All abbreviations used herein shall have the same meaning as those defined in the "Definitions" page of this AP unless stated otherwise.

THIS AP IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. If you have sold or transferred all your SBC Shares, you should at once hand this AP together with the NPA and the RSF (collectively referred to as the "**Documents**") to the agent/broker through whom you effected the sale/transfer for onward transmission to the purchaser/transferee. All enquiries concerning the Rights Issue should be addressed to our Share Registrar, Tacs Corporate Services Sdn Bhd at Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.

The Documents relating to the Rights Issue are only despatched to our shareholders who have a registered address in Malaysia and whose names appear in our Record of Depositors at 5.00 p.m. on 31 October 2013. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue and the Documents comply with the laws of countries or jurisdictions other than the laws of Malaysia. It shall be the sole responsibility of the Entitled Shareholders and/or their renouncee(s) (if applicable) who are residing in countries or jurisdictions other than Malaysia to immediately consult their legal advisers and/or other professional advisers as to whether the acceptance, renunciation, sale or transfer of the Provisional Rights Shares (as the case may be), would result in the contravention of any laws of such countries or jurisdictions. Neither we nor RHB Investment Bank shall accept any responsibility or liability whatsoever to any party in the event that any acceptance, renunciation, sale or transfer of the Provisional Rights Shares (as the case may be) made by the Entitled Shareholders and/or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the Entitled Shareholders and/or their renouncee(s) (if applicable) is a resident.

A copy of this AP has been registered with the SC. The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for their contents.

Approval for the Rights Issue has been obtained from our shareholders at our EGM held on 25 September 2013. Approval has been obtained from Bursa Securities vide its letter dated 30 August 2013 for the listing of and quotation for, amongst others, the Rights Shares and Bonus Shares on the Main Market of Bursa Securities. The listing of and quotation for the Right Shares and Bonus Shares will commence after, amongst others, receipt of confirmation from Bursa Depository that the Rights Shares and Bonus Shares are ready to be credited into the CDS Accounts of the Entitled Shareholders and/or their renouncee(s) (if applicable) and notices of allotment have been despatched to them.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed in this AP. The listing of and quotation for the Rights Shares and Bonus Shares are in no way reflective of the merits of the Rights Issue.

Our Board has seen and approved all the documentation relating to the Rights Issue. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in the Documents false or misleading.

RHB Investment Bank, being our Principal Adviser and Underwriter for the Rights Issue, acknowledges that, based on all available information, and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue.

sbc CORPORATION

SBC CORPORATION BERHAD

(Company No.: 199310-P)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 49,461,000 NEW ORDINARY SHARES OF RM1.00 EACH IN SBC CORPORATION BERHAD ("SBC") ("SBC SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM1.00 PER RIGHTS SHARE, TOGETHER WITH AN ATTACHED BONUS ISSUE OF UP TO 24,730,500 NEW SBC SHARES ("BONUS SHARES") TO BE CREDITED AS FULLY PAID-UP, ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING SBC SHARES HELD AS AT 5.00 P.M. ON 31 OCTOBER 2013 AND ONE (1) BONUS SHARE FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED FOR

Principal Adviser and Underwriter

RHB

RHB Investment Bank Berhad

(Company No.: 19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date ....:	Thursday, 31 October 2013 at 5.00 p.m.
LAST DATES AND TIMES FOR:	
Sale of Provisional Rights Shares ....:	Friday, 8 November 2013 at 5.00 p.m.
Transfer of Provisional Rights Shares ....:	Wednesday, 13 November 2013 at 4.00 p.m.
Acceptance and payment for Provisional Rights Shares ....:	Monday, 18 November 2013 at 5.00 p.m.*
Excess application and payment for Excess Rights Shares ....:	Monday, 18 November 2013 at 5.00 p.m.*

* *or such later date and time as our Board, Principal Adviser and Underwriter may decide and announce not less than two (2) Market Days before the stipulated date and time.*

This AP is dated 31 October 2013

All abbreviations used herein shall have the same meaning as those defined in the "Definitions" page of this AP unless stated otherwise.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

SHAREHOLDERS/INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, SHAREHOLDERS/INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

WE AND OUR ADVISERS FOR THE RIGHTS ISSUE HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THIS AP.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this AP:

Abridged Prospectus or AP	:	This Abridged Prospectus dated 31 October 2013 in relation to the Rights Issue
Act	:	Companies Act, 1965
Amendment	:	Amendment to our Articles of Association
Board	:	Board of Directors
Bonus Share(s)	:	Up to 24,730,500 new SBC Share(s) to be issued pursuant to the Rights Issue
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CDS	:	Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account(s)	:	Account(s) established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
Closing Date	:	5.00 p.m. on 18 November 2013, being the last date and time for acceptance of and payment for the Provisional Rights Shares and application and payment for the Excess Rights Shares, or such later date and time as our Board, Principal Adviser and Underwriter may decide at their absolute discretion and announce not less than two (2) Market Days before the stipulated date and time
CMSA	:	Capital Markets and Services Act, 2007
Code	:	Malaysian Code on Take-Overs and Merger, 2010
Corporate Exercises	:	Rights Issue, ESOS and Amendment, collectively
Documents	:	AP, NPA and RSF, collectively
EGM	:	Extraordinary general meeting
Entitled Shareholder(s)	:	Our shareholder(s) whose name(s) appear in our Record of Depositors on the Entitlement Date
Entitlement Date	:	5.00 p.m. on 31 October 2013, being the time and date on which our shareholders must be registered in our Record of Depositors in order to be entitled to participate in the Rights Issue
EPS	:	Earnings per Share
ESOS	:	Employees' share option scheme of our Company
ESOS Option(s)	:	Option(s) to be granted pursuant to the ESOS
Excess Rights Shares	:	Rights Shares with attached Bonus Shares which are not taken up or not validly taken up by the Entitled Shareholders and/or their renouncee(s) (if applicable)
Foreign Addressed Shareholder(s)	:	Our foreign shareholder(s) on the Entitlement Date who have not provided an address in Malaysia for the service of documents to be issued for purposes of the Rights Issue

DEFINITIONS *(Cont'd)*

FPE	:	Financial period ended
FYE	:	Financial year(s) ended/ending, as the case may be
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	7 October 2013, being the latest practicable date prior to the registration of this AP with the SC
Market Day(s)	:	Any day between Monday and Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
NA	:	Net assets
NPA	:	Notice of provisional allotment in relation to the Rights Issue
Official List	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
Price-Fixing Date	:	14 October 2013, being the date on which we had fixed and announced the issue price for the Rights Shares
Provisional Rights Shares	:	Rights Shares with attached Bonus Shares provisionally allotted to the Entitled Shareholders
Record of Depositors	:	A record of securities holders established by Bursa Depository under Chapter 24.0 of the Rules of Bursa Depository
Renounced Entitlements	:	The entitlements in full to the Rights Shares with attached Bonus Shares as at the Entitlement Date to be renounced by Evergreen Legacy Sdn Bhd and the Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased, respectively to Sia Teong Heng
RHB Investment Bank or Principal Adviser or Underwriter	:	RHB Investment Bank Berhad (19663-P)
Rights Issue	:	Renounceable rights issue of up to 49,461,000 Rights Shares at an issue price of RM1.00 per Rights Share, together with an attached bonus issue of up to 24,730,500 Bonus Shares to be credited as fully paid-up, on the basis of three (3) Rights Shares for every five (5) existing SBC Shares held on the Entitlement Date and one (1) Bonus Share for every two (2) Rights Shares subscribed for
Rights Share(s)	:	Up to 49,461,000 new SBC Share(s) to be issued pursuant to the Rights Issue
RSF	:	Rights subscription form in relation to the Rights Issue
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the SICDA
SBC or our Company	:	SBC Corporation Berhad (199310-P)
SBC Group or our Group	:	Our Company and our subsidiaries, collectively
SBC Share(s) or Share(s)	:	Ordinary share(s) of RM1.00 each in our Company
SC	:	Securities Commission Malaysia
SICDA	:	Securities Industry (Central Depositories) Act, 1991

Suria Capital	:	Suria Capital Holdings Berhad (96895-W)
TEAP	:	Theoretical ex-all price, adjusted to include the effects from the issuance of the Rights Shares and Bonus Shares arising from the Rights Issue
Undertaking Shareholders	:	Our substantial shareholders, namely LOM Holdings Sdn Bhd, Evergreen Legacy Sdn Bhd, Sia Teong Heng and the Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased, collectively
Underwriting Agreement	:	Underwriting agreement dated 16 October 2013 between our Company and the Underwriter in relation to the underwriting of up to 33,328,612 Rights Shares, which are not covered by the Undertaking Shareholders
VWAP	:	Volume weighted average market price
Currencies:		
RM and sen	:	Ringgit Malaysia and sen, respectively
THB	:	Thai Baht

All references to "**our Company**" in this AP are to SBC, and references to "**our Group**" are to our Company and our subsidiaries, collectively. References to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company, and where the context otherwise requires, shall include our subsidiaries.

All references to "**you**" and "**your**" in this AP are to our Entitled Shareholders.

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

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this AP shall be a reference to Malaysian time, unless otherwise stated.

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APPENDICES

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CORPORATE DIRECTORY

SBC CORPORATION BERHAD

(Company No.: 199310-P)
(Incorporated in Malaysia under the Companies Act, 1965)

OUR BOARD

Name *(Designation)*	Address	Nationality	Profession
Ahmad Fizal bin Othman *(Independent Non-Executive Chairman)*	No. 1, Jalan Hijauan Residence 3D Hijauan Residence Cheras 43200 Selangor Darul Ehsan	Malaysian	Company Director
Sia Teong Heng *(Managing Director)*	7, Simpang Tunku Putra 50480 Kuala Lumpur	Malaysian	Company Director
Mun Chong Shing @ Mun Chong Tian *(Non-Executive Director)*	47, Jalan Taman Seputeh 2 58000 Kuala Lumpur	Malaysian	Company Director
Lee Kong Leong *(Independent Non-Executive Director)*	A-19-1, Seni Mont Kiara 2A, Cangkat Duta Kiara 50480 Kuala Lumpur	Malaysian	Company Director
Datuk Roselan Johar bin Johar Mohamed *(Independent Non-Executive Director)*	2-12B-3A, The Peak Condo Jalan Puncak 1, Signal Hill 88400 Kota Kinabalu Sabah	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Datuk Roselan Johar bin Johar Mohamed	Chairman	Independent Non-Executive Director
Ahmad Fizal bin Othman	Member	Independent Non-Executive Chairman
Lee Kong Leong	Member	Independent Non-Executive Director
Mun Chong Shing @ Mun Chong Tian	Member	Non-Executive Director

CORPORATE DIRECTORY *(Cont'd)*

COMPANY SECRETARIES	:	Chong Fook Sin (MACS 00681) No. 5, Jalan PJU 1A/56 Damansara Idaman 47500 Petaling Jaya Selangor Darul Ehsan Kan Chee Jing (MAICSA 7019764) Block C-12-10 Danau Idaman, Jalan 2/109F Taman Danau Desa 58100 Kuala Lumpur
REGISTERED OFFICE AND HEAD/MANAGEMENT OFFICE	:	Wisma Siah Brothers 74A, Jalan Pahang 53000 Kuala Lumpur Tel. No.: (603) 4041 8118 Fax. No.: (603) 4043 5281 Email: enquiries@sbcgroup.com.my Website: www.sbcgroup.com.my
AUDITORS AND REPORTING ACCOUNTANTS FOR THE RIGHTS ISSUE	:	Crowe Horwath (AF: 1018) Chartered Accountants Level 16 Tower C, Megan Avenue II 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel. No.: (603) 2788 9999 Fax. No.: (603) 2788 9998
SOLICITORS FOR THE RIGHTS ISSUE	:	Foong & Partners 13-1, Menara 1MK Kompleks 1 Mont' Kiara No. 1, Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur Tel. No.: (603) 6419 0822 Fax. No.: (603) 6419 0823
PRINCIPAL BANKERS *(in alphabetical order)*	:	Al-Rajhi Banking & Investment Corporation (Malaysia) Berhad (719057-X) Ground Floor, East Block Wisma Selangor Dredging 142-B, Jalan Ampang 50450 Kuala Lumpur Tel. No.: (603) 2301 7000 Fax. No.: (603) 2170 7100 Bangkok Bank Berhad (299740-W) 105, Jalan Tun H.S. Lee 50000 Kuala Lumpur Tel. No.: (603) 2173 7200 Fax. No.: (603) 2173 7300

CORPORATE DIRECTORY *(Cont'd)*

PRINCIPAL BANKERS *(Cont'd)* *(in alphabetical order)*	:	Malayan Banking Berhad (3813-K) Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: (603) 2070 8833 Fax. No.: (603) 2070 2611 OCBC Bank (Malaysia) Berhad (295400-W) Menara OCBC 18, Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: (603) 2034 5034 Fax. No.: (603) 2698 4363 Public Bank Berhad (6463-H) Menara Public Bank 146, Jalan Ampang 50450 Kuala Lumpur Tel. No.: (603) 2176 6000 Fax. No.: (603) 2163 9917 RHB Investment Bank Berhad (19663-P) Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: (603) 9287 3888 Fax. No.: (603) 9287 2233/3355
SHARE REGISTRAR	:	Tacs Corporate Services Sdn Bhd (231621-U) Unit No. 203, 2nd Floor, Block C Damansara Intan No. 1, Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: (603) 7118 2688 Fax. No.: (603) 7118 2693
PRINCIPAL ADVISER AND UNDERWRITER	:	RHB Investment Bank Berhad (19663-P) Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: (603) 9287 3888 Fax. No.: (603) 9287 2233/3355
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

Company No.: 199310-P

SBC CORPORATION BERHAD

(Company No.: 199310-P)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

Wisma Siah Brothers
74A, Jalan Pahang
53000 Kuala Lumpur

31 October 2013

Board of Directors

Ahmad Fizal bin Othman *(Independent Non-Executive Chairman)*
Sia Teong Heng *(Managing Director)*
Mun Chong Shing @ Mun Chong Tian *(Non-Executive Director)*
Lee Kong Leong *(Independent Non-Executive Director)*
Datuk Roselan Johar bin Johar Mohamed *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 49,461,000 RIGHTS SHARES AT AN ISSUE PRICE OF RM1.00 PER RIGHTS SHARE, TOGETHER WITH AN ATTACHED BONUS ISSUE OF UP TO 24,730,500 BONUS SHARES TO BE CREDITED AS FULLY PAID-UP, ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING SBC SHARES HELD ON THE ENTITLEMENT DATE AND ONE (1) BONUS SHARE FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED FOR

1. INTRODUCTION

On 2 August 2013, RHB Investment Bank had, on behalf of our Board, announced that we proposed to undertake, *inter-alia*, the Rights Issue.

On 2 September 2013, RHB Investment Bank had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 30 August 2013, approved the listing of and quotation for, *inter-alia*, the following:

(i) up to 49,461,000 Rights Shares; and

(ii) up to 24,730,500 Bonus Shares,

on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to, *inter-alia*, the following conditions:

	Conditions imposed	Status of compliance
(i)	Our Company and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue;	Noted

	Conditions imposed	Status of compliance
(ii)	Our Company and RHB Investment Bank to inform Bursa Securities upon the completion of the Rights Issue;	To be complied
(iii)	Our Company to furnish Bursa Securities with a written confirmation of our compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed;	To be complied
(iv)	Our Company and RHB Investment Bank are required to make relevant announcements pursuant to paragraph 6.35(2)(a) and (b), 6.35(3) and 6.35(5) of the Listing Requirements; and	To be complied
(v)	To incorporate Bursa Securities' comments in respect of the circular to shareholders.	Complied

At our EGM held on 25 September 2013, our shareholders had approved, *inter-alia*, the Rights Issue and Amendment. A certified true extract of the resolutions approving the Rights Issue and Amendment passed by our shareholders at the aforesaid EGM is set out in Appendix I of this AP.

On 14 October 2013, RHB Investment Bank had, on behalf of our Board, announced that the issue price for the Rights Shares has been fixed at RM1.00 per Rights Share.

On 16 October 2013, RHB Investment Bank had, on behalf of our Board, announced the execution of the Underwriting Agreement between our Company and RHB Investment Bank.

On 17 October 2013, RHB Investment Bank had, on behalf of our Board, announced that the Entitlement Date has been fixed at 5.00 p.m. on 31 October 2013 and other relevant dates pertaining to the Rights Issue.

No person is authorised to give any information or make any representation not contained in this AP in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or RHB Investment Bank.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. PARTICULARS OF THE RIGHTS ISSUE

2.1 Details of the Rights Issue

In accordance with the terms of the Rights Issue as approved by our shareholders at our EGM held on 25 September 2013, and subject to the terms of this AP and the accompanying documents, we shall provisionally allot up to 49,461,000 Rights Shares to the Entitled Shareholders on the basis of three (3) Rights Shares for every five (5) existing SBC Shares held on the Entitlement Date and one (1) Bonus Share for every two (2) Rights Shares subscribed for.

The issue price for the Rights Shares of RM1.00 each is payable in full upon acceptance.

As an Entitled Shareholder, you will find enclosed with this AP, a NPA setting out the number of Provisional Rights Shares for which you are entitled to subscribe for under the terms of the Rights Issue and a RSF, which is to be used for the acceptance of your Provisional Rights Shares as well as to apply for the Excess Rights Shares if you choose to do so.

In determining the Entitled Shareholders' entitlements to the Provisional Rights Shares, fractional entitlements, if any, will be disregarded and dealt with in such manner and on such terms and conditions as our Board shall at its absolute discretion deem fit or expedient and in the best interest of our Company.

The Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements to the Provisional Rights Shares in full or in part. Only Entitled Shareholders who subscribe for the Rights Shares will be entitled to the Bonus Shares. For avoidance of doubt, the Bonus Shares are attached to the Rights Shares without any cost and will be issued only to the Entitled Shareholders and/or their renouncee(s) (if applicable) who subscribe for the Rights Shares. The Rights Shares and Bonus Shares are not separately renounceable. Entitled Shareholders who renounce all or part of their entitlements to the Rights Shares shall be deemed to have renounced the accompanying entitlement to the Bonus Shares. If the Entitled Shareholders decide to accept only part of their entitlement to the Rights Shares, they shall be entitled to the Bonus Shares in the proportion of their acceptance of their entitlement to the Rights Shares. You should also take note that, in order to be entitled to one (1) Bonus Share, you must subscribe for two (2) Rights Shares.

Our Board will allot the Excess Rights Shares, if any, in a fair and equitable manner, and on such basis as it may deem fit or expedient and in the best interest of our Company. The indicative basis for the allotment of the Excess Rights Shares is as follows:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, for allocation to the Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings on the Entitlement Date;

(iii) thirdly, for allocation to the Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis, calculated based on the quantum of their respective Excess Rights Shares application;

(iv) fourthly, for allocation to transferee(s) and/or renouncee(s) who have applied for the Excess Rights Shares on a pro-rata basis based on the quantum of their respective Excess Rights Shares application; and

(v) in the event that there are still unsubscribed Rights Shares with attached Bonus Shares after allocating all the Excess Rights Shares applied for, the remaining unsubscribed Rights Shares with attached Bonus Shares will be subscribed by the Underwriter in accordance with the terms and conditions set out in the Underwriting Agreement.

The Rights Issue is not undertaken on a minimum level of subscription basis.

The Rights Shares and Bonus Shares will, upon allotment and issue, be credited directly into the respective CDS Accounts of the Entitled Shareholders and/or their renouncee(s) (if applicable) who have successfully subscribed for such Rights Shares with attached Bonus Shares. No physical share certificate will be issued to the Entitled Shareholders and/or their renouncee(s) (if applicable).

2.2 Basis of determining the issue price for the Rights Shares

The issue price for the Rights Shares has been fixed at RM1.00 per Rights Share. The issue price is payable in full upon acceptance.

The issue price of RM1.00 per Rights Share represents:

(i) a discount of approximately 23.08% to the TEAP of SBC Shares of approximately RM1.30, based on the five (5)-day VWAP of SBC Shares up to and including 29 July 2013, being the latest practicable date prior to the announcement of the Corporate Exercises, of approximately RM1.87; and

(ii) a discount of approximately 17.36% to the TEAP of SBC Shares of approximately RM1.21, based on the five (5)-day VWAP of SBC Shares up to and including 11 October 2013, being the Market Day immediately preceding the Price-Fixing Date, of approximately RM1.70.

The issue price of RM1.00 per Rights Share was determined by our Board after taking into consideration the aforesaid TEAP of SBC Shares with a discount of not more than twenty-five percent (25%) and the par value of SBC Shares of RM1.00 each.

2.3 Capitalisation of reserves for the Bonus Shares

The issuance of the Bonus Shares shall be wholly capitalised from the share premium reserve of our Company.

Details of the capitalisation for the Bonus Shares, based on our Company's latest audited financial statements for the FYE 31 March 2013 and latest unaudited financial statements for the three (3)-month FPE 30 June 2013, are illustrated below:

Company level	***Audited*** **As at 31 March 2013**	***Unaudited*** **As at 30 June 2013**
	RM '000	**RM '000**
Share premium reserve	111,413	111,413
Less: Capitalisation for the Bonus Shares *	(24,731)	(24,731)
Balance of the share premium reserve after the Rights Issue	**86,682**	**86,682**

Note:

* *Based on up to 24,730,500 Bonus Shares to be issued pursuant to the Rights Issue*

2.4 Ranking of the Rights Shares and Bonus Shares

The Rights Shares and Bonus Shares shall, upon allotment and issue, be of the same class and rank *pari passu* in all respects with the then existing SBC Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to our shareholders, the entitlement date of which is prior to the date of allotment of the Rights Shares and Bonus Shares.

2.5 Details of other corporate exercises

As at the LPD, save for the Rights Issue, ESOS and as disclosed below, our Board confirms that there are no other outstanding corporate exercises/schemes which have been announced and/or approved by our shareholders and regulatory authority (where applicable) but pending completion or implementation:

(i) On 17 August 2012, SBC Leisure Sdn Bhd, our wholly-owned subsidiary, entered into a Sale and Purchase Agreement ("**SPA**") with Bumi Harus Sdn Bhd ("**BHSB**") for the disposal of a piece of land together with two (2) units of buildings erected thereon ("**Property**") for a total consideration of RM19,289,000.

As at the LPD, the SPA is pending the consent from the Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur for the transfer of the Property to BHSB.

(ii) On 21 May 2013, our Company entered into a Joint Venture Agreement ("**JVA**") with Suria Capital for the purpose of commercially developing a piece of leasehold land measuring approximately 16.25 acres ("**Development Land**") forming part of the larger land within Kota Kinabalu Port area at Jalan Tanjung Lipat, Kota Kinabalu, Sabah, measuring approximately 23.25 acres into a mixed development of residential units, retail units, office towers and hotel together with the appropriate infrastructure within the boundary of the Development Land and other complementary or incidental developments ("**Jesselton Waterfront Project**").

On 16 August 2013, our Company and Suria Capital had mutually agreed in writing vide exchange of letters ("**JVA Supplemental Letters**") that:

(a) the provisional layout plan of the Development Land which reflects the actual land area of the Development Land of approximately 16.249 acres as attached to the JVA Supplemental Letters shall prevail over the defunct layout plan of the Development Land that had reflected the land area of approximately 16.25 acres provided in the JVA. The provisional layout plan of the Development Land is subject to the approval of the relevant authorities;

(b) the preliminary project master plan, business plan and other terms of the Jesselton Waterfront Project as provided in the JVA will not be affected by the change of the layout plan and minor variation to the total land area of the Development Land;

(c) Suria Capital may convene its extraordinary general meeting to seek its shareholders' approval at any time within six (6) months from the date of the JVA expiring on 21 November 2013 and that the period of three (3) months from the date of the JVA is no longer practical; and

(d) our Company may make the necessary submission to the relevant authorities for the purpose of obtaining the approval for the development plan for the Jesselton Waterfront Project at any time within six (6) months from the date of the JVA expiring on 21 November 2013 and that the period of three (3) months from the date of the JVA is no longer practical.

Save for the above, all the other terms and conditions of the JVA remain unchanged.

As at the LPD, the JVA is pending fulfilment of the conditions precedent stipulated therein.

The ESOS which was approved by our shareholders at our EGM held on 25 September 2013 will be implemented after the completion of the Rights Issue.

3. RATIONALE FOR THE RIGHTS ISSUE

After due consideration of the various options available as well as the capital structure of our Company, our Board is of the opinion that the Rights Issue is the most appropriate means of raising funds for the following reasons:

(i) the Rights Issue will involve the issuance of new SBC Shares without diluting our existing shareholders' percentage shareholdings provided that all Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue;

(ii) the Rights Issue will provide the Entitled Shareholders with an opportunity to participate in an equity offering in our Company on a pro-rata basis and ultimately, participate in the prospects and future growth of our Group by subscribing to the Rights Shares;

(iii) the Rights Issue will strengthen our Group's financial position with enhanced shareholders' funds and reduced gearing level as compared to bank borrowings. These factors are expected to facilitate the continuous long term growth and expansion plans of our Group; and

(iv) the Rights Issue will enable our Company to raise funds for the repayment of bank borrowings of our Group and hence reduce the finance cost of our Group.

Our Board is of the opinion that as opposed to other securities, the Bonus Shares attached to the Rights Shares will provide the Entitled Shareholders with added incentive to subscribe for the Rights Shares given that it is the most appropriate means of rewarding them while at the same time, enhance our Company's capital base as the issuance of the Bonus Shares will:

(i) increase our Company's issued and paid-up share capital to a level which would be more reflective of our current scale of operations and assets employed;

(ii) enlarge the number of SBC Shares held by our Company's existing shareholders, albeit without increasing the percentage equity interest; and

(iii) be able to encourage the trading liquidity of SBC Shares on Bursa Securities and greater participation by investors as well as potentially broadening the shareholder base of our Company.

4. UTILISATION OF PROCEEDS

The gross proceeds to be raised from the Rights Issue are expected to be utilised in the following manner:

	Indicative gross proceeds	**Estimated timeframe for utilisation from the completion of the Rights Issue**
	RM '000	
Repayment of bank borrowings [(1)]	46,961	Within twelve (12) months
Estimated expenses of the Corporate Exercises [(2)]	2,500	Within six (6) months
Total	**49,461**	

Notes:

(1) As at 30 September 2013, the total bank borrowings of our Group amount to approximately RM104.62 million. Our Board proposes to repay approximately RM46.96 million of the outstanding bank borrowings of our Group. These borrowings were previously taken to finance the acquisitions of our Group's land banks and for working capital purposes. The total interest savings arising from the repayment of the outstanding bank borrowings are approximately RM3.36 million per annum based on the average interest rate incurred by our Group of 7.15% per annum. The final repayment amount for the bank borrowings of our Group to be retired pursuant to the Rights Issue will be determined at a later date.

