valuation dated 27th December 2012.

Title Particulars

Our current inquiry with the Joint Management Body of the subject development indicates that the subject property has still not been issued with an individual strata title as yet. Legal ownership of the subject property is conveyed through a Sale and Purchase Agreement dated 25th March 1995 the details of which are mentioned in our previous Report and Valuation dated 27th December 2012.

Occupancy

The subject property is presently unoccupied. It is a bare unit which has not been occupied since its completion. There are no light and fan fittings or basic kitchen cabinet and stove within the unit.

**Market Condition
for Apartments/Condominiums in Port Dickson**

Our analysis of the data reported by National Property Information Centre (NAPIC) for Q1 2013, Q4 2013 and Q1 2014 relating to apartments/condominiums in the District of Port Dickson indicate no significant change or consistent trend in the value of transactions and number of transactions.

Basis of Valuation

The basis of valuation is the 'Market Value' of the subject property in its existing use and condition as at 28th April 2014.

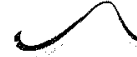
Method of Valuation

We have adopted the Direct Comparison and Income Methods of Valuation similar to our previous full report and valuation dated 27th December 2012.

3/...



14. VALUATION CERTIFICATES (Cont'd)



CITY VALUERS
AND CONSULTANTS SDN BHD

Update Valuation Certificate

Apartment Unit No. C-10-5, Block C [Developer's Parcel No. C3-10-5P-3F], Bay View Villas
PD World Marina International Resort (formerly PD Marina International Resort), 6th Mile
Jalan Pantai, Teluk Kemang, 71050 Port Dickson, Negeri Sembilan Darul Khusus
Ref: V/NS/0352/2014

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Direct Comparison Method of Valuation

Our analysis of new sales data in PD World Marina International Resort indicate several sales of apartment units of various sizes and floor levels in 2013. There are no recorded sales in 2014. The details of the latest recorded transactions of properties are as follows:-

Transaction date	25/10/13	12/10/13	03/09/13	22/08/13	03/07/13
Address	Apartment Unit No. C8-2P-2J PD World Marina International Resort, Port Dickson.	Apartment Unit No. B3-3A-3AP-2A PD World Marina International Resort, Port Dickson.	Apartment Unit No. A-5-1P-3A PD World Marina International Resort, Port Dickson.	Apartment Unit No. C-3-1P-3C PD World Marina International Resort, Port Dickson.	Apartment Unit No. M1/5/63 PD World Marina International Resort, Port Dickson.
Tenure	Leasehold with unexpired term of 87 years	Leasehold with unexpired term of 87 years	Leasehold with unexpired term of 87 years	Leasehold with unexpired term of 87 years	Leasehold with unexpired term of 87 years
Vendor	Tan Sow Ping	Oh Kong Hooi + 1	Gah Ah Ban	Cempaka Mewah Sdn. Bhd	Lee Mee Kuan
Purchaser	Toh Siew Pang	Teoh Kim Meng	Gan Ee Chin	Loke Hoong Liang	Mohd Fawzi Bin Abdul Kadir
Consideration (RM)	43,000	90,000	36,000	53,000	50,000
Floor Area (sf)	829	966	693	1,044	655
Price (RM/psf)	52	93	52	51	76
Adjustments	It can be noted from the above recorded sales that the prices when analysed on a per square foot basis do not show a consistent trend. The market has also not made any adjustments for differences in floor size, floor level, date of sale, etc. We are thus accordingly also not making any adjustments for these factors.				
Value x Floor Area of subject unit	RM66,456	RM118,854	RM66,456	RM65,178	RM97,128
Less for Bare Condition	RM10,000	RM10,000	RM10,000	RM10,000	RM10,000
The bare condition of the subject unit was considered significant and thus we have adjusted for this factor by RM10,000.					
Adjusted Market Value	RM56,456	RM108,854	RM56,456	RM55,178	RM87,128
Conclusion of Value	Considering the very wide difference in the indicative market values due to the varying prices at which the comparable units have been sold, we are not giving great weightage to this method of valuation. It however serves to indicate the value range within which the market value of the subject property must lie.				

Source : Jabatan Penilaian dan Perkhidmatan Harta (JPPH)

4/...



Chartered Surveyors
Valuation Consultancy Market Study Real Estate Management

www.cityvaluers.com

14. VALUATION CERTIFICATES (Cont'd)

Update Valuation Certificate

Apartment Unit No. C-10-5, Block C [Developer's Parcel No. C3-10-5P-3F], Bay View Villas
PD World Marina International Resort (formerly PD Marina International Resort), 6th Mile
Jalan Pantai, Teluk Kemang, 71050 Port Dickson, Negeri Sembilan Darul Khusus
Ref: V/NS/0352/2014


CITY VALUERS
AND CONSULTANTS SDN BHD

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Income Method of Valuation

Our current enquiry with the Management Office on the present market rent indicates that the current rent is still at the same range as reported in our full report and valuation of 27th December 2012 i.e. at RM0.60 per square foot to RM0.70 per square foot per month. Thus the Market Value of the property by this method of valuation will also not indicate any change.

Adopting the same fair rent of RM0.70 psf per month, gross yield of 9.33% and the depreciated cost to bring the subject unit to tenantable condition at RM30,000, as previously in our full Report and Valuation in December 2012, the present Market Value of the subject property can be concluded at **RM85,000.00** similar to our earlier full report and valuation.

Reconciliation of Value

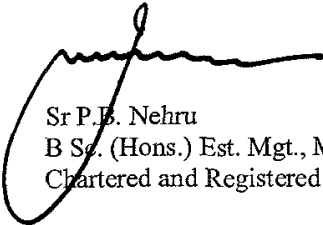
We note that the Market Value indication of RM85,000.00 by the Income Method of Valuation lies within the range of values indicated by the Comparison Method of Valuation i.e. RM55,178 to RM108,854. Thus the Market Value of RM85,000.00 as indicated by the Income Method of Valuation can be accepted as indicative of the Present Market Value of the property.

Opinion of Value

Having considered all the factors, the salient features of the subject property, the available market data and the current market conditions of demand and supply, we are of the opinion that the Market Value of the subject property as at 28th April 2014 in its existing use and condition can be concluded at **RM85,000.00** (Ringgit: Eighty Five Thousand only).

Yours faithfully,

CITY VALUERS AND CONSULTANTS SDN BHD


Sr P. B. Nehru
B Sc. (Hons.) Est. Mgt., MRICS, FRISM
Chartered and Registered Valuer -V189

V/NS/0352/2014
5th May 2014
GS/mg



14. VALUATION CERTIFICATES (Cont'd)



**CITY VALUERS
AND CONSULTANTS SDN BHD**

Date : 27th December 2012

Our Ref : V/NS/1468/2012

Sasbadi Holdings Sdn Bhd
Lot No. 12, Jalan Teknologi 3/4, Section 3
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya

co no: 98373-K
reg no: VE (1) 0015

Headquarters:
Suites B-9-12, 13 & 13A,
Gateway Corporate Suites,
No 1, Jalan Desa Kiara,
Mont Kiara,
50480 Kuala Lumpur

Dear Sirs,

tel: 03 6205 2882
fax: 03 6201 9009

**VALUATION CERTIFICATE
FOR SUBMISSION TO THE SECURITIES COMMISSION MALAYSIA**

**APARTMENT UNIT NO. B 1-2, BLOCK B,
THE REGENCY TANJUNG TUAN BEACH RESORT (FORMERLY
TANJUNG TUAN RESORT APARTMENT), 5TH MILE, JALAN PANTAI,
71050 PORT DICKSON, NEGERI SEMBILAN DARUL KHUSUS**

Kuching Branch:
tel: 082 23 7746
fax: 082 23 9746

Penang Branch:
tel: 04 397 9889
fax: 04 390 6898

Term of Reference

This Valuation Certificate of the abovementioned property is prepared on the instruction of Sasbadi Holdings Sdn Bhd (to be known as Sasbadi Holdings Berhad upon conversion into a public company) for the inclusion in Sasbadi Holdings Berhad's prospectus to be dated 7 Jul 2014 in relation to the proposed listing and quotation for the enlarged issued and paid up share capital of Sasbadi Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad ('Bursa Securities').

Our term of reference is to determine the Market Value of the abovementioned 2-bedroom apartment located on the 1st floor of Block B, The Regency Tanjung Tuan Beach Resort in Port Dickson, Negeri Sembilan Darul Khusus as at 12th December 2012.

Valuation Standards Compliance

Our valuation is prepared in compliance with the Malaysian Valuation Standards (MVS) issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and the Asset Valuation Guidelines issued by the Securities Commission Malaysia.

Definition of Market Value

Market Value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Date of Inspection

We inspected the subject property on 12th December 2012.

2/...



14. VALUATION CERTIFICATES (Cont'd)

Valuation Certificate
for submission to The Securities Commission Malaysia



Apartment Unit No. B 1-2, Block B, The Regency Tanjung Tuan Beach Resort
5th Mile, Jalan Pantai, 71050 Port Dickson, Negeri Sembilan Darul Khusus
Ref: V/NS/1468/2012 Date: 27th December 2012

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Date of Valuation

The relevant date of valuation of the subject property is 12th December 2012.

The Subject Property

The subject property is a **2-bedroom apartment** situated on the 1st floor of an 11-storey apartment building known as Block B, The Regency Tanjung Tuan Beach Resort which is located at the 5th Mile, Jalan Pantai, Port Dickson, Negeri Sembilan Darul Khusus. It bears the postal address Unit No. B 1-2, Block B, The Regency Tanjung Tuan Beach Resort, 5th Mile, Jalan Pantai, 71050 Port Dickson, Negeri Sembilan Darul Khusus. The subject property has a provisional floor area of 90 square metres (i.e. approximately 969 square feet) as stated in the principal Sale and Purchase Agreement for the subject property dated 25th March 1995.

The subject apartment block is constructed of reinforced concrete frames and beams structure, plastered brick infill walls, pitched timber truss roof covered with concrete roofing tiles and reinforced concrete floors finished with ceramic tiles generally. The internal partition walls are of plastered brick work.

Town Planning

The subject property is designated for residential purpose. The subject development is an approved residential development with a Certificate of Fitness for Occupation issued on 27th October 1986.

Title Particulars

Our investigation with the Joint Management Body of The Regency Tanjung Tuan Beach Resort indicates that the subject property has not been issued with an individual strata title as yet. Legal ownership of the subject property has thus far been conveyed through Sale and Purchase Agreements pending the issuance of the individual strata title.

In accordance with the Sale and Purchase Agreement dated 25th March 1995 between the Vendor, Aamir Nordin @ Amirridin Bin Mohd Aripin @ Ariffin and the purchaser, Sasbadi Sdn Bhd (*see note overleaf*), provided to us for reference by the client, the subject property is identified as Unit No. B 1-2, 1st Floor, Tanjung Tuan Resort Apartment (which is now known as The Regency Tanjung Tuan Beach Resort). Unit B 1-2 has a provisional floor area of 90 square metres (i.e. approximately 969 square feet). It was purchased by Sasbadi Sdn. Bhd. from Aamir Nordin @ Amirridin Bin Mohd Aripin @ Ariffin (NRIC No. 1195773) who in turn purchased the unit from the developer of the building i.e. Tanjung Tuan Resort Development Sdn Bhd vide a principal Sale and Purchase Agreement dated 20th January 1990.

We have confirmed with Sasbadi Sdn Bhd and their solicitors that the property is presently free of all charges, leases, tenancies and encumbrances. We note that the parent title is now known as Pajakan Negeri 20121, Lot 5627, Mukim of Si Rusa, District of Port Dickson, Negeri Sembilan Darul Khusus and has an unexpired term of 69 years as at the date of valuation.

Note: We are informed by the client that Sasbadi Sdn Bhd is proposed to be a wholly owned subsidiary of Sasbadi Holdings Sdn Bhd.



14. VALUATION CERTIFICATES (Cont'd)

Valuation Certificate
for submission to The Securities Commission Malaysia

Apartment Unit No. B 1-2, Block B, The Regency Tanjung Tuan Beach Resort
5th Mile, Jalan Pantai, 71050 Port Dickson, Negeri Sembilan Darul Khusus
Ref: V/NS/1468/2012 Date: 27th December 2012



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Occupancy

The subject property is presently used as a holiday apartment for the staff of Sasbadi Sdn Bhd.

Basis of Valuation

The basis of valuation is the 'Market Value' of the subject property in its existing use and condition as at 12th December 2012.

Method of Valuation

- Direct Comparison Method : The Direct Comparison Method of Valuation entails enlisting recorded open market sales and other relevant market evidences such as current offers for sale of similar properties and making adjustment thereto for value affecting factors such as location, shape, size and tenure of the land, design, age, finishes, improvements and condition of the building, the demand for the property in its existing use and condition and legal and planning conditions affecting the property.
- Income Method : The Income Method of Valuation entails capitalising the rent and other benefits (if any) that a property can generate over the unexpired term of the interest in the property by a market capitalisation rate to derive the Market Value of the interest in the property. The rent and capitalisation rates must be market derived.