(2) The estimated expenses relating to the Corporate Exercises comprise the professional fees, underwriting commission and fees payable to the relevant authorities, expenses to convene our EGM, printing, advertisement and other ancillary expenses. If the actual expenses incurred are higher/lower than budgeted, the deficit/surplus will be funded from/contributed to the portion allocated for the repayment of bank borrowings.

The exact quantum of proceeds that may be raised by our Company from the Rights Issue would depend on the actual number of Rights Shares to be issued.

Pending utilisation of the proceeds from the Rights Issue for the above purposes, the proceeds will be placed in deposits with financial institutions and/or short term money market instruments. The interest derived from the deposits with financial institutions and/or any gains arising from the short term money market instruments will be used as additional working capital of our Group.

5. RISK FACTORS

In addition to other information contained in this AP, you should carefully consider the following risk factors (which may not be exhaustive) before subscribing for or investing in the Rights Shares with attached Bonus Shares:

5.1 Risks relating to the Rights Issue

5.1.1 Investment risk

The issue price for the Rights Shares has been determined, after taking into consideration, amongst others, the TEAP of SBC Shares and the par value of SBC Shares.

The market price of SBC Shares is dependent on or influenced by, amongst others, the prevailing stock market sentiments, the volatility of the stock market, movements in interest rates, our future profitability, the outlook of the industry in which we operate in and our financial performance. In view of this, there can be no assurance that SBC Shares will trade at or above the issue price of RM1.00 per Rights Share or the TEAP of SBC Shares upon or subsequent to the listing of and quotation for the Rights Shares and Bonus Shares on the Main Market of Bursa Securities.

Accordingly, there is no assurance that the market price of the Rights Shares and Bonus Shares will be at a level that meets the specific investment objectives or targets of any subscriber of the Rights Shares with attached Bonus Shares.

5.1.2 Capital market risk

The performance of our local bourse is influenced by external factors such as the performance of regional and world bourses, flow of foreign funds and prices of certain commodities. Sentiments are also largely driven by internal factors such as the economic and political conditions of the country, interest rates, foreign exchange policies as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes on Bursa Securities, thus adding risk to the market price of SBC Shares.

Notwithstanding this, it should be noted that our financial performance is not dependent on and has no direct correlation with the performance of the local as well as other bourses.

5.1.3 Delay in or abortion of the Rights Issue

The Rights Issue is exposed to the risk that it may be aborted or delayed on the occurrence of, amongst others, any or more of the following events:

(i) there are material breach of representations, warranties and undertakings on the part of our Company or in the event any conditions precedent to the Underwriting Agreement have not been fulfilled; or

(ii) the occurrence of any *force majeure* events or circumstances beyond the control of our Company and/or RHB Investment Bank, such as, including without limitation, acts of Government, acts of God (including, without limitation, the occurrence of a tsunami, flooding, landslide and/or earthquakes), acts of terrorism, strikes, national disorder, declaration of a state of emergency, lock-outs, fire, explosion, civil commotion, sabotage, acts of war, diseases or accidents, any change in law, regulation, policy or ruling, etc., arising prior to the implementation of the Rights Issue.

In the event the Rights Issue is aborted, all the subscription/application monies received pursuant to the Rights Issue will be refunded to the subscribing Entitled Shareholders and/or their renouncee(s) (if applicable), without interest, or with interest if the application monies are not refunded within fourteen (14) days after our Company becomes liable to repay, in accordance with the provisions of Section 243(2) of the CMSA.

We will exercise our best endeavours to ensure that the Rights Issue is successfully implemented. However, there can be no assurance that the above events will not occur and cause the delay or abortion of the Rights Issue.

5.1.4 Potential dilution

Entitled Shareholders who do not or are not able to accept their Provisional Rights Shares will have their proportionate ownership and voting interests in our Company reduced, and the percentage of our enlarged issued and paid-up share capital represented by their shareholdings in our Company will also be reduced accordingly.

In addition, our Company will undertake the ESOS after the completion of the Rights Issue which entails the issuance of up to fifteen percent (15%) of the total issued and paid-up share capital of our Company (excluding treasury shares) at any point of time throughout the duration of the ESOS. Our shareholders who are not granted the ESOS Options will have their proportionate ownership and voting interests in our Company reduced further pursuant to the ESOS.

5.2 Risks relating to the operations and business of our Group

5.2.1 Business risk

Being principally involved in construction and property development, our Group is subject to certain risk inherent in the construction and property development industry. The construction and property development industry is sensitive to the economic downturn as it is primarily reliant on consumer demand. The construction and property development industry is cyclical and the ability to meet future earnings depends highly on the location and type of development, land and development expenditure, holding costs and overheads. The business could be affected by changes in general economic, political and business conditions, labour, land and building material shortages, increase in the cost of labour, high supply of neighbouring commercial development and changes in the legal and environmental framework within which these industries operate.

We seek to limit these risks through, amongst others, practising prudent management policies, stay abreast with the development, trends and directions of the sector, careful planning and identification of the type of developments, innovative pricing strategies to pass through cost escalations to customers, maintaining long term relationship with our suppliers and customers, reducing reliance by maintaining a diverse range of suppliers and continuous review of our processes and operations to improve efficiency and quality. However, there is no assurance that any changes to the said risk factors will not have a material adverse effect on our Group's businesses and financial performance.

5.2.2 Political, economic and regulatory risks

Political and economic conditions as well as regulatory developments in Malaysia or foreign country(ies) (if applicable) could have a material effect on the financial performance of our Group. Adverse political, economic and/or regulatory conditions or developments including (but not limited to) risk of war, change in political leadership and environment, unfavourable changes in government policies, nationalisation and changes in interest rate or legislation.

While our Group continues to take measures to mitigate these risks including close monitoring of the Government's masterplan in respect of long term economic and development policies so that we can stay ahead as well as capitalise on any regulatory changes in the industry in which our Group operates, there can be no assurance that any changes to political, economic and regulatory factors will not have a material and adverse effect on the business and prospects of our Group.

5.2.3 Interest rate and liquidity risks

Our Group has total unaudited bank borrowings of approximately RM104.62 million as at 30 September 2013, of which approximately RM46.96 million would be settled from the proceeds arising from the Rights Issue. Any increase in interest rates could lead to higher borrowing costs and in turn, affect the profitability of our Group. However, our management may take measures to hedge against the adverse effects of interest rate fluctuations. While the potential hedging activities of our Company may mitigate some of the adverse effects of interest rate fluctuations, the hedging policy cannot be designed to fully eliminate interest rate risks faced by our Group.

Notwithstanding the above, our Group will review its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions to ensure our Group's ability to meet our cash flow obligations.

5.2.4 Dependence on key personnel

As in any other business, our Group's continued success depends largely on the abilities, skill, experience, competency and continued efforts of our existing Board and senior management. The loss of any of our Directors and/or key management personnel without suitable and timely replacement, or the inability of our Group to attract and retain other qualified personnel, could adversely affect our operations and hence, our revenue and profitability.

To this end, we have implemented strategies such as offering competitive compensation package, establishing an ESOS and providing relevant training to retain our key personnel as well as attract and retain qualified experienced personnel who are essential towards addressing our succession plan. Notwithstanding this, there can be no assurance that these measures will always prove to be successful in retaining key management and personnel or ensuring a smooth transition should changes occur.

5.2.5 Losses in excess of insurance coverage

We maintain comprehensive property and liability insurance policies with adequate coverage and sum insured on standard terms in the property industry. Market forces beyond our control may nonetheless limit the scope of insurance coverage that we can obtain and our ability to obtain coverage at reasonable rates. Certain types of losses, generally of a catastrophic nature, such as natural disasters, terrorist acts, epidemic or outbreak or any losses arising therefrom, may be uninsurable. In addition, in the event of a substantial loss, the insurance coverage we carry may not be sufficient to pay the full market value or replacement cost of our lost investment. Accordingly, we could lose some or all of the capital we have invested in the project, as well as the anticipated future revenue from the project, and we could remain obligated for guarantees, debt or other financial obligations related to the project.

Moreover, our insurance policies and terms of coverage are subjected to renewals and negotiations and there is no assurance as to the nature and extent of coverage that will be available on reasonable terms and acceptable to us in the future. Any material increase in insurance rates or decrease in available coverage in the future will adversely affect our business, financial condition and result of operations.

5.2.6 Changes in safety, health, environmental and labour laws and regulations

We and third parties upon whom we depend on expect to be or continue to be subject to extensive safety, health and environmental laws and regulations and various immigration, labour and workplace related laws and regulations.

The scope and extent of any new safety, health and environmental laws and regulations, including their effect on our operations, cannot be predicted. The costs and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these laws and regulations may not be deemed to be sufficient by governmental authorities and our compliance costs may significantly exceed our estimates.

If we fail to meet safety, health and environmental requirements, we may also be subject to fines and penalties by governmental authorities, as well as civil proceedings by environmental groups and other individuals that could limit or halt our construction or operations. Penalties imposed by regulatory authorities on us or third parties upon whom we depend on may also disrupt our business and results of operations.

There can be no assurance that we will not be involved in future litigation or other proceedings or be held responsible for such future litigation or proceedings relating to safety, health and environmental matters, the costs of which could be material. Clean-up and remediation costs, as well as damages, payment of fines or other penalties for non-compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

5.3 Risks relating to the construction and property sector

5.3.1 Competition

Our Group encounters competition from other construction and property development competitors in Malaysia. Competitive pressures may arise in terms of acquisition of strategically located land banks and/or properties, pricing of the properties as well as the sale and marketing of the properties. Future success will depend significantly on the ability of our Group to respond to the ever changing economic conditions and market demand, the progress of development and construction and launch of the property development projects of our Group and marketing strategies that will be able to fulfil the needs and requirements of the target markets of our Group.

However, our Board believes that we have better competitive advantage over our competitors with our strong branding and established track record. Nevertheless, our Group will continue to take measures to mitigate competition risk such as conducting market intelligence study to understand buyers' needs, monitoring and adjusting development products and innovative marketing strategies in response to the changing economic conditions and market demand.

5.3.2 Dependence on licensing/approval from authorities

Regulatory approvals are one of the core risks inherent in the construction and property development sector, particularly in respect of approvals for development orders, building plans and conversion of land usage. There is no assurance that any delay in obtaining these approvals may not have an adverse impact on the timing of launching our development projects and thereby affecting our future profitability.

Our management has always worked to ensure that the entire regulatory framework is complied with. To ensure smooth implementation of our development projects, we conduct thorough studies on the nature and background of land to be acquired and ensure that we comply with procedural and documentation requirements in relation to the applications for necessary approvals. In addition, we will monitor the progress of such applications by progressively liaising with the relevant authorities.

5.3.3 Dependence on contractors

The construction and property development sector are highly dependent on the performance of the main/sub-contractors to ensure timely completion of the respective building and infrastructure works as per their contractual timeline. In relation, our Group's development projects are fully outsourced to main/sub-contractors. As such, the performance and profitability of our development projects are dependent on the quality, pricing, performance and reliability of the main/sub-contractors appointed to carry out the development projects. There is no assurance that any unanticipated delay due to unforeseen circumstances, shortage of supplies of construction materials or labour and unsatisfactory performance of the appointed main/sub-contractors may not have an adverse effect on the operations and profitability of our Group.

Todate, our Group has not encountered any material delay arising from the main/sub-contractors' inability to perform as per their contractual timeline that could materially and adversely affect our Group's performance and profitability.

Nevertheless, in order to mitigate the risks, we are stringent in the selection of contractors such that only contractors with proven track record and adequate financial resources are engaged to undertake construction works in our development projects. We also appointed contractors based on the quality of work done in the past. Moreover, we are not dependent on any single contractor as we engage the services of few contactors for the development of our projects.

5.3.4 Project completion risks

The timely completion of property development projects is dependent on many external factors, including, amongst others, obtaining the necessary approvals as scheduled, securing adequate construction materials and satisfactory performance by building contractors appointed to complete its development projects. Our property development projects are subject to the various approvals from the district and state land offices, including the planning authorities and local councils in the relevant countries.

Todate, our Group has not encountered any material delay in project completion that results in claims for liquidated and ascertained damages by our customers that could materially and adversely affect our Group's performance and profitability.

Nevertheless, there can be no assurance that there will not be any delays in the completion of a property development project. Any prolonged delay in the completion of a property development project could adversely affect our Group's property business, financial condition, results of operations and prospects. It has consistently been the commitment of our Group to closely monitor the progress of the development projects and endeavour to promptly rectify any setback in order to ensure the performance of our Group is not adversely affected.

5.3.5 Construction costs overrun

Fluctuations in construction costs are an inherent risk in the construction and property development sector. Our operations are subjected to increases in construction costs due to reasons such as possible fluctuations in oil prices, shortage of construction materials such as cement and steel bars and shortage of labour/workers. Any major and unexpected increase in construction material or labour costs may result in our contractors having to re-negotiate their contract sums to a higher amount to enable them to complete their contractual obligations. In the event that the affected projects are fully sold with selling prices being locked in, unexpected increase in construction costs would affect our profit margins.

Todate, our Group has not experienced and does not anticipate, in the immediate future, any major and unexpected increase in construction costs for our existing development projects that could materially and adversely affect our Group's performance and profitability.

Nevertheless, while reasonable care is taken to address the possibility of the increase in construction costs by setting contingency provisions in our product budgeting, there is no assurance that unforeseeable material increase in construction costs in our development projects will not have material impact on our financial performance.

5.3.6 Property overhang

The increase in property overhang is commonly due to an oversupply and/or low take-up of new launches by developers. A continuing rise in property overhang will have an impact on property developers within the industry. The property development industry is dependent on the economic and political conditions of Malaysia, and is usually one of the first few sectors to reflect the recovery or downturn in the economy.

Our Group will continue to institute various measures to ensure the viability and ability of our Group to withstand the effects arising from the property overhang risks. These include, amongst others, delivering quality services and timely project completion, strengthening on our Group's credit control policies, close monitoring of project costs and sub-contractors' performance to ensure the order book and profitability of our Group is sustained.

5.4 Forward-looking statements

Certain statements in this AP are historical in nature and are not necessarily reflective of future results, which are subject to uncertainties. Similarly, other statements are forward-looking and based on our assumptions and estimates. Although we believe that these statements and assumptions are reasonable, they are subject to risks known and unknown, as well as uncertainties and uncontrollable events that may cause the actual performance and results to differ significantly from what is forecasted in this AP. There can be no assurance that any of these forward-looking statements can be realised. As a result, such forward-looking statements should not be interpreted as a warranty or representation by our Company or any other person that the plans and objectives of our Group will be accomplished.

6. INDUSTRY OVERVIEW AND PROSPECTS OF OUR GROUP

6.1 Overview and outlook of the Malaysian economy

The global economy continued to experience modest growth in the second quarter of 2013. The US economy expanded at a moderate pace, while economic activity in the euro area remained weak amid austerity measures and ongoing sovereign debt concerns. In Asia, growth of several economies moderated in the second quarter, as the prolonged weakness in the external environment had begun to affect domestic economic activity, particularly in the more open economies. While domestic demand in the Malaysian economy has remained strong, the overall growth performance was affected by the weak external sector. In the second quarter, the Malaysian economy expanded by 4.3% (1Q 2013: 4.1%). While domestic demand remained firm, growing by 7.3% (1Q 2013: 8.2%), exports registered a larger decline, amid weakness across most export products. On the supply side, the major economic sectors expanded further in the second quarter, supported by the continued strength in domestic demand.

On a quarter-on-quarter seasonally adjusted basis, the economy recorded a growth of 1.4% (1Q 2013: -0.4%).

Private consumption expanded by 7.2%, supported by stable employment conditions and sustained wage growth in the domestic-oriented sectors. Public consumption growth improved to 11.1% (1Q 2013: 0.1%), reflecting mainly higher Government spending on supplies and services, and sustained spending on emoluments.

Gross fixed capital formation continued to expand (6%; 1Q 2013: 13.1%), reinforced by private sector capital spending. Private investment grew by 12.7%, supported by capital spending in the consumer-related services sub-sectors, the ongoing implementation of infrastructure projects and capacity expansion in the oil and gas sector. Meanwhile, public investment declined by 6.4% (1Q 2013: 17.3%). Continued expansion in capital spending by public enterprises, particularly in the oil and gas, telecommunications and utilities sectors, was outweighed by lower Federal Government development expenditure.

On the supply side, the services and manufacturing sectors continued to expand, driven largely by sub-sectors catering to the domestic market. Growth of the mining sector rebounded following higher production of both natural gas and crude oil. However, the agriculture sector moderated, weighed down by a sharp reduction in natural rubber output and slower growth in crude palm oil production. In the construction sector, growth remained firm, led by the civil engineering and residential sub-sectors.

The headline inflation rate, as measured by the annual change in the Consumer Price Index, was higher at 1.8% in the second quarter (1Q 2013: 1.5%), attributable mainly to price increases in the *food and non-alcoholic beverages* and *housing, water, electricity, gas, and other fuels categories.*

The domestic financial system remained resilient throughout the second quarter amid episodes of higher volatility in the global and domestic financial markets. Domestic financial intermediation continued to be well-supported by sound financial institutions, orderly financial market conditions and sustained confidence in the financial system.

Going forward, the global economy continues to face downside risks, emanating from developments in several major economies. Policy uncertainty surrounding the quantitative easing programme in the US and European sovereign debt concerns are expected to weigh on market sentiment and growth prospects. While overall growth performance in most emerging economies, including in Asia, will be affected by these developments, domestic demand will continue to support the overall growth performance. The growth prospects are also being augmented by targeted policy measures.

For the Malaysian economy, the prolonged weakness in the external environment has affected the overall growth performance of the economy going forward. While domestic demand is expected to remain firm, supported by sustained private consumption, capital spending in the domestic-oriented industries and the ongoing implementation of infrastructure projects, the weak external sector in the first half of this year will affect our overall growth performance for the year. The overall growth of the economy for this year has now been revised to 4.5 - 5.0%. Going forward, domestic demand is expected to remain on its steady growth trajectory and will continue to be supported by an accommodative monetary policy.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2013, Bank Negara Malaysia)

6.2 Overview and outlook of the construction and property sector

The Malaysian property market moderated after attaining two (2) consecutive years of growth. The market activity contracted by 0.7% in volume but increased marginally by 3.6% in value. The market moved by -3.1% (Q1); 7.3% (Q2); -0.6% (Q3) and -11.5% (Q4) against Gross Domestic Product growth of 4.9% (Q1), 5.4% (Q2), 5.3% (Q3) and 6.4% (Q4). The year registered 427,520 transactions worth RM142.84 billion against 2011 which recorded 430,403 and RM137.83 billion in volume and worth respectively. Except for residential and development land sub-sectors that indicated modest growth of 1.1% and 6.1% respectively, other sub-sectors moderated. Commercial, agricultural and industrial sub-sectors subdued by -5.9%, -4.8% and -4.7% respectively.

Market activities softened across the board except for residential and development land sub-sectors. Development land sub-sector grew by 6.1% after achieving 14.8% last year. Similarly, residential sub-sector recorded a marginal growth of 1.1% after recording a double digit growth of 18.9% last year. Commercial, agricultural and industrial sub-sectors were less encouraging to register -5.9%, -4.8% and -4.7% changed respectively against growth of 9.7%, 4.6% and 6.5% in last year. By market share, residential sub-sector continued to dominate with 63.8% and trailed by agricultural (18.9%), commercial (9.6%), development land (5.4%) and industrial (2.3%) sub-sectors.

The national occupancy rate of the purpose-built offices slipped marginally to 82.3% (2011: 83.2%) as 472,785 s.m. of new spaces entered the market. Compared to last year completions decreased by 24.2% with the entrance of 29 new office buildings (2001: 623,741 s.m.) recorded nationwide in the review period. The take-up space remained positive though lower at 223,797 s.m. against 561,749 s.m. recorded in 2011. Consequently, total vacant space in the country increased to 3.22 million s.m. (2011: 2.97 million s.m.). However, performance of the states was promising with 10 states exceeding the country's average occupancy rate. As at end-2012, existing supply of office space totalled 18.15 million s.m. with another 1.90 million s.m. in the incoming supply and 726,356 s.m. in the planned supply.

The year witnessed robust construction activities for three (3) sub-sectors. Residential, shop and industrial sub-sectors recorded more starts, completions and new planned supply. Starts, completions and new planned supply for the residential sub-sector increased steadily by 19.7%, 9.6% and 20.3% respectively. Similarly, shop sub-sector recorded strong increase of 25.1%, 14.1% and 18.9%. Likewise, dynamic construction activities were seen in the industrial sub-sector with starts, completions and new planned supply grew commendably by 60.1%, 10.6% and 40.9% respectively. The office and retail sub-sectors both registered fewer starts in 2012, reflecting vigilant market sentiment. Similarly, completions and new planned supply contracted for both sub-sectors. The office sub-sector saw 13 buildings (164,260 s.m.) commenced construction, down from 25 buildings (427,834 s.m.) in 2011. Completions and new planned supply decreased by 24.2% and 88.2% respectively to 472,785 s.m. and 28,722 s.m. In the retail segment, 11 new commencements (192,857 s.m.) were recorded in 2012, fewer than 15 buildings (315,739 s.m.) recorded last year. Similarly, completions were down by 20.3% to 479,246 s.m. whilst new planned supply dropped by 33.3% to 147,692 s.m. Start construction reduced further by 38.9% to 192,857 s.m.

The residential property sub-sector will continue to drive the property market and construction activity. Affordable housing will be the national focal agenda in the coming years. Three agencies viz. PR1MA, Syarikat Perumahan Nasional Berhad and National Housing Department are entrusted to build 123,000 affordable housing with RM1.9 billion allocation.

In the 2013 Budget, RM100.0 million is set aside for the Ministry of Housing and Local Government to revive 30 abandoned housing projects. Taking into account the attractive tax incentives and ample budget provision, it is anticipated that the housing construction will be stimulated and highly likely abandoned housing will be revived.

In the commercial property sub-sector, Tun Razak Exchange (TRX), formerly known as KLIFD, is expected to provide new investment opportunities by connecting the business community with the global market. It is expected to attract 250 international financial services company to operate their business in the country. In the effort to encourage international financial institutions to make Kuala Lumpur a preferred investment centre more incentives were given. These include 10 years income tax exemption for TRX-status companies, stamp duty exemption, industrial building allowance and accelerated capital allowance for TRX Marquee-status companies as well as tax exemption for property developers. Given that the project is going to be a leading global centre for international finance, trade and services, it is anticipated that there will be stronger demand for high end houses in future.

Moving forward, the overall property market performance for 2013 will be subject to the local and global economic environment. Nevertheless, the construction activity is expected to be vigorous particularly by the residential sub-sector. Similarly for the shop and industry sub-sector, higher starts and building plans approvals in 2012 indicate buoyancy in the construction activity. In the retail and office sub-sector, the occupancy performances are expected to remain strong, backed by moderate increase in new supply and coupled with fewer starts and new planned supply. The implementation of Economic Transformation Programme projects is expected to continue to be the supporting factor to the positive impact on the property market at large. The development of Klang Valley Mass Rapid Transit as well as the LRT extensions from Kelana Jaya to Putra Heights (Putra Line) and Sri Petaling to Putra Heights (Star Line) is expected to appreciate market value of surrounding properties. Brighter prospects for hotel and industrial sub-sectors are expected in response to incentives and programmes set forth by the government.

(Source: Property Market Report 2012 by the Valuation and Property Services Department, Ministry of Finance Malaysia)

6.3 Prospects of our Group

Our Group's prospects have always hinged on our track record of strong delivery. Most recently with greater emphasis on integrated developments and most of our projects recently been transport-enabled properties, being properties which are integrated within the vicinity of public transport coverage and connectivity with new highway links, with a view to bring convenience closer to the communities. Such projects include, amongst others, PJX, DEX suites @ Kiara East and Cantonment Exchange @ Jalan Ipoh, all of which are located in the Klang Valley.

In Kota Kinabalu, Sabah, we are nearing the completion of the entire "The Peak Collection" which is a premier master planned community at Signal Hill with a gross development value in excess of RM800 million and we believe that was contributory to us being awarded our recent joint venture with Suria Capital, a government linked company of the State Government of Sabah, for the development of the Jesselton Waterfront Project valued at RM1.8 billion, where we are opportuned once again to create yet another landmark. The Jesselton Waterfront Project is set to transform Kota Kinabalu's port city status into a new regional centre to become an integrated scheme similar to Marina Bay in Singapore complete with a diversity of attractions and facilities featuring, amongst others, marina, new central business district and residential precincts. We expect the construction work on this iconic project to commence in early 2014 and we foresee that the said project will significantly contribute to our Group's revenue and earnings for the FYE 31 March 2015.

Barring any unforeseen circumstances, our Group's prospects in the immediate term will be positive given the favourable outlook of the construction and property sector as set out in Section 6.2 of this AP as well as our projects in hand of approximately RM4.8 billion and unbilled property sales of approximately RM163.3 million as at 30 September 2013. In the medium to long term, we expect our Group's performance to continue to grow strongly vis-a-vis the future contribution from the Jesselton Waterfront Project.

7. EFFECTS OF THE RIGHTS ISSUE

The proforma effects of the ESOS have also been included herein for illustration purposes and have taken into account the following:

(i) our issued and paid-up share capital as at the LPD of RM82,435,000 comprising 82,435,000 SBC Shares (including 58,900 treasury shares held);

(ii) assuming 58,900 SBC Shares that are held as treasury shares as at the LPD are fully resold prior to the Entitlement Date; and

(iii) the Rights Shares and Bonus Shares are allotted prior to the implementation of the ESOS.

7.1 Share capital

The proforma effects of the Rights Issue and ESOS on the issued and paid-up share capital of our Company are as follows:

	No. of SBC Shares	RM
Issued and paid-up share capital as at the LPD (1)	82,435,000	82,435,000
To be issued pursuant to the Rights Issue	74,191,500 (2)	74,191,500
Enlarged issued and paid-up share capital after the Rights Issue	156,626,500	156,626,500
To be issued assuming full exercise of the ESOS Options	23,493,975 (3)	23,493,975
Enlarged issued and paid-up share capital	**180,120,475**	**180,120,475**

Notes:

(1) Assuming all 58,900 SBC Shares held as treasury shares are resold prior to the Entitlement Date

(2) Comprises 49,461,000 Rights Shares and 24,730,500 Bonus Shares

(3) Representing up to fifteen percent (15%) of the prevailing issued and paid-up share capital of our Company

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7.2 NA per SBC Share and gearing

Based on the audited consolidated statement of financial position of our Company as at 31 March 2013 and on the assumption that the Rights Issue and ESOS had been effected on that date, the proforma effects of the Rights Issue and ESOS on the NA per SBC Share and gearing of our Group are as follows:

	Audited as at 31 March 2013	(I) Assume resale of treasury shares at purchase cost	(II) After (I) and the Rights Issue	(III) After (II) and the granting and full exercise of the ESOS Options (1)
	RM	**RM**	**RM**	**RM**
Share capital	82,435,000	82,435,000	156,626,500	180,120,475
Share premium	111,412,895	111,412,895	86,682,395 (2)	100,308,901 (3)
Treasury shares	(50,502)	- (4)	-	-
ESOS reserve	-	-	-	- (5)
Legal reserve	265,000	265,000	265,000	265,000
Retained profits	95,178,597	95,178,597	92,678,597 (6)	83,985,826 (7)
Shareholders' funds/NA	**289,240,990**	**289,291,492**	**336,252,492**	**364,680,202**
No. of outstanding SBC Shares	82,376,100 (8)	82,435,000	156,626,500	180,120,475
NA per SBC Share (RM) (9)	3.51	3.51	2.15	2.02
Total borrowings (RM) (10)	90,962,422	90,962,422	44,001,422 (12)	44,001,422
Gearing (times) (11)	0.31	0.31	0.13	0.12

Notes:

(1) Assuming the granting of the ESOS Options up to the maximum amount of fifteen percent (15%) of the prevailing issued and paid-up share capital of our Company are fully exercised at an assumed subscription price of RM1.21, being the TEAP of SBC Shares after the Rights Issue, based on the five (5)-day VWAP of SBC Shares up to and including the LPD of approximately RM1.69

(2) After capitalisation of the Bonus Shares amounting to RM24,730,500

(3) After taking into consideration Note 1 above (share premium of RM0.21 per ESOS Option) and Note 5 below

(4) Assuming all treasury shares are resold at purchase cost such that there will be no gain or loss arising from the resale of the treasury shares

(5) Total fair value of ESOS reserve is determined at RM8,692,771 at grant date (based on the indicative fair value of the ESOS Options of approximately RM0.37 each, which was arrived at based on the Black-Scholes option pricing model). ESOS reserve is subsequently credited to share premium upon the full exercise of the ESOS Options

(6) After deducting the estimated expenses in relation to the Corporate Exercises of RM2,500,000

(7) After deducting the total expense of RM8,692,771 arising from the granting of the ESOS Options

(8) Excludes 58,900 SBC Shares held as treasury shares as at the LPD

(9) Calculated as shareholders' funds/NA divided by number of outstanding SBC Shares

(10) Includes all interest-bearing liabilities

(11) Calculated as total borrowings divided by shareholders' funds/NA

(12) Assuming that RM46,961,000 of the gross proceeds raised from the Rights Issue is being utilised to repay bank borrowings of our Group

7.3 Earnings and EPS

The Rights Issue is not expected to have a material effect on the earnings of our Group for the FYE 31 March 2014 since the Rights Issue is only expected to be completed in the fourth (4th) quarter of 2013 and the proceeds from the Rights Issue are expected to be utilised within twelve (12) months from the completion of the Rights Issue. Nevertheless, the EPS of our Group will be correspondingly reduced as a result of the increase in the number of SBC Shares upon allotment and issuance of the Rights Shares and Bonus Shares pursuant to the Rights Issue.

Barring unforeseen circumstances, the Rights Issue is expected to contribute positively to the future earnings of our Group when the interest savings arising from the repayment of bank borrowings of our Group from the proceeds of the Rights Issue materialise.

For illustrative purposes, based on the audited consolidated financial statements of our Company for the FYE 31 March 2013 and on the assumption that the Rights Issue had been effected on 31 March 2013, the proforma effects of the Rights Issue on the consolidated earnings and EPS of our Company are as follows:

	Audited FYE 31 March 2013	**After the Rights Issue**
	RM '000	**RM '000**
Profit after taxation attributable to owners of our Company ("**PATMI**")	28,025	28,025
Add : Interest savings [(1)]	-	3,358
	28,025	31,383
No. of outstanding SBC Shares ('000)	82,376 [(2)]	156,627
EPS (sen) [(3)]	34.02	20.04

Notes:

(1) Based on gross amount without taking into consideration any tax implications that may arise from the repayment of bank borrowings

(2) Excludes 58,900 SBC Shares held as treasury shares as at the LPD

(3) Calculated as PATMI divided by number of outstanding SBC Shares

8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

8.1 Working capital

Our Board is of the opinion that, after taking into consideration the banking facilities available to our Group, our Group's cash balance, internally-generated funds from our operations as well as the proceeds to be raised from the Rights Issue, our Group will have adequate working capital for a period of twelve (12) months from the date of this AP to meet our present and foreseeable future requirements.

8.2 Borrowings

As at 30 September 2013, our Group had total outstanding borrowings of approximately RM108.49 million, all of which are interest-bearing, details of which are as follows:

	Short term borrowings	**Long term borrowings**	**Total borrowings**
	RM	**RM**	**RM**
Term loans (secured)	16,118,503	43,033,089	59,151,592
Hire purchase payable	149,065	445,544	594,609
Long term payable	-	12,078,707	12,078,707
Amount owing to a director	3,867,680	-	3,867,680
Bankers' acceptances (secured)	11,450,000	-	11,450,000
Bank overdrafts	21,346,567	-	21,346,567
	52,931,815	**55,557,340**	**108,489,155**

All outstanding borrowings are denominated in RM. As at the LPD, our Group does not have any non-interest-bearing borrowings and/or foreign currency denominated borrowings.

There has not been any default on payment of either interest and/or principal sums by our Group, in respect of any borrowings, throughout the past FYE 31 March 2013, and the subsequent financial period thereof up to the LPD.

8.3 Contingent liabilities

Save as disclosed below, as at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group, which in the opinion of our Board, upon becoming enforceable may substantially affect the ability of our Group to meet our obligations as and when they fall due:

	Company
	RM
Corporate guarantee (unsecured) given to banks and other licensed financial institutions for credit facilities granted to subsidiaries	112,415,112

8.4 Material commitments

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

	Group
	RM
Approved and contracted for:	
- Purchase of property	1,492,500
- Joint venture entitlement *	210,000,000
	211,492,500

Note:

* *Comprising a schedule of fixed payment payable to Suria Capital under the Jesselton Waterfront Project of at least RM212.0 million, of which the first (1st) payment of RM2.0 million has been fully settled upon execution of the JVA.*

The capital commitments disclosed above are expected to be financed by our Group's internally-generated funds and/or external borrowings.

9. SHAREHOLDERS' UNDERTAKINGS AND UNDERWRITING ARRANGEMENT

9.1 Shareholders' undertakings

We have procured from each of the Undertaking Shareholders, their irrevocable and unconditional letters of undertaking dated 16 August 2013, to subscribe for their respective entitlements in full for the Rights Shares as at the Entitlement Date ("**Initial Undertakings**").

Pursuant to the Initial Undertakings, the Undertaking Shareholders will irrevocably and unconditionally undertake that their respective shareholdings in our Company as at the Entitlement Date will be no less than their respective shareholdings in our Company as at 16 August 2013. The Undertaking Shareholders will subscribe for any additional entitlement under the Rights Issue in the event they increase their respective shareholdings in our Company after 16 August 2013 and up to and including the Entitlement Date.

On 8 October 2013, Evergreen Legacy Sdn Bhd, the Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased, and Sia Teong Heng have respectively provided their additional irrevocable and unconditional written undertakings ("**Supplemental Undertakings**") to our Company that:

(i) Evergreen Legacy Sdn Bhd and the Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased, will renounce their respective entitlements in full to the Rights Shares as at the Entitlement Date to Sia Teong Heng; and

(ii) Sia Teong Heng will subscribe for the Renounced Entitlements by the Closing Date.

The entitlements of the Undertaking Shareholders under the Rights Issue and the total number of Rights Shares undertaken to be subscribed by them assuming full subscription by the Undertaking Shareholders pursuant to their Initial Undertakings and Supplemental Undertakings (as the case may be) based on their respective shareholdings in our Company as at the LPD are as follows:

	Existing direct shareholding as at the LPD		Entitlement under the Rights Issue		(Renunciation)/ Acceptance of the Renounced Entitlements		Total number of Rights Shares undertaken to subscribe	
Undertaking Shareholders	**No. of SBC Shares**	**% [(1)]**	**No. of Rights Shares**	**% [(2)]**	**No. of Rights Shares**	**% [(2)]**	**No. of Rights Shares**	**% [(2)]**
Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased [(3)]	1,480,800	1.80	888,480	1.80	(888,480)	(1.80)	-	-
Sia Teong Heng	5,907,992	7.17	3,544,795	7.17	3,997,093	8.08	7,541,888	15.25
LOM Holdings Sdn Bhd	14,317,500	17.37	8,590,500	17.37	-	-	8,590,500	17.37
Evergreen Legacy Sdn Bhd	5,181,023	6.28	3,108,613	6.28	(3,108,613)	(6.28)	-	-
Total	**26,887,315**	**32.62**	**16,132,388**	**32.62**	-	-	**16,132,388**	**32.62**

Notes:

(1) Based on the issued and paid-up share capital of our Company as at the LPD comprising 82,435,000 SBC Shares (including 58,900 treasury shares held)

(2) Based on the maximum number of Rights Shares to be issued pursuant to the Rights Issue comprising 49,461,000 Rights Shares (assuming 58,900 treasury shares are resold prior to the Entitlement Date)

(3) On 23 October 2013, 1,480,800 SBC Shares held by the Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased, were transferred to Mun Oi @ Mun Oi Lin (as the Executor for the Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased) to facilitate the renouncement of its entitlement in full under the Rights Issue to Sia Teong Heng

LOM Holdings Sdn Bhd has confirmed via its Initial Undertakings that it has sufficient financial resources to subscribe in full for its entitlement under the Rights Issue and RHB Investment Bank has verified, to the extent possible, that LOM Holdings Sdn Bhd has the financial resources to fulfil its commitment pursuant to the undertaking.

Sia Teong Heng has confirmed via his Initial Undertakings and Supplemental Undertakings that he has sufficient financial resources to subscribe in full for his entitlement under the Rights Issue (including the Renounced Entitlements) and RHB Investment Bank has verified, to the extent possible, that Sia Teong Heng has the financial resources to fulfil his commitment pursuant to the undertakings.

9.2 Underwriting arrangement and salient terms of the Underwriting Agreement

Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite up to 33,328,612 Rights Shares ("**Underwritten Shares**"), representing approximately 67.38% of the maximum number of Rights Shares to be issued pursuant to the Rights Issue. The remaining 16,132,388 Rights Shares will fall within the scope of the Initial Undertakings and Supplemental Undertakings, pursuant to which the Undertaking Shareholders have each irrevocably and unconditionally undertaken to subscribe.

The underwriting commission payable by our Company to the Underwriter is 3.00% of the value of the Underwritten Shares agreed to be underwritten by the Underwriter, computed on the basis of the issue price of RM1.00 per Underwritten Share.

Pursuant to the Underwriting Agreement, certain conditions precedent will need to be fulfilled by the Closing Date before the obligations of the parties are unconditional. Such conditions precedent include, amongst others, the performance by the Undertaking Shareholders, the fulfilment to the reasonable satisfaction of RHB Investment Bank of any conditions imposed by Bursa Securities and/or the SC and there not having been any adverse change of or in the condition (financial or otherwise) of our Company from that set forth in this AP which in the reasonable opinion of the Underwriter is material in the context of the Rights Issue or the occurrence of any event rendering untrue or incorrect to a material extent, any representation and warranty contained in the Underwriting Agreement.

The Underwriter will also have a right to terminate the Underwriting Agreement if certain events ("**Termination Events**") have occurred, including various insolvency related events impacting our Company or breaches by our Company of its representations, warranties and undertakings, *force majeure* events or a change in national or international monetary, financial, political or economic conditions, or in exchange control which in the reasonable opinion of the Underwriter may or is likely to have a material adverse effect on the business or the operation of our Company or the success of the Rights Issue.

Upon such termination, our Company will be obliged to (i) pay or return to the Underwriter all monies paid by and due to the Underwriter, if any, under or as a result of the Underwriting Agreement together with interest thereon; and (ii) pay the Underwriter either (A) its underwriting commission only, if the termination is after the Closing Date; or (B) its underwriting commission only, if the termination is before the Closing Date, and if the Termination Event is due to or arising from the fault of our Company or within our Company's control, or as a result of the negligence or default of our Company; or (C) Broken Funding Costs only, (at the prevailing base lending rate of RHB Bank Berhad on an amount equivalent to the number of Underwritten Shares multiplied by the issue price for the Rights Shares for the period commencing from the date of the Underwriting Agreement up to the date of termination of the Underwriting Agreement, provided always that such amount shall not exceed the aggregate sum of RM150,000) if the termination is before the Closing Date, and if the Termination Event is not due to or arising from the fault of our Company or matters within the control of our Company, or not as a result of the negligence or default of our Company.

In view of the Underwriting Agreement, there will not be any implication under the Code as well as the public shareholdings spread of our Company in the event that the Entitled Shareholders, other than the Undertaking Shareholders, do not subscribe for their respective entitlements under the Rights Issue.

10. PROCEDURES FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this AP, the NPA notifying you of the crediting of such Provisional Rights Shares into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with attached Bonus Shares that you have been provisionally allotted as well as to apply for any Excess Rights Shares if you choose to do so. This AP and the RSF are also available on Bursa Securities' website (www.bursamalaysia.com).

FULL PROCEDURES FOR THE ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS RIGHTS SHARES APPLICATION ARE SET OUT IN THIS SECTION AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ THIS AP AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS AP.

10.1 Acceptance and payment

If you wish to accept all or part of your entitlement to the Provisional Rights Shares, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Acceptances which do not strictly conform to the terms of this AP or the RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board.

Each completed and signed RSF together with the relevant payment must be delivered either by ordinary post, courier or delivery by hand in the official envelope provided (at your own risk) to our Share Registrar at the following address:

Tacs Corporate Services Sdn Bhd
Unit No. 203, 2nd Floor, Block C
Damansara Intan
No. 1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan

Tel. No.: (603) 7118 2688
Fax. No.: (603) 7118 2693

so as to arrive not later than **5.00 p.m.** on **18 November 2013**, being the last date and time for acceptance and payment, or such later date and time as our Board, Principal Adviser and Underwriter may decide at their absolute discretion and announce not less than two (2) Market Days before the stipulated date and time.

If you lose, misplace or for any reasons require another copy of the RSF, you may obtain additional copies of the RSF from Bursa Securities' website (www.bursamalaysia.com), our Share Registrar at the address stated above or our Registered Office at the following address:

Wisma Siah Brothers
74A, Jalan Pahang
53000 Kuala Lumpur

Tel. No.: (603) 4041 8118
Fax. No.: (603) 4043 5281

Only one (1) RSF can be used for acceptance of the Provisional Rights Shares standing to the credit of one (1) CDS Account. Separate RSFs must be used for the acceptance of the Provisional Rights Shares standing to the credit of more than one (1) CDS Account. If successful, the Rights Shares with attached Bonus Shares accepted by you will be credited into the respective CDS Accounts where the Provisional Rights Shares are standing to the credit.

You should note that you will only be entitled to the Bonus Shares if you subscribe for the Rights Shares.

If you do not wish to accept your entitlement to the Provisional Rights Shares in full, you are entitled to accept part of your entitlement to the Provisional Rights Shares. The minimum number of Provisional Rights Shares that can be accepted is one (1) Rights Share. However, you should take note that, in order to be entitled to one (1) Bonus Share, you must subscribe for two (2) Rights Shares. Fractions of a Rights Share and/or Bonus Share arising from the Rights Issue will be disregarded and dealt with as our Board may at its absolute discretion deem fit or expedient and in the best interest of our Company. You should also take note that a trading board lot comprises one hundred (100) Shares.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Provisional Rights Shares accepted in the form of banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia and must be made payable to "**SBC RIGHTS SHARES ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and **endorsed on the reverse side with your name, contact number and address in block letters and your CDS Account number**. The payment must be made in the exact amount. Any excess or insufficient payment and other than in the manner stated in this AP may be rejected at the absolute discretion of our Board. Cheques or any other mode of payments not prescribed herein are not acceptable.

NO ACKNOWLEDGEMENT WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR FOR THE RECEIPT OF THE RSF OR THE APPLICATION MONIES IN RESPECT OF THE ACCEPTANCE OF THE PROVISIONAL RIGHTS SHARES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH ATTACHED BONUS SHARES SHALL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE AND TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

If the acceptance of and payment for the Provisional Rights Shares allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by **5.00 p.m.** on **18 November 2013,** being the last date and time for acceptance and payment, or such later date and time as our Board, Principal Adviser and Underwriter may decide at their absolute discretion and announce not less than two (2) Market Days before the stipulated date and time, your provisional entitlement will be deemed to have been declined and will be cancelled. Such Rights Shares with attached Bonus Shares not taken up shall first be made available for application for the Excess Rights Shares in the manner as set out in Section 10.3 of this AP and if undersubscribed, any remaining Rights Shares with attached Bonus Shares will be taken up by the Underwriter.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE AND TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES.

10.2 Sale/transfer of the Provisional Rights Shares

As an Entitled Shareholder, you may wish to sell or transfer all or part of your entitlement to the Provisional Rights Shares to one (1) or more than one (1) person immediately through your stockbroker(s) without first having to request for a split of the Provisional Rights Shares standing to the credit of your CDS Account(s).

To sell/transfer all or part of your entitlement to the Provisional Rights Shares, you may sell such entitlement on the open market or transfer such entitlement to such person(s) as may be allowed pursuant to the Rules of Bursa Depository for the period up to the last date and time for the sale/transfer of the Provisional Rights Shares.

In selling/transferring all or part of your entitlement to the Provisional Rights Shares, you need not deliver any document, including the RSF, to your stockbroker(s). You are however, advised to ensure that there is sufficient Provisional Rights Shares standing to the credit of your CDS Account(s) for settlement of the sale/transfer.

Purchaser(s) of the Provisional Rights Shares may obtain a copy of this AP and the RSF from Bursa Securities' website (www.bursamalaysia.com), our Share Registrar or our Registered Office.

If you have sold/transferred only part of your entitlement to the Provisional Rights Shares, you may still accept the balance of your entitlement to the Provisional Rights Shares by completing Parts I(A) and II of the RSF and forwarding the RSF together with the appropriate remittance for the full amount payable for the balance of the Rights Shares with attached Bonus Shares accepted to our Share Registrar in accordance with the instructions as set out in Section 10.1 of this AP.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

10.3 Application for the Excess Rights Shares

If you wish to apply for additional Rights Shares with attached Bonus Shares in excess of those provisionally allotted to you, you may do so by completing Parts I(B) and II of the RSF and forwarding the RSF, together with a **separate** remittance for the full amount payable in respect of the Excess Rights Shares applied for to our Share Registrar so as to arrive not later than **5.00 p.m.** on **18 November 2013**, being the last date and time for application and payment, or such later date and time as our Board, Principal Adviser and Underwriter may decide at their absolute discretion and announce not less than two (2) Market Days before the stipulated date and time.

Payment for the Excess Rights Shares applied for shall be made in the same manner described in Section 10.1 of this AP except that the banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia must be made payable to "**SBC EXCESS RIGHTS SHARES ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and **endorsed on the reverse side with your name, contact number and address in block letters and your CDS Account number**. The payment must be made in the exact amount. Any excess or insufficient payment and other than in the manner stated in this AP may be rejected at the absolute discretion of our Board. Cheques or any other mode of payments not prescribed herein are not acceptable.

Our Board will allot the Excess Rights Shares, if any, in a fair and equitable manner, and on such basis as it may deem fit or expedient and in the best interest of our Company. The indicative basis for the allotment of the Excess Rights Shares is as follows:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, for allocation to the Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings on the Entitlement Date;

(iii) thirdly, for allocation to the Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis, calculated based on the quantum of their respective Excess Rights Shares application;

(iv) fourthly, for allocation to transferee(s) and/or renouncee(s) who have applied for the Excess Rights Shares on a pro-rata basis based on the quantum of their respective Excess Rights Shares application; and

(v) in the event that there are still unsubscribed Rights Shares with attached Bonus Shares after allocating all the Excess Rights Shares applied for, the remaining unsubscribed Rights Shares with attached Bonus Shares will be subscribed by the Underwriter in accordance with the terms and conditions set out in the Underwriting Agreement.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares applied under Part I(B) of the RSF in such manner as our Board deems fit or expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board set out in Section 10.3(i) to (v) of this AP are achieved. Our Board also reserves the right to accept any Excess Rights Shares application, in full or in part, without assigning any reason thereof.

NO ACKNOWLEDGEMENT WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR FOR THE RECEIPT OF THE EXCESS RIGHTS SHARES APPLICATION OR THE APPLICATION MONIES IN RESPECT THEREOF. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH ATTACHED BONUS SHARES SHALL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE AND TIME FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE AND TIME FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES.

10.4 Acceptance by renouncees

As a renouncee, the procedures for acceptance, selling/transferring of the Provisional Rights Shares, applying for the Excess Rights Shares and/or payment is the same as that which is applicable to the Entitled Shareholders as described in Sections 10.1 to 10.3 of this AP.

Renouncees may obtain a copy of this AP and the RSF from Bursa Securities' website (www.bursamalaysia.com), our Share Registrar or our Registered Office.

10.5 CDS Account

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Provisional Rights Shares are prescribed securities and as such, all dealings in the Provisional Rights Shares will be by book entry through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with attached Bonus Shares.

The acceptance of the Provisional Rights Shares by you or any purchaser of the rights thereof shall mean consent to receiving such Rights Shares and Bonus Shares as prescribed securities which will be credited directly into the respective CDS Accounts.

All Excess Rights Shares allotted shall be credited directly into the CDS Accounts of the successful applicants.

If you have multiple CDS Accounts into which the Provisional Rights Shares have been credited, you cannot use a single RSF for subscription of all these Provisional Rights Shares. Separate RSFs must be used for separate CDS Accounts. If successful, the Rights Shares that you subscribed for will be credited into the CDS Accounts where the Provisional Rights Shares are standing to the credit.

10.6 Foreign Addressed Shareholders

The Documents are not intended to be (and will not be) issued to comply with the laws of countries or jurisdictions other than the laws of Malaysia and have not been (and will not be) lodged, registered or approved pursuant to or under any applicable securities legislation (or with or by any regulatory authorities or other relevant bodies) of any laws of any countries or jurisdictions other than the laws of Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue will not be made or offered in any countries or jurisdictions other than Malaysia. Further, the distribution of the Documents and the acceptance of the Provisional Rights Shares in certain countries or jurisdictions may be restricted or prohibited under the relevant laws of the respective countries or jurisdictions. Accordingly, the Rights Shares with attached Bonus Shares will not be sold, directly or indirectly, and neither the Documents nor any advertisement in connection with the Rights Issue will be distributed or published in or from any countries or jurisdictions except under circumstances that will result in compliance with any applicable rules and regulations of any such countries or jurisdictions. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Shares with attached Bonus Shares in any jurisdiction other than Malaysia or to any person to whom it would be unlawful to make such offer, solicitation or invitation.

As such, the Documents will not be despatched to the Foreign Addressed Shareholders unless they have provided an address in Malaysia for the service of the Documents by the Entitlement Date. However, Foreign Addressed Shareholders may collect the Documents in person from our Share Registrar's office, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents. Such collection may be done during normal business hours from Monday to Friday (except public holidays) from the date hereof until **5.00 p.m.** on **18 November 2013** (or such later date and time as our Board, Principal Adviser and Underwriter may decide at their absolute discretion and announce not less than two (2) Market Days before the stipulated date and time).

However, Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) into whose possession the Documents may come or to whom such Rights Issue are made are required to inform themselves of, and observe all applicable laws of other jurisdiction which may prohibit or restrict the issue, circulation or distribution of the Documents to them or which may prohibit or restrict the offering, solicitation or invitation to subscribe for securities under the Documents pursuant to the relevant laws of the countries or jurisdictions they are subjected to. Entitled Shareholders and/or their renouncee(s) (if applicable) who are residing in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and other professional advisers as to whether the acceptance, renunciation, sale or transfer of the Provisional Rights Shares (as the case may be), would result in the contravention of any laws of such countries or jurisdictions in which the Entitled Shareholders and/or their renouncee(s) (if applicable) is a resident.

Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue to the extent that it would be lawful to do so. Neither our Company, our Share Registrar, RHB Investment Bank nor any other experts ("**Parties**") to the Rights Issue shall, in connection with the Rights Issue, be responsible for any breach of the laws of countries or jurisdictions other than the laws of Malaysia to which the Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) is or might be subject to and he/she shall be solely responsible to seek advice as to the laws of the countries or jurisdictions to which they are or may be subject to. The Parties shall not accept any responsibility or liability whatsoever to any party in the event that any acceptance, renunciation, sale or transfer of the Provisional Rights Shares made by the Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the Entitled Shareholders and/or their renouncee(s) (if applicable) is a resident.

Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of their entitlement or to any net proceeds thereof.

Our Company will assume that the Rights Issue and the acceptance thereof by the Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) would be in compliance with the terms of the Rights Issue and would not be in breach of the laws of any countries or jurisdictions. Our Company will further assume that the Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) had accepted the Rights Issue in Malaysia and will at all applicable times be subject to the laws of Malaysia.

By signing any of the RSF accompanying this AP, Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) the Parties (or if it is a broker-dealer or custodian acting on behalf of its customer, such customer has confirmed to it that such customer has so represented, acknowledged and declared in respect of itself) that:

(i) the Parties would not, by acting on the acceptance and/or renunciation in connection with the Rights Issue, be in breach of the laws of any countries or jurisdictions to which that Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) are or may be subject to;

(ii) Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance and/or renunciation;

(iii) Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) are not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance and/or renunciation, be in breach of the laws of any countries or jurisdictions to which that person is or may be subject to;

(iv) Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) are aware that the Provisional Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any way in accordance with all applicable laws in Malaysia;

(v) Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) have respectively received a copy of the Documents and have had access to such financial and other information and have been provided with the opportunity to pose such questions to the representatives of the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe or purchase the Rights Shares with attached Bonus Shares; and

(vi) Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with attached Bonus Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Bonus Shares.

However, we reserve the right, at our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements. The Provisional Rights Shares relating to any acceptance which is treated as invalid will be included in the pool of the Excess Rights Shares available for Excess Rights Shares application by the Entitled Shareholders and/or their renouncee(s) (if applicable).

11. TERMS AND CONDITIONS

The issuance of the Rights Shares with attached Bonus Shares pursuant to the Rights Issue is governed by the terms and conditions set out in the Documents.

12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of our Board
SBC CORPORATION BERHAD

LEE KONG LEONG
Independent Non-Executive Director

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RESPECT OF THE RIGHTS ISSUE AND AMENDMENT PASSED AT OUR EGM HELD ON 25 SEPTEMBER 2013

SBC CORPORATION BERHAD
(199310-P)
(Incorporated in Malaysia)

Extract of the Minutes of the Extraordinary General Meeting of the Company held at SBC Sales Gallery, Lot PT 9076, Jalan 4/18A, Off Jalan Ipoh, Batu 5½, Taman Mastiara, 51200 Kuala Lumpur on Wednesday, 25 September 2013 at 11.46 a.m.