Sources of Information

Recorded transactions of apartments within the subject development and in the subject neighbourhood as published by Jabatan Penilaian & Perkhidmatan Harta (JPPH), Negeri Sembilan and information provided by the Joint Management Bodies of The Regency Tanjung Tuan Beach Resort and the comparable properties.

Direct Comparison Method of Valuation

Four comparable apartments were transacted within Tanjung Tuan Beach Resort in 2012 and 2011 at prices of RM217, RM235, RM209 and RM225 per square foot. The market value of the subject property was derived from these sales evidence by the Direct Comparison Method of Valuation as follows:-

4/...



14. VALUATION CERTIFICATES (Cont'd)

Valuation Certificate
 for submission to The Securities Commission Malaysia

Apartment Unit No. B 1-2, Block B, The Regency Tanjung Tuan Beach Resort
 5th Mile, Jalan Pantai, 71050 Port Dickson, Negeri Sembilan Darul Khusus
 Ref: V/NS/1468/2012 Date: 27th December 2012

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	26/05/12	17/11/11	01/07/11	22/02/11
Transaction date	26/05/12	17/11/11	01/07/11	22/02/11
Address	Apartment Unit No. A2-6, Block A, The Regency Tanjung Tuan Beach Resort, Port Dickson.	Apartment Unit No. A8-6, Block A, The Regency Tanjung Tuan Beach Resort, Port Dickson.	Apartment Unit No. B7-13, Block B, The Regency Tanjung Tuan Beach Resort, Port Dickson.	Apartment Unit No. B4-4, Block B, The Regency Tanjung Tuan Beach Resort, Port Dickson.
Tenure	Leasehold with unexpired term of 69 years	Leasehold with unexpired term of 69 years	Leasehold with unexpired term of 69 years	Leasehold with unexpired term of 69 years
Vendor	Syarikat Kekapas S/B	Viswanatha Menon Aravind a/l KP V Menon	Mohd Arshad Bin Abu Bakar	Lee Juan Kim
Purchaser	Jude Mohan Rajandran	Chandrasekar a/l Suppiah	Alla Andriyevska	Halimahtus Saadiah Binti Sanam
Consideration (RM)	265,000	260,000	255,000	148,000
Floor Area (sf)	1,222	1,105	1,222	657
Price /floor area (RM/psf)	217	235	209	225
Adjustments	Downward and upward adjustments were made for size of units relative to the subject property. Upward adjustments were made for the higher level units. Consideration was also given to the condition of the units and date of sale of the comparables.			
Market Value (RM/psf)	227.85	223.25	209	213.75
Average Market Value (RM/psf.)	RM218.00			
Conclusion of Value	The best comparables are comparable No. 1 in terms of floor level and time factor and comparable No. 2 in terms of floor size. Giving greater weightage to the market values from these two evidence at RM227.85 per square foot and RM223.25 per square foot and the average value of RM218.46 per square foot, the Market Value of the subject unit is concluded at RM220 per square foot or RM213,000.			

Income Method of Valuation

In arriving at the Market Value of the subject property by the Income Method of Valuation, we have adopted the following market data

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14. VALUATION CERTIFICATES (Cont'd)

Valuation Certificate
for submission to The Securities Commission Malaysia



CITY VALUERS
AND CONSULTANTS SDN BHD

Apartment Unit No. B 1-2, Block B, The Regency Tanjung Tuan Beach Resort
5th Mile, Jalan Pantai, 71050 Port Dickson, Negeri Sembilan Darul Khusus
Ref: V/NS/1468/2012 Date: 27th December 2012

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Market Rental	Our analysis of current market rentals of similar apartments within the subject Regency Tanjung Tuan Beach Resort and in the comparable schemes of Sri Bulan Condominium and Glory Beach Resort indicates the gross rent to range between RM1.50 psf and RM2.00 psf. In arriving at the market rental of the subject property, we have adopted RM1.90 psf.
Gross Yield	The comparable properties in Regency Tanjung Tuan Beach Resort, Sri Bulan Condominium and Glory Beach Resort indicate a gross yield of 10.50%, 10.06% and 13.04% respectively. These yields reflect all the salient features and factors affecting the properties including the void factor, outgoings and the sustainability of the rent, as they are market derived. For the purpose of this valuation, we have adopted the gross yield of 10.50% as the open market yield for the subject property.
Conclusion of Value	Based on the above open market rent of RM1.90 psf and gross yield of 10.50%, the Market Value of the subject property is concluded at RM210,000.00 .

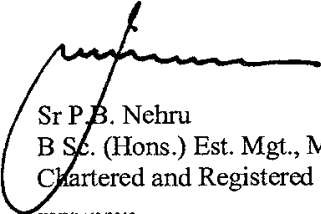
Reconciliation of Value

The Market Value of the subject property as derived by the two methods of valuation are as follows :-

<u>Method of Valuation</u>	<u>Indicative Market Value</u>
Direct Comparison Method of Valuation	RM213,000
Income Method of Valuation	RM210,000

Giving due consideration to the indicative values by the 2 methods of valuation, we are of the opinion that the Direct Comparison Method is more consistent as it is based on 4 sales of units within the subject scheme. Thus the Market Value of the subject property can be concluded based on the indicative market value by the Direct Comparison method of valuation at **RM213,000.00** (Ringgit: Two Hundred and Thirteen Thousand only).

Yours faithfully,
CITY VALUERS AND CONSULTANTS SDN BHD



Sr P.B. Nehru
B Sc. (Hons.) Est. Mgt., MRICS, FRISM
Chartered and Registered Valuer –V189

V/NS/1468/2012
27th December 2012
GS



14. VALUATION CERTIFICATES (Cont'd)



CITY VALUERS
AND CONSULTANTS SDN BHD

Date : 5th May 2014
Our Ref : V/NS/0353/2014 (Previous Ref. No. V/NS/1468/2012)

co no: 98373-K
reg no: VE (1) 0015

Sasbadi Holdings Berhad
Lot No. 12, Jalan Teknologi 3/4, Section 3
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya

Headquarters:
Suites B-9-12, 13 & 13A,
Gateway Corporate Suites,
No 1, Jalan Desa Kiara,
Mont Kiara,
50480 Kuala Lumpur.

Dear Sirs,

tel: 03 6205 2882
fax: 03 6201 9009

UPDATE VALUATION CERTIFICATE

**APARTMENT UNIT NO. B-1-2, BLOCK B,
THE REGENCY TANJUNG TUAN BEACH RESORT (FORMERLY
TANJUNG TUAN RESORT APARTMENT), 5TH MILE, JALAN PANTAI,
71050 PORT DICKSON, NEGERI SEMBILAN DARUL KHUSUS**

Kuching Branch:
tel: 082 23 7746
fax: 082 23 9746

Penang Branch:
tel: 04 397 9889
fax: 04 390 6898

Term of Reference

This Update Valuation Certificate on the abovementioned property is prepared on the instruction of Sasbadi Holdings Berhad for inclusion in the prospectus dated ~~...7 Jul 2014~~..... in relation to the listing and quotation for the entire enlarged issued and paid up share capital of Sasbadi Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad ('Bursa Securities').

A Report and Valuation on the abovementioned property in full compliance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and the Asset Valuation Guidelines of the Securities Commission Malaysia was previously prepared by us under Reference No. V/NS/1468/2012 dated 27th December 2012. This Update Valuation Certificate should be read in conjunction with the said full Report and Valuation.

Our term of reference for this update valuation certificate is to determine the Market Value of the abovementioned subject property as at 28th April 2014.

Date of Inspection

We have re-inspected the subject property on 28th April 2014.

Date of Valuation

The relevant date of valuation for this Update Valuation Certificate is 28th April 2014.

2/...



14. VALUATION CERTIFICATES (Cont'd)

Update Valuation Certificate

Apartment Unit No. B 1-2, block B, The Regency Tanjung Tuan Beach Resort (formerly Tanjung Tuan Resort Apartment), AND CONSULTANTS SDN BHD
5th mile, Jalan Pantai, 71050 Port Dickson, Negeri Sembilan Darul Khusus
V/NS/0353/2014



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The Physical Condition of the Subject Property

The physical condition of the subject property has remained unchanged from our last inspection for the full report and valuation dated 27th December 2012.

Town Planning

The Town Planning for the subject property has also remained unchanged from that stated in our full report and valuation dated 27th December 2012.

Title Particulars

Our current inquiry with the Joint Management Body of The Regency Tanjung Tuan Beach Resort indicates that the subject property has still not been issued with an individual strata title as yet. Legal ownership of the subject property is conveyed through a Sale and Purchase Agreement dated 25th March 1995 the details of which are mentioned in our previous Report and Valuation dated 27th December 2012.

Occupancy

The subject property is presently used as a holiday apartment for the staff of Sasbadi Holdings Berhad.

**Market Condition
for Apartments/Condominiums in Port Dickson**

Our analysis of the data reported by National Property Information Centre (NAPIC) for Q1 2013, Q4 2013 and Q1 2014 relating to apartments/condominiums in the District of Port Dickson indicate no significant change or consistent trend in the value of transactions and number of transactions.

Basis of Valuation

The basis of valuation is the 'Market Value' of the subject property in its existing use and condition as at 28th April 2014.

Method of Valuation

We have adopted the Direct Comparison and Income Methods of Valuation similar to our previous full report and valuation dated 27th December 2012.

3/...



14. VALUATION CERTIFICATES (Cont'd)



Update Valuation Certificate

CITY VALUERS

Apartment Unit No. B 1-2, block B, The Regency Tanjung Tuan Beach Resort (formerly Tanjung Tuan Resort Apartment), AND CONSULTANTS SDN BHD
5th mile, Jalan Pantai, 71050 Port Dickson, Negeri Sembilan Darul Khusus
V/NS/0353/2014

- 3 -

Direct Comparison Method of Valuation

There are no recorded transactions of similar apartments within Tanjung Tuan Beach Resort in 2013 or 2014. The Comparison Method of Valuation is thus based on the latest four comparable sales which were transacted within Tanjung Tuan Beach Resort in 2012. The details of the 4 latest sales are as follows:-

Transaction date	22/10/12	09/11/12	26/05/12	13/05/12
Address	Apartment Unit No. B3-7, 3 rd Floor, Block B, The Regency Tanjung Tuan Beach Resort, Port Dickson.	Apartment Unit No. B2-5A, 2 nd Floor, Block B, The Regency Tanjung Tuan Beach Resort, Port Dickson.	Apartment Unit No. A2-6, 2 nd Floor, Block A, The Regency Tanjung Tuan Beach Resort, Port Dickson.	Apartment Unit No. B3-1, 3 rd Floor, Block B, The Regency Tanjung Tuan Beach Resort, Port Dickson.
Tenure	Leasehold with unexpired term of 67 years	Leasehold with unexpired term of 67 years	Leasehold with unexpired term of 67 years	Leasehold with unexpired term of 67 years
Vendor	Tan Hong Shian	Julia Binti Hussein	Syarikat Kekapas Sdn Bhd	Stephen Sivanewaren a/l Ramalingam
Purchaser	Halimahtus Sa'adiyah Binti Sanam	Handan Bin Osman	Jude Mohan Rajandran	Norhani Binti Ismail
Consideration (RM)	205,000	150,000	265,000	350,000
Floor Area (sf)	969	660	1,222	1,324
Price (RM/psf)	212	227	217	264
Adjustments	It is noted from the above comparable sales that the adjustment for size by the market is not consistent. We have similarly thus only adjusted for size very marginally. All the above units and the subject property are located on the lower floors. Thus we are not making any adjustments for floor level. Comparable no. 4 is renovated and thus has a higher price per square foot whilst the other 3 comparables are all similar to the subject property. The comparable sales above do not indicate a rise in price due to time factor. We have however adopted a nominal increase to reflect the likely rise in price between 2012 and presently.			
Market Value (RM/psf)	223	227	239	251
Conclusion of Value	The adjusted Market Values derived from the 4 comparable sales are RM223, RM227, RM239 and RM251 per square foot. The best comparable is the comparable No. 1 in terms of floor area and date of sale. Giving greater weightage to the adjusted value of this evidence at RM223 per square foot, the Market Value of the subject unit as at 28 th April 2014 can be concluded at RM223 per square foot or RM216,000.00.			

Source : Jabatan Penilaian dan Perkhidmatan Harta (JPPH)

4/...



14. VALUATION CERTIFICATES (Cont'd)

Update Valuation Certificate

Apartment Unit No. B 1-2, block B, The Regency Tanjung Tuan Beach Resort (formerly Tanjung Tuan Resort Apartment), AND CONSULTANTS SDN BHD
5th mile, Jalan Pantai, 71050 Port Dickson, Negeri Sembilan Darul Khusus
V/NS/0353/2014


CITY VALUERS

- 4 -

Income Method of Valuation

Our current enquiry with the Management Office on the present market rent indicates that the current rent is still at the same range as reported in our full report and valuation of 27th December 2012 i.e. at RM1.50 per square foot to RM2.00 per square foot per month. Thus the Market Value of the property by this method of valuation will also not indicate any change.