5. SPECIAL RESOLUTION 1 -
PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF SBC CORPORATION BERHAD ("SBC") ("PROPOSED AMENDMENT")

5.2 Upon a proposal by the Chairman and seconded by Ms. Gan Hui Bin, the following Special Resolution 1 as set out in the Notice of Meeting was passed –

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF SBC ("PROPOSED AMENDMENT")

"**THAT**, subject to the passing of Ordinary Resolution 1 and the approvals of all the relevant authorities or parties (where required) being obtained, approval be and is hereby given for the existing Article 139 of the Articles of Association of the Company be altered, modified and varied to be new Article 139 as follows:

-2-

Existing Article 139	New Article 139
The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted, distributed and credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution. A share premium account and a capital redemption reserve may, for the purpose of this Article, be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.	**Subject to the Act and applicable laws,** the Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst **(i)** the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted, distributed and credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other; **OR (ii) to Qualifying Members only in proportion to which those Qualifying Members are entitled pursuant to a resolution of the Company to that effect and for the purposes of this Article, "Qualifying Members" refer to (a) members, who pursuant to a renounceable rights issue by the Company, have subscribed for the shares in the Company; (b) in the case of renouncees who are non-members, those who have subscribed for shares in the Company renounced to them; and (c) underwriters, who have been allotted with the said shares** and the Directors shall give effect to such resolution. A share premium account and a capital redemption reserve may, for the purpose of this Article, be applied only in the paying up of unissued shares to be issued to members **or Qualifying Members** of the Company **(as the case may be)** as fully paid bonus shares.

AND THAT the Board of Directors of the Company ("**Board**") be and is hereby authorised and empowered to do all acts, deeds and things and execute, sign, deliver and cause to be delivered on behalf of the Company all such transactions, arrangements, agreements and/or documents as may be necessary or expedient in order to implement, give full effect to and complete the Proposed Amendment with full powers to assent to any condition, modification, variation and/or amendment as may be imposed by any relevant authority."

6. ORDINARY RESOLUTION 1 -
PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 49,461,000 NEW ORDINARY SHARES OF RM1.00 EACH IN SBC ("SBC SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE TO BE DETERMINED AND ANNOUNCED LATER, TOGETHER WITH A BONUS ISSUE OF UP TO 24,730,500 NEW SBC SHARES ("BONUS SHARES") TO BE CREDITED AS FULLY PAID-UP, ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING SBC SHARES HELD AND ONE (1) BONUS SHARE FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED FOR ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("PROPOSED RIGHTS ISSUE")

6.3 Upon a proposal by the Chairman and seconded by Ms. Au Pei Kuan, the following Ordinary Resolution 1 as set out in the Notice of Meeting was passed –

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 49,461,000 NEW ORDINARY SHARES OF RM1.00 EACH IN SBC ("SBC SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE TO BE DETERMINED AND ANNOUNCED LATER, TOGETHER WITH A BONUS ISSUE OF UP TO 24,730,500 NEW SBC SHARES ("BONUS SHARES") TO BE CREDITED AS FULLY PAID-UP, ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING SBC SHARES HELD AND ONE (1) BONUS SHARE FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED FOR ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER) ("ENTITLEMENT DATE") ("PROPOSED RIGHTS ISSUE")

"**THAT**, subject to the passing of Special Resolution 1 and the approvals of all the relevant authorities or parties (where required) being obtained, including but not limited to the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for up to 49,461,000 Rights Shares and up to 24,730,500 Bonus Shares to be issued pursuant to the Proposed Rights Issue, the Board be and is hereby authorised:

-4-

(i) to provisionally allot and issue by way of a renounceable rights issue of up to 49,461,000 Rights Shares at an issue price to be determined and announced later, together with a bonus issue of up to 24,730,500 Bonus Shares to be credited as fully paid-up, to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date, and/or to their renouncee(s), on the basis of three (3) Rights Shares for every five (5) existing SBC Shares held and one (1) Bonus Share for every two (2) Rights Shares subscribed for on the Entitlement Date and on such other terms and conditions as the Board may determine; and

(ii) to capitalise and apply a total sum of up to RM24,730,500 from the Company's share premium reserve for the purposes of the capitalisation of the Bonus Shares;

THAT the Board be and is hereby empowered and authorised to deal with any fractional entitlements that may arise from the Proposed Rights Issue in such manner and on such terms and conditions as the Board shall at its absolute discretion deem fit, necessary and/or expedient or in the best interest of the Company (including without limitation to disregard such fractional entitlements);

THAT the Rights Shares and Bonus Shares to be issued shall, upon allotment and issuance, be of the same class and rank *pari passu* in all respects with the then existing SBC Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the Rights Shares and Bonus Shares;

THAT any Rights Shares which are not taken up or not validly taken up or which are not allotted for any reason whatsoever shall first be made available for excess application in such manner as the Board shall determine at its absolute discretion;

THAT the proceeds of the Proposed Rights Issue be utilised for the purposes as set out in the Circular to shareholders of the Company dated 3 September 2013 ("**Circular**"), and the Board be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interest of the Company, subject (where required) to the approval of the relevant authorities;

THAT the Board be and is hereby authorised and empowered to do all acts, deeds and things and execute, sign, deliver and cause to be delivered on behalf of the Company all such transactions, arrangements, agreements and/or documents as may be necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue with full powers to fix and vary the Entitlement Date and assent to any condition, modification, variation and/or amendment to the terms of the Proposed Rights Issue as the Board may deem fit, necessary and/or expedient in the best interest of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the said conditions, modifications, variations and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue;

-5-

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all the Rights Shares and Bonus Shares to be issued pursuant to or in connection with the Proposed Rights Issue have been fully allotted and issued in accordance with the terms of the Proposed Rights Issue."

CERTIFIED TRUE

Sia Teong Heng
Director

Mun Chong Shing @ Mun Chong Tian
Director

Dated this 8 October 2013

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia under the Act on 14 June 1990 as a private limited company under the name of Siah Brothers Corporation Sdn Bhd. We were converted to a public limited company on 19 November 1990 and changed our name to Siah Brothers Corporation Berhad. On 21 October 2003, we changed our name to SBC Corporation Berhad and assumed our present name since.

Our Company was listed on the Main Board of the Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 11 November 1991.

Our Company is principally engaged in the businesses of investment holding and the provision of management and administrative services to our subsidiaries, whilst the principal activities of our subsidiaries, associated companies and joint venture company are set out in Section 5 of this Appendix.

2. SHARE CAPITAL AND MOVEMENT IN SHARE CAPITAL

2.1 Share capital

Our authorised and issued and paid-up share capital as at the LPD are as follows:

	No. of shares	Par value	Total
		RM	RM
Authorised share capital			
Ordinary shares	193,167,000	1.00	193,167,000
5.5% Irredeemable Cumulative Convertible Preference Shares	6,833,000	1.00	6,833,000
			200,000,000
Issued and paid-up share capital			
Ordinary shares	82,435,000	1.00	82,435,000

2.2 Changes in share capital

There have been no changes in our authorised and issued and fully paid-up share capital for the past three (3) years prior to the LPD.

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3. SUBSTANTIAL SHAREHOLDERS

For illustrative purposes only and on the assumption that the Rights Issue and ESOS had been affected on the LPD and all Entitled Shareholders and/or their renouncee(s) (if applicable) subscribe in full for their respective entitlements under the Rights Issue, our substantial shareholders' direct and indirect shareholdings in our Company before and after the Rights Issue and ESOS based on our Register of Substantial Shareholders as at the LPD are as follows:

	As at the LPD				(I) After the Rights Issue				(II) After (I) and the granting and full exercise of the ESOS Options			
	<------- Direct ------->		<------- Indirect ------->		<------- Direct ------->		<------- Indirect ------->		<------- Direct ------->		<------- Indirect ------->	
Substantial shareholders	**No. of SBC Shares**	**%** [(1)]	**No. of SBC Shares**	**%** [(1)]	**No. of SBC Shares**	**%** [(2)]	**No. of SBC Shares**	**%** [(2)]	**No. of SBC Shares**	**%** [(3)]	**No. of SBC Shares**	**%** [(3)]
Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased [(4)]	1,480,800	1.80	19,498,523 [(7)]	23.65	1,480,800 [(5)]	0.95	32,384,273 [(7)]	20.68	1,480,800	0.82	32,384,273 [(7)]	17.98
Sia Teong Heng	5,907,992	7.17	19,498,523 [(7)]	23.65	17,220,823 [(5)]	10.99	32,384,273 [(7)]	20.68	19,570,220 [(6)]	10.87	32,384,273 [(7)]	17.98
LOM Holdings Sdn Bhd	14,317,500	17.37	5,181,023 [(8)]	6.28	27,203,250	17.37	5,181,023 [(8)]	3.31	27,203,250	15.10	5,181,023 [(8)]	2.88
Evergreen Legacy Sdn Bhd	5,181,023	6.28	-	-	5,181,023 [(5)]	3.31	-	-	5,181,023	2.88	-	-

Notes:

(1) Calculated based on the issued and paid-up share capital of our Company as at the LPD (including 58,900 treasury shares held)

(2) Calculated based on the enlarged issued and paid-up share capital of our Company after the Rights Issue comprising 156,626,500 SBC Shares (assuming 58,900 treasury shares are resold prior to the Entitlement Date)

(3) Calculated based on the enlarged issued and paid-up share capital of our Company after the Rights Issue, and assuming the granting of the ESOS Options up to the maximum amount of fifteen percent (15%) of the prevailing issued and paid-up share capital of our Company are fully exercised comprising 180,120,475 SBC Shares (assuming 58,900 treasury shares are resold prior to the Entitlement Date)

(4) On 23 October 2013, 1,480,800 SBC Shares held by the Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased, were transferred to Mun Oi @ Mun Oi Lin (as the Executor for the Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased) to facilitate the renouncement of its entitlement in full under the Rights Issue to Sia Teong Heng

(5) Pursuant to the Initial Undertakings and Supplemental Undertakings, Evergreen Legacy Sdn Bhd and the Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased, will renounce their respective entitlements in full to the Rights Shares as at the Entitlement Date to Sia Teong Heng and Sia Teong Heng will subscribe for his entitlement in full to the Rights Shares as at the Entitlement Date (via the Initial Undertakings) together with the Renounced Entitlements by the Closing Date

(6) Assuming Sia Teong Heng, our substantial shareholder, who is the Managing Director of our Company and is therefore an eligible director under the ESOS, is granted the maximum of ten percent (10%) of the total number of ESOS Options, where all of them are exercised in full into 2,349,397 SBC Shares

(7) Deemed interest by virtue of his shareholding in LOM Holdings Sdn Bhd and Evergreen Legacy Sdn Bhd

(8) Deemed interest by virtue of its shareholding in Evergreen Legacy Sdn Bhd

4. DIRECTORS

4.1 Particulars of our Directors

The particulars of our Directors as at the LPD are as follows:

Name *(Designation)*	Nationality	Age	Address	Profession
Ahmad Fizal bin Othman *(Independent Non-Executive Chairman)*	Malaysian	50	No. 1, Jalan Hijauan Residence 3D Hijauan Residence Cheras 43200 Selangor Darul Ehsan	Company Director
Sia Teong Heng *(Managing Director)*	Malaysian	50	7, Simpang Tunku Putra 50480 Kuala Lumpur	Company Director
Mun Chong Shing @ Mun Chong Tian *(Non-Executive Director)*	Malaysian	76	47, Jalan Taman Seputeh 2 58000 Kuala Lumpur	Company Director
Lee Kong Leong *(Independent Non-Executive Director)*	Malaysian	49	A-19-1, Seni Mont Kiara 2A, Cangkat Duta Kiara 50480 Kuala Lumpur	Company Director
Datuk Roselan Johar bin Johar Mohamed *(Independent Non-Executive Director)*	Malaysian	60	2-12B-3A, The Peak Condo Jalan Puncak 1, Signal Hill 88400 Kota Kinabalu Sabah	Company Director

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4.2 Directors' shareholdings

For illustrative purposes only and on the assumption that the Rights Issue and ESOS had been affected on the LPD and all Entitled Shareholders and/or their renouncee(s) (if applicable) subscribe in full their respective entitlements under the Rights Issue, our Directors' direct and indirect shareholdings in our Company before and after the Rights Issue and ESOS based on our Register of Directors as at the LPD are as follows:

	As at the LPD				(I) After the Rights Issue				(II) After (I) and the granting and full exercise of the ESOS Options			
	<------- Direct ------->		<------- Indirect ------->		<------- Direct ------->		<------- Indirect ------->		<-------- Direct -------->		<------- Indirect ------->	
Directors	**No. of SBC Shares**	**% (1)**	**No. of SBC Shares**	**% (1)**	**No. of SBC Shares**	**% (2)**	**No. of SBC Shares**	**% (2)**	**No. of SBC Shares**	**% (3)**	**No. of SBC Shares**	**% (3)**
Ahmad Fizal bin Othman	-	-	-	-	-	-	-	-	-	-	-	-
Sia Teong Heng	5,907,992	7.17	19,498,523 (6)	23.65	17,220,823 (4)	10.99	32,384,273 (6)	20.68	19,570,220 (5)	10.87	32,384,273 (6)	17.98
Mun Chong Shing @ Mun Chong Tian	39,982	0.05	-	-	75,965	0.05	-	-	75,965	0.04	-	-
Lee Kong Leong	-	-	-	-	-	-	-	-	-	-	-	-
Datuk Roselan Johar bin Johar Mohamed	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

(1) *Calculated based on the issued and paid-up share capital of our Company as at the LPD (including 58,900 treasury shares held)*

(2) *Calculated based on the enlarged issued and paid-up share capital of our Company after the Rights Issue comprising 156,626,500 SBC Shares (assuming 58,900 treasury shares are resold prior to the Entitlement Date)*

(3) *Calculated based on the enlarged issued and paid-up share capital of our Company after the Rights Issue, and assuming the granting of the ESOS Options up to the maximum amount of fifteen percent (15%) of the prevailing issued and paid-up share capital of our Company are fully exercised comprising 180,120,475 SBC Shares (assuming 58,900 treasury shares are resold prior to the Entitlement Date)*

(4) *Pursuant to the Initial Undertakings and Supplemental Undertakings, Sia Teong Heng will subscribe for his entitlement in full to the Rights Shares as at the Entitlement Date together with the Renounced Entitlements, respectively by the Closing Date*

(5) *Assuming Sia Teong Heng, our substantial shareholder, who is the Managing Director of our Company and is therefore an eligible director under the ESOS, is granted the maximum of ten percent (10%) of the total number of ESOS Options, where all of them are exercised in full into 2,349,397 SBC Shares*

(6) *Deemed interest by virtue of his shareholding in LOM Holdings Sdn Bhd and Evergreen Legacy Sdn Bhd*

5. SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURE COMPANY

Our subsidiaries as at the LPD are as follows:

Name of company	Date/Place of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest	Principal activities
			%	
Syarikat Siah Brothers Trading Sdn Bhd	4 May 1968 / Malaysia	8,000,000	100	General building construction and investment holding
Syarikat Siah Brothers Construction Sdn Bhd	13 October 1980 / Malaysia	5,000,002	100	Building and civil engineering contractor
PJX Property Sdn Bhd	8 November 1993 / Malaysia	10,365,106	100	Investment holding and property investment
Mixwell (Malaysia) Sdn Bhd	8 March 1985 / Malaysia	30,000,000	100	Project management and property development
South-East Best Sdn Bhd	24 February 1993 / Malaysia	625,000	100	Project development and property investment
Masahmura Sdn Bhd	13 November 1991 / Malaysia	1,000,000	100	Trading of building materials
Masahmura Sales & Service Sdn Bhd	11 February 1991 / Malaysia	160,000	100	Property development
Aureate Construction Sdn Bhd	22 September 1986 / Malaysia	500,000	100	Project management and property development
SBC Leisure Sdn Bhd	26 June 1995 / Malaysia	2	100	Investment holding
SBC Towers Sdn Bhd	28 September 1995 / Malaysia	2	100	Investment holding
The Borneo Quay (Fast East) Holdings Sdn Bhd	15 August 2013 / Malaysia	10,000	100	Property development
PJX Car Parks Sdn Bhd	1 March 2012 / Malaysia	10,000	70	Property investment and car park operator
PJX Retail Sdn Bhd	1 March 2012 / Malaysia	10,000	70	Property investment, property management and leasing
PJX Commercial Sdn Bhd	1 March 2012 / Malaysia	10,000	70	Property investment
SBHC Developments Sdn Bhd	9 January 2012 / Malaysia	200,000	50	Dormant
Subsidiary of South-East Best Sdn Bhd				
Gracemart Resources Sdn Bhd	31 January 1997 / Malaysia	500,000	100	Property development

Name of company	Date/Place of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest	Principal activities
Subsidiaries of PJX Property Sdn Bhd				
Sinaran Naga Sdn Bhd	11 March 1991 / Malaysia	9,550,000	100	Property development
Kiara East Property Sdn Bhd	22 April 1981 / Malaysia	1,000,000	100	Property development
Goldhill Achiever Sdn Bhd	12 October 2011 / Malaysia	500,000	50	Property development

Our associated companies as at the LPD are as follows:

Name of company	Date/Place of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest	Principal activities
			%	
Built SBC Co., Ltd	28 January 2008 / Thailand	THB 31,000,000	49	Dormant
Kanyara Co., Ltd	28 January 2008 / Thailand	THB 23,000,000	49	Dormant
Varich Industries Sdn Bhd	2 November 1992 / Malaysia	2	50	Members' voluntary winding-up
Associated company of Mixwell (Malaysia) Sdn Bhd				
Ligamas Sdn Bhd	12 March 1992 / Malaysia	60,000,000	50	Property development
Associated companies of Syarikat Siah Brothers Trading Sdn Bhd				
Sri Rawang Properties Sdn Bhd	16 March 1984 / Malaysia	450,000	28.5	Investment in properties and rubber estates
Batu Bata Kampung Jawa Sdn Bhd	16 May 1985 / Malaysia	880,000	13.3	Dormant

Our joint venture company as at the LPD is as follows:

Name of company	Date/Place of incorporation	Issued and paid-up share capital	Effective equity interest	Principal activities
			%	
Tri-Development Co., Ltd	29 January 2002 / Thailand	THB 53,000,000	50	Property development

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of our Group based on our audited consolidated financial statements for the past three (3) FYEs 31 March 2011, 2012 and 2013 and unaudited consolidated financial statements for the three (3)-month FPE 30 June 2012 and the three (3)-month FPE 30 June 2013 are summarised as follows:

	Audited FYE 31 March			Unaudited three (3)-month FPE 30 June	
	2011	2012	2013	2012	2013
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue	113,136	153,701	126,025	28,674	26,072
Gross profit	29,865	49,989	53,478	13,753	10,840
Other income	1,877	3,105	6,544	183	409
Earnings before interest, taxation, depreciation and amortisation	19,028	35,492	39,262	10,705	7,925
Interest income	356	361	(123)	(62)	(2)
Finance costs	(2,107)	(1,881)	(1,992)	(634)	(364)
Depreciation and amortisation	(522)	(554)	(871)	(1,200)	(550)
Share of profit in associated companies	1,302	1,361	2,547	433	1,164
Profit before taxation	18,057	34,779	38,823	9,242	8,173
Income tax expense	(4,903)	(12,101)	(10,912)	(3,300)	(1,806)
Profit after taxation ("**PAT**")	13,154	22,678	27,911	5,942	6,367
PAT attributable to:					
Owners of our Company	13,154	22,678	28,025	5,992	6,333
Non-controlling interests	-	-	(114)	(50)	34
	13,154	22,678	27,911	5,942	6,367
Gross profit margin (%)	26.40	32.52	42.43	47.96	41.58
Net profit margin (%)	11.63	14.75	22.15	20.72	24.42
Weighted average number of SBC Shares in issue ('000)	82,429	82,376	82,376	82,376	82,376
Basic EPS (sen)	16.0	28.0	34.0	7.27	7.69
Diluted EPS (sen)	N/A	N/A	N/A	N/A	N/A
Gross dividend per SBC Share (sen)	2.5	3.5	4.0	-	-

Note:

N/A denotes not applicable

Commentary on past performance

(i) FYE 31 March 2011

Our Group recorded revenue for the FYE 31 March 2011 of RM113.14 million, representing an increase of RM9.72 million or 9.40% from the FYE 31 March 2010 of RM103.42 million. The higher revenue was predominantly due to the completion of two (2) projects, namely The Peak Vista 1 at Kota Kinabalu, Sabah and the flyovers work at Kiara East, Kuala Lumpur.

Our Group's PAT for the FYE 31 March 2011 of RM13.15 million, represents an increase of RM3.26 million or 32.96% from the previous financial year of RM9.89 million. The increase in PAT for the FYE 31 March 2011 was due to the higher margin derived from the construction and sales of The Peak Vista 1 at Kota Kinabalu, Sabah.

(ii) FYE 31 March 2012

Our Group recorded revenue for the FYE 31 March 2012 of RM153.70 million, representing an increase of RM40.56 million or 35.85% from the FYE 31 March 2011 of RM113.14 million. The main contribution to the increase in revenue was derived from the construction and sales of The Peak Vista 11 at Kota Kinabalu, Sabah.

Our Group's PAT for the FYE 31 March 2012 of RM22.68 million, represents an increase of RM9.53 million or 72.47% from the previous financial year of RM13.15 million. The increase in PAT for the FYE 31 March 2012 was due to the higher margin derived from the construction and sales of The Peak Vista 11 at Kota Kinabalu, Sabah.

(iii) FYE 31 March 2013

Our Group recorded revenue for the FYE 31 March 2013 of RM126.03 million, representing a decrease of RM27.67 million or 18.00% from the FYE 31 March 2012 of RM153.70 million. The decrease in revenue was due to the completion of works for PJ Exchange and The Peak Vista in the preceding year.

Our Group's PAT for the FYE 31 March 2013 of RM27.91 million, represents an increase of RM5.23 million or 23.06% from the previous financial year of RM22.68 million. The increase in PAT for the FYE 31 March 2013 was mainly due to the handover of The Peak Vista 1I @ Kota Kinabalu – Tower A with the Occupation Certificate obtained.

(iv) Three (3)-month FPE 30 June 2013

Our Group recorded revenue for the three (3)-month FPE 30 June 2013 of RM26.07 million, representing a slight decrease of RM2.60 million or 9.07% compared to the previous corresponding financial period of RM28.67 million. The decrease in revenue was attributable to the completion of The Peak Vista 1I @ Kota Kinabalu, Sabah.

Our Group's PAT for the three (3)-month FPE 30 June 2013 of RM6.37 million, represents a slight increase of RM0.43 million or 7.24% from the previous corresponding financial period of RM5.94 million. The marginal increase in PAT for the three (3)-month FPE 30 June 2013 was mainly due to the increase in profit contributed by the associated companies.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of SBC Shares as traded on the Main Market of Bursa Securities for the past twelve (12) months from October 2012 to September 2013 are as follows:

	High RM	**Low RM**
2012		
October	1.04	0.970
November	1.02	0.980
December	1.07	0.975
2013		
January	1.19	1.02
February	1.11	0.975
March	1.13	0.980
April	1.34	1.05
May	1.69	1.17
June	1.81	1.48
July	1.93	1.57
August	1.83	1.31
September	1.73	1.40
The last transacted market price of SBC Shares on 1 August 2013 *(being the last Market Day immediately prior to the announcement of the Corporate Exercises on 2 August 2013)*		1.78
The last transacted market price of SBC Shares as at the LPD		1.70
The last transacted market price of SBC Shares on 11 October 2013 *(being the last Market Day immediately prior to the Price-Fixing Date)*		1.68
The last transacted market price of SBC Shares on 28 October 2013 *(being the last Market Day immediately prior to the ex-date for the Rights Issue)*		1.70

(Source: Bloomberg)

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Crowe Horwath

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Chartered Accountants
Member Crowe Horwath International

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REPORTING ACCOUNTANTS' LETTER ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION INCLUDED IN THE ABRIDGED PROSPECTUS TO SHAREHOLDERS

17 October 2013

The Board of Directors
SBC Corporation Berhad
Wisma Siah Brothers
74A Jalan Pahang
53000 Kuala Lumpur

Dear Sirs,

SBC CORPORATION BERHAD ("SBC" OR "THE COMPANY")
Pro Forma Consolidated Statements of Financial Position in connection to:

(i) renounceable rights issue of up to 49,461,000 new ordinary shares of RM1.00 each in SBC ("SBC Shares") ("Rights Shares") at an issue price of RM1.00 per Rights Share, together with an attached bonus issue of up to 24,730,500 new SBC Shares ("Bonus Shares") to be credited as fully paid-up, on the basis of three (3) Rights Shares for every five (5) existing SBC Shares held as at 5.00 p.m. on 31 October 2013 and one (1) Bonus Share for every two (2) Rights Shares subscribed for ("Rights Issue"); and

(ii) establishment of an employees' share option scheme for the eligible director(s) of SBC and the eligible employee(s) of SBC and its subsidiaries ("the Group") after the Rights Issue ("ESOS").

Collectively referred to as "the Corporate Exercises".

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position and the related notes of SBC as at 31 March 2013 prepared by the Directors, as set out in Appendix A of this letter (which we have stamped for the purpose of identification).

The pro forma consolidated statements of financial position have been compiled by the Directors to illustrate the impact of the Corporate Exercises on SBC's financial position as at 31 March 2013.

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DIRECTORS' RESPONSIBILITIES FOR THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The Directors are responsible for compiling the pro forma consolidated statements of financial position on the basis of the applicable criteria.

OUR RESPONSIBILITIES

Our responsibility is to express an opinion as required by the Securities Commission Malaysia about whether the pro forma consolidated statements of financial position have been compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagement, ISAE 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma consolidated statements of financial position on the basis of the applicable criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma consolidated statements of financial position included in the abridged prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of pro forma consolidated statements of financial position provides a reasonable basis for presenting the significant event or transaction directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

(a) The related pro forma adjustments give appropriate effect to those criteria; and
(b) The pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted financial information.

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OUR RESPONSIBILITIES (CONT'D)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma consolidated statements of financial position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

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

OPINION

In our opinion,

(a) the pro forma consolidated statements of financial position of the Group, which have been prepared by the Directors of the Company, have been prepared on the basis of assumptions as set out in the accompanying notes using financial statements prepared in accordance with Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group; and

(b) each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position is appropriate for the purposes of preparing the pro forma consolidated statements of financial position.

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OTHER MATTERS

This letter is issued solely for the purpose of inclusion in the Abridged Prospectus to Shareholders. Our work had been carried out in accordance with the Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with the standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Corporate Exercises described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Corporate Exercises.