Adopting the same fair rent of RM1.90 per square foot per month and gross yield of 10.50% as previously in our full Report and Valuation in December 2012, the present Market Value of the subject property can be concluded at **RM210,000.00** similar to our earlier full report and valuation.

Reconciliation of Value

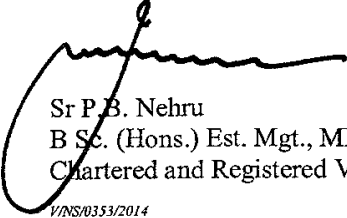
Giving due consideration to the indicative values by the Direct Comparison and Income Methods of Valuation at RM216,000.00 and RM210,000.00 and giving a slightly greater weightage to the value indication by the Comparison Method of Valuation, we are of the opinion that the Market Value of the subject property as at 28th April 2014 can be concluded at **RM215,000.00**.

Opinion of Value

Having considered all the salient features of the subject property, the available market data and the current market conditions of demand and supply, we are of the opinion that the Market Value of the subject property as at 28th April 2014 in its existing use and condition can be concluded at **RM215,000.00** (Ringgit: Two Hundred and Fifteen Thousand only).

Yours faithfully,

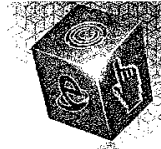
CITY VALUERS AND CONSULTANTS SDN BHD


Sr P.B. Nehru
B Sc. (Hons.) Est. Mgt., MRICS, FRISM
Chartered and Registered Valuer -V189

V/NS/0353/2014
5th May 2014
GS/mp



15. DIRECTORS' REPORT



Contents
Technology
Hands-on Learning
SASBADI

BUILDING the BLOCKS of KNOWLEDGE

SASBADI HOLDINGS BHD (1022660-T)

Lot 12, Jalan Teknologi 3/4,
Taman Sains Selangor 1,
Kota Damansara,
47810 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

Tel: +603 6145 1188

Fax: +603 6145 1199

Website: www.sasbadiholdings.com

Email: enquiry@sasbadiholdings.com

23 June 2014

Registered Office:

Suite 11.1A, Level 11 Menara Weld
76, Jalan Raja Chulan
50200 Kuala Lumpur

The shareholders of Sasbadi Holdings Berhad (“Sasbadi Holdings” or “Company”)

Dear Sirs/Madams,

On behalf of the Board of Directors of Sasbadi Holdings, I report after due and careful enquiry that during the period from 28 February 2014 (being the date to which the last audited financial statements of our Company and our subsidiary companies which have been made) up to 23 June 2014 (being a date not earlier than 14 days before the issuance of this Prospectus):

- (i) the business of our Company and subsidiary companies have, in the opinion of the Directors, been satisfactorily maintained;
- (ii) in the opinion of our Directors, no circumstances have arisen since the last audited financial statements of our Company and our subsidiary companies which have adversely affected the trading of the value of the assets of our Company or of our subsidiary companies;
- (iii) the current assets of our Company and our subsidiary companies appears in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) there are no contingent liabilities by reason of any guarantee or indemnities given by our Company or our subsidiary companies;
- (v) since the last audited financial statements of our Company and our subsidiary companies, there has been no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings in which we are aware of; and
- (vi) since the last audited financial statements of our Company and our subsidiary companies, save as disclosed in the Accountants' Report enclosed in this Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Company and our subsidiary companies.

Yours faithfully

For and on behalf of the Board of Directors
SASBADI HOLDINGS BERHAD

A handwritten signature in black ink, appearing to read 'Law King Hui'.

LAW KING HUI
Managing Director

16. ADDITIONAL INFORMATION

16.1 SHARE CAPITAL

- (i) No securities will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
- (ii) None of the capital of our Company or our subsidiary companies are under option or agreed conditionally or unconditionally to be put under option.
- (iii) Save for our IPO Shares reserved for subscription by the eligible employees and Directors of our Group, there is currently no other scheme involving the Directors and employees in the capital of our Company or our subsidiary companies.
- (iv) Save as disclosed in Section 8.1 of this Prospectus, there are no other persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company or our subsidiary companies.
- (v) As at the date of this Prospectus, there is no limitation on the right to own securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares imposed by the applicable Malaysian law or by our Memorandum and Articles of Association.

16.2 ARTICLES OF ASSOCIATION

The following provisions relate to the remuneration of directors, voting and borrowing powers of directors, transfer of securities and changes in capital and variation of class rights as reproduced from our Articles of Association (“**Article(s)**”). The words and expressions appearing in the following provisions shall bear the same meaning used in our Articles unless they are otherwise defined here or the context otherwise requires:

(i) Remuneration of Directors

“Article 103.1

The fees payable to the directors shall from time to time be determined by an ordinary resolution of the Company in general meeting PROVIDED THAT such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting. Any director holding office for a part of a year shall be entitled to a proportionate part of such fee.”

“Article 103.2

A managing director or executive director shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the directors may determine. Salaries payable to executive directors shall not include a commission on or percentage of turnover.”

“Article 103.3

Fees payable to non-executive directors shall be by way of a fixed sum and not a commission on or percentage of profits or turnover.”

“Article 103.4

Any fee payable to an alternate director shall be such amount as shall be agreed between himself and the directors nominating him and shall be deducted from the remuneration payable to the latter.”

16. ADDITIONAL INFORMATION (Cont'd)

“Article 104.1

The directors may also be paid all travelling, hotel and other expenses properly incurred by them in the execution of their duties including any such reasonable expenses incurred in connection with their attendance at meetings of the directors, any committee of the directors or General Meetings of the Company or in connection with the business of the Company.”

“Article 104.2

No payment shall be made to any director by way of compensation for loss of office or as consideration for or in consideration with his retirement from office unless particulars with respect to the proposed payment (including the amount thereof) have been disclosed to the members and the proposal has been approved by the Company in general meeting.”

“Article 105

If a director being willing shall be called upon to render or perform special or extraordinary services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of directors, he shall be entitled to receive such sum for expenses and also such remuneration as the directors determine. Such remuneration may, as the directors determine, be either in addition to or in substitution for any other remuneration which that director is entitled to receive. Extra remuneration payable to non-executive director(s) shall not include a commission or percentage of profits or turnover.”

(ii) Voting Powers and Borrowing Powers of Directors, including voting powers in relation to proposals, arrangements or contracts in which they are interested

“Article 94

Without prior approval of the Company in General Meeting:

- (a) the director shall not carry into effect any proposal or execute any transaction for the acquisition of an undertaking or property of a substantial value, or the disposal of a substantial portion of or a controlling interest in the Company’s main undertaking or property; or*
- (b) the director shall not exercise any power of the Company to issue shares unless otherwise permitted under the Act;*

and subject to Section 132E of the Act, the director, or person(s) connected with such director shall not enter into any arrangement or transaction with the Company to acquire from or dispose to the Company shares or non-cash assets of the requisite value.”

“Article 95.1

The directors may exercise all the powers of the Company to borrow money from any person, bank, firm or company (expressly including any person holding the office of director) and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or its wholly-owned subsidiaries or of any related or associated corporation. The directors may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon with power to the directors to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or hypothecation of or charge upon any property and asset of the Company or otherwise. The Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for the payment of money, the performance of contracts or obligations, or for the benefit or interest of the Company or of any subsidiary corporation.”

16. ADDITIONAL INFORMATION (Cont'd)

“Article 95.2

The Directors shall not mortgage or charge any of the Company's or the subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.”

“Article 101

A director shall at all times act in the best interest of the Company and use reasonable diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.”

“Article 111

Subject to these Articles, any question arising at any meeting of directors shall be decided by a majority of votes and a determination by a majority of directors shall for all purposes be deemed a determination of the directors.”

“Article 112

Each director shall have one vote and in case of an equality of votes the Chairman of the meeting shall have a second or casting vote except where:

- (a) two (2) directors form a quorum and only such a quorum is present at the meeting;
or*
- (b) only two (2) directors are competent to vote on the question at issue.”*

“Article 114

Every director shall comply with the provisions of the Act in connection with the disclosure of his shareholding and interests in the Company and his interest in any contract or proposed contract with the Company and in connection with the disclosure, every director shall state the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interest might be created in conflict with his duty of interest as a director of the Company.”

“Article 115.1

Subject to Section 131A of the Act, a director shall not vote or participate in any discussion in respect of any contract or proposed contract or arrangement or proposed arrangement with the Company in which he has, directly or indirectly, an interest and if he does vote, his vote shall not be counted.”

“Article 115.2

Subject always to compliance with the provisions of the Act and the Listing Requirements, a director may vote at a meeting in respect of:

- (a) any arrangement for giving the director himself or any other director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or*
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the director himself or any other director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.”*

16. ADDITIONAL INFORMATION (Cont'd)

“Article 116

Subject always to the provisions of the Act and the Listing Requirements, a director shall, notwithstanding his interest, be counted in the quorum for any meeting where any decision is to be taken upon any contract or arrangement or transaction in which he is in any way interested.”

“Article 117

A director may be or become director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as member or otherwise or any corporation, which is directly or indirectly interested in the Company as a member or otherwise and no such director shall be accountable to the Company for any remuneration or other benefit received by him as a director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment. The directors may exercise the voting power conferred by the shares or other interest in such other corporation held or owned by the Company, or exercisable by them as directors of such other corporation in such manner and in all respects as they think fit (including the exercise thereof in favor of any resolution appointing themselves or any of them directors or other officers of such corporation) and any director may vote in favor of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed a director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid provided that he has complied with all relevant provisions of the Act, the Listing Requirements and of these Articles.”

(iii) Transfer of Securities**“Article 9**

Subject to these Articles, the Act, the Central Depositories Act and the Rules, the directors may recognize a renunciation of the allotment of any share or security by the offeree thereof in favor of some other person.”

“Article 46.1

Subject to the provisions of the Central Depositories Act, the Rules and these Articles, any member may transfer all or any of his shares in the manner prescribed under the Rules. The transfer of any listed securities or class of listed securities of the Company which are Deposited Securities shall be by way of book entry by the Depository in accordance with the Rules. Notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of any listed securities or class of listed securities which are Deposited Securities.”

“Article 46.2

The Depository may in its absolute discretion, refuse to effect any transfer of a share that is a Deposited Security which does not comply with the Central Depositories Act or the Rules.”

“Article 47

Subject to the provisions of the Act, the Central Depositories Act and the Rules, neither the Company nor any of its directors or other officers shall incur any liability for acting upon a transfer of shares registered by the Depository, although the same may, by reason of any fraud or other cause not known to the Company or its directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although transferred, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. In every such case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognized as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.”

16. **ADDITIONAL INFORMATION (Cont'd)**

“Article 48.1

The directors may in their absolute discretion refuse to register any transfer of any share which is not a fully paid share and not a Deposited Security without assigning any reason for such refusal and may also decline to register any transfer of shares on which the Company has a lien or otherwise if the transfer does not comply with the provisions of the Act, the Central Depositories Act and the Rules.”

“Article 48.2

Unless permitted by the Central Depositories Act or the Rules, no securities shall be transferred to a minor or a bankrupt or a person of unsound mind or a partnership or unincorporated association or body.”

“Article 49

Any Member whose transfer of shares has been refused shall be notified of the precise reasons thereof or dealt with in accordance with the Act, the Central Depositories Act and the Rules.”

“Article 50

The registration of transfers may be suspended at such times and for such duration as the directors may from time to time determine provided the period shall not exceed thirty (30) days in the aggregate in any one year. Any suspension shall comply with the notice requirements applicable to member and the Depository as prescribed by the Act, the Central Depositories Act or the Rules.”

(iv) Changes in Capital and Variation of Class Rights

“Article 5

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by Ordinary Resolution passed at the general meeting increase its share capital, such new capital to be of such amount and to be divided into shares of such rights to or be subject to such conditions or restriction in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs, and if no direction to be given, as the directors shall determine and in particular, but without prejudice to the rights attached to any preference shares that may have been issued, such new shares may be issued with a preferential or qualified right to dividends, and in the distribution of the assets of the Company and with a special or restricted or without any right of voting.”

“Article 6

Subject to the Listing Requirements, the provisions of the Act, the Central Depositories Act and/or the Rules and notwithstanding the existence of a resolution pursuant to Section 132D of the Act, the Company must ensure that it shall not issue any shares or convertible securities if the nominal value of those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten per cent (10%) of the nominal value of the total issued and paid-up share capital (excluding treasury shares) of the Company, except where the shares or convertible securities are issued with the prior approval of the members in general meeting of the precise terms and conditions of the issue. In working out the number of shares or convertible securities that may be issued by the Company, if the security is a convertible security, each of such security is counted as the maximum number of shares into which it can be converted or exercised.”

16. ADDITIONAL INFORMATION (Cont'd)

“Article 7

Except so far as otherwise provided by the conditions of issues, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital and shall also be subject to the Rules.”

“Article 8

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, shall be deemed to be declined. After the expiration of the time specified in the notice or on the receipt of an intimation from the offeree that he declines to accept the shares or securities offered, the directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the directors, be conveniently offered under this Article.”

“Article 10.2

Without prejudice to any rights attached to any existing shares, but subject to the Act and to these Articles, any share may be issued with such preferred, deferred or other special rights or restrictions as the Company may by ordinary resolution determine.”

“Article 14

The Company may by ordinary resolution:

- (a) *increase the share capital by such sum to be divided into shares of such amount as the resolution prescribes;*
- (b) *consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;*
- (c) *sub-divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have only such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares; or*
- (d) *cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited or surrendered and diminished the amount of its share capital by the amount of the shares so cancelled.”*

“Article 15

Subject to any conditions, authorizations and consents required by law, the Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any way. The Company shall give notice to the Registrar in accordance with the Act of such alteration in capital.”

16. ADDITIONAL INFORMATION (Cont'd)***“Article 17.1***

The repayment of preference share capital other than redeemable preference capital or any alteration or abrogation of the rights attached to any class of shares shall only be made pursuant to a special resolution passed at a separate general meeting of the holders of the shares of that class. If the necessary majority for such a special resolution is not obtained at the meeting, consent in writing from the holders of three-fourths (3/4) of the issued capital of the class concerned, if obtained within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting. Such writing or resolution shall be binding upon all the holders of shares of that class.”

“Article 17.2

The provisions of these Articles relating to general meetings or to the proceedings thereat shall mutatis mutandis apply to every general meeting referred to in Article 17.1, except that the necessary quorum shall be two (2) persons holding or representing by proxy at least one-third (1/3) of the issued shares of the class (but so that if an adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum). The provisions of Section 152 of the Act shall, with the necessary adaptations, apply to every special resolution so passed.”

“Article 18

The rights conferred on the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of those shares, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects pari passu therewith but in no respect in priority thereto.”

16.3 MATERIAL CONTRACTS

Save as disclosed below, there are no other material contracts (including contracts not in writing), not being contracts entered into in the ordinary course of business, that have been entered into by our Group within the two (2) years preceding the date of this Prospectus:

- (i) Sale and Purchase Agreement dated 3 May 2013 made between the Vendors and our Company as purchaser to acquire the entire issued and paid-up share capital in Sasbadi of RM2,400,000 comprising 2,400,000 ordinary shares of RM1.00 each for a total purchase consideration of RM52,899,998 which was entirely satisfied by the issuance of 105,799,996 new Sasbadi Holdings Shares at an issue price of RM0.50 per share credited as fully paid. The transaction was completed on 19 May 2014;
- (ii) Sale and Purchase Agreement dated 3 May 2013 made between Sasbadi as vendor and our Company as purchaser to acquire the entire issued and paid-up share capital in Maya Press of RM2.00 comprising two (2) ordinary shares of RM1.00 each for a total purchase consideration of RM1.00 which was reflected as amount owing by our Company to Sasbadi. The transaction was completed on 19 May 2014;
- (iii) Sale and Purchase Agreement dated 3 May 2013 made between Sasbadi as vendor and our Company as purchaser to acquire the entire issued and paid-up share capital in Malaysian Book Promotions of RM75,005 comprising 75,005 ordinary shares of RM1.00 each for a total purchase consideration of RM77,754 which was reflected as amount owing by our Company to Sasbadi. The transaction was completed on 19 May 2014;
- (iv) Sale and Purchase Agreement dated 3 May 2013 made between Sasbadi as vendor and our Company as purchaser to acquire the entire issued and paid-up share capital in Orbit Buku of RM10,000 comprising 10,000 ordinary shares of RM1.00 each for a total purchase consideration of RM1.00 which was reflected as amount owing by our Company to Sasbadi. The transaction was completed on 19 May 2014;

16. ADDITIONAL INFORMATION (Cont'd)

- (v) Sale and Purchase Agreement dated 3 May 2013 made between Sasbadi as vendor and our Company as purchaser to acquire the entire issued and paid-up share capital in Sasbadi Online of RM10,000 comprising 10,000 ordinary shares of RM1.00 each for a total purchase consideration of RM277,919 which was reflected as amount owing by our Company to Sasbadi. The transaction was completed on 19 May 2014;
- (vi) Letter of Intent dated 5 August 2013 and Intellectual Property Rights Assignment Agreement dated 30 September 2013 made between Pearson Malaysia as vendor and Sasbadi as purchaser to acquire the publishing rights and production files for a list of titles consisting mainly of National School Curriculum based educational materials for a cash consideration of RM5,500,000. The transaction was completed on 30 September 2013. In conjunction with the acquisition of the publishing rights and production files, Sasbadi has also acquired stocks of the educational materials for RM1,552,651.69 and paper for RM645,699 from Pearson Malaysia;
- (vii) On 28 March 2014, Sasbadi Holdings had acquired one (1) ordinary share of RM1.00 each in MBP Publications from Sherina binti Mohamed for a cash consideration of RM1.00;
- (viii) On 3 April 2014, Sasbadi Holdings had acquired one (1) ordinary share of RM1.00 each in Sasbadi Learning Solutions from Suhaimi bin Huzai for a cash consideration of RM1.00;
- (ix) On 19 May 2014, Sasbadi Holdings entered into a Placement Mandate with Alliance for the placement of 9,150,000 Public Issue Shares based on the placement fee as set out in Section 3.8 of this Prospectus; and
- (x) On 18 June 2014, Sasbadi Holdings entered into an Underwriting Agreement with Alliance for the underwriting of 12,050,000 Public Issue Shares based on the underwriting commission as set out in Section 3.8 of this Prospectus.

16.4 MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at LPD, neither we nor our subsidiary companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Directors do not know of any proceedings pending or threatened against our Company or our subsidiary companies, or of any fact likely to give rise to any proceeding which may materially and adversely affect our financial position or business.

16.5 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT

As our Group does not physically operate in other countries, there is no governmental law, decree, regulation or other requirement which may affect the repatriation of capital and the remittance of profit by or to our Group.

16.6 PUBLIC TAKE-OVER OFFERS

None of the following has occurred in the last financial year or the current financial year up to the LPD:

- (i) Public take-over offers by third parties for our Shares; and
- (ii) Public take-over offers by our Company for other companies' shares.

16. ADDITIONAL INFORMATION (Cont'd)

16.7 CONSENTS

The written consents of our Principal Adviser, Underwriter and Placement Agent, Solicitors in respect of legal due diligence, Solicitors in respect of prospectus drafting, Principal Bankers, Issuing House, Share Registrar and Company Secretary for inclusion in this Prospectus of their names and all references thereto in the manner, form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of KPMG for the inclusion of its name, Accountants' Report, Independent Reporting Accountants' Report On The Compilation Of Pro Forma Financial Information Included In A Prospectus of our Group and all references thereto in the manner, form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of YYC & Co. (being the auditors of Orbit Buku for FPE 31 August 2010 and Maya Press for FPE 31 August 2010, the past three (3) FYE 31 August 2011 to 2013 and FPE 28 February 2014) for the inclusion of its name and auditor reports in the manner, form and context in which they appear in the Accountants' Report, has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

The written consent of W.K. Lee & Co. (being the auditors of Malaysian Book Promotions for FYE 31 December 2010, FPE 31 August 2011, FYE 31 August 2012, FYE 31 August 2013 and FPE 28 February 2014) for the inclusion of its name and auditor reports in the manner, form and context in which they appear in the Accountants' Report, has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

The written consent of Vital Factor for the inclusion of its name and IMR Report and all reference thereto in the manner, form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of the Independent Property Valuer for the inclusion of its name and valuation certificates and all reference thereto in the manner, form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

16.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during normal business hours for a period of twelve (12) months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of our Company;
- (ii) IMR Report referred to in this Prospectus as included in Section 7 of this Prospectus;
- (iii) Independent Reporting Accountants' Report On The Compilation Of Pro Forma Financial Information To Be Included In A Prospectus as included in Section 11.4 of this Prospectus;
- (iv) Accountants' Report as included in Section 13 of this Prospectus;
- (v) Valuation reports together with the valuation certificates and updated valuation certificates as set out in Section 14 of this Prospectus;
- (vi) Directors' Report as included in Section 15 of this Prospectus;
- (vii) Material contracts as referred to in Section 16.3 of this Prospectus;

16. ADDITIONAL INFORMATION (Cont'd)

- (viii) Letters of consent as referred to in Section 16.7 of this Prospectus; and
- (ix) Audited financial statements of:
 - (a) Sasbadi Holdings for the FPE 31 August 2013 and FPE 28 February 2014;
 - (b) Sasbadi for the past four (4) FYE 31 August 2010 to 2013 and FPE 28 February 2014;
 - (c) Maya Press for the FPE 31 August 2010, the past three (3) FYE 31 August 2011 to 2013 and FPE 28 February 2014;
 - (d) Malaysian Book Promotions for the FYE 31 December 2010, FPE 31 August 2011, the past two (2) FYE 31 August 2012 to 2013 and FPE 28 February 2014;
 - (e) Orbit Buku for the FPE 31 August 2010, the past three (3) FYE 31 August 2011 to 2013 and FPE 28 February 2014; and
 - (f) Sasbadi Online for the FPE 31 August 2011, the past two (2) FYE 31 August 2012 to 2013 and FPE 28 February 2014.

16.9 RESPONSIBILITY STATEMENT

Our Directors, Promoters and Offerors have seen and approved this Prospectus and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, after having made all reasonable enquiries, that to the best of their knowledge and belief, there is no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

Alliance, being our Principal Adviser, Underwriter and Placement Agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our Public Issue and Offer for Sale.

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE

17.1 OPENING AND CLOSING OF APPLICATION

Applications will be accepted from 10.00 a.m. on 7 July 2014 and will remain open until 5.00 p.m. on 14 July 2014 or for such further period or periods as our Directors, Promoters, Offerors and Alliance in their absolute discretion may mutually decide.

In the event the closing date for the Applications is extended, you will be notified of the change in a widely circulated Bahasa Malaysia and English daily newspaper in Malaysia prior to the original closing date of the application. Following this, the dates for the balloting of the applications for the IPO Shares, allotment of the IPO Shares and Listing would be extended accordingly. **Late applications will not be accepted.**

17.2 METHODS OF APPLICATION

Applications for the IPO Shares may be made using any of the following ways:

- (a) Application Forms; or
- (b) Electronic Share Applications; or
- (c) Internet Share Applications.

17.3 PROCEDURES FOR APPLICATION

The Applications shall be made in connection with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.

FULL INSTRUCTIONS FOR THE APPLICATION OF THE IPO SHARES AND THE PROCEDURES TO BE FOLLOWED ARE SET OUT IN THE APPLICATION FORMS. YOU ARE ADVISED TO READ THE APPLICATION FORMS AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

17.3.1 Application by the Public

Applications for the 6,350,000 IPO Shares made available for the Public must be made on the **White Application Forms** provided OR by way of Electronic Share Application OR Internet Share Application. A corporation or institution cannot apply for shares by way of Electronic Share Application or Internet Share Application. The amount payable in full on application is RM1.19 per IPO Share.

17.3.2 Application by eligible Directors, employees and persons who have contributed to the success of our Group

Applications for the 5,700,000 IPO Shares made available for eligible Directors, employees and persons who have contributed to our success must be made on the **Pink Application Forms** provided only and not by way of other Application Forms or by way of Electronic Share Application or Internet Share Application. Applicants using the Pink Application Forms may still apply for the IPO Shares offered to the Malaysian Public using the **White Application Form**, Electronic Share Application or Internet Share Application. The amount payable in full on application is RM1.19 per Issue Share.

17.3.3 Application by places under the private placement

Selected investors being allocated the IPO Shares and/or Offer Shares under this method will be contacted directly by the Placement Agent. Selected investors may still apply for the IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

You must have a CDS Account before you can submit your application by way of Application Forms or by way of Electronic Share Application or by way of Internet Share Application.

Directors and employees of MIH and their immediate families are strictly prohibited from applying for the IPO Shares in this exercise.

17.4 APPLICATIONS USING APPLICATION FORMS

17.4.1 Types of Application Forms

The following relevant Application Forms issued with their notes and instructions enclosed with this Prospectus are deemed to form an integral part hereof:

- (i) **White** Application Forms for application by the Malaysian Public; and
- (ii) **Pink** Application Forms for applications by our eligible Directors, employees and persons who have contributed to the success of our Group.

White Application Forms together with copies of this Prospectus may be obtained, subject to availability, from Alliance, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and MIH.

The submission of an Application Form does not necessarily mean that your application will be successful.

You may submit only one (1) Application Form and your application must be for 100 Shares or multiples thereof. Multiple applications will not be accepted. We wish to caution you that if you submit multiple applications in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and if convicted, may be punished with a minimum fine of RM1,000,000 and to a jail term of up to ten (10) years under Section 182 of the CMSA.