Yours faithfully

Crowe Horwath
Firm No : AF 1018
Chartered Accountants

Chua Wai Hong
Approval No: 2974/09/13(J)
Chartered Accountant

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APPENDIX A

SBC CORPORATION BERHAD ("SBC")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

	Note	Audited as at 31.3.2013	Pro Forma I After the Rights Issue	Pro Forma II After Pro Forma I and the granting and full exercise of the ESOS Options
		RM	RM	RM
ASSETS				
NON-CURRENT ASSETS				
Investment in associates		107,457,626	107,457,626	107,457,626
Property, plant and equipment		4,974,311	4,974,311	4,974,311
Biological assets		925,345	925,345	925,345
Investment properties		22,837,348	22,837,348	22,837,348
Land held for property development		106,328,701	106,328,701	106,328,701
Other investments		219,328	219,328	219,328
Goodwill		9,571,384	9,571,384	9,571,384
Deferred tax assets		2,918,096	2,918,096	2,918,096
		255,232,139	255,232,139	255,232,139
CURRENT ASSETS				
Inventories		17,698,459	17,698,459	17,698,459
Property development costs		152,131,010	152,131,010	152,131,010
Receivables		30,048,157	30,048,157	30,048,157
Amount owing by contract customers		1,038,889	1,038,889	1,038,889
Amount owing by associates		5,250,487	5,250,487	5,250,487
Tax recoverable		580,977	580,977	580,977
Short-term deposits with licensed banks		1,960,182	1,960,182	1,960,182
Cash and bank balances	3	4,834,349	4,884,851	33,312,561
		213,542,510	213,593,012	242,020,722
TOTAL ASSETS		468,774,649	468,825,151	497,252,861

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APPENDIX A

SBC CORPORATION BERHAD ("SBC")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 (Cont'd)

	Note	Audited as at 31.3.2013	Pro Forma I After the Rights Issue	Pro Forma II After Pro Forma I and the granting and full exercise of the ESOS Options
		RM	RM	RM
EQUITY AND LIABILITIES				
EQUITY				
Share capital	4	82,435,000	156,626,500	180,120,475
Share premium	5	111,412,895	86,682,395	100,308,901
Legal reserve		265,000	265,000	265,000
ESOS reserve	6	-	-	-
Treasury shares	7	(50,502)	-	-
Retained profits	8	95,178,597	92,678,597	83,985,826
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		289,240,990	336,252,492	364,680,202
NON-CONTROLLING INTERESTS		244,934	244,934	244,934
TOTAL EQUITY		289,485,924	336,497,426	364,925,136
NON-CURRENT LIABILITIES				
Long-term borrowings	9	49,497,251	14,082,187	14,082,187
Deferred tax liabilities		1,500,432	1,500,432	1,500,432
		50,997,683	15,582,619	15,582,619

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APPENDIX A

SBC CORPORATION BERHAD ("SBC")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 (Cont'd)

	Note	Audited as at 31.3.2013 RM	**Pro Forma I** After the Rights Issue RM	**Pro Forma II** After Pro Forma I and the granting and full exercise of the ESOS Options RM
CURRENT LIABILITIES				
Amount owing to contract customers		5,812,459	5,812,459	5,812,459
Payables		66,128,139	66,128,139	66,128,139
Amount owing to a director	9	3,867,680	3,867,680	3,867,680
Short-term borrowings	9	21,780,736	10,234,800	10,234,800
Bank overdrafts	9	15,816,755	15,816,755	15,816,755
Provision for taxation		14,885,273	14,885,273	14,885,273
		128,291,042	116,745,106	116,745,106
TOTAL LIABILITIES		179,288,725	132,327,725	132,327,725
TOTAL EQUITY AND LIABILITIES		468,774,649	468,825,151	497,252,861
Number of outstanding SBC Shares		82,376,100	156,626,500	180,120,475
NA per SBC Share (RM)		3.51	2.15	2.02
Total borrowings (RM)	9	90,962,422	44,001,422	44,001,422
Gearing (times)		0.31	0.13	0.12

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APPENDIX A

SBC CORPORATION BERHAD ("SBC")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

1. Basis Of Preparation

The Pro Forma Consolidated Statements of Financial Position of SBC have been prepared based on the audited Consolidated Statement of Financial Position of SBC as at 31 March 2013. The Pro Forma Consolidated Statements of Financial Position have been prepared solely for illustrative purposes, to show the effects of the following:-

(i) the renounceable rights issue of up to 49,461,000 new ordinary shares of RM1.00 each in SBC ("SBC Shares") ("Rights Shares") at an issue price of RM1.00 per Rights Share, together with an attached bonus issue of up to 24,730,500 new SBC Shares ("Bonus Shares") to be credited as fully paid-up, on the basis of three (3) Rights Shares for every five (5) existing SBC Shares held as at 5.00 p.m. on 31 October 2013 and one (1) Bonus Share for every two (2) Rights Shares subscribed for ("Rights Issue");

(ii) the utilisation of proceeds from the Rights Issue as though they were affected as of that date;

(iii) the establishment of an employees' share option scheme for the eligible director(s) of SBC and the eligible employee(s) of SBC and its subsidiaries after the Rights Issue ("ESOS"); and

(iv) the granting and the full exercise of the ESOS Options.

The financial statements used in the preparation of the Pro Forma Consolidated Statements of Financial Position have been prepared in accordance with Financial Reporting Standards in Malaysia and the auditors' report on the said financial statements was not qualified.

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APPENDIX A

SBC CORPORATION BERHAD ("SBC")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 (Cont'd)

2. The Pro Forma Consolidated Statements of Financial Position

2.1 Pro Forma I

Pro Forma I incorporates the following effects:-

(i) the renounceable rights issue of up to 49,461,000 Rights Shares at an issue price of RM1.00 per Rights Share, together with an attached bonus issue of up to 24,730,500 Bonus Shares to be credited as fully paid-up, on the basis of three (3) Rights Shares for every five (5) existing SBC Shares held and one (1) Bonus Share for every two (2) Rights Shares subscribed for;

(ii) the total gross proceeds from the Rights Issue will be utilised as follows; and

	RM
Repayment of bank borrowings	46,961,000
Estimated expenses of the Corporate Exercises	2,500,000
Total gross proceeds	49,461,000

(iii) the resale of all treasury shares at purchase cost of RM50,502.

2.2 Pro Forma II

Pro Forma II incorporates Pro Forma I and the effects of the granting and full exercise of the ESOS Options of 23,493,975 new SBC Shares (or equivalent to 15% of the total issued and paid-up share capital of the Company) at an assumed exercise price of RM1.21.

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APPENDIX A

SBC CORPORATION BERHAD ("SBC")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 (Cont'd)

3. Cash and Bank Balances

	RM
As at 31.3.2013 (audited)	4,834,349
Proceeds from Rights Issue	49,461,000
Proceeds from resale of treasury shares	50,502
Repayment of bank borrowings	(46,961,000)
Payment of expenses of the Corporate Exercises	(2,500,000)
As per Pro Forma I	4,884,851
Proceeds from full exercise of ESOS Options	28,427,710
As per Pro Forma II	33,312,561

4. Share Capital

	Number of Ordinary shares	RM
As at 31.3.2013 (audited)	82,435,000	82,435,000
Rights Issue	74,191,500	74,191,500
As per Pro Forma I	156,626,500	156,626,500
Full exercise of ESOS Options	23,493,975	23,493,975
As per Pro Forma II	180,120,475	180,120,475

5. Share Premium

	RM
As at 31.3.2013 (audited)	111,412,895
Bonus issue capitalised from share premium	(24,730,500)
As per Pro Forma I	86,682,395
Arising from full exercise of ESOS Options	13,626,506
As per Pro Forma II	100,308,901

APPENDIX A

SBC CORPORATION BERHAD ("SBC")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 (Cont'd)

6. ESOS Reserve

	RM
As at 31.3.2013 (audited)/As per Pro Forma I	-
Fair value of ESOS Options at grant date	8,692,771
Upon full exercise of ESOS Options	(8,692,771)
As per Pro Forma II	-

The fair value of ESOS Options granted was estimated by using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the ESOS Options were granted. The fair value of ESOS Options measured at grant date and the assumptions are as below:

Fair value of ESOS Options at grant date (RM)	0.37
Adjusted share price (RM)	1.21
Exercise price (RM)	1.21
Historical volatility (%)	38.24
Expected life (years)	5.00
Risk free rate (%)	3.70

The volatility measured at the standard deviation of continuously compounded share return is based on statistical analysis of the daily share prices over the last year.

7. Treasury Shares

	Number of Ordinary shares	RM
As at 31.3.2013 (audited)	58,900	(50,502)
Resale of treasury shares	(58,900)	50,502
As per Pro Forma I and II	-	-

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APPENDIX A

SBC CORPORATION BERHAD ("SBC")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 (Cont'd)

8. Retained Profits

	RM
As at 31.3.2013 (audited)	95,178,597
Estimated expenses of the Corporate Exercises	(2,500,000)
As per Pro Forma I	92,678,597
Fair value of ESOS Options granted	(8,692,771)
As per Pro Forma II	83,985,826

9. Interest-bearing Borrowings

	As at 31.3.2013 (audited) RM	Repayment RM	As per Pro Forma I and II RM
Current			
Amount owing to a director	3,867,680	-	3,867,680
Short-term borrowings:			
- Bankers' acceptances	10,170,000	-	10,170,000
- Hire purchase payables	64,800	-	64,800
- Term loans	11,545,936	(11,545,936)	-
	21,780,736	(11,545,936)	10,234,800
Bank overdrafts	15,816,755	-	15,816,755
	41,465,171	(11,545,936)	29,919,235
Non-current			
Long-term borrowings:			
- Hire purchase payables	174,307	-	174,307
- Term loans	37,244,020	(35,415,064)	1,828,956
- Long-term payables	12,078,924	-	12,078,924
	49,497,251	(35,415,064)	14,082,187
Total borrowings	90,962,422	(46,961,000)	44,001,422

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CHUA WAI HONG
Partner
Crowe Horwath AF 1018
Chartered Accountants

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

FINANCIAL REPORT
for the financial year ended 31 March 2013

CONTENTS

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and the provision of management and administrative services to the subsidiaries. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM	THE COMPANY RM
Profit after taxation for the financial year	27,910,774	295,722
Attributable to:-		
Owners of the Company	28,024,840	295,722
Non-controlling interests	(114,066)	-
	27,910,774	295,722

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final dividend of 3.5% less 25% tax on the ordinary shares amounting to RM2,162,371 in respect of the financial year ended 31 March 2012.

For the current financial year, the directors recommend the payment of a first and final dividend of 4.0% less 25% tax on the ordinary shares amounting to RM2,473,050 to be approved by the shareholders at the forthcoming Annual General Meeting. This dividend will be accounted for as an appropriation of retained profits in the period when it is approved by the shareholders.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

DIRECTORS' REPORT

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

TREASURY SHARES

The detailed movements of the treasury shares during the financial year are disclosed in Note 25 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

DIRECTORS' REPORT

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liability is disclosed in Note 46 to the financial statements. At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

DIRECTORS' REPORT

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

SIA TEONG HENG
MUN CHONG SHING @ MUN CHONG TIAN
AHMAD FIZAL BIN OTHMAN
LEE KONG LEONG (APPOINTED ON 2.10.2012)
DATUK ROSELAN JOHAR BIN JOHAR MOHAMED (APPOINTED ON 14.6.2013)
DATO' DR. NORRAESAH BT HAJI MOHAMAD (RESIGNED ON 25.10.2012)
SIA KWEE MOW @ SIA HOK CHAI (DEMISED ON 14.4.2013)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM1 EACH			
	AT 1.4.2012	BOUGHT	SOLD	AT 31.3.2013
THE COMPANY				
DIRECT INTERESTS				
SIA KWEE MOW @ SIA HOK CHAI	1,480,800	-	-	1,480,800
SIA TEONG HENG	5,907,992	-	-	5,907,992
MUN CHONG SHING @ MUN CHONG TIAN	21,782	-	-	21,782
INDIRECT INTERESTS				
SIA KWEE MOW @ SIA HOK CHAI	19,498,523	-	-	19,498,523
SIA TEONG HENG	19,498,523	-	-	19,498,523

By virtue of their interests in the Company, Sia Kwee Mow @ Sia Hok Chai and Sia Teong Heng are deemed to have interests in the shares in the subsidiaries to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965.

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

The other directors holding office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company as disclosed in Note 43) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 44 to the financial statements.

Neither during nor at the end of the financial year was the Company or its subsidiaries a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 50 to the financial statements.

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

DIRECTORS' REPORT

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 29 JUL 2013

Sia Teong Heng

Mun Chong Shing @ Mun Chong Tian

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

STATEMENT BY DIRECTORS

We, Sia Teong Heng and Mun Chong Shing @ Mun Chong Tian, being two of the directors of SBC Corporation Berhad, state that, in the opinion of the directors, the financial statements set out on pages 12 to 122 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 March 2013 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 51, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 29 JUL 2013

Sia Teong Heng | **Mun Chong Shing @ Mun Chong Tian**

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

STATUTORY DECLARATION

I, Lee Yan Yaw, I/C No. 710315-10-5509, being the officer primarily responsible for the financial management of SBC Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 12 to 122 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Lee Yan Yaw, I/C No. 710315-10-5509,
at Kuala Lumpur in the Federal Territory
on this 29 JUL 2013

Lee Yan Yaw

Before me

Datin Hajah Raihela Wanchik (W275)
Commissioner for Oaths

PESURUHJAYA SUMPAH
No. W - 275
Datin Hajah Raihela Wanchik
MALAYSIA

B-16-5
Blok B, Ting. 16 Unit 5
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SBC CORPORATION BERHAD

(Incorporated In Malaysia)
Company No : 199310 - P

Report on the Financial Statements

We have audited the financial statements of SBC Corporation Berhad, which comprise the statements of financial position as at 31 March 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of 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 12 to 122.

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 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.

Crowe Horwath Offices in Malaysia:

Kuala Lumpur • Klang • Penang • Johor Bharu • Melaka • Muar • Kuching • Sibu • Bintulu • Miri • Kota Kinabalu • Labuan

Crowe Horwath™

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SBC CORPORATION BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No : 199310 - P

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 March 2013 and of their financial performance and cash flows for the financial year then ended in accordance with 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 financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

(c) We are satisfied that the financial statements 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 financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 51 on page 123 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SBC CORPORATION BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No : 199310 - P

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.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Chua Wai Hong
Approval No: 2974/09/13 (J)
Chartered Accountant

29 JUL 2013

Kuala Lumpur

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2013

	NOTE	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	-	-	211,918,305	211,818,305
Investment in associates	6	107,457,626	105,010,922	2,739,866	2,839,866
Investment in joint venture	7	-	-	2,663,628	2,663,628
Property, plant and equipment	8	4,974,311	4,299,098	15,347	16,671
Biological assets	9	925,345	428,237	-	-
Investment properties	10	22,837,348	952,846	544,477	544,477
Land held for property development	11	106,328,701	136,754,802	-	-
Other investments	12	219,328	219,328	-	-
Goodwill	13	9,571,384	14,918,523	-	-
Deferred tax assets	14	2,918,096	1,476,206	-	-
		255,232,139	264,059,962	217,881,623	217,882,947
CURRENT ASSETS					
Inventories	15	17,698,459	10,578,209	-	-
Property development costs	16	152,131,010	60,786,037	-	-
Receivables	17	30,048,157	63,593,478	31,422	26,054
Amount owing by contract customers	18	1,038,889	2,224,582	-	-
Amount owing by subsidiaries	19	-	-	76,557,248	60,335,865
Amount owing by associates	20	5,250,487	5,262,974	-	11,844
Tax recoverable	21	580,977	1,053,470	1,921,543	1,921,543
Short-term deposits with licensed banks	22	1,960,182	2,060,182	-	-
Cash and bank balances	23	4,834,349	6,426,721	256,557	258,359
		213,542,510	151,985,653	78,766,770	62,553,665
TOTAL ASSETS		468,774,649	416,045,615	296,648,393	280,436,612

The annexed notes form an integral part of these financial statements.

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2013 (CONT'D)

		THE GROUP		THE COMPANY	
	NOTE	2013 RM	2012 RM	2013 RM	2012 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	24	82,435,000	82,435,000	82,435,000	82,435,000
Treasury shares	25	(50,502)	(50,502)	(50,502)	(50,502)
Reserves	26	206,856,492	180,994,023	136,977,709	138,844,358
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		289,240,990	263,378,521	219,362,207	221,228,856
NON-CONTROLLING INTERESTS		244,934	259,000	-	-
TOTAL EQUITY		289,485,924	263,637,521	219,362,207	221,228,856
NON-CURRENT LIABILITIES					
Long-term borrowings	27	49,497,251	51,444,541	7,000,000	-
Deferred tax liabilities	14	1,500,432	1,500,432	-	-
		50,997,683	52,944,973	7,000,000	-
CURRENT LIABILITIES					
Amount owing to contract customers	18	5,812,459	9,115,193	-	-
Payables	30	66,192,939	44,967,828	1,136,627	392,933
Amount owing to subsidiaries	19	-	-	62,125,841	55,236,816
Amount owing to a director	31	3,867,680	1,867,680	3,867,680	1,867,680
Short-term borrowings	32	21,715,936	26,267,136	3,000,000	1,550,000
Bank overdrafts	33	15,816,755	8,131,485	-	-
Provision for taxation		14,885,273	9,113,799	156,038	160,327
		128,291,042	99,463,121	70,286,186	59,207,756
TOTAL LIABILITIES		179,288,725	152,408,094	77,286,186	59,207,756
TOTAL EQUITY AND LIABILITIES		468,774,649	416,045,615	296,648,393	280,436,612
NET ASSETS PER ORDINARY SHARE (RM)	34	3.51	3.20		

The annexed notes form an integral part of these financial statements.

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
	NOTE	RM	RM	RM	RM
REVENUE	35	126,025,450	153,700,723	5,470,000	5,306,416
COST OF SALES	36	(72,547,747)	(103,711,229)	-	-
GROSS PROFIT		53,477,703	49,989,494	5,470,000	5,306,416
OTHER INCOME		6,543,872	3,105,219	-	100
ADMINISTRATIVE EXPENSES		(20,509,925)	(15,358,961)	(4,584,123)	(4,006,829)
OTHER EXPENSES		(1,243,378)	(2,436,540)	(56,524)	(102,678)
FINANCE COSTS		(1,992,298)	(1,880,729)	(283,354)	(493,677)
SHARE OF PROFIT IN ASSOCIATES		2,546,704	1,360,989	-	-
PROFIT BEFORE TAXATION	37	38,822,678	34,779,472	545,999	703,332
INCOME TAX EXPENSE	38	(10,911,904)	(12,101,434)	(250,277)	(285,931)
PROFIT AFTER TAXATION		27,910,774	22,678,038	295,722	417,401
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		27,910,774	22,678,038	295,722	417,401
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		28,024,840	22,678,038	295,722	417,401
Non-controlling interests		(114,066)	-	-	-
		27,910,774	22,678,038	295,722	417,401
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		28,024,840	22,678,038	295,722	417,401
Non-controlling interests		(114,066)	-	-	-
		27,910,774	22,678,038	295,722	417,401

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

		THE GROUP	
	NOTE	2013 RM	2012 RM
EARNINGS PER SHARE (SEN)			
- basic	39	34.0 sen	28.0 sen
- diluted	39	N/A	N/A
Dividend per ordinary share			
- final	40	4.0 sen	3.5 sen

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

THE GROUP	NOTE	← NON-DISTRIBUTABLE: SHARE CAPITAL RM	SHARE PREMIUM RM	LEGAL RESERVE RM	TREASURY SHARES RM →	DISTRIBUTABLE RETAINED PROFITS RM	ATTRIBUTABLE TO OWNERS OF THE GROUP RM	NON-CONTROLLING INTERESTS RM	TOTAL EQUITY RM
Balance at 1.4.2011		82,435,000	111,412,895	265,000	(3,645)	48,182,642	242,291,892	-	242,291,892
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	22,678,038	22,678,038	-	22,678,038
Contributions by and distributions to owners of the Company:									
- Acquisition of subsidiaries		-	-	-	-	-	-	259,000	259,000
- Purchase of shares		-	-	-	(46,857)	-	(46,857)	-	(46,857)
- Dividend	40	-	-	-	-	(1,544,552)	(1,544,552)	-	(1,544,552)
Balance at 31.3.2012/1.4.2012		82,435,000	111,412,895	265,000	(50,502)	69,316,128	263,378,521	259,000	263,637,521
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	28,024,840	28,024,840	(114,066)	27,910,774
Contributions by and distributions to owners of the Company:									
- Acquisition of a subsidiary		-	-	-	-	-	-	100,000	100,000
- Dividend	40	-	-	-	-	(2,162,371)	(2,162,371)	-	(2,162,371)
Balance at 31.3.2013		82,435,000	111,412,895	265,000	(50,502)	95,178,597	289,240,990	244,934	289,485,924

The annexed notes form an integral part of these financial statements.

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

		← Non-distributable		→	Distributable	
		Share Capital RM	Share Premium RM	Treasury Shares RM	Retained Profits RM	Total Equity RM
The Company	Note					
Balance at 1.4.2011		82,435,000	111,412,895	(3,645)	28,558,614	222,402,864
Profit after taxation/Total comprehensive income for the financial year		-	-	-	417,401	417,401
Contributions by and distribution to owners of the Company:						
- Purchase of shares		-	-	(46,857)	-	(46,857)
- Dividend	40	-	-	-	(1,544,552)	(1,544,552)
Balance at 31.3.2012/1.4.2012		82,435,000	111,412,895	(50,502)	27,431,463	221,228,856
Profit after taxation/Total comprehensive income for the financial year		-	-	-	295,722	295,722
Distribution to owners of the Company:						
- Dividend	40	-	-	-	(2,162,371)	(2,162,371)
Balance at 31.3.2013		82,435,000	111,412,895	(50,502)	25,564,814	219,362,207

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		38,822,678	34,779,472	545,999	703,332
Adjustments for:-					
Accretion of payables		272,823	(263,928)	-	-
Accretion of receivables		(535)	(2,155)	-	-
Amortisation of investment properties		425,658	-	-	-
Depreciation of property, plant and equipment		445,259	554,117	4,422	100,867
Gain on disposal of property, plant and equipment		(3,497,721)	(518,344)	-	(100)
Interest expense		2,105,085	2,057,578	282,136	488,404
Impairment loss on goodwill on consolidation		5,347,139	5,468,659	-	-
Loss on disposal of an associate		-	977,187	-	-
Property, plant and equipment written off		4,009	-	-	-
Waiver of debts to a former subsidiary		52,102	463	52,102	463
Dividend income from subsidiaries		-	-	(250,000)	(500,000)
Waiver of debt from an associate		-	(82,336)	-	-
Write-back of allowance for impairment loss on receivables		-	(817,690)	-	-
Interest income		(149,453)	(94,921)	-	(6,416)
Share of profit in associates		(2,546,704)	(1,360,989)	-	-
Operating profit before working capital changes		41,280,340	40,697,113	634,659	786,550
Decrease in amount owing by associates		643	-	-	-
(Increase)/Decrease in inventories		(7,120,250)	80,540	-	-
Increase in property development costs		(66,653,232)	(107,817)	-	-
Decrease/(Increase) in receivables		33,693,219	17,775,939	(57,470)	40,434
Increase in payables		21,820,209	14,700,997	787,543	157,475
Net decrease in amount owing to contract customers		(2,117,041)	(927,867)	-	-
CASH FROM OPERATIONS		20,903,888	72,218,905	1,364,732	984,459
Interest paid		(2,105,085)	(2,057,578)	(282,136)	(488,404)
Net tax (paid)/refunded		(6,109,827)	(8,361,385)	(254,566)	(1,727,956)
NET CASH FROM/(FOR) OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD		12,688,976	61,799,942	828,030	(1,231,901)

The annexed notes form an integral part of these financial statements.

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

	NOTE	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
BALANCE BROUGHT FORWARD		12,688,976	61,799,942	828,030	(1,231,901)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Additional investment in associates		-	(217,334)	-	(100,000)
Additional investment in subsidiaries		-	-	-	(21,000)
Advances to subsidiaries		-	-	(16,221,383)	(1,803,593)
Interest received		149,453	94,921	-	6,416
Dividends received from subsidiaries		-	-	250,000	500,000
Dividends received from associates		-	1,200,000	-	-
Payment for land held for development		(2,700,937)	(57,052,592)	-	-
Costs incurred on biological assets		(497,108)	(428,237)	-	-
Purchase of investment properties		(22,310,160)	-	-	-
Purchase of property, plant and equipment	41	(1,226,721)	(433,844)	(3,098)	(14,800)
Proceeds from disposal of land held for property development		12,035,258	-	-	-
Proceeds from disposal of property, plant and equipment		-	1,001,868	-	100
Proceeds from disposal of investment in associates		-	703,834	-	-
Proceeds from disposal of investment in discretionary portfolio		-	1,550,900	-	1,550,900
Proceeds from issuance of shares to non-controlling interest		-	259,000	-	-
Repayment from/(Advances to) associates		12,379	1,350,000	11,844	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(14,537,836)	(51,971,484)	(15,962,637)	118,023
BALANCE CARRIED FORWARD		(1,848,860)	9,828,458	(15,134,607)	(1,113,878)

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No : 199310 - P

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

		THE GROUP		THE COMPANY	
	NOTE	2013 RM	2012 RM	2013 RM	2012 RM
BALANCE BROUGHT FORWARD		(1,848,860)	9,828,458	(15,134,607)	(1,113,878)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Advances from subsidiaries		-	-	6,889,025	9,622,170
Advances from a director		2,000,000	-	2,000,000	-
Advances from a shareholder of a subsidiary		-	1,750,000	-	-
Dividend paid to shareholders of the Company		(2,162,371)	(1,544,552)	(2,162,371)	(1,544,552)
Treasury shares acquired		-	(46,857)	-	(46,857)
Net (repayment)/drawdown of bankers' acceptances		(308,000)	174,000	-	-
Drawdown of term loans		10,000,000	31,455,900	10,000,000	-
Repayment of term loans		(16,949,698)	(34,754,746)	(1,550,000)	(6,525,265)
Repayment of hire purchase obligations		(108,713)	(95,233)	(43,849)	(75,204)
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(7,528,782)	(3,061,488)	15,132,805	1,430,292
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(9,377,642)	6,766,970	(1,802)	316,414
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		355,418	(6,411,552)	258,359	(58,055)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	42	(9,022,224)	355,418	256,557	258,359

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
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NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office, which is also the principal place of business, is at Wisma Siah Brothers, 74A, Jalan Pahang, 53000 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 29 July 2013.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and the provision of management and administrative services to the subsidiaries. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act 1965 in Malaysia.

3.1. During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

FRSs and IC Interpretations (Including The Consequential Amendments)

FRS 124 (Revised) Related Party Disclosures

Amendments to FRS 7: Disclosures - Transfers of Financial Assets

3. BASIS OF PREPARATION (CONT'D)

3.1 FRSs and IC Interpretations (Including The Consequential Amendments) (Cont'd)

Amendments to FRS 112: Recovery of Underlying Assets

IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements except as follows:-

(a) FRS 124 (Revised) simplifies the definition of a related party and introduces a partial exemption from the disclosure requirements for government-related entities. The application of this revised standard has resulted in the identification of related parties that were not identified as related parties under the previous standard. Specifically, associates of the holding company are treated as related parties of the Company under the revised standard whilst such entities were not treated as related parties under the previous standard. There will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

(b) The amendments to FRS 7 (Transfers of Financial Assets) intend to provide greater transparency around risk exposures of transactions when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. There will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:

FRSs and IC Interpretations (Including The Consequential Amendments)	**Effective Date**
FRS 9 Financial Instruments	1 January 2015
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 127 (2011) Separate Financial Statements	1 January 2013
FRS 128 (2011) Investments in Associates and Joint Ventures	1 January 2013
Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 9 and FRS 7: Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
Amendments to FRS 10, FRS 11 and FRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014

3. BASIS OF PREPARATION (CONT'D)

3.2 FRSs and IC Interpretations (including the Consequential Amendments) (Cont'd)	Effective Date
Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to FRS 2009 – 2011 Cycle	1 January 2013

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

(a) FRS 9 replaces the parts of FRS 139 that relate to the classification and measurement of financial instruments. FRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the FRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. The effective date of this standard has been deferred from 1 January 2013 to 1 January 2015. Transitional provisions in FRS 9 were also amended to provide certain relief from retrospective adjustments. There will be no financial impact on the financial statements of the Company upon its initial application.

(b) FRS 10 replaces the consolidation guidance in FRS 127 and IC Interpretation 112. Under FRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control. The amendment is expected to have no material impact on the financial statements of the Group upon their initial application.

3. BASIS OF PREPARATION (CONT'D)

3.2 (c) FRS 11 replaces FRS 131 and introduces new accounting requirements for joint arrangements. FRS 11 eliminates jointly controlled assets and only differentiates between joint operations and joint ventures, depending on the rights and obligations of the parties to the arrangements. In addition, the option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. There will be no financial impact on the financial statements of the Group upon its initial application.

(d) FRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. FRS 12 is a disclosure standard and the disclosure requirements in this standard are more extensive than those in the current standards. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

(e) FRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of FRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other FRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in FRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

(f) The amendments to FRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There will be no financial impact on the financial statements of the Group upon its initial application.

(g) The amendments to FRS 101 (Revised) retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Group upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income.

3. BASIS OF PREPARATION (CONT'D)

3.2 (h) The amendments to FRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. There will be no financial impact on the financial statements of the Group upon its initial application.

(i) The Annual Improvements to FRSs 2009 – 2011 Cycle contain amendments to FRS 1, FRS 101, FRS 116, FRS 132 and FRS 134. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

3.3 On 19 November 2011, MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs") that are equivalent to International Financial Reporting Standards.

The MFRSs are to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation 15 (Agreements for Construction of Real Estate), including its parent, significant investor and venturer (herein called "Transitioning Entities").

On 30 June 2012, MASB announced that the Transitioning Entities are allowed to defer the adoption of the MFRSs to annual periods beginning on or after 1 January 2014 after which the MFRSs will become mandatory. The Group falls within the definition of Transitioning Entities and has opted to prepare its first MFRSs financial statements for the financial year ending 31 March 2015.

In representing its first MFRSs financial statements, the Group will quantify the financial effects of the differences between the current FRSs and MFRSs. The Group has commenced transitioning its accounting policies and financial reporting from the current FRSs to MFRSs. However, the Group has not completed its quantification of the financial effects of the differences between FRSs and MFRSs due to the ongoing assessment by the management. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group expects to be in a position to fully comply with the requirements of MFRSs for the financial year ending 31 March 2015.

SBC CORPORATION BERHAD

(Incorporated in Malaysia)
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NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) *Depreciation of Property, Plant and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates And Judgements (Cont'd)

(c) *Impairment of Non-financial Assets*

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) *Property Development*

The Group recognised property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that the property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(e) *Construction Contracts*

Construction contracts accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

(i) *Contract Revenue*

Construction contracts accounting requires that variation claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates And Judgements (Cont'd)

(e) Construction Contracts (Cont'd)

(ii) Contract Costs

Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

(f) Classification Between Investment Properties and Owner-Occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates And Judgements (Cont'd)

(g) *Revaluation of Properties*

Certain properties of the Group are reported at valuation which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

(h) *Impairment of Available-for-sale Financial Assets*

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant' or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(i) *Fair Value Estimates for Certain Financial Assets and Liabilities*

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates And Judgements (Cont'd)

(j) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(k) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(l) Allowance for Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

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.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

  Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

  Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

- *Held-to-maturity Investments*

  Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

- *Loans and Receivables Financial Assets*

  Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- *Available-for-sale Financial Assets*

  Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

  After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

  Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Financial Instruments (Cont'd)

(a) *Financial Assets (Cont'd)*

- *Available-for-sale Financial Assets (Cont'd)*

  Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(b) *Financial Liabilities*

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(c) *Equity Instruments*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) *Treasury Shares*

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Functional and Foreign Currencies

(a) *Functional and Presentation Currency*

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) *Transactions and Balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) *Foreign Operations*

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March 2013.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Basis of Consolidation (Cont'd)

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 127 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations from 1 April 2011 onwards

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Basis of Consolidation (Cont'd)

Business combinations before 1 April 2011

All subsidiaries are consolidated using the purchase method. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition.

4.5 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Business combinations from 1 April 2011 onwards

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

Business combinations before 1 April 2011

Under the purchase method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised as income immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 Investments in Associates

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the associate made up to 31 March 2013. The Group's share of the post acquisition profits of the associate is included in the consolidated statement of comprehensive income and the Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

On the disposal of the investments in associates, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Investment in Joint Venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint venture that involves the establishment of a separate entity in which each entity has an interest.

The Group recognises its interest in the joint ventures using proportionate consolidation. The financial statements of the joint ventures are prepared for the same reporting year as the parent company, using consistent accounting policies. Where necessary, adjustments are made to the financial statements of the joint ventures to ensure consistency of accounting policies with those of the Group.

When the Group contributes or sells assets to the joint venture, any portion of gain or loss from the transaction is recognised based on the substance of the transaction. When the Group purchases assets from the joint ventures, the Group does not recognise its share of the profits of the joint ventures from the transactions until it resells the assets to an independent party. The joint ventures are proportionately consolidated until the date on which the Group ceases to have joint control over the joint ventures.

Investments in joint ventures are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in joint ventures, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at cost less impairment loss, if any, and is not depreciated.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Building	Remaining useful life of 20 years
Plant and machinery, construction machinery and equipment, formwork, scaffoldings and containers	5% - 25%
Office renovation, office equipment, computers, furniture and fittings, tools and sales office	5% - 20%
Motor vehicles	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 Biological Assets

Biological assets are stated at cost less accumulated amortisation and impairment loss, if any.

Planting expenditure incurred on land clearing, upkeep of immature trees, administrative expenses directly attributable to planting and interest incurred during the pre-cropping period is capitalised at cost as biological assets. Upon maturity, all subsequent maintenance expenditure is recognised in profit or loss.

Pre-cropping cost is amortised on a straight-line basis over 15 years, the expected useful lives of oil palm trees, upon maturity.

4.11 Impairment

(a) *Impairment of Financial Assets*

All financial assets (other than those categorised at fair value through profit or loss), 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. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets 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 financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Impairment (Cont'd)

(a) Impairment of Financial Assets (Cont'd)

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Impairment (Cont'd)

(b) Impairment of Non-Financial Assets (Cont'd)

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

4.12 Assets under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 4.9 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4.13 Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any, consistent with the accounting policy for property, plant and equipment as stated in Note 4.9 to the financial statements.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 Inventories

Inventories, which consist of completed development properties held for sale, are stated at the lower of cost and net realisable value. The cost of completed development properties is determined on the specific identification basis and comprises cost associated with the acquisition of land, direct building and construction costs and appropriate proportions of common costs.

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.

4.15 Property Development Costs

(a) *Land Held For Property Development*

Land held for property development consist of land costs where no development activities are carried out or where development activities are not expected to be completed within the normal operating cycle. Such land and development costs are carried at cost less any accumulated impairment losses.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Pre-acquisition costs are charged to profit or loss as incurred unless such costs are directly identifiable to the consequent property development activity.

Land held for property development is classified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) *Property Development Costs*

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs that are not recognised as an expense are recognised as an asset and carried at the lower of cost and net realisable value.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Property Development Costs (Cont'd)

(b) Property Development Costs (Cont'd)

When the financial outcome of a development activity can be reliably estimated, the amount of property revenue and expenses recognised in profit or loss are determined by reference to the stage of completion method. The stage of completion is determined based on the proportion that the property development costs incurred for work performed to date bear to the estimated total property development costs at the end of the reporting period.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that will be recoverable. The property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Where it is probable that property development costs will exceed property development revenue, any expected loss is recognised as an expense in profit or loss immediately, including costs to be incurred over the defects liability period.

4.16 Progress Billings/Accrued Billings

In respect of progress billings:-

(i) where revenue recognised in profit or loss exceeds the billings to purchasers, the balance is shown as accrued billings under current assets; and

(ii) where billings to purchasers exceed the revenue recognised in profit or loss, the balance is shown as progress billings under current liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Amounts Owing By/(To) Contract Customers

The amounts owing by/(to) contract customers are stated at cost plus profits attributable to contracts in progress less progress billings and allowance for foreseeable losses, if any. Cost includes direct materials, labour and applicable overheads.

4.18 Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of development properties, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

4.19 Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 Income Taxes (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.20 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

4.22 Employee Benefits

(a) *Short-term Benefits*

Wages, salaries, paid annual leave, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) *Defined Contribution Plans*

The Group's contributions to a defined contribution plan are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plan. A foreign subsidiary of the Group makes contributions to its respective country's pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others.)
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a) above.
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company.

4.25 Revenue Recognition

(a) Construction Contracts

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on surveys of work performed.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.25 Revenue Recognition (Cont'd)

(b) *Property Development Revenue*

Revenue from property development is recognised from the sale of completed and uncompleted development properties.

Revenue from sale of completed properties is recognised when the sale is contracted.

Revenue on uncompleted properties contracted for sale is recognised based on the stage of completion method unless the outcome of the development cannot be reliably determined in which case the revenue on the development is only recognised to the extent of development costs incurred that are recoverable.

The stage of completion is determined based on the proportion that the development costs incurred for work performed to date bear to the estimated total development costs.

Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the development will result in a loss.

(c) *Sale of Goods*

Revenue is recognised upon delivery of goods and customers' acceptance, and where applicable, net of returns and trade discounts.

(d) *Services*

Revenue is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.25 Revenue Recognition (Cont'd)

(e) *Management Fee and Administrative Charges*

Management fee and administrative charges are recognised on an accrual basis.

(f) *Rental Income*

Rental income is recognised on an accrual basis.

(g) *Dividend Income*

Dividend income from investments is recognised when the right to receive payment is established.

(h) *Interest Income*

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

Interest income on late payment is recognised on a receipt basis.

4.26 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. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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5. INVESTMENT IN SUBSIDIARIES

	THE COMPANY 2013 RM	THE COMPANY 2012 RM
Unquoted shares, at cost		
At 1 April 2012/2011	211,818,305	211,797,305
Addition during the financial year	-	21,000
Reclassification from investment in associates	100,000	-
	211,918,305	211,818,305

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows:-

Name of Company	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Principal Activities
Direct subsidiaries:-			
Syarikat Siah Brothers Trading Sdn. Bhd.	100	100	General building construction and investment holding.
Syarikat Siah Brothers Construction Sdn. Bhd.	100	100	Building and civil engineering contractor.
PJX Property Sdn. Bhd.	100	100	Investment holding and property investment.
Mixwell (Malaysia) Sdn. Bhd.	100	100	Project management and property development.

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Effective Equity Interest 2013 %	2012 %	Principal Activities
South-East Best Sdn. Bhd.	100	100	Project development and property investment.
Masahmura Sdn. Bhd.*	100	100	Trading of building materials.
Masahmura Sales & Service Sdn. Bhd.	100	100	Property development.
Sinaran Naga Sdn. Bhd.	100	100	Property development.
Kiara East Property Sdn. Bhd.	100	100	Property development.
Aureate Construction Sdn. Bhd.	100	100	Project management and property development
SBC Leisure Sdn. Bhd.*	100	100	Investment holding.
SBC Towers Sdn. Bhd.*	100	100	Investment holding.
PJX Car Parks Sdn. Bhd.	70	70	Property investment and car park operator.
PJX Retail Sdn. Bhd.	70	70	Property investment, property management and leasing.
PJX Commercial Sdn. Bhd.	70	70	Property investment.
SBHC Developments Sdn. Bhd.^	50	-	Dormant.
Held by South-East Best Sdn. Bhd.:-			
Gracemart Resources Sdn. Bhd.	100	100	Property development.

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Effective Equity Interest 2013 %	2012 %	Principal Activities
Held by PJX Property Sdn. Bhd.:-			
Goldhill Achiever Sdn. Bhd.#	50	50	Property development.

* Not audited by Messrs. Crowe Horwath.

^ SBHC Developments Sdn. Bhd. has been reclassified from investment in associates because the Company has the power to appoint and remove the majority of the Board of Directors and therefore control the Board in the current financial year.

Goldhill Achiever Sdn. Bhd. is considered subsidiaries although the Company does not own more than 50% of its equity interest because the Company has the power to appoint and remove the majority of the Board of Directors and therefore control the Board.

6. INVESTMENT IN ASSOCIATES

	THE GROUP 2013 RM	2012 RM	THE COMPANY 2013 RM	2012 RM
Unquoted shares, at cost:-				
At 1 April 2012/2011	93,786,266	93,788,932	2,839,866	2,739,866
Addition during the financial year	-	217,334	-	100,000
Disposal during the financial year	-	(220,000)	-	-
Reclassification to investment in subsidiaries	(100,000)	-	(100,000)	-
At 31 March 2013/2012	93,686,266	93,786,266	2,739,866	2,839,866
Share of post acquisition reserves	13,771,360	11,224,656	-	-
	107,457,626	105,010,922	2,739,866	2,839,866

6. INVESTMENT IN ASSOCIATES (CONT'D)

The details of the associates are as follows:-

Name of Company	Country of incorporation	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Principal Activities
Built SBC Co., Ltd*	Thailand	49.0	49.0	Dormant.
Kanyara Co., Ltd*	Thailand	49.0	49.0	Dormant.
Varich Industries Sdn. Bhd.*	Malaysia	50.0	50.0	Dormant.
SBHC Developments Sdn. Bhd. *^	Malaysia	-	50.0	Property development.
Held by Mixwell (Malaysia)Sdn. Bhd.:-				
Ligamas Sdn. Bhd.#	Malaysia	50.0	50.0	Property development.
Held by Syarikat Siah Brothers Trading Sdn Bhd.:-				
Sri Rawang Properties Sdn. Bhd. *	Malaysia	28.5	28.5	Investment in properties and rubber estates.
Batu Bata Kampung Jawa Sdn. Bhd.*	Malaysia	11.7	11.7	Dormant.

* The results of these associates have not been equity accounted as the amounts involved are insignificant as these associates are dormant.

^ SBHC Developments Sdn. Bhd. has been reclassified to investment in subsidiaries because the Company has the power to appoint and remove the majority of the Board of Directors and therefore control the Board in the current financial year.

\# The share of the results of this associate is based on the latest available unaudited management financial statements made up to 31 March 2013.

6. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of the associates are as follows:-

	THE GROUP	
	2013	2012
	RM	RM
Assets and liabilities		
Total assets	120,055,387	111,467,535
Total liabilities	5,147,769	2,729,855
Results		
Revenue	27,268,288	16,198,771
Profit for the financial year	6,791,203	2,448,213

7. INVESTMENT IN JOINT VENTURE

	THE COMPANY	
	2013	2012
	RM	RM
Unquoted shares, at cost	2,663,628	2,663,628

Details of the joint venture, which is incorporated in Thailand, are as follows:-

Name of Company	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Principal Activity
Tri-Development Co., Ltd	50.0	50.0	Property development.

The share of the results of the joint venture is based on the unaudited financial statements made up to 31 March 2013.

7. INVESTMENT IN JOINT VENTURE (CONT'D)

The Group's aggregate share of the non-current assets, current assets, non-current liabilities, current liabilities, income and expenses of the joint venture is as follows:-

	THE GROUP	
	2013	2012
	RM	RM
Assets and liabilities		
Non-current assets	2,934	2,934
Current assets	3,035,769	3,035,769
Total assets	3,038,703	3,038,703
Current liabilities	(76,293)	(76,293)
Results		
Revenue	-	-
Expenses	-	(108,354)

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8. PROPERTY, PLANT AND EQUIPMENT

	AT 1.4.2012 RM	ADDITIONS RM	WRITTEN OFF /TRANSFER RM	DEPRECIATION CHARGE RM	AT 31.3.2013 RM
THE GROUP					
NET BOOK VALUE					
Freehold land	2,219,560	-	-	-	2,219,560
Building	918,660	-	-	(100,156)	818,504
Plant and machinery, construction machinery and equipment, formwork, scaffoldings and containers	13,106	7,745	-	(1,695)	19,156
Office renovation, office equipment, computers, furniture and fittings, tools and sales office	800,125	1,108,976	(106,249)	(247,614)	1,555,238
Motor vehicles	347,647	110,000	-	(95,794)	361,853
Total	4,299,098	1,226,721	(106,249)	(445,259)	4,974,311

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	AT 1.4.2011 RM	ADDITIONS RM	DISPOSALS RM	DEPRECIATION CHARGE RM	AT 31.3.2012 RM
THE GROUP					
NET BOOK VALUE					
Freehold land	2,219,560	-	-	-	2,219,560
Building	1,502,339	-	(483,523)	(100,156)	918,660
Plant and machinery, construction machinery and equipment, formwork, scaffoldings and containers	56,962	2,520	-	(46,376)	13,106
Office renovation, office equipment, computers, furniture and fittings, tools and sales office	650,804	386,359	-	(237,038)	800,125
Motor vehicles	149,230	368,965	(1)	(170,547)	347,647
Total	4,578,895	757,844	(483,524)	(554,117)	4,299,098

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	AT COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
THE GROUP			
AT 31.3.2013			
Freehold land	2,219,560	-	2,219,560
Building	1,519,596	(701,092)	818,504
Plant and machinery, construction machinery and equipment, formwork, scaffoldings and containers	9,188,374	(9,169,218)	19,156
Office renovation, office equipment, computers, furniture and fittings, tools and sales office	6,821,323	(5,266,085)	1,555,238
Motor vehicles	2,042,897	(1,681,044)	361,853
Total	21,791,750	(16,817,439)	4,974,311
AT 31.3.2012			
Freehold land	2,219,560	-	2,219,560
Building	1,519,596	(600,936)	918,660
Plant and machinery, construction machinery and equipment, formwork, scaffoldings and containers	9,180,629	(9,167,523)	13,106
Office renovation, office equipment, computers, furniture and fittings, tools and sales office	5,847,254	(5,047,129)	800,125
Motor vehicles	1,932,897	(1,585,250)	347,647
Total	20,699,936	(16,400,838)	4,299,098

	AT 1.4.2012 RM	ADDITION RM	DEPRECIATION CHARGE RM	AT 31.3.2013 RM
THE COMPANY				
NET BOOK VALUE				
Office equipment, computers, furniture and fittings	16,670	3,098	(4,422)	15,346
Motor vehicles	1	-	-	1
	16,671	3,098	(4,422)	15,347

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE COMPANY	AT 1.4.2011 RM	ADDITION RM	DEPRECIATION CHARGE RM	AT 31.3.2012 RM
NET BOOK VALUE				
Office equipment, computers, furniture and fittings	5,982	14,800	(4,112)	16,670
Motor vehicles	96,756	-	(96,755)	1
	102,738	14,800	(100,867)	16,671

AT 31.3.2013	AT COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
Office equipment, computers, furniture and fittings	392,403	(377,057)	15,346
Motor vehicles	483,783	(483,782)	1
	876,186	(860,839)	15,347
AT 31.3.2012			
Office equipment, computers, furniture and fittings	392,403	(375,733)	16,670
Motor vehicles	486,558	(486,557)	1
	878,961	(862,290)	16,671

At the end of the reporting period, the net book value of the motor vehicles of the Group and of the Company acquired under hire purchase terms amounted to RM218,838 (2012 - RM291,785) and RM1 (2012 - RM1) respectively.

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9. BIOLOGICAL ASSETS

	AT 1.4.2012 RM	ADDITION RM	AT 31.3.2013 RM
THE GROUP			
NET BOOK VALUE			
Oil palm plantation	428,237	497,108	925,345

	AT 1.4.2011 RM	ADDITION RM	AT 31.3.2012 RM
NET BOOK VALUE			
Oil palm plantation	-	428,237	428,237

	COST RM	ACCUMULATED AMORTISATION RM	NET BOOK VALUE RM
AT 31.3.2013			
Oil palm plantation	925,345	-	925,345
AT 31.3.2012			
Oil palm plantation	428,237	-	428,237

10. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Building, at cost				
At 1 April 2012/2011	952,846	952,846	544,477	544,477
Addition during the financial year	22,310,160	-	-	-
At 31 March 2013/2012	23,263,006	952,846	544,477	544,477
Accumulated amortisation:-				
At 1 April 2012/2011	-	-	-	-
Addition during the financial year	(425,658)	-	-	-
At 31 March 2013/2012	(425,658)	-	-	-
Net carrying value	22,837,348	952,846	544,477	544,477

The carrying amounts of the investment properties approximated their fair values.

11. LAND HELD FOR PROPERTY DEVELOPMENT

	THE GROUP 2013 RM	2012 RM
At cost:-		
At 1 April 2012/2011	136,754,802	80,119,085
Additions during the financial year	2,700,937	57,052,592
Disposal	(8,537,537)	-
Transfer to property development costs	(24,589,501)	-
At 31 March 2013/2012	106,328,701	137,171,677
Accumulated impairment losses:-		
At 1 April 2012/2011	-	(416,875)
Addition during the year	-	-
At 31 March 2013/2012	-	(416,875)
	106,328,701	136,754,802
Land held for property development comprises:-		
Freehold land, at cost	27,691,066	38,612,805
Leasehold land, at cost	67,418,395	88,069,439
Development expenditure	11,219,240	10,072,558
	106,328,701	136,754,802

Included in land held for property development is land amounting to RM66,827,095 (2012 - RM135,352,626) charged to financial institutions for banking facilities granted to the Group.

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12. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Quoted shares in Singapore	11,328	11,328	-	-
Investment in club membership	208,000	208,000	-	-
At fair value	219,328	219,328	-	-

Upon adoption of FRS 139 in the previous financial year, the Group designated its investments in quoted shares and club membership that were previously measured using the cost model as available-for-sale financial assets and measured at fair value.

13. GOODWILL

	THE GROUP	
	2013 RM	2012 RM
At 1 April 2012/2011	27,380,469	27,380,469
Accumulated impairment losses	(17,809,085)	(12,461,946)
At 31 March 2013/2012	9,571,384	14,918,523
Accumulated impairment losses:-		
At 1 April 2012/2011	(12,461,946)	(6,993,287)
Addition during the financial year	(5,347,139)	(5,468,659)
At 31 March 2013/2012	(17,809,085)	(12,461,946)

The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	THE GROUP	
	2013 RM	2012 RM
Kiara East Property Sdn. Bhd.	2,349,785	2,720,501
South-East Best Sdn. Bhd.	-	4,976,423
Tri-Development Co. Ltd	75,970	75,970
Mixwell (Malaysia) Sdn. Bhd.	7,145,629	7,145,629
At 31 March 2013/2012	9,571,384	14,918,523

13. GOODWILL (CONT'D)

Goodwill arose from the investment in subsidiaries made in prior years.

Goodwill is stated at cost and reviewed for impairment annually.

The recoverable amount used is based on fair value less costs to sell and value in use.

The fair value less costs to sell has been determined after taking into account the intrinsic value of the land held for development. The land held for development is determined using a valuation carried out by an independent valuer.

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a period of two years.

13.1 The key assumptions used for value-in-use calculations are as follows:-

Gross margin	22% - 40%
Growth rate	13%
Discount rate	7%

(a) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements and cost saving measures.

(b) Growth rate

The growth rates used are based on past years achievement and the expected projects/contracts to be secured.

(c) Discount rate

The discount rate used is pre-tax and reflects specific risks relating to the relevant segments.

13.2 Sensitivity to changes in assumptions

The management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the goodwill to be materially higher than its recoverable amount.

Impairment losses on goodwill amounting to RM5,347,139 relates to a subsidiary South-East Best Sdn. Bhd. which was recognised during the financial year due to development of its land.

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14. DEFERRED TAX ASSETS/(LIABILITIES)

	THE GROUP	
	2013	2012
	RM	RM
At 1 April 2012/2011	(24,226)	383,574
Recognised in profit or loss (Note 38)	1,441,890	(407,800)
At 31 March 2013/2012	1,417,664	(24,226)
Represented by:-		
Deferred tax assets	2,918,096	1,476,206
Deferred tax liabilities	(1,500,432)	(1,500,432)
At 31 March 2013/2012	1,417,664	(24,226)

Deferred tax assets and liabilities are attributable to the following items:-

	THE GROUP	
	2013	2012
	RM	RM
Deferred tax assets:-		
Allowance for impairment losses on receivables	320,252	320,252
Unrealised profits on contract works	2,597,844	1,155,954
	2,918,096	1,476,206
Deferred tax liabilities:-		
Surplus arising from revaluation of land held for property development	(966,746)	(966,746)
Others	(533,686)	(533,686)
	(1,500,432)	(1,500,432)
	1,417,664	(24,226)

14. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

No deferred tax assets are recognised in respect of the following items:-

	THE GROUP 2013 RM	THE GROUP 2012 RM
Unutilised tax losses	2,363,000	3,308,074
Unutilised capital allowances	753,000	283,000
	3,116,000	3,591,074

15. INVENTORIES

	THE GROUP 2013 RM	THE GROUP 2012 RM
Unsold completed properties, at cost	17,698,459	10,578,209

None of the inventories is carried at net realisable value.

16. PROPERTY DEVELOPMENT COSTS

	THE GROUP 2013 RM	THE GROUP 2012 RM
At 1 April 2012/2011		
- land	21,326,627	18,210,171
- development costs	367,913,030	267,816,053
	389,239,657	286,026,224
Costs incurred during the financial year:		
- transfer from land held for property development (land)	23,236,139	-
- transfer from land held for property development (development costs)	1,353,362	-
- land	1,501,000	3,116,456
- development costs	164,132,718	100,114,912
Sub-total carried forward	579,462,876	389,257,592

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16. PROPERTY DEVELOPMENT COSTS (CONT'D)

	THE GROUP 2013 RM	2012 RM
Sub-total brought forward	579,462,876	389,257,592
Reversal of development costs of completed projects during the financial year:		
- development costs	(136,346,900)	(17,935)
	443,115,976	389,239,657
Cost recognised as an expense in profit or loss:		
- previous year	(328,453,620)	(225,348,004)
- current year	(92,109,467)	(102,092,918)
- adjustment to completed project during the financial year	129,578,121	(1,012,698)
	(290,984,966)	(328,453,620)
At 31 March 2013/2012	152,131,010	60,786,037
Cumulative revenue recognised in profit or loss	398,148,933	414,287,290
Cumulative billings to purchasers	(409,021,802)	(372,571,928)
Net accrued billings	(10,872,869)	41,715,362
	141,258,141	102,501,399

16. PROPERTY DEVELOPMENT COSTS (CONT'D)

The net accrued billings are represented by:-

	THE GROUP 2013 RM	2012 RM
Accrued billings (Note 17)	3,381,089	48,385,809
Progress billings (Note 30)	(14,253,958)	(6,670,447)
	(10,872,869)	41,715,362

Included in development expenditure is interest expense capitalised during the financial year amounting to RM1,883,185 (2012 - RM1,431,107).