Your application for the IPO Shares must be made on the respective Application Form accompanying this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and in this Prospectus. In accordance with Section 232 of the CMSA, the Application Form together with the notes and instructions printed therein shall constitute an integral part of this Prospectus. Our Directors may at their absolute discretion reserve the right not to accept applications which do not **STRICTLY** conform to the terms of this Prospectus or Application Form or notes and instructions printed therein or which are illegible.

IF YOU ARE AN INDIVIDUAL OTHER THAN A MEMBER OF THE ARMED FORCES OR POLICE, YOUR NAME AND NATIONAL REGISTRATION IDENTITY CARD ("NRIC") NUMBER MUST BE EXACTLY THE SAME AS STATED IN:

- (i)
 - (a) YOUR NRIC;
 - (b) ANY VALID TEMPORARY IDENTITY DOCUMENT AS ISSUED BY THE NATIONAL REGISTRATION DEPARTMENT FROM TIME TO TIME; OR
 - (c) YOUR RESIT PENGENALAN SEMENTARA ("KPPK 09") ISSUED PURSUANT TO PERATURAN 5(5), PERATURAN-PERATURAN PENDAFTARAN NEGARA 1990; AND
- (ii) THE RECORDS OF BURSA DEPOSITORY.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

IF YOU ARE A MEMBER OF THE ARMED FORCES OR POLICE, YOUR NAME AND YOUR ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE, MUST BE EXACTLY THE SAME AS THAT STATED IN YOUR AUTHORITY CARD AND YOUR ADDRESS MUST BE THE ADDRESS OF YOUR RESPECTIVE CAMP, BASE OR STATION.

IF YOU ARE A CORPORATION OR INSTITUTION, THE NAME AND THE CERTIFICATE OF INCORPORATION NUMBER MUST BE EXACTLY THE SAME AS THAT STATED IN THE CORPORATION'S OR INSTITUTION'S CERTIFICATE OF INCORPORATION AND THE ADDRESS MUST BE THE REGISTERED ADDRESS.

We, together with MIH will not issue any acknowledgement of the receipt of your Application Form or application monies.

17.4.2 Terms and conditions for application using Application Forms

Your applications by way of Application Forms shall be made on, and subject to, the following terms and conditions:

- (i) If you are an individual, you must be a Malaysian citizen residing in Malaysia, with a CDS Account and a Malaysian address (White Application Forms only).

If you are an individual, you must have a CDS Account and a correspondence address in Malaysia (Pink Application Forms only).

- (ii) If you are a corporation or institution incorporated in Malaysia, you must have a CDS Account and be subject to the following:

(a) if you have a share capital, more than half of the issued share capital (excluding preference share capital) is held by Malaysian citizens; and

(b) there is a majority of Malaysian citizens on the board of directors or trustee.

If you are a corporation or institution incorporated outside Malaysia, you must have a CDS Account and provide a correspondence address in Malaysia (Pink Application Forms only).

- (iii) If you are a superannuation, co-operative, foundation, provident or pension fund, you must be established or operating in Malaysia and must have a CDS Account.

- (iv) Applications will not be accepted from trustees, any person under eighteen (18) years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations or institutions referred to in **Sections 17.4.2 (ii) and 17.4.2 (iii)** above or the trustees thereof.

- (v) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY EITHER:

(a) BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR; OR

(b) MONEY ORDER OR POSTAL ORDER (FOR APPLICANTS FROM SABAH AND SARAWAK ONLY); OR

(c) GUARANTEED GIRO ORDER ("GGO") FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD; OR

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

(d) ATM STATEMENT OBTAINED FROM ANY OF THE FOLLOWING FINANCIAL INSTITUTIONS:

- ALLIANCE BANK MALAYSIA BERHAD;
- CIMB BANK BERHAD;
- HONG LEONG BANK BERHAD;
- MALAYAN BANKING BERHAD; OR
- RHB BANK BERHAD.

AND MUST BE MADE OUT IN FAVOUR OF “**MIH SHARE ISSUE ACCOUNT NO. 558**” AND CROSSED “**A/C PAYEE ONLY**” (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT.

APPLICATIONS ACCOMPANIED BY MODE OF PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES OR INAPPROPRIATE BANKER'S DRAFTS, CASHIER'S ORDERS, MONEY ORDERS OR POSTAL ORDER, ATM STATEMENT OR GGO WILL NOT BE ACCEPTED. DETAILS OF REMITTANCES MUST BE COMPLETED IN THE APPROPRIATE BOXES PROVIDED IN THE APPLICATION FORMS.

- (vi) YOU MUST STATE YOUR CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM AND YOU SHALL BE DEEMED TO HAVE AUTHORISED BURSA DEPOSITORY TO DISCLOSE INFORMATION PERTAINING TO YOUR CDS ACCOUNT TO MIH AND/OR OUR COMPANY. IF YOU DO NOT PRESENTLY HAVE A CDS ACCOUNT, YOU MAY OPEN ONE BY CONTACTING ANY ONE OF THE ADAs LISTED IN SECTION 17.11 OF THIS PROSPECTUS.
- (vii) YOUR NAME AND ADDRESS MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, ATM STATEMENT, MONEY ORDER OR POSTAL ORDER, OR GGO FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD.
- (viii) Our Board reserves the right to require you, if your Application is successful, to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to you to ascertain the regularity or propriety of your Application. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (ix) MIH, acting on the authority of our Directors reserves the right to reject your Application if it does not conform to these instructions or if it is illegible or if it is accompanied by remittances improperly drawn.
- (x) MIH, acting on the authority of our Directors reserves the right not to accept your Application or to accept it in whole or in part only without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

(xi) Where your Application is not accepted or accepted in part only, the full amount or the balance of the Application monies, as the case may be, will be returned without interest and shall be despatched to you within ten (10) Market Days from the date of the final ballot of the Application lists by registered post or ordinary post at your address last maintained with Bursa Depository or where the application is not accepted because you have not provided a CDS Account, to the address per the National Registration Identity Card or "Resit Pengenalan Sementara ("KPPK 09")" or any valid temporary identity document as issued by the National Registration Department from time to time or the Authority Card in the case of armed forces or police personnel, at your own risk.

(xii) You shall ensure that your personal particulars stated in the Application Form are identical with the records maintained by Bursa Depository. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your registered or correspondence address registered with Bursa Depository.

MIH, acting on the authority of our Directors and Offerors reserves the right to bank in all Application monies from unsuccessful applicants and partially successful applicants, which would subsequently be refunded without interest and shall be despatched to you within ten (10) Market Days from the date of the final ballot of the Application Lists by registered post or ordinary post at your address registered with Bursa Depository, at your own risk.

(xiii) Your completed Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents, must be despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd (258345-X)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

or

P.O. Box 8269
Pejabat Pos Kelana Jaya
46785 Petaling Jaya

or **DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the front portion of Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, so as to arrive not later than 5.00 p.m. on 14 July 2014, or such other later date or dates as our Directors, Promoters, Offerors and Alliance in their absolute discretion may mutually decide.

(xiv) **PLEASE DIRECT ALL YOUR ENQUIRIES IN RESPECT OF THE WHITE APPLICATION FORM TO MIH.**

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

17.5 APPLICATIONS USING ELECTRONIC SHARE APPLICATION

17.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (i) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account.
- (ii) You must have a CDS Account.
- (iii) You are to apply for the IPO Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 17.5.3 of this Prospectus under the Terms and Conditions for Electronic Share Application. You are to enter at least the following information through the ATM where the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so:
 - Your Personal Identification Number ("PIN");
 - MIH Share Issue Account No. 558;
 - Your CDS Account Number;
 - Number of IPO Shares applied for and/or the Ringgit Malaysia amount to be debited from the account; and
 - You are to confirm several mandatory statements.

17.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- AFFIN BANK BERHAD; OR
- AMBANK (M) BERHAD; OR
- CIMB BANK BERHAD; OR
- HSBC BANK MALAYSIA BERHAD; OR
- MALAYAN BANKING BERHAD; OR
- PUBLIC BANK BERHAD; OR
- RHB BANK BERHAD; OR
- STANDARD CHARTERED BANK MALAYSIA BERHAD (at selected branches only).

17.5.3 Terms and conditions for Electronic Share Application

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the "Steps"). For illustration purposes, the procedures for Electronic Share Application at ATMs are set out in **Section 17.5.1** of this Prospectus. The Steps set out the actions that you must take at the ATM to complete an Electronic Share Application. You are advised to read and understand the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Application set out below before making an Electronic Share Application.

You must be an individual with a CDS Account to make an Electronic Share Application. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

You must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Financial Institutions before you can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one (1) of the Participating Financial Institutions cannot be used to apply for the IPO Shares at an ATM belonging to other Participating Financial Institutions. Upon completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of your Electronic Share Application. The Transaction Record is only a record that you have completed a transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by us or MIH. The Transaction Record is for your retention and should not be submitted with any Application Form.

Upon the closing of the offer for the Application for the IPO Shares, on 14 July 2014 at 5.00 p.m. ("Closing Date"), the Participating Financial Institution shall submit a magnetic tape containing its respective customers' applications for the IPO Shares to MIH as soon as practicable but not later than 12.00 p.m. of the second (2nd) business day after the Closing Date and Time.

You will be allowed to make an Electronic Share Application for the IPO Shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which you have an account and its branches, subject to you making only one (1) Application. If you have a bank account with a Participating Financial Institution and have been issued an ATM card, you will be allowed to apply for shares via an ATM of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to you making only one (1) Application.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING CONDITIONS.

The Electronic Share Application shall be made on, and subject to, the terms and conditions contained herein as well as the terms and conditions set out below:

- (i) Your Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.
- (ii) You are required to confirm the following statement (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:
 - You have attained eighteen (18) years of age as at the Closing Date of the Share Application;
 - You are a Malaysian citizen residing in Malaysia;
 - You have read the relevant Prospectus and understood and agreed with the terms and conditions of this Application;
 - This is the only Application that you are submitting; and
 - You give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to MIH and other relevant authorities.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- Your Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the Steps required by the Participating Financial Institution. By doing so, you shall be treated as signifying your confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia, including Section 133 of the Financial Service Act, 2013 and Section 45 of the Securities Industry (Central Depositories) Act, 1991 to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to MIH or any other relevant regulatory bodies.
- (iii) YOU CONFIRM THAT YOU ARE NOT APPLYING FOR THE IPO SHARES AS A NOMINEE OF ANY OTHER PERSONS AND THAT ANY ELECTRONIC SHARE APPLICATION THAT YOU MAKE IS MADE BY YOU AS THE BENEFICIAL OWNER. YOU SHALL ONLY MAKE ONE (1) ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE IPO SHARES, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS OR VIA INTERNET SHARE APPLICATION.
- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (v) You agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of the IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated key or button on the ATM) of the number of IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number of IPO Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles of Association.
- (vi) MIH, on the authority of our Board reserves the right to reject or accept any Electronic Share Application in whole or in part only on a non-discriminatory basis without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.
- (vii) MIH shall inform the relevant Participating Financial Institution of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. Where your Electronic Share Application is unsuccessful, the relevant Participating Financial Institution will credit the full amount of the Application monies, in Ringgit Malaysia (without interest or any share of revenue or benefit arising therefrom) into your account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from MIH. You may check your accounts on the fifth (5th) Market Day from the balloting day.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

- (viii) If your Electronic Share Application is successful in part only, the relevant Participating Financial Institution will credit the balance of the application monies (without interest or any share or revenue or benefit arising therefrom) into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from MIH. We will, however, hold in reserve a number of Applications to replace any successfully balloted Applications that are subsequently rejected. If your Application held in reserve, is subsequently rejected, your Application monies without interest will be refunded (without interest or any share revenue or benefit arising therefrom) to you by MIH by crediting into your account with the Participating Financial Institution within ten (10) Market Days from the date of the final ballot, at your own risk. Should you encounter any problems in your Applications, you may refer to the Participating Financial Institution.
- (ix) You request and authorise us:
- to credit the IPO Shares allotted or allocated to you into your CDS Account; and
 - to issue share certificate(s) representing such IPO Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (x) Acknowledging that your Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond our control and the control of MIH or the Participating Financial Institutions or Bursa Depository, irrevocably agree that if:
- we or MIH do/ does not receive your Electronic Share Application; or
 - data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or MIH,
- you shall be deemed not to have made an Electronic Share Application and you shall not claim whatsoever against us, MIH, the Participating Financial Institutions or Bursa Depository for the IPO Shares applied for or for any compensation, loss or damage.
- (xi) All your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be deemed to be true and correct and we, MIH and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xii) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application is liable to be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allotment or allocation will be sent to your registered address last maintained with Bursa Depository.
- (xiii) By making and completing an Electronic Share Application, you agree that:
- in consideration of us agreeing to allow and accept the making of any Application for IPO Shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

- we, the Participating Financial Institutions, Bursa Depository and MIH shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a breakdown, failure of transmission or communication facilities, or to any cause beyond our/ their control;
 - notwithstanding the receipt of any payment by us or on our behalf, the acceptance of your offer to subscribe for and purchase the IPO Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allotment for prescribed securities, in respect of the IPO Shares;
 - you irrevocably authorises Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the IPO Shares allotted or allocated to you; and
 - you agree that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the Electronic Share Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that our Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (xiv) Our Board reserves the right to require you, if your Application is successful, to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to you to ascertain the regularity or propriety of your Application. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (xv) MIH, acting on the authority of our Board reserves the right to reject your Application, if it does not conform to these instructions.
- (xvi) The following processing fee per Electronic Share Application will be charged by the respective Participating Financial Institutions:
- Affin Bank Berhad – No fee will be charged for application by their account holders;
 - AmBank (M) Berhad – RM1.00;
 - CIMB Bank Berhad – RM2.50
 - HSBC Bank Malaysia Berhad – RM2.50;
 - Malayan Banking Berhad – RM1.00;
 - Public Bank Berhad – RM2.00;
 - RHB Bank Berhad – RM2.50; or
 - Standard Chartered Bank Malaysia Berhad (at selected branches only) – RM2.50

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

17.6 OVER / UNDER-SUBSCRIPTION

In the event of an over-subscription, our Issuing House will conduct a ballot in a manner as approved by our Directors to determine acceptance of applications. In determining the manner of balloting, our Directors will consider the desirability of distributing our IPO Shares in a fair and equitable manner to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market in the trading of our Shares.

Pursuant to the Listing Requirements, we are required to have at least 25% of our enlarged issued and paid-up share capital to be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon our Listing and completion of this IPO. We expect to achieve this at the point of our Listing. However, in the event that the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned without interest.

In the event of an under-subscription for our IPO Shares reserved for application by the Public, all such IPO Shares not applied for will be made available for subscription by our eligible Directors, employees and persons who have contributed to the success of our Group under the Pink Form Tranche as described in Section 3.1.1(ii) of this Prospectus. Any remaining Public Issue Shares will subsequently be made available for subscription by our selected investors as described in Sections 3.1.1(iii) and 3.1.2(ii) of this Prospectus and, if undersubscribed, such Public Issue Shares will be subscribed by our Underwriter pursuant to the Underwriting Agreement.

In the event of an under-subscription of IPO Shares by our eligible Directors, employees and persons who have contributed to the success of our Group, such IPO Shares will be made available for subscription by other eligible Directors, employees and persons who have contributed to the success of our Group. Any remaining Public Issue Shares will subsequently be made available for subscription by the Public under the Public Tranche as described in Section 3.1.1(i) and/or our selected investors as described in Sections 3.1.1(iii) and 3.1.2(ii) of this Prospectus and, if undersubscribed, such Public Issue Shares will be subscribed by our Underwriter pursuant to the Underwriting Agreement.

Our IPO Shares reserved for subscription by selected investors as described in Sections 3.1.1(iii) and 3.1.2(ii) of this Prospectus will not be underwritten as written irrevocable undertakings to subscribe for such IPO Shares have been procured from the selected investors.

Where your successfully balloted application under White Application Form is subsequently rejected, the full amount of your application monies, will be refunded without interest to you within ten (10) Market Days from the date of the final ballot of the application list to your address registered with the Bursa Depository.

Where your successfully balloted application under Electronic Share Application or Internet Share Application is subsequently rejected, the full amount of your application monies, will be refunded without interest to you by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution respectively.

17.7 APPLICATIONS USING INTERNET SHARE APPLICATION**17.7.1 Steps for Internet Share Application**

The exact steps for Internet Share Application in respect of the IPO Shares are as set out on the internet financial services website of the Internet Participating Financial Institutions.

For illustration purposes only, we have set out below possible steps for an application for the IPO Shares via Internet Share Application. The steps set out the actions that you must take at the internet financial services website of the Internet Participating Financial Institution to complete an Internet Share Application.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINED BELOW.

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an account.
- (ii) Login to the internet financial services facility by entering your user identification and PIN/ password.
- (iii) Navigate to the section of the website on applications in respect of initial public offerings.
- (iv) Select the counter in respect of the IPO Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (vi) At the next screen, complete the online application form.
- (vii) Check that the information contained in the online application form such as the share counter, NRIC number, CDS Account number, number of IPO Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (viii) By confirming such information, you will undertake that the following mandatory statements are true and correct:
 - you have attained eighteen (18) years of age as at the closing date of the share application;
 - you are a Malaysian citizen residing in Malaysia;
 - you have, prior to making the Internet Share Application, received and/or had access to a printed/ electronic copy of this Prospectus, the contents of which you have read and understood;
 - you agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the IPO Shares;
 - the Internet Share Application is the only application that you are submitting for the IPO Shares;
 - you authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;
 - you give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 of the Financial Service Act, 2013 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to MIH and the Authorised Financial Institution, the SC and any other relevant authority;

- YOU ARE NOT APPLYING FOR THE IPO SHARES AS A NOMINEE OF ANY OTHER PERSON AND THE APPLICATION IS MADE IN YOUR OWN NAME, AS THE BENEFICIAL OWNER AND SUBJECT TO THE RISKS REFERRED TO IN THIS PROSPECTUS; AND
 - you authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with the Public Issue, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Applications services or if such disclosure is requested or required in connection with the Public Issue. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information relating to you furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (ix) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of the application money for the Public Issue.
- (x) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment of the application of the Public Issue is being made.
- (xi) Subsequent to the above, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (xii) You are advised to print out the Confirmation Screen for reference and retention.

17.7.2 Terms and Conditions for Internet Share Application

Your application for the IPO Shares may be made through the internet financial services website of the Internet Participating Financial Institutions.

YOU ARE ADVISED NOT TO APPLY FOR THE IPO SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

Internet Participating Financial Institution

Internet Share Applications may be made through the internet financial services websites of the following Internet Participating Financial Institutions:

- Affin Bank Berhad at www.affinOnline.com; or
- Affin Investment Bank Berhad at www.affintrade.com; or
- CIMB Bank Berhad at www.cimbclicks.com.my; or

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- CIMB Investment Bank Berhad at www.eipocimb.com; or
- Malayan Banking Berhad at www.maybank2u.com.my; or
- Public Bank Berhad at www.pbebank.com ; or
- RHB Bank Berhad at www.rhb.com.my.

PLEASE READ THE TERMS OF THIS PROSPECTUS, THE TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS SET OUT HEREIN AND THE STEPS FOR INTERNET SHARE APPLICATIONS SET OUT HEREIN CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

THE EXACT TERMS AND CONDITIONS AND ITS SEQUENCE FOR INTERNET SHARE APPLICATIONS IN RESPECT OF THE IPO SHARES ARE AS SET OUT ON THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

An Internet Share Application shall be made on and shall be subject to the terms and conditions as set out below:

- (i) In order to make an Internet Share Application, you must:
- be an individual with a CDS account and in the case of a joint account, an individual CDS account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS account registered in the joint account holder's name;
 - have an existing account with access to internet financial services facilities with an Internet Participating Financial Institution. You must have ready your user identification ("User ID") and Personal Identification Numbers ("PIN")/ password for the relevant internet financial services facilities; and
 - be a Malaysian citizen and have a Malaysian address.

You are advised to note that a User ID and PIN/ password issued by one of the Internet Participating Financial Institutions cannot be used to apply for the IPO Shares at internet financial service websites of other Internet Participating Financial Institutions.

- (ii) An Internet Share Application shall be made on and shall be subject to the terms of this Prospectus and our Memorandum and Articles of Association.
- (iii) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the internet financial services website of the Internet Participating Financial Institution) and to undertake that the following information given is true and correct:
- you have attained eighteen (18) years of age as at the date of the application for the IPO Shares;
 - you are a Malaysian citizen residing in Malaysia;

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- you have, prior to making the Internet Share Application, received and/or have had access to a printed/ electronic copy of this Prospectus, the contents of which you have read and understood;
- you agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the IPO Shares;
- the Internet Share Application is the only application that you are submitting for the IPO Shares;
- you authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;
- you give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 of the Financial Service Act, 2013 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to MIH and the Authorised Financial Institution, the SC and any other relevant authority;
- **YOU ARE NOT APPLYING FOR THE IPO SHARES AS A NOMINEE OF ANY OTHER PERSON AND THE APPLICATION IS MADE IN YOUR OWN NAME, AS THE BENEFICIAL OWNER AND SUBJECT TO THE RISKS REFERRED TO IN THIS PROSPECTUS; AND**
- you authorise the Internet Participating Financial Institution to disclose transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with the Public Issue, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the Public Issue. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information relating to you furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iv) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the internet financial services website displaying the Confirmation Screen.

For the purposes of this Prospectus, "Confirmation Screen" shall mean the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of IPO Shares applied for which can be printed out by you for your records.

Upon the display of the Confirmation Screen, you shall be deemed to have confirmed the truth of the statements set out in Section 17.7.2(iii) of this Prospectus.

- (v) You must have sufficient funds in your account with the Internet Participating Financial Institution or the Authorised Financial Institution at the time of making the Internet Share Application, to cover and pay for the IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which the Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in this Prospectus or any instructions displayed on the screens of the internet financial services website through which the Internet Share Application is made shall be rejected.

- (vi) You irrevocably agree and undertake to subscribe for and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted or allocated to you in respect of the Internet Share Application. In the event that we decide to allot or allocate any lesser number of such IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept our decision as final.

In the course of completing the Internet Share Application on the website of the Internet Participating Financial Institution, your confirmation of the number of IPO Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:

- your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and
- your agreement to be bound by our Memorandum and Articles of Association.

- (vii) You are fully aware that multiple or suspected multiple Internet Share Applications for the IPO Shares will be rejected. MIH on the authority of our Board reserves the right to reject any Internet Share Application or accept any Internet Share Application in part only without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (viii) If your Internet Share Application is unsuccessful or successful in part only, MIH shall inform the relevant Internet Participating Financial Institution of the unsuccessful or partially successful Internet Share Application within two (2) Market Days after the balloting date. Where your Internet Share Application is unsuccessful, the relevant Internet Participating Financial Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of the application monies, in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within two (2) Market Days after receipt of written confirmation from MIH.

If your Internet Share Application is successful in part only, the relevant Internet Participating Financial Institution will credit the balance of the application monies in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within two (2) Market Days after receipt of written confirmation from MIH. We will, however, hold in reserve a number of applications to replace any successfully balloted applications that are subsequently rejected. If your application held in reserve is subsequently rejected, your application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by MIH by crediting into your account with the Internet Participating Financial Institution within ten (10) Market Days from the date of the final ballot, at your own risk.

For applications that are held in reserve and which are subsequently unsuccessful (or partly successful), the Internet Participating Financial Institution will credit into your account the application monies (or any part thereof but without interest or any share of revenue or other benefit arising therefrom) within two (2) Market Days after the receipt of confirmation from MIH.

Except where MIH is required to refund application monies, it is the sole responsibility of the Internet Participating Financial Institution to ensure the timely refund of application monies from unsuccessful or partially successful Internet Share Applications. Therefore, you are strongly advised to consult the Internet Participating Financial Institution through which the application was made in respect of the mode or procedure of enquiring on the status of the Internet Share Application in order to determine the status or exact number of IPO Shares allotted or allocated, if any, before trading of our IPO Shares on Bursa Securities.

- (ix) Internet Share Applications will be closed at 5.00 p.m. on 14 July 2014 or such other date(s) as our Directors, Promoters, Offerors and Alliance may in their absolute discretion mutually decide. An Internet Share Application is deemed to be received only upon its completion that is when the Confirmation Screen is displayed on the internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for record purposes. Late Internet Share Applications will not be accepted.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

- (x) You irrevocably agree and acknowledge that the Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond our control and the control of MIH or the Internet Participating Financial Institutions and the Authorised Financial Institution. If, in any such event, we, MIH and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or the payment therefor, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against us, MIH or the Internet Participating Financial Institution and the Authorised Financial Institution in relation to the IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.
- (xi) All your particulars in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Share Application shall be deemed to be true and correct, and we, MIH, the relevant Internet Participating Financial Institutions and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

You shall ensure that your personal particulars as recorded by both Bursa Depository and the Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Share Application is liable to be rejected. The notification letter on successful allotment or allocation will be sent to your registered address last maintained with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institution and Bursa Depository of any changes in your personal particulars that may occur from time to time.