The land of the subsidiaries costing RM14,264,582 (2012 - RM14,263,582) is charged to a licensed bank for a term loan facility granted to the Group.

17. RECEIVABLES

	THE GROUP 2013 RM	2012 RM	THE COMPANY 2013 RM	2012 RM
Trade receivables	33,251,749	22,175,088	-	-
Retention receivable	2,691,839	2,713,420	-	-
Total trade receivables	35,943,588	24,888,518	-	-
Allowance for impairment losses:				
At 1 April 2012/2011	(15,341,817)	(15,341,699)	-	-
Effect of adopting FRS 139	-	(118)	-	-
At 31 March 2013/2012	(15,341,817)	(15,341,817)	-	-
Net trade receivables carried forward	20,601,771	9,546,701	-	-

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17. RECEIVABLES (CONT'D)

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Net trade receivables brought forward	20,601,771	9,546,701	-	-
Other receivables, deposits and prepayments	6,649,389	6,245,060	31,422	26,054
Allowance for impairment losses:				
At 1 April 2012/2011	(584,092)	(1,401,782)	-	-
Write-back during the financial year	-	817,690	-	-
At 31 March 2013/2012	(584,092)	(584,092)	-	-
Net other receivables, deposits and Prepayments	6,065,297	5,660,968	31,422	26,054
Accrued billings (Note 16)	3,381,089	48,385,809	-	-
Total receivables	30,048,157	63,593,478	31,422	26,054

The foreign currency exposure profile of the receivables is as follows:-

	THE GROUP	
	2013 RM	2012 RM
Thai Baht	548,192	548,192

Credit terms of the trade receivables range from 14 to 90 days.

18. AMOUNTS OWING BY/(TO) CONTRACT CUSTOMERS

	THE GROUP 2013 RM	THE GROUP 2012 RM
Amount owing by contract customers		
Contract costs incurred to date	98,122,654	35,505,123
Attributable profits	10,318,330	3,610,654
	108,440,984	39,115,777
Progress billings	(107,402,095)	(36,891,195)
Amount owing by contract customers	1,038,889	2,224,582
Amount owing to contract customers		
Contract costs incurred to date	214,677,841	201,479,694
Attributable profits	25,110,192	24,288,995
	239,788,033	225,768,689
Progress billings	(245,600,492)	(234,883,882)
Amount owing to contract customers	(5,812,459)	(9,115,193)

19. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

20. AMOUNT OWING BY ASSOCIATES

	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
Amount owing by:				
- Trade	5,233,109	5,233,752	-	-
- Non-trade	17,378	29,222	-	11,844
	5,250,487	5,262,974	-	11,844

20. AMOUNT OWING BY ASSOCIATES (CONT'D)

The Company's normal trade credit term is 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The non-trade amounts owing are unsecured, interest-free and repayable on demand.

The amounts owing are to be settled in cash.

21. TAX RECOVERABLE

Subject to agreement with the tax authorities, the Group and the Company have tax recoverable of RM580,977 (2012 - RM1,053,470) and RM1,921,543 (2012 - RM1,921,543) respectively at the end of the reporting period.

22. SHORT-TERM DEPOSITS WITH LICENSED BANKS

The weighted average effective interest rate of deposits at the end of the reporting period is as follows:-

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	%	%	%	%
Licensed banks	2.99	3.07	-	-

The short-term deposits of the Group have maturity periods ranging from 30 to 365 days (2012 - 30 to 365 days).

The foreign currency exposure profile of the short-term deposits is as follows:-

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Thai Baht	1,865,182	1,865,182	-	-

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23. CASH AND BANK BALANCES

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Cash and bank balances	4,834,349	6,426,721	256,557	258,359

The foreign currency exposure profile of the cash and bank balances is as follows:-

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Thai Baht	861,997	868,285	239,602	245,890

Included in the cash and bank balances of the Group is an amount of RM1,032,821 (2012 - RM139,686) maintained under the Housing Development Accounts pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

Included in the cash and bank balances of the Group is an amount of RM1,260,722 (2012 - RM1,396,582) held under the Housing Development Account pursuant to Section 8A of the Housing Developer (Control and Licensing) Enactment 1978 and which is restricted from use in other operations.

24. SHARE CAPITAL

	THE COMPANY			
	2013	2012	2013	2012
	NUMBER OF SHARES		RM	RM
AUTHORISED				
Ordinary shares of RM1 each	193,167,000	193,167,000	193,167,000	193,167,000
5.5% ICCPS of RM1 each	6,833,000	6,833,000	6,833,000	6,833,000
Total authorised share capital	200,000,000	200,000,000	200,000,000	200,000,000
ISSUED AND FULLY PAID-UP				
Ordinary shares of RM1 each	82,435,000	82,435,000	82,435,000	82,435,000

25. TREASURY SHARES

In the previous financial year, the Company purchased 52,900 of its issued ordinary shares from the open market at the price of RM0.88 per share. The total consideration paid for the purchase was RM46,857 including transaction costs. The shares purchased are held as treasury shares in accordance with Section 67A of the Companies Act 1965.

Of the total 82,435,000 (2012 - 82,435,000) issued and fully paid ordinary shares as at the end of the reporting period, 58,900 ordinary shares (2012 – 58,900 ordinary shares) are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

26. RESERVES

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
	NOTE	RM	RM	RM	RM
Share premium	(a)	111,412,895	111,412,895	111,412,895	111,412,895
Legal reserve	(b)	265,000	265,000	-	-
Retained profits	(c)	95,178,597	69,316,128	25,564,814	27,431,463
		206,856,492	180,994,023	136,977,709	138,844,358

(a) The share premium is not available for distribution by way of cash dividends.

(b) Under Section 116 of the Public Companies ct B.E. 2535 in Thailand, the joint venture is required to allocate not less than 5% of its annual net profit to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised share capital. The legal reserve is not available for distribution.

26. RESERVES (CONT'D)

(c) Subject to agreement with the tax authorities, at the end of the reporting period, the Company has:-

(i) tax-exempt income of approximately RM823,000 (2012 - RM823,000) available for the purpose of paying tax-exempt dividends; and

(ii) tax credits under Section 108 of the Income Tax Act 1967 to frank the payment of dividends of approximately RM14,514,000 (2012 - RM16,058,000) out of its retained profits without incurring any additional tax liabilities.

At the end of the reporting period, the Company has not elected for the single tier tax system. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to the single tier tax system. Under the single tier tax system, tax on the Company's profits is a final tax, and dividends distributed to the shareholders will be exempted from tax.

27. LONG-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Term loans (Note 28) - secured	37,244,020	39,950,518	7,000,000	-
Hire purchase payables (Note 29)	174,307	239,171	-	-
Long term payable	12,078,924	11,254,852	-	-
	49,497,251	51,444,541	7,000,000	-

Long term payable relates to the balance of purchase considerations from acquisition of properties which is to be paid in the future years in accordance with the Sales and Purchase Agreement signed with the vendor.

At the end of the reporting period, the amount was stated at fair value and subsequently measured at amortised cost using the effective interest method. The interest rate used was 7% per annum.

28. TERM LOANS

	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
Current portion:				
- repayable within one year (Note 32)	11,545,936	15,789,136	3,000,000	1,550,000
Non-current portion:				
- repayable between one to two years	14,186,153	11,010,477	3,000,000	-
- repayable between two to five years	23,057,867	28,940,041	4,000,000	-
Total non-current portion (Note 27)	37,244,020	39,950,518	7,000,000	-
	48,789,956	55,739,654	10,000,000	1,550,000

Details of the term loans outstanding at the end of the reporting period are as follows:-

	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
Term loan				
I	-	1,550,000	-	1,550,000
II	10,000,000	-	10,000,000	-
III	6,922,630	9,433,765	-	-
IV	916,332	5,264,951	-	-
V	4,375,868	6,243,365	-	-
VI	28,316	102,456	-	-
VII	-	1,750,000	-	-
VIII	6,754,000	8,106,217	-	-
IX	240,893	2,121,000	-	-
X	417,900	417,900	-	-
XI	10,000,000	10,000,000	-	-
XII	5,344,402	6,030,000	-	-
XIII	3,789,615	4,720,000	-	-
	48,789,956	55,739,654	10,000,000	1,550,000

28. TERM LOANS (CONT'D)

Term loan	Interest Rate Per Annum	Date of Commencement of Repayment
I	7.80%	October 2009
II	7.15%	August 2013
III	7.85%	January 2010
IV	7.85%	July 2011
V	7.85%	April 2011
VI	6.70%	August 2008
VII	7.45%	January 2011
VIII	7.35%	12 months after full release of term loan
IX	8.10%	March 2012
X	8.10%	One month upon full drawdown
XI	6.60%	May 2014
XII	6.60%	September 2012
XIII	6.60%	November 2011

(a) Term loan I is unsecured and has a tenure of 3 years and is repayable in 36 monthly instalments ranging from RM50,000 to RM300,000.

(b) Term loan II has a tenure of four and a half years and is repayable in 7 half-yearly instalments ranging from RM1,000,000 to RM1,500,000. Term loan II is secured by:-

(i) a facility agreement;

(ii) a charge/assignment over two office units of the subsidiary company, Kiara East Property Sdn. Bhd. ("KEP").;

(iii) corporate guarantees from KEP and South-East Best Sdn. Bhd. ("SEB");

(iv) a negative pledge from KEP and SEB respectively; and

(v) a charge over the designated account.

28. TERM LOANS (CONT'D)

(c) Term loan III has a tenure of six years and repayable in 24 quarterly instalments of RM625,000 and term loan IV has a tenure of two and a half years and is repayable in 10 quarterly instalments of RM1,500,000.

Term loan III and IV are secured by:-

(i) a third party charge over two parcels of land and a building of the subsidiaries; and

(ii) a corporate guarantee of the Company.

(d) Term loan V has a tenure of four years and is repayable in 48 monthly instalments of RM190,830 and is secured by:-

(i) a Facility Agreement of RM28,000,000 to cover all the facilities as the principal instrument;

(ii) a first party legal charge over four pieces of development land of subsidiaries; and

(iii) a corporate guarantee of the Company.

(e) Term loan VI has a tenure of five years and repayable in 60 monthly instalments of RM6,024. Term loan VIII is repayable in 23 monthly instalments of RM362,843 and a final instalment of RM356,402. Term loan VI and VIII are secured by:-

(i) a facility agreement;

(ii) a first party legal charge over a property of the subsidiary;

(iii) a corporate guarantee of the Company;

(iv) specific debenture on the project land; and

(v) assignment of project account.

28. TERM LOANS (CONT'D)

(f) Term loan VII is repayable in 20 monthly instalments of RM350,000 and is secured by:-

(i) a corporate guarantee of the Company; and

(ii) a third party first legal charge over twelve units of shoplot of a subsidiary.

(g) Term loan IX has a tenure of three years and repayable in 35 monthly instalments of RM61,000 and a final instalment of RM47,000. Term loan X has a tenure of five years and repayable in 59 monthly instalments of RM35,000 and a final instalment of RM25,000.

Term loan IX and X are secured by:-

(i) a Facility Agreement of RM7,272,000 as principal instrument in form and substance;

(ii) a first party legal charge over two pieces of development land of a subsidiary; and

(iii) a corporate guarantee of the Company.

(h) Term loan XI is repayable in 22 monthly instalments of RM483,848 and is secured by:-

(i) a first legal charge over the land of a subsidiary;

(ii) a debenture creating a fixed and floating charge over the assets of a subsidiary;

(iii) a corporate guarantee of the Company; and

(iv) a third legal charge over the land owned by a shareholder of a subsidiary.

28. TERM LOANS (CONT'D)

(i) Term loan XII has a tenure of four and a half years and repayable in 54 monthly instalments of RM129,374. Term loan XII is secured by:-

(i) a Facility Agreement of RM8,030,000;

(ii) a registered open all monies first party charge over a subsidiary's freehold land; and

(iii) a corporate guarantee of the Company.

(j) Term loan XIII has a tenure of four and a half years and repayable in 54 monthly instalments of RM101,268. Term loan XIII is secured by:-

(i) a Facility Agreement of RM6,720,000 to cover all facilities with the term loan as the principal instrument;

(ii) a registered open all monies first party charge stamped nominally over a piece of land held for future development of a subsidiary as the supplementary instrument; and

(iii) a corporate guarantee of the Company.

29. HIRE PURCHASE PAYABLES

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Minimum hire purchase payments:				
- not later than one year	73,336	122,120	-	48,784
- later than one year and not later than five years	197,157	270,518	-	-
	270,493	392,638	-	48,784
Less: Future finance charges	(31,386)	(44,818)	-	(4,935)
Present value of hire purchase payables	239,107	347,820	-	43,849

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29. HIRE PURCHASE PAYABLES (CONT'D)

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Current portion:				
- not later than one year (Note 30)	64,800	108,649	-	43,849
Non-current portion:				
- later than one year and not later than five years (Note 27)	174,307	239,171	-	-
	239,107	347,820	-	43,849

The hire purchase payables at the end of the reporting period bore interest rates ranging from 4.64% to 5.43% (2012 - 4.64% to 5.43%) per annum.

30. PAYABLES

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Trade payables	25,487,382	9,572,298	-	-
Retention payable	7,366,413	7,388,158	-	-
Total trade payables	32,853,795	16,960,456	-	-
Other payables and accruals	19,020,386	21,228,276	1,136,627	349,084
Progress billings (Note 16)	14,253,958	6,670,447	-	-
Hire purchase payables (Note 29)	64,800	108,649	-	43,849
	66,192,939	44,967,828	1,136,627	392,933

30. PAYABLES (CONT'D)

The foreign currency exposure profile of the payables is as follows:-

	THE GROUP	
	2013 RM	2012 RM
Thai Baht	76,293	76,293

Credit terms of the trade payables range from 30 to 60 days.

Included in payables are as follows:-.

	THE GROUP	
	2013 RM	2012 RM
Amount owing to a related party	99,502	99,502
Amount owing to a shareholder of a subsidiary	2,250,000	1,750,000
	2,349,502	1,849,502

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand.

31. AMOUNT OWING TO A DIRECTOR

The amount owing is unsecured, bears an interest of 5.5% (2012 - 5.5%) per annum and repayable on demand. The amount owing is to be settled in cash.

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32. SHORT-TERM BORROWINGS

THE GROUP

	2013			2012		
	SECURED RM	UNSECURED RM	TOTAL RM	SECURED RM	UNSECURED RM	TOTAL RM
Bankers' acceptances	10,170,000	-	10,170,000	-	10,478,000	10,478,000
Term loans (Note 28)	11,545,936	-	11,545,936	14,239,136	1,550,000	15,789,136
	21,715,936	-	21,715,936	14,239,136	12,028,000	26,267,136

THE COMPANY

	2013			2012		
	SECURED RM	UNSECURED RM	TOTAL RM	SECURED RM	UNSECURED RM	TOTAL RM
Term loans (Note 28)	3,000,000	-	3,000,000	-	1,550,000	1,550,000

The weighted average effective interest rates at the end of the reporting period for borrowings which bore interest at floating rates, were as follows:-

	THE GROUP		THE COMPANY	
	2013 %	2012 %	2013 %	2012 %
Term loans	7.15	7.31	7.15	7.80
Bankers' acceptances	5.39	5.36	-	-

The bankers' acceptances are secured by:-

(i) corporate guarantees of the Company;

(ii) a negative pledge on the assets of a subsidiary; and

(iii) a letter of undertaking cum indemnity of a subsidiary.

33. BANK OVERDRAFTS

The weighted average effective interest rate at the end of the reporting period for bank overdrafts was as follows:-

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	%	%	%	%
Bank overdrafts	8.44	8.33	-	-

The bank overdrafts are secured by:-

(i) a letter of negative pledge of the Company;

(ii) corporate guarantees of a subsidiary and the Company;

(iii) negative pledges against the plant and equipment of a subsidiary ranking pari passu amongst the bankers;

(iv) a third party charge over two parcels of land and a building of the subsidiaries; and

(v) a guarantee of a director of the Company.

34. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share is calculated based on the net assets value of RM289,240,990 (2012 - RM263,378,521) attributable to ordinary shares divided by the number of ordinary shares in issue (excluding treasury shares) at the end of the reporting period of 82,376,100 (2012 - 82,376,100) shares.

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35. REVENUE

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Revenue from construction contracts	-	128,728	-	-
Proportionate sales value of development properties	125,898,755	153,277,274	-	-
Dividend income	-	-	250,000	500,000
Interest income	-	6,416	-	6,416
Management and administrative charges	-	-	5,220,000	4,800,000
Sale of completed properties	126,695	288,305	-	-
	126,025,450	153,700,723	5,470,000	5,306,416

36. COST OF SALES

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Land and development expenditure	72,479,715	103,506,065	-	-
Cost of completed properties	68,032	205,164	-	-
	72,547,747	103,711,229	-	-

37. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Profit before taxation is arrived at after charging/ (crediting):-				
Amortisation of investment properties	425,658	-	-	-
Auditors' remuneration:				
- for the financial year	155,900	135,000	30,000	30,000
- underprovision in the previous financial year	20,900	40,200	-	9,000
Depreciation of property, plant and equipment	445,259	554,117	4,422	100,867
Directors' benefits-in-kind	27,550	27,550	27,550	27,550
Directors' fees	113,253	110,875	113,253	110,875
Directors' non-fee emoluments	1,872,120	1,627,742	1,872,120	1,627,742
Interest expense:				
- bankers' acceptances	539,333	459,334	-	-
- bank borrowings	836,998	498,106	-	32,430
- hire purchase	13,427	11,261	4,935	8,460
- loans	715,327	1,088,877	277,201	447,514
- accretion of payables	(155,446)	-	-	-
Impairment loss on goodwill on consolidation	5,347,139	5,468,659	-	-
Preliminary expenses	16,210	6,500	-	-
Loss in foreign exchange - realised	-	1,347	-	1,347
Loss on disposal of an associate	-	977,187	-	-
Property, plant and equipment written off	4,009	-	-	-
Rental expense:				
- premises	-	-	36,000	12,000
- machinery and equipment	5,778	9,177	-	-

37. PROFIT BEFORE TAXATION (CONT'D)

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Staff costs				
- salaries, allowances and bonuses	3,943,842	3,352,120	1,816,318	1,523,648
- defined contribution plan	427,729	373,473	207,054	172,378
- other benefits	270,579	193,289	76,873	44,997
Waiver of debts to a former subsidiary	52,102	463	52,102	463
Gross dividend income from subsidiaries	-	-	(250,000)	(500,000)
Write-back of allowance for impairment loss on receivables	-	(817,690)	-	-
Interest income:				
- accretion of payables	272,823	(263,928)	-	-
- accretion of receivables	(535)	(2,155)	-	-
- licensed financial institutions	(123,961)	(92,185)	-	(6,416)
- others	(25,492)	(2,736)	-	-
Gain on disposal of property, plant and equipment	(3,497,721)	(518,344)	-	(100)
Rental income	(289,496)	(150,751)	-	-
Waiver of debt from an associate	-	(82,336)	-	-

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38. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Current tax:				
- for the financial year	12,644,046	10,292,625	233,538	285,327
- (over)/underprovision in the previous financial year	(290,252)	1,401,009	16,739	604
	12,353,794	11,693,634	250,277	285,931
Deferred taxation (Note 14)				
- for the financial year	(1,441,890)	407,800	-	-
	10,911,904	12,101,434	250,277	285,931

38. INCOME TAX EXPENSE (CONT'D)

A reconciliation of the income tax expense applicable to the profit before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit before taxation	38,822,678	34,779,472	545,999	703,332
Tax at statutory tax rate of 25%	9,706,000	8,694,868	136,500	175,833
Tax effects of:				
Non-deductible expenses	2,646,228	2,295,481	97,038	109,494
Non-taxable gains	(671,899)	(144,596)	-	-
Deferred tax assets not recognised during the financial year	-	156,000	-	-
Utilisation of deferred tax assets previously not recognised	(478,173)	(301,328)	-	-
(Over)/Underprovision in the previous financial year	(290,252)	1,401,009	16,739	604
	10,911,904	12,101,434	250,277	285,931

39. EARNINGS PER SHARE

Basic earnings per share is arrived at by dividing the profit after taxation attributable to shareholders to the number of ordinary shares in issue at the end of the reporting period of 82,376,100 (2012 - 82,376,100).

40. DIVIDEND

	THE COMPANY	
	2013	2012
	RM	RM
Paid:-		
In respect of the previous financial year:-		
Final dividend of 3.5% per ordinary share less 25% tax (2012 - 2.5% per ordinary share less 25% tax)	2,162,371	1,544,552

For the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 March 2013 of 4.0% less 25% tax on the ordinary share of RM1 each amounting to RM2,473,050 will be tabled for shareholders' approval. This dividend will be accounted for as an appropriation of retained profits in the period when it is approved by the shareholders.

41. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Cost of property, plant and equipment purchased	1,226,721	757,844	3,098	14,800
Amount financed through hire purchase	-	(324,000)	-	-
Cash disbursed for purchase of property, plant and equipment	1,226,721	433,844	3,098	14,800

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42. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Short-term deposits (Note 22)	1,960,182	2,060,182	-	-
Cash and bank balances (Note 23)	4,834,349	6,426,721	256,557	258,359
Bank overdrafts (Note 33)	(15,816,755)	(8,131,485)	-	-
	(9,022,224)	355,418	256,557	258,359

43. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by the directors of the Company during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
DIRECTORS' FEES:-				
1. Mun Chong Shing @ Mun Chong Tian	36,000	36,000	36,000	36,000
2. Dato' Dr. Norraesah bt Haji Mohamad	20,986	37,000	20,986	37,000
3. Ahmad Fizal bin Othman	38,364	37,875	38,364	37,875
4. Lee Kong Leong	17,903	-	17,903	-
	113,253	110,875	113,253	110,875

43. DIRECTORS' REMUNERATION (CONT'D)

	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
DIRECTORS' NON-FEE EMOLUMENTS:-				
1. Sia Kwee Mow @ Sia Hok Chai	882,000	813,590	882,000	813,590
2. Sia Teong Heng	981,120	805,152	981,120	805,152
3. Mun Chong Shing @ Mun Chong Tian	3,000	3,000	3,000	3,000
4. Dato' Dr. Norraesah bt Haji Mohamad	1,200	3,000	1,200	3,000
5. Ahmad Fizal bin Othman	3,000	3,000	3,000	3,000
6. Lee Kong Leong	1,800	-	1,800	-
	1,872,120	1,627,742	1,872,120	1,627,742

Apart from the amounts disclosed under directors' remuneration above, the estimated monetary value of other benefits-in-kind received by the following director during the financial year, otherwise than in cash is as follows:-

	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
Sia Kwee Mow @ Sia Hok Chai	27,550	27,550	27,550	27,550

44. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

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44. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
		RM	RM	RM	RM
(i)	**Subsidiaries**				
	Rental paid	-	-	36,000	12,000
	Dividend income receivable	-	-	250,000	500,000
	Management fee receivable	-	-	5,220,000	4,800,000
(ii)	**Directors**				
	Interest paid/payable	165,407	102,722	165,407	102,722
(iii)	**Key management personnel**				
	Short-term employee benefits	3,593,665	2,398,466	2,537,098	2,126,166

45. CAPITAL COMMITMENT

	THE GROUP	
	2013	2012
	RM	RM
Approved and contracted for:		
- Purchase of property	1,492,500	9,183,828

46. CONTINGENT LIABILITY

	THE COMPANY	
	2013	2012
	RM	RM
Corporate guarantee (unsecured) given to banks and other licensed financial institutions for credit facilities granted to subsidiaries	94,921,210	100,883,621

47. OPERATING SEGMENTS

BUSINESS SEGMENTS

The following are the Group's main business segments:

(i) Construction and property development

The Group also undertakes earthworks and buildings contracts. Further, the Group also undertakes the development of commercial and residential properties.

(ii) Investment

The Group involved in investment activities and provision of management and administrative services.

(iii) Manufacturing

The Group focus on manufacturing and sale of construction materials.

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47. OPERATING SEGMENTS (CONT'D)

THE GROUP 2013	CONSTRUCTION RM	PROPERTY DEVELOPMENT RM	INVESTMENT RM	MANUFACTURING AND TRADING RM	ELIMINATIONS RM	GROUP RM
Revenue	-	136,918,749	-	-	(10,893,299)	126,025,450
Intersegment revenue	86,447,546	-	5,470,000	-	(91,917,546)	-
Total revenue	86,447,546	136,918,749	5,470,000	-	(102,810,845)	126,025,450
Results:						
Segment results	6,091,857	44,311,268	11,944	(308,948)	(11,837,849)	38,268,272
Finance costs						(1,992,298)
Share of results in associates						2,546,704
Profit from ordinary activities before taxation						38,822,678
Income tax expense						(10,911,904)
Profit from ordinary activities after taxation						27,910,774
Non-controlling interests						114,066
Net profit attributable to shareholders						28,024,840

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47. OPERATING SEGMENTS (CONT'D)

THE GROUP 2013	CONSTRUCTION RM	PROPERTY DEVELOPMENT RM	INVESTMENT RM	MANUFACTURING AND TRADING RM	ELIMINATIONS RM	GROUP RM
Segment asset	5,564,861	485,730,807	221,198,205	-	(247,218,297)	465,275,576
Unallocated asset						3,499,073
						468,774,649
Segment liabilities	53,195,804	97,858,808	11,848,408	-	-	162,903,020
Unallocated liabilities						16,385,705
						179,288,725
Capital expenditure:						
- property, plant and equipment	942,687	244,046	39,988	-	-	1,226,721
- land held for property development	-	2,700,937	-	-	-	2,700,937

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47. OPERATING SEGMENTS (CONT'D)

THE GROUP 2012	CONSTRUCTION RM	PROPERTY DEVELOPMENT RM	INVESTMENT RM	MANUFACTURING AND TRADING RM	ELIMINATIONS RM	GROUP RM
Revenue	8,175,668	145,518,639	6,416	-	-	153,700,723
Intersegment revenue	64,494,466	-	5,300,000	-	(69,794,466)	-
Total revenue	72,670,134	145,518,639	5,306,416	-	(69,794,466)	153,700,723
Results:						
Segment results	7,249,691	34,462,565	1,190,235	(181,752)	(7,421,527)	35,299,212
Finance costs						(1,880,729)
Share of results in associates						1,360,989
Profit from ordinary activities before taxation						34,779,472
Income tax expense						(12,101,434)
Profit from ordinary activities after taxation						22,678,038
Non-controlling interests						-
Net profit attributable to shareholders						22,678,038

47. OPERATING SEGMENTS (CONT'D)

THE GROUP 2012	CONSTRUCTION RM	PROPERTY DEVELOPMENT RM	INVESTMENT RM	MANUFACTURING AND TRADING RM	ELIMINATIONS RM	GROUP RM
Segment asset	8,159,067	370,444,638	18,331,049	16,581,185	-	413,515,939
Unallocated asset						2,529,676
						416,045,615
Segment liabilities	41,494,149	85,728,712	3,814,143	10,756,859	-	141,793,863
Unallocated liabilities						10,614,231
						152,408,094
Impairment loss on receivables	-	(817,690)	-	-	-	(817,690)
Capital expenditure						
- property, plant and equipment	377,170	365,874	14,800	-	-	757,844
- land held for property development	-	57,052,592	-	-	-	57,052,592
Other segment assets						
Addition to non-current assets other than financial instruments						
- investment in associates	117,334	-	100,000	-	-	217,334

47. OPERATING SEGMENTS (CONT'D)

GEOGRAPHICAL INFORMATION

	Segment Revenue		Segment Assets		Capital Expenditure	
	2013	2012	2013	2012	2013	2012
	RM	RM	RM	RM	RM	RM
Malaysia	126,025,450	153,700,723	465,735,946	413,006,912	3,927,658	57,810,436
Thailand	-	-	3,038,703	3,038,703	-	-
	126,025,450	153,700,723	468,774,649	416,045,615	3,927,658	57,810,436

MAJOR CUSTOMERS

There are no major customers with revenue equal to or more than 10% of the Group revenue.