- (xii) By making and completing an Internet Share Application, you are deemed to have agreed that:
- in consideration of us making available the Internet Share Application facility to you through the Internet Participating Institution acting as our agents, the Internet Share Application is irrevocable;
 - you have irrevocably requested and authorised us to register the IPO Shares allotted or allocated to you for deposit into your CDS Account;
 - neither us nor the Internet Participating Financial Institution shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data relating to the Internet Share Application to MIH or Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or due to any risk referred to in **Section 17.7.2(x)** of this Prospectus or to any cause beyond their control;
 - you shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by MIH, us and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institution;

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- the acceptance of your offer to subscribe for the IPO Shares for which your Internet Share Application has been successfully completed shall be constituted by written notification in the form of the issue of a notice of allotment by us or on our behalf and not otherwise, notwithstanding the receipt of any payment by us or on our behalf;
 - you are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application;
 - in making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, Alliance and any other person involved in the Public Issue shall not be liable for any information not contained in this Prospectus which you may have relied on in making the Internet Share Application; and
 - the acceptance of your Internet Share Application and the contract resulting therefrom under the Public Issue shall be governed by and construed in accordance with the laws of Malaysia, and the applicant irrevocably submits to the jurisdiction of the courts of Malaysia.
- (xiii) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:
- Affin Bank Berhad (www.affinOnline.com) - No fee will be charged for application by their account holders;
 - Affin Investment Bank Berhad (www.affintrade.com) – No fee will be charged for application by their account holders;
 - CIMB Bank Berhad (www.cimbclicks.com.my) - RM 2.00 for applicants with CDS Accounts held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS Accounts with other ADAs;
 - CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or via Malayan Banking Berhad ;
 - Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
 - Public Bank Berhad (www.pbebank.com) – RM2.00; and
 - RHB Bank Berhad (www.rhb.com.my) – RM2.50.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

17.8 APPLICATIONS AND ACCEPTANCES

MIH, acting on the authority of our Board reserves the right not to accept your Application, if it does not strictly comply with the instructions, or to accept your Application in part only without assigning any reason therefor.

The submission of an Application Form does not necessarily mean that the Application will be successful.

YOUR APPLICATION MUST BE FOR 100 ORDINARY SHARES OR MULTIPLES THEREOF.

IF YOUR APPLICATION IS REJECTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED BY REGISTERED POST OR ORDINARY POST TO YOU WITHIN TEN (10) MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS AT YOUR ADDRESS LAST MAINTAINED WITH BURSA DEPOSITORY AT YOUR OWN RISK.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCES HAVING BEEN PRESENTED FOR PAYMENT.

17.9 CDS ACCOUNTS

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act 1991, Bursa Securities has prescribed the Shares as Prescribed Securities. In consequence thereof, the Shares issued/ offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these shares will be carried out in accordance with the Securities Industry (Central Depository) Act, 1991 and Rules of Bursa Depository.

Following the above, in accordance with Section 29 of the Securities Industry (Central Depositories) Act 1991, all dealings in our Shares will be by book entries through CDS Accounts. Thus, we will not issue any share certificates to you.

Only if you have a CDS Account can you make an Application by way of an Application Form. If you apply using an Application Form, you should state your CDS Account number in the space provided in the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS Account to MIH or us and any relevant regulatory bodies, as the case may be. If you do not presently have a CDS Account, you should open a CDS Account at an ADA prior to making an Application for our Shares.

Only if you have a CDS Account can you make an Application by way of an Electronic Share Application. If you apply using an Electronic Share Application, you shall furnish your CDS Account number to the Participating Financial Institution by way of keying in your CDS Account number if the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so.

Only if you have a CDS Account can you make an Application by way of an Internet Share Application. In certain cases, you can only make an Internet Share Application if you have a CDS Account opened with the Internet Participating Financial Institution. Arising therewith, your CDS Account number would automatically appear in the e-IPO online application form.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

If you fail to comply with these specific instructions or there are inaccuracies in the CDS Account number, arising from use of invalid, third party or nominee accounts, your application may be rejected. If you are successful in your Application but fail to state your CDS Account number, MIH, acting on the authority of our Board, reserves the right to reject your Application. MIH, acting on the authority of our Board also reserves the right to reject any incomplete and inaccurate Application. We may also reject your Application if your particulars provided in the Application Forms, or in the case of Electronic Share Application or Internet Share Application, if the records of the Participating Financial Institutions or Internet Participating Financial Institutions at the time of making the Electronic Share Application or Internet Share Application, differ from those in Bursa Depository's records, such as your identity card number, name and nationality.

17.10 NOTICE OF ALLOTMENT

If your Application is successful or partially successful, we will credit our Shares allotted to you to your CDS accounts. We will despatch a notice of allotment to you at your address last maintained with Bursa Depository at your own risk prior to our Listing. For Electronic Share Applications or Internet Share Applications, the notice of allotment will be despatched to you at your address last maintained with Bursa Depository at your own risk prior to our Listing. This is the only acknowledgement of acceptance of your Application as we will not be issuing any share certificate to you.

You must inform Bursa Depository of your updated address promptly by adhering to certain rules and regulation of Bursa Depository, failing which we shall send the notification letter on your allotment to your address last maintained with Bursa Depository.

You may also check the status of your application by logging on to MIH website at www.mih.com.my or by calling your ADA at the telephone number as stated in Section 17.11 of this Prospectus or MIH at (03)-7841 8000 or (03)-7841 8289, between five (5) to ten (10) Market Days (during office hours only) after the balloting date.

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**17.11 LIST OF ADAS**

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KUALA LUMPUR			
UOB KAY HIAN SECURITIES (M) SDN BHD N-1-3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No : 03-62056000	078-004	HONG LEONG INVESTMENT BANK BERHAD Level 7, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No : 03-21681168	066-001
AFFIN INVESTMENT BANK BERHAD Ground Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21438668	028-001	HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB Investment Bank Berhad) Level 18, Menara Raja Laut 288, Jalan Raja Laut, 50350 Kuala Lumpur Tel No : 03-26910200	066-006
AFFIN INVESTMENT BANK BERHAD 38A & 40A, Jalan Midah 1 Taman Midah Cheras 56000 Kuala Lumpur Tel No : 03-91308803	028-005	HWANGDBS INVESTMENT BANK BERHAD 2 nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No : 03-77106688	068-009
ALLIANCE INVESTMENT BANK BERHAD Level 17, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : 03- 26043333	076-001	HWANGDBS INVESTMENT BANK BERHAD 7th, 22 nd & 23 rd Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : 03-27116888	068-014
AMINVESTMENT BANK BERHAD 15 th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20782788	086-001	HWANGDBS INVESTMENT BANK BERHAD No. 57-10 Level 10 The Boulevard, Mid Valley City Lingkaran Syed Putra 59000 Kuala Lumpur Tel No : 03-22872273	068-017
BIMB SECURITIES SDN BHD 32 nd Floor, Menara Multi Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : 03-26918887	024-001	INTER-PACIFIC SECURITIES SDN BHD West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No : 03-21171888	054-001
CIMB INVESTMENT BANK BERHAD Level 17, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel No : 03-22618888	065-001	INTER-PACIFIC SECURITIES SDN BHD Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No : 03-79847796	054-003

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
INTER-PACIFIC SECURITIES SDN BHD No. 33 (First Floor) Jalan Radin Bagus Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03-90562921	054-005	MAYBANK INVESTMENT BANK BERHAD 5-13 Floor, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No : 03-22978888	098-001
JUPITER SECURITIES SDN BHD Level 8 & 9, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20341888	055-001	MERCURY SECURITIES SDN BHD L-7-2, No. 2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel No : 03-62037227	093-002
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD 11 th -14 th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21688800	053-001	MIDF AMANAH INVESTMENT BANK BERHAD Level 21, Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-21738888	026-001
KENANGA INVESTMENT BANK BERHAD 8 th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21649080	073-001	PM SECURITIES SDN BHD Ground, Mezzanine, 1 st & 10 th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No : 03-21463000	064-001
KENANGA INVESTMENT BANK BERHAD M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No : 03-42978806	073-020	PUBLIC INVESTMENT BANK BERHAD 27 th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : 03-20313011	051-001
KENANGA INVESTMENT BANK BERHAD Ground, Mezzanine, 1 st and 2 nd Floor (West & Center Wing) & 1 st Floor East Wing ECM Libra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No : 03-20892888	073-021	RHB INVESTMENT BANK BERHAD Level 3A, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-92873888	087-001
KENANGA INVESTMENT BANK BERHAD 1st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21781133	073-029	RHB INVESTMENT BANK BERHAD 12 th , 20 th & 21 st Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No : 03-23338333	087-018
M & A SECURITIES SDN BHD Level 1-3, No. 45 & 47 The Boulevard, Mid Valley City Lingkar Syed Putra, 59200 Kuala Lumpur Tel No : 03-22821820	057-002	RHB INVESTMENT BANK BERHAD No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No : 03-62575869	087-028

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
RHB INVESTMENT BANK BERHAD No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No : 03-42804798	087-054	TA SECURITIES HOLDINGS BERHAD Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No : 03-20721277	058-003
RHB INVESTMENT BANK BERHAD Ground, 1 st , 2 nd & 3 rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03-90587222	087-058		
SELANGOR DARUL EHSAN			
AFFIN INVESTMENT BANK BERHAD 3 rd & 4 th Floor Wisma Meru No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439999	028-002	CIMB INVESTMENT BANK BERHAD Level G & Level 1, Tropicana City Office Tower No 3 Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 77173388	065-009
AFFIN INVESTMENT BANK BERHAD Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiarra Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77298016	028-003	HONG LEONG INVESTMENT BANK BERHAD Level 10, 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77246888	066-002
AFFIN INVESTMENT BANK BERHAD 1 st Floor, 20-22 Jalan 21/22 SEA Park 46300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78776229	028-006	HWANGDBS INVESTMENT BANK BERHAD 16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No : 03-55133288	068-002
AFFIN INVESTMENT BANK BERHAD No.79-1 & 79-2 Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No : 03-33221999	028-007	HWANGDBS INVESTMENT BANK BERHAD East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1, 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56356688	068-010
AMINVESTMENT BANK BERHAD 4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77106613	086-003	JF APEX SECURITIES BERHAD 6 th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No : 03-87361118	079-001

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
JF APEX SECURITIES BERHAD 15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No : 03-76201118	079-002	MALACCA SECURITIES SDN BHD No. 58A & 60A, 1 st Floor Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78761533	012-003
KENANGA INVESTMENT BANK BERHAD Ground – Fifth Floor East Wing, Quattro West 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78626200	073-005	MAYBANK INVESTMENT BANK BERHAD Suite 8.02, Level 8, Menara Trend Intan Millennium Square No. 68, Jalan Batai Laut, Taman Intan 41300 Klang Selangor Darul Ehsan Tel No : 03-30508888	098-003
KENANGA INVESTMENT BANK BERHAD 55C (2 nd Floor) Jalan USJ 10/1F 47610 Subang Jaya Selangor Darul Ehsan Tel No : 03-80241773	073-006	MAYBANK INVESTMENT BANK BERHAD Wisma Bentley Music Level 1, No.3, Jalan PJU 7/2 Mutiar Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77188888	098-004
KENANGA INVESTMENT BANK BERHAD Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiar Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77259095	073-016	PM SECURITIES SDN BHD No. 157, Jalan Kenari 23A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-80700773	064-003
KENANGA INVESTMENT BANK BERHAD 35 (Ground & 1 st Floor) Jalan Tiara 3 Bandar Baru Klang, 41150 Klang Selangor Darul Ehsan Tel No : 03-33488080	073-035	PM SECURITIES SDN BHD No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-33415300	064-007
KENANGA INVESTMENT BANK BERHAD Level 1 East Wing, Wisma Consplant 2 No. 7 Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56212118	073-030	RHB INVESTMENT BANK BERHAD 24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78736366	087-011
MALACCA SECURITIES SDN BHD No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56361533	012-002	RHB INVESTMENT BANK BERHAD No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No : 03-87363378	087-045

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No : 03-60928916	087-047	SJ SECURITIES SDN BHD Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40000 Shah Alam Selangor Darul Ehsan Tel No : 03-51920202	096-001
RHB INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439180	087-048	SJ SECURITIES SDN BHD 101B, Jalan SS15/5A 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56317888	096-002
RHB INVESTMENT BANK BERHAD Ground, 1st Floor No.13 Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-80706899	087-049	SJ SECURITIES SDN BHD No. 74-2 Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No : 03-33221915	096-004
RHB INVESTMENT BANK BERHAD 11-1, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel No : 03-61483361	087-051	TA SECURITIES HOLDINGS BERHAD No. 2-1, 2-2, 2-3 & 2-4 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80251880	058-005
RHB INVESTMENT BANK BERHAD Unit 1B, 2B & 3B USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80221888	087-059	TA SECURITIES HOLDINGS BERHAD 2 nd Floor Wisma TA 1A Jalan SS20/11 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77295713	058-007
MELAKA			
CIMB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : 06-2898800	065-006	KENANGA INVESTMENT BANK BERHAD 22A & 22A -1 and 26 & 26 – 1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No : 06-3372550	073-034
KENANGA INVESTMENT BANK BERHAD 71A&B & 73A&B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2881720	073-028	MALACCA SECURITIES SDN BHD No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang 75250 Melaka Tel No : 06-3371533	012-001

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
MERCURY SECURITIES SDN BHD No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2921898	093-003	RHB INVESTMENT BANK BERHAD 579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No : 06-2825211	087-026
PM SECURITIES SDN BHD No. 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel No : 06-2866008	064-006	TA SECURITIES HOLDINGS BERHAD 59, 59A & 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2862618	058-008
RHB INVESTMENT BANK BERHAD No 19, 21 & 23, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2833622	087-002		
PERAK DARUL RIDZUAN			
CIMB INVESTMENT BANK BERHAD Ground, 1 st , 2 nd & 3 rd Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2088688	065-010	KENANGA INVESTMENT BANK BERHAD No. 7B-I, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6222828	073-026
HONG LEONG INVESTMENT BANK BERHAD 51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2530888	066-003	KENANGA INVESTMENT BANK BERHAD Ground Floor No. 25 & 25A Jalan Jaya 2, Medan Jaya 32000 Setiawan Perak Darul Ridzuan Tel No : 05-6939828	073-031
HWANGDBS INVESTMENT BANK BERHAD 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No : 05-8066688	068-003	M & A SECURITIES SDN BHD M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No : 05-2419800	057-001
HWANGDBS INVESTMENT BANK BERHAD 2 nd & 3 rd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2559988	068-015	MAYBANK INVESTMENT BANK BERHAD B-G-04 (Ground Floor), Level 1 & 2 42 Persiaran Greentown I Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2453400	098-002
KENANGA INVESTMENT BANK BERHAD Ground, 1 st , 2 nd & 4 th Floor No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2422828	073-022	RHB INVESTMENT BANK BERHAD Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6236498	087-014

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
RHB INVESTMENT BANK BERHAD Ground, 1st Floor, No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6921228	087-016	RHB INVESTMENT BANK BERHAD Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No : 05-7170888	087-052
RHB INVESTMENT BANK BERHAD 21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2415100	087-023	TA SECURITIES HOLDINGS BERHAD Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No : 05-2531313	058-001
RHB INVESTMENT BANK BERHAD Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No : 05-8088229	087-034	UOB KAY HIAN SECURITIES (M) SDN BHD 29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6216010	078-009
RHB INVESTMENT BANK BERHAD 72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No : 05-4651261	087-044		
PULAU PINANG			
ALLIANCE INVESTMENT BANK BERHAD Ground & Mezzanine Floor Bangunan Barkath 21 Lebuh Pantai 10300 Penang Tel No: 04-2611688	076-015	CIMB INVESTMENT BANK BERHAD Ground Floor Suite I.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2385900	065-001
AMINVESTMENT BANK BERHAD 3 rd Floor, Menara Liang Court No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2261818	086-004	HWANGDBS INVESTMENT BANK BERHAD Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No : 04-2636996	068-001
AMINVESTMENT BANK BERHAD Level 3 No. 15, Lebuh Pantai 10300 Pulau Pinang Tel No : 04-2619288	086-007	HWANGDBS INVESTMENT BANK BERHAD No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5372882	068-006

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
INTER-PACIFIC SECURITIES SDN BHD Ground, Mezzanine & 8th Floor Sentral Tower No. 3, Penang Street 10200 Pulau Pinang Tel No : 04-2690888	054-002	RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5402888	087-015
KENANGA INVESTMENT BANK BERHAD 7 th , 8 th & 16 th Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2283355	073-023	RHB INVESTMENT BANK BERHAD 834 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No : 04-5831888	087-032
M&A SECURITIES SDN BHD 332H-1 & 332G-2 Harmony Square Jalan Perak 11600 Georgetown Pulau Pinang Tel No : 04-2817611	057-005	RHB INVESTMENT BANK BERHAD 64& 64-D Ground – 3 rd Floor & 5 th – 8 th Floor Lebuh Bishop 10200 Pulau Pinang Tel No : 04-2634222	087-033
MALACCA SECURITIES SDN BHD Prima Tanjung Suite 98-3-13A Jalan Fettes 11200 Tanjung Tokong Pulau Pinang Tel No : 04-8981525	012-004	RHB INVESTMENT BANK BERHAD Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No : 04-6404888	087-042
MERCURY SECURITIES SDN BHD Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Tel No : 04-3322123	093-001	RHB INVESTMENT BANK BERHAD 41-A, 41-B and 41-C Lintang Angsana Bandar Baru Air Itam 11500 Pulau Pinang Tel No : 04-8352988	087-056
MERCURY SECURITIES SDN BHD 2 nd Floor, Standard Chartered Bank Chambers 2 Lebuh Pantai 10300 Pulau Pinang Tel No : 04-2639118	093-004	SJ SECURITIES SDN BHD 12 th Floor, Office Tower Hotel Royal Penang No. 3 Jalan Larut 10050 George Town Pulau Pinang Tel No : 04-2289836	096-003
PM SECURITIES SDN BHD Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2273000	064-004	UOB KAY HIAN SECURITIES (M) SDN BHD 1 st Floor, Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No : 04-2299318	078-002
RHB INVESTMENT BANK BERHAD Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Tel No : 04-3900022	087-005	UOB KAY HIAN SECURITIES (M) SDN BHD Ground & 1 st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5541388	078-003

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
PERLIS INDRA KAYANGAN			
RHB INVESTMENT BANK BERHAD Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No : 04-9793888	087-060		
KEDAH DARUL AMAN			
ALLIANCE INVESTMENT BANK BERHAD Lot T-30, 2 nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No : 04-7317088	076-004	RHB INVESTMENT BANK BERHAD 35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No : 04-4964888	087-019
HWANGDBS INVESTMENT BANK BERHAD No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4256666	068-011	RHB INVESTMENT BANK BERHAD Ground & 1st Floor 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7209888	087-021
RHB INVESTMENT BANK BERHAD No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4204888	087-017	UOB KAY HIAN SECURITIES (M) SDN BHD Lot 4, 5 & 5A 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No: 04-7322111	078-007
NEGERI SEMBILAN DARUL KHUSUS			
HWANGDBS INVESTMENT BANK BERHAD 1 st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7612288	068-007	KENANGA INVESTMENT BANK BERHAD 1C & 1D, Ground & First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7655998	073-033
HWANGDBS INVESTMENT BANK BERHAD No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553188	068-013	MAYBANK INVESTMENT BANK BERHAD Wisma HM No. 43, Jalan Dr Krishnan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7669555	098-005

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
PM SECURITIES SDN BHD Ground, 1 st , 2 nd & 3 rd Floor 18-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7623131	064-002	RHB INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No : 06-6461234	087-046
RHB INVESTMENT BANK BERHAD Ground, 1st & 2nd Floor No. 32 & 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7641641	087-024	RHB INVESTMENT BANK BERHAD 1 st & 2 nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553014	087-040
RHB INVESTMENT BANK BERHAD 1 st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No : 06-4421000	087-037		
JOHOR DARUL TAKZIM			
ALLIANCE INVESTMENT BANK BERHAD No. 73, Ground Floor & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No : 07-7717922	076-006	INTER-PACIFIC SECURITIES SDN BHD 95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2231211	054-004
AMINVESTMENT BANK BERHAD 3 rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4342282	086-002	KENANGA INVESTMENT BANK BERHAD Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3333600	073-004
AMINVESTMENT BANK BERHAD 18 th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3343855	086-006	KENANGA INVESTMENT BANK BERHAD No. 31 Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel No : 06-9542711	073-008
HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB Investment Bank Berhad) Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2227388	066-005	KENANGA INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : 07-9333515	073-009
HWANGDBS INVESTMENT BANK BERHAD Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2222692	068-004	KENANGA INVESTMENT BANK BERHAD No. 33 & 35 (Ground Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No : 07-7771161	073-010

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KENANGA INVESTMENT BANK BERHAD No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No : 06-9782292	073-011	MERCURY SECURITIES SDN BHD Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3316992	093-005
KENANGA INVESTMENT BANK BERHAD No. 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4326963	073-017	PM SECURITIES SDN BHD No. 41, Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3513232	064-005
KENANGA INVESTMENT BANK BERHAD Suite 16-02, 16003 & 16-03A Level 16 Menara MSC Cyberport No. 5 Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : 07-2237423	073-019	PM SECURITIES SDN BHD Ground & 1 st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4333608	064-008
KENANGA INVESTMENT BANK BERHAD No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9531222	073-024	RHB INVESTMENT BANK BERHAD 6 th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No : 07-2788821	087-006
KENANGA INVESTMENT BANK BERHAD Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No : 07-4678885	073-025	RHB INVESTMENT BANK BERHAD 53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4380288	087-009
M&A SECURITIES SDN BHD Suite 5.3A, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3381233	057-003	RHB INVESTMENT BANK BERHAD No. 33-1, 1 st & 2 nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9538262	087-025
M&A SECURITIES SDN BHD 26, Jalan Indah 16/5 Taman Bukit Indah 81200 Johor Bahru Johor Darul Takzim Tel No : 07-2366288	057-006	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No : 07-5577628	087-029

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
RHB INVESTMENT BANK BERHAD Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No : 07-9321543	087-030	RHB INVESTMENT BANK BERHAD Ground, 1st Floor & 2nd Floor Nos. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3522293	087-043
RHB INVESTMENT BANK BERHAD Ground & 1st Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel No : 07-7769655	087-031	UOB KAY HIAN SECURITIES (M) SDN BHD Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3332000	078-001
RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No : 07-6626288	087-035	UOB KAY HIAN SECURITIES (M) SDN BHD 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No : 07-6637398	078-005
RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No : 06-9787180	087-038	UOB KAY HIAN SECURITIES (M) SDN BHD No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3513218	078-006
RHB INVESTMENT BANK BERHAD 1 st Floor, No. 2 & 4, Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No : 07-9256881	087-039	UOB KAY HIAN SECURITIES (M) SDN BHD No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No : 07-5121633	078-008

PAHANG DARUL MAKMUR

ALLIANCE INVESTMENT BANK BERHAD Ground, Mezzanine & 1st Floor B-400, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No : 09-5660800	076-002	KENANGA INVESTMENT BANK BERHAD A15, A17 & A19, Ground Floor Lorong Tun Ismail 2 Sri Dagangan 2 25000, Pahang Darul Makmur Tel No : 09-5171698	073-027
CIMB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. A-27 Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No : 09-5057800	065-007	RHB INVESTMENT BANK BERHAD B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No : 09-5173811	087-007

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
RHB INVESTMENT BANK BERHAD Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No : 05-4914913	087-041	RHB INVESTMENT BANK BERHAD Ground Floor, 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No : 09-2234943	087-022
KELANTAN DARUL NAIM			
RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No : 09-7430077	087-020	TA SECURITIES HOLDINGS BERHAD 298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7432288	058-004
TERENGGANU DARUL IMAN			
ALLIANCE INVESTMENT BANK BERHAD Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6317922	076-009	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No : 09-8583109	087-027
FA SECURITIES SDN BHD No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6238128	021-001	RHB INVESTMENT BANK BERHAD 31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6261816	087-055
SARAWAK			
AMINVESTMENT BANK BERHAD No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Tel No : 082-244791	086-005	CIMB INVESTMENT BANK BERHAD No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibul Sarawak Tel No : 084-367700	065-001
CIMB INVESTMENT BANK BERHAD Level 1, Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No : 082-358606	065-001	HWANGDBS INVESTMENT BANK BERHAD Ground & 1 st Floor No. 1, Jalan Pending 93450 Kuching Sarawak Tel No : 082-341999	068-005

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
HWANGDBS INVESTMENT BANK BERHAD No. 282, 1 st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-330008	068-016	RHB INVESTMENT BANK BERHAD 2 nd Floor Lot 1268 & Lot 1269 Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No : 085-422788	087-012
KENANGA INVESTMENT BANK BERHAD Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No : 082-338000	073-003	RHB INVESTMENT BANK BERHAD No. 102, Pusat Pedada Jalan Pedada 96000 Sibul Sarawak Tel No : 084-329100	087-013
KENANGA INVESTMENT BANK BERHAD No. 11-12 (Ground & 1 st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel No : 084-313855	073-012	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No : 084-654100	087-050
KENANGA INVESTMENT BANK BERHAD Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No : 085-435577	073-002	RHB INVESTMENT BANK BERHAD Ground & 1st Floor No. 221, Park City Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-311770	087-053
RHB INVESTMENT BANK BERHAD Yung Kong Abell Units No. 1-10, 2 nd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel : 082- 250888	087-003	TA SECURITIES HOLDINGS BERHAD 12G, H & I Jalan Kampong Datu 96000 Sibul Sarawak Tel No : 084-319998	058-002
RHB INVESTMENT BANK BERHAD Lot 170 & 171 Section 49, K.T.L.D. Jalan Chan Chin Ann 93100 Kuching Sarawak Tel No : 082-422252	087-008	TA SECURITIES HOLDINGS BERHAD 2 nd Floor Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Tel No : 082-236333	058-006
SABAH			
CIMB INVESTMENT BANK BERHAD 1 st & 2 nd Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No : 088-328878	065-001	HWANGDBS INVESTMENT BANK BERHAD Suite 1-9-E1, 9 th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No : 088-311688	068-008

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KENANGA INVESTMENT BANK BERHAD Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : 088-236188	073-032	RHB INVESTMENT BANK BERHAD Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel No : 089-229286	087-057
RHB INVESTMENT BANK BERHAD 5 th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel No : 088-269788	087-010	UOB KAY HIAN SECURITIES (M) SDN BHD 11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No : 088-234090	078-011
RHB INVESTMENT BANK BERHAD Lot14-0, Ground Floor Lorong Lintas Plaza 2 Lintas Plaza, Off Jalan Lintas 88300 Kota Kinabalu Sabah Tel No : 088-258618	087-036		

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