48. FOREIGN EXCHANGE RATE

The principal closing foreign exchange rate used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of the foreign currency balances at the end of the reporting period is as follows:-

	The Group	
	2013	2012
	RM	RM
Thai Baht	0.100	0.100

49. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

49.1 Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on investments and bank balances that are denominated in currencies other than Ringgit Malaysia. The currency giving rise to this risk is Thai Baht. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency is as follows:-

THE GROUP	THAI BAHT RM	RINGGIT MALAYSIA RM	TOTAL RM
2013			
Financial assets			
Receivables	548,192	26,118,501	26,666,693
Amount owing by associates	-	5,250,487	5,250,487
Short-term deposits with licensed banks	1,865,182	95,000	1,960,182
Cash and bank balances	861,997	3,972,352	4,834,349
	3,275,371	35,436,340	38,711,711

49. FINANCIAL INSTRUMENTS (CONT'D)

49.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE GROUP	THAI BAHT RM	RINGGIT MALAYSIA RM	TOTAL RM
2013			
Financial liabilities			
Payables	76,293	51,797,888	51,874,181
Amount owing to a director	-	3,867,680	3,867,680
Hire purchase payables	-	239,107	239,107
Bankers' acceptances	-	10,170,000	10,170,000
Term loans	-	48,789,956	48,789,956
Bank overdrafts	-	15,816,755	15,816,755
Long-term payables	-	12,078,924	12,078,924
	76,293	142,760,310	142,836,603
Net financial assets/(liabilities)	3,199,078	(107,323,970)	(104,124,892)
Less: Net financial liabilities denominated in the respective entities functional currencies	-	107,323,970	107,323,970
Currency exposure	3,199,078	-	3,199,078

49. FINANCIAL INSTRUMENTS (CONT'D)

49.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE GROUP	THAI BAHT RM	RINGGIT MALAYSIA RM	TOTAL RM
2012			
Financial assets			
Receivables	548,192	14,556,548	15,104,740
Amount owing by associates	-	5,262,974	5,262,974
Short-term deposits with licensed banks	1,865,182	195,000	2,060,182
Cash and bank balances	868,285	5,558,436	6,426,721
	3,281,659	25,572,958	28,854,617
Financial liabilities			
Payables	76,293	38,112,439	38,188,732
Amount owing to a director	-	1,867,680	1,867,680
Hire purchase payables	-	347,820	347,820
Bankers' acceptances	-	10,478,000	10,478,000
Term loans	-	55,739,654	55,739,654
Bank overdrafts	-	8,131,485	8,131,485
Long-term payable	-	11,254,852	11,254,852
	76,293	125,931,930	126,008,223
Net financial assets/(liabilities)	3,205,366	(100,358,972)	(97,153,606)
Less: Net financial liabilities denominated in the respective' entities functional currencies	-	100,358,972	100,358,972
Currency exposure	3,205,366	-	3,205,366

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49. FINANCIAL INSTRUMENTS (CONT'D)

49.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE COMPANY	THAI BAHT RM	RINGGIT MALAYSIA RM	TOTAL RM
2013			
Financial assets			
Receivables	-	31,422	31,422
Amount owing by subsidiaries	-	76,557,248	76,557,248
Cash and bank balances	239,602	16,955	256,557
	239,602	76,605,625	76,845,227
Financial liabilities			
Payables	-	1,136,627	1,136,627
Amount owing to subsidaries	-	62,125,841	62,125,841
Amount owing to a director	-	3,867,680	3,867,680
Term loans	-	10,000,000	10,000,000
	-	77,130,148	77,130,148
Net financial assets	239,602	(524,523)	(284,921)
Less: Net financial assets denominated in the respective entity's functional currency	-	524,523	524,523
Currency exposure	239,602	-	239,602

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49. FINANCIAL INSTRUMENTS (CONT'D)

49.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE COMPANY	THAI BAHT RM	RINGGIT MALAYSIA RM	TOTAL RM
2012			
Financial assets			
Receivables	-	26,054	26,054
Amount owing by subsidiaries	-	60,335,865	60,335,865
Amount owing by associates	-	11,844	11,844
Cash and bank balances	245,890	12,469	258,359
	245,890	60,386,232	60,632,122
Financial liabilities			
Payables	-	349,084	349,084
Amount owing to subsidaries	-	55,236,816	55,236,816
Amount owing to a director	-	1,867,680	1,867,680
Hire purchase payables	-	43,849	43,849
Term loans	-	1,550,000	1,550,000
	-	59,047,429	59,047,429
Net financial assets	245,890	1,338,803	1,584,693
Less: Net financial assets denominated in the respective entity's functional currency	-	(1,338,803)	(1,338,803)
Currency exposure	245,890	-	245,890

49. FINANCIAL INSTRUMENTS (CONT'D)

49.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	THE GROUP		THE COMPANY	
	2013 INCREASE/ (DECREASE) RM	2012 INCREASE/ (DECREASE) RM	2013 INCREASE/ (DECREASE) RM	2012 INCREASE/ (DECREASE) RM
Effects on profit/loss after taxation/equity				
Thai Baht				
- strengthened by 5%	119,965	120,201	8,985	9,221
- weakened by 5%	(119,965)	(120,201)	(8,985)	(9,221)

49. FINANCIAL INSTRUMENTS (CONT'D)

49.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 49.1(c) to the financial statements.

<u>Exposure to interest rate risk</u>

	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
Fixed rate instruments				
Hire purchase payables	(239,107)	(347,820)	-	(43,849)
Floating rate instruments				
Short-term deposits with licensed banks	1,960,182	2,060,182	-	-
Term loans	(48,789,956)	(55,739,654)	(10,000,000)	(1,550,000)
Bank overdrafts	(15,816,755)	(8,131,485)	-	-
Bankers' acceptances	(10,170,000)	(10,478,000)	-	-
	(72,816,529)	(72,288,957)	(10,000,000)	(1,550,000)

49. FINANCIAL INSTRUMENTS (CONT'D)

49.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

The following table details the sensitivity analysis on the floating rate instruments to a reasonably possible change in the interest rate as at the end of the reporting period, with all other variables held constant:-

	THE GROUP		THE COMPANY	
	2013 (Decrease) /Increase RM	2012 (Decrease) /Increase RM	2013 (Decrease) /Increase RM	2012 (Decrease) /Increase RM
Effect on profit after taxation /equity				
Increase of 100 basis points	(546,124)	(542,167)	(75,000)	(11,625)
Decrease of 100 basis points	546,124	542,167	75,000	11,625

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risks by maintaining a portfolio of equity with different risk profiles.

The analysis is not presented as the sensitivity impact is immaterial.

49. FINANCIAL INSTRUMENTS (CONT'D)

49.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

49. FINANCIAL INSTRUMENTS (CONT'D)

49.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

Exposure to credit risk (Cont'd)

The exposure of credit risk for receivables by geographical region is as follows:-

	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
THAILAND	548,192	548,192	-	-
MALAYSIA	29,499,965	63,045,286	31,422	26,054
	30,048,157	63,593,478	31,422	26,054

Ageing analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

THE GROUP	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	COLLECTIVE IMPAIRMENT RM	CARRYING VALUE RM
2013				
Not past due	3,546,201	-	-	3,546,201
Past due:-				
- 31 - 60 days	7,483,106	-	-	7,483,106
- 61 - 90 days	1,816,642	-	-	1,816,642
- 91 - 120 days	1,520,528	-	-	1,520,528
- > 120 days	21,577,111	(15,341,817)	-	6,235,294
	35,943,588	(15,341,817)	-	20,601,771

49. FINANCIAL INSTRUMENTS (CONT'D)

49.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

THE GROUP	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	COLLECTIVE IMPAIRMENT RM	CARRYING VALUE RM
2012				
Not past due	3,892,324	-	-	3,892,324
Past due:-				
- 31 - 60 days	2,787,469	-	-	2,787,469
- 61 - 90 days	575,745	-	-	575,745
- 91 - 120 days	506,755	-	-	506,755
- > 120 days	17,126,225	(15,341,817)	-	1,784,408
	24,888,518	(15,341,817)	-	9,546,701

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that are past due but not impaired

The trade receivables that are past due but not impaired are unsecured in nature. However, the directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business.

The trade receivables that are past due but not impaired at the reporting date relates to property buyers who were in the process of securing loan financing. Although these receivables have exceeded the credit term granted to them, no impairment has been made on these amounts as the Group is closely monitoring the status of loan application by these buyers.

49. FINANCIAL INSTRUMENTS (CONT'D)

49.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

49. FINANCIAL INSTRUMENTS (CONT'D)

49.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 - 5 YEARS RM	OVER 5 YEARS RM
2013						
Payables	-	51,874,181	51,874,181	51,874,181	-	-
Amount owing to a director	5.5	3,867,680	3,867,680	3,867,680	-	-
Bank overdrafts	8.44	15,816,755	15,816,755	15,816,755	-	-
Bankers' acceptances	5.39	10,170,000	10,170,000	10,170,000	-	-
Hire purchase payables	4.64-5.43	239,107	270,493	73,336	197,157	-
Term loans	7.15	48,789,956	53,364,918	13,667,370	39,697,548	-
Long-term payables	-	12,078,924	13,500,000	-	13,500,000	-
		142,836,603	148,864,027	95,469,322	53,394,705	-

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NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

49. FINANCIAL INSTRUMENTS (CONT'D)

49.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

THE GROUP	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 - 5 YEARS RM	OVER 5 YEARS RM
2012						
Payables	-	38,188,732	38,188,732	38,188,732	-	-
Amount owing to a director	5.50	1,867,680	1,867,680	1,867,680	-	-
Bank overdrafts	8.33	8,131,485	8,131,485	8,131,485	-	-
Bankers' acceptances	5.36	10,478,000	10,478,000	10,478,000	-	-
Hire purchase payables	4.64 - 5.43	347,820	392,638	122,120	270,518	-
Term loans	7.31	55,739,654	60,504,883	17,625,497	42,879,386	-
Long-term payables	-	11,254,852	13,500,000	-	13,500,000	-
		126,008,223	133,063,418	76,413,514	56,649,904	-

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NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

49. FINANCIAL INSTRUMENTS (CONT'D)

49.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

THE COMPANY	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 - 5 YEARS RM
2013					
Payables	-	1,136,627	1,136,627	1,136,627	-
Amount owing by subsidiaries	-	62,125,841	62,125,841	62,125,841	-
Amount owing to a director	5.50	3,867,680	3,867,680	3,867,680	-
Term loan	7.15	10,000,000	11,316,792	3,643,500	7,673,292
		77,130,148	78,446,940	70,773,648	7,673,292
2012					
Payables	-	349,084	349,084	349,084	-
Amount owing by subsidiaries	-	55,236,816	55,236,816	55,236,816	-
Amount owing to a director	5.50	1,867,680	1,867,680	1,867,680	-
Hire purchase payable	5.28	43,849	48,784	48,784	-
Term loan	7.80	1,550,000	1,586,147	1,586,147	-
		59,047,429	59,088,511	59,088,511	-

49. FINANCIAL INSTRUMENTS (CONT'D)

49.2 Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	THE GROUP	
	2013 RM	2012 RM
Payables	51,874,181	38,188,732
Amount owing to a director	3,867,680	1,867,680
Hire purchase payables	239,107	347,820
Bankers' acceptances	10,170,000	10,478,000
Term loans	48,789,956	55,739,654
Bank overdrafts	15,816,755	8,131,485
Long-term payables	12,078,924	11,254,852
	142,836,603	126,008,223
Less: Short-term deposits with licensed banks	(1,960,182)	(2,060,182)
Less: Cash and bank balances	(4,834,349)	(6,426,721)
Net debts	136,042,072	117,521,320
Total equity	289,240,990	263,378,521
Debt-to-equity ratio	0.47	0.45

49. FINANCIAL INSTRUMENTS (CONT'D)

49.2 Capital Risk Management (Cont'd)

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasure capital) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

49.3 Classification Of Financial Instruments

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Financial assets				
Available-for-sale financial assets				
Other investments, at fair value	219,328	219,328	-	-
Loans and receivables financial assets				
Receivables	26,666,693	15,104,740	31,422	26,054
Amount owing by subsidiaries	-	-	76,557,248	60,335,865
Amount owing by associates	5,250,487	5,262,974	-	11,844
Short-term deposits with licensed banks	1,960,182	2,060,182	-	-
Cash and bank balances	4,834,349	6,426,721	256,557	258,359
	38,711,711	28,854,617	76,845,227	60,632,122

49. FINANCIAL INSTRUMENTS (CONT'D)

49.3 Classification Of Financial Instruments (Cont'd)

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Financial liabilities				
Other financial liabilities				
Payables	51,874,181	38,188,732	1,136,627	349,084
Amount owing to subsidiaries	-	-	62,125,841	55,236,816
Amount owing to a director	3,867,680	1,867,680	3,867,680	1,867,680
Hire purchase payables	239,107	347,820	-	43,849
Bankers' acceptances	10,170,000	10,478,000	-	-
Term loans	48,789,956	55,739,654	10,000,000	1,550,000
Bank overdrafts	15,816,755	8,131,485	-	-
Long-term payables	12,078,924	11,254,852	-	-
	142,836,603	126,008,223	77,130,148	59,047,429

49.4 Fair Values Of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values of the financial instruments:-

(a) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(b) The fair values of the term loans and hire purchase payables are determined by discounting the relevant cash flows using current interest rates for similar instruments. There is no material difference between the fair values and the carrying values of these liabilities as at the end of the reporting period.

49. FINANCIAL INSTRUMENTS (CONT'D)

49.4 Fair Values Of Financial Instruments (Cont'd)

(c) The fair value of the quoted investments is estimated based on their quoted market prices as at the end of the reporting period.

49.5 Fair Value Hierarchy

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:-

Level 1: Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

49. FINANCIAL INSTRUMENTS (CONT'D)

49.5 Fair Value Hierarchy (Cont'd)

As the end of the reporting period, the Group's financial instruments carried at fair values are analysed as below:-

THE GROUP	LEVEL 1 RM	LEVEL 2 RM	TOTAL RM
2013			
Financial assets			
Other investments:			
- quoted shares in Singapore	11,328	-	11,328
- club membership	-	208,000	208,000
	11,318	208,000	219,328
2012			
Financial assets			
Other investments:			
- quoted shares in Singapore	11,328	-	11,328
- club membership	-	208,000	208,000
	11,318	208,000	219,328

50. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are as follows:-

(a) On 1 August 2012, Mixwell (Malaysia) Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement with JP Holdings (M) Sdn. Bhd. for the disposal of a piece of freehold land for a total consideration of RM12,316,590.

(b) On 17 August 2012, SBC Leisure Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement with Bumi Harus Sdn. Bhd. for the disposal of a piece of leasehold land for a total consideration of RM19,289,000.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

51. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Total retained profits:				
- realised	78,809,393	56,935,518	25,564,813	27,431,463
- unrealised	2,597,844	1,155,954	-	-
	81,407,237	58,091,472	25,564,813	27,431,463
Total share of retained profit of an associate:				
- realised	13,771,360	11,224,656	-	-
At 31 March	95,178,597	69,316,128	25,564,813	27,431,463

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KAN CHEE JING
(MAICSA NO. 7019764)
SECRETARY
09 OCT 2013

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30 JUNE 2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 JUNE 2012 RM'000	CURRENT YEAR TO DATE 30 JUNE 2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 JUNE 2012 RM'000
Continuing Operations				
Revenue	26,072	28,674	26,072	28,674
Cost of sales	(15,232)	(14,921)	(15,232)	(14,921)
Gross profit	**10,840**	**13,753**	**10,840**	**13,753**
Operating expenses	(3,328)	(3,355)	(3,328)	(3,355)
Depreciation and amortisation	(550)	(1,200)	(550)	(1,200)
Other income including investment income	409	183	409	183
Interest income	2	62	2	62
Finance cost	(364)	(634)	(364)	(634)
Share of profit of associates	1,164	433	1,164	433
Profit before tax	**8,173**	**9,242**	**8,173**	**9,242**
Income tax expense	(1,806)	(3,300)	(1,806)	(3,300)
Total comprehensive income	**6,367**	**5,942**	**8,367**	**5,942**
Profit attributable to:-				
Owners of the Parent	6,333	5,992	6,333	5,992
Non-controlling interests	34	(50)	34	(50)
	6,357	**5,942**	**8,367**	**5,942**
Earnings per share (in sen)				
Basic earnings per share (in sen)	7.69	7.27	7.69	7.27
Diluted earnings per share (in sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013)

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	AS AT CURRENT PERIOD ENDED 30 JUNE 2013 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,162	4,974
Biological assets	977	925
Investment property	22,837	23,255
Land held for property development	107,148	128,936
Investment in associates	108,622	107,458
Goodwill on consolidation	9,571	9,571
Other long term assets	219	219
	254,536	275,338
Currrent assets		
Inventories	17,698	17,698
Trade and other receivables	12,614	21,653
Cash and bank balances	5,896	5,034
Amount owing by associates	3,367	3,367
Other debtors,deposits & prepayments	12,067	7,952
Property development cost	158,512	124,581
Amount owing by contract customers	3,760	1,039
Short term deposit with licensed bank	1,960	1,960
Tax recoverable	559	854
	216,433	184,138
TOTAL ASSETS	470,969	459,476
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	82,435	82,435
Reserves		
Treasury shares	(51)	(51)
Share premium	111,413	111,413
Legal reserve	265	265
Fair value reserve	652	937
Retained profit	100,706	94,088
Non-controlling interests	288	254
Total equity	295,708	289,341
Non-current liabilities		
Long term borrowings	46,949	39,915
Other long term liabilities	12,079	11,255
Deferred tax liabilities	(1,338)	(1,385)
	56,690	49,785
Current liabilities		
Trade and other payables	59,247	64,533
Progress billings	8,718	10,704
Short term borrowings	39,913	35,368
Amount owing to contract customers	6,706	5,812
Hire purchase creditors	119	65
Amount owing to directors	3,868	3,868
	118,571	120,350
Total liabilities	175,261	170,135
TOTAL EQUITY AND LIABILITIES	470,969	459,476
Net assets per share (*in sen*) -	359	351

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013)

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2013

	Attributable to Owners of the Parent							Non-controlling Interests	Total Equity
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Legal Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Total RM'000	RM'000	RM'000
Balance at 1 April 2012	**82,435**	**(51)**	**111,413**	**265**	**937**	**69,495**	**264,494**	**259**	**264,753**
(a) Total comprehensive income	-	-	-	-	-	26,755	26,755	(105)	26,650
(b) Dividend - ordinary shares	-	-	-	-	-	(2,162)	(2,162)	-	(2,162)
(c) Issuance of shares capital of subsidiary	-	-	-	-	-	-	-	100	100
Balance at 31 March 2013	**82,435**	**(51)**	**111,413**	**265**	**937**	**94,088**	**289,087**	**254**	**289,341**
(a) Total comprehensive income	-	-	-	-	(285)	6,618	6,333	34	6,367
Balance at 30 June 2013	**82,435**	**(51)**	**111,413**	**265**	**652**	**100,706**	**295,420**	**288**	**295,708**

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013)

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2013

			3 MONTHS ENDED 30 JUNE 2013 RM'000	3 MONTHS ENDED 30 JUNE 2012 RM'000
1	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit before taxation		8,173	9,242
	Adjustments for:			
	Depreciation of property, plant and equipment		124	146
	Interest expense / finance charges		364	634
	Interest income		(2)	(62)
	Impairment of goodwill on consolidation		-	1,054
	Share of profit in associates		(1,164)	(433)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		7,495	10,581
	Increase in property development cost		(33,931)	(3,480)
	(Decrease) / increase in payables		(5,286)	9,581
	Decrease in receivables		4,924	12,017
	Decrease in progress billing		(1,986)	(13,221)
	Net increase in amount owing to contract customers		(1,827)	(8,167)
	CASH FROM OPERATIONS		(30,611)	7,311
	Interest paid		(364)	(634)
	Taxes paid		(1,464)	(2,708)
	NET CASH FROM OPERATING ACTIVITIES		(32,439)	3,969
2	**CASH FLOWS FOR INVESTING ACTIVITIES**			
	Interest received		2	62
	Purchase of investment property, biological assets, plant and equipment		54	(3,726)
	Purchase / (Disposal) of land held for development		21,788	(3,933)
	Investment in associates companies		-	1,018
	NET CASH FOR INVESTING ACTIVITIES		21,844	(6,579)
3	**CASH FLOWS FOR FINANCING ACTIVITIES**			
	Net drawdown / (repayment) of hire purchase payables		257	(35)
	Net drawdown / (repayment) of loans		6,374	(4,641)
	Other long term liabilities		824	-
	NET CASH FOR FINANCING ACTIVITIES		7,455	(4,676)
4	**NET DECREASE IN CASH AND CASH EQUIVALENTS**	(1+2+3)	(3,140)	(7,286)
5	**CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR**		(8,823)	(784)
6	**CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR**		(11,963)	(8,070)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Report for the year ended 31 March 2013)

SBC CORPORATION BERHAD
NOTES TO INTERIM FINANCIAL REPORT

A1) Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134: "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2013. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the group since the year ended 31 March 2013.

A2) Status of Qualification of Preceding Financial Statements

The financial statements of the Group for the financial year ended 31 March 2013 was unqualified.

A3) Seasonality or Cyclicality of Operations

There was no seasonal factor directly affecting the operations of the Group, except for economic cyclical factors which will have an impact on the property and construction sectors.

A4) Unusual Events

There was no unusual event recorded during the financial period under review.

A5) Changes in Estimates

There was no change in estimates since the financial year ended 31 March 2013.

A6) Issuance and Repayment of Debt and Equity Instruments

As at 30 June 2013, the number of treasury shares held in hand are as follows:-

Particulars	Number of Shares	Average Price per share (RM)	Amount (RM)
Treasury shares as at 1 April 2013	58,900	0.86	50,502.23
During the period	-	-	-
Treasury shares as at 30 June 2013	58,900	0.86	50,502.23

There were no issues or repayment of debt and equity securities, share cancellation and resale of treasury shares for the financial period under review.

A7) Dividend Paid

There was no dividend paid during the financial period under review.

SBC CORPORATION BERHAD
NOTES TO INTERIM FINANCIAL REPORT

A8) Segmental Reporting

Business Segments:-

	Revenue RM'000	Profit Before Tax RM'000	Assets Employed RM'000
Construction	17,455	888	186,463
Property Development	24,363	7,367	507,069
Manufacturing and Trading	0	(9)	18,883
Investment	1,751	(236)	358,289
Less : Inter-segment	(17,497)	163	(599,735)
Group	26,072	8,173	470,969

A9) Material Subsequent Events

There was no material event subsequent to the end of the financial period under review.

A10) Changes in Corporate Structure

There was no changes in the corporate structure since the financial year ended 31 March 2013.

A11) Contingent Liabilities / Assets

There were no contingent liabilities for the Group as at the date of this announcement.

A12) Realised and Unrealised Profits / Lossess Disclosure

	Current Financial Period (RM'000)	As at the end of last Financial Year (RM'000)
Total retained profits		
- Realised	100,913	94,342
- Unrealised	(207)	(254)
Less: Consolidation adjustments	(-)	(-)
Total Group Retained Profits as per consolidated accounts	100,706	94,088

SBC CORPORATION BERHAD
NOTES TO INTERIM FINANCIAL REPORT

B1) Performance Review

The Group recorded a revenue of RM26.07 million for the period ended 30 June 2013, a slight decrease of 9% compared to the corresponding period of the preceding year of RM28.67 million. The decrease in revenue was due to the completion The Peak Vista, Tower A. The profit before tax for the period was RM8.17 million compared to the corresponding period of the preceding year of RM9.24 million.

The breakdown of its revenue was as follows:-

Revenue	Quarter ended 30/06/2013 RM'000	Year-to-date ended 30/06/2013 RM'000
Construction	17,455	17,455
Property Development	24,363	24,363
Manufacturing and training	0	0
Investment	1,751	1,751
Less: inter-segment	(17,497)	(17,497)
	26,072	26,072

Profit Before Tax	Quarter ended 30/06/2013 RM'000	Year-to-date ended 30/06/2013 RM'000
Construction	888	888
Property Development	7,367	7,367
Manufacturing and training	(9)	(9)
Investment	(236)	(236)
Less: inter-segment	163	163
	8,173	8,173

B2) Comparison of profit before tax for the quarter reported on with the immediate preceding quarter

The profit before tax for the current quarter was reported at RM8.17 million compared to the preceding quarter of RM16.95 million. The higher profit before tax of the preceding quarter was mainly contributed by the completion and handover of the Peak Vista – Tower A with the Occupation Certificate obtained.

B3) Business Prospects

The Board of Directors expects the Group's future performance to remain positive, as the Group projects such as the Dex Suites@Kiara East, Kuala Lumpur has completed the super structure of the podium floor and the Cantonment Exchange@Jalan Ipoh, has commenced it piling works. Further, the Peak Soho@Kota Kinabalu is targeted to be completed in this financial year.

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

SBC CORPORATION BERHAD
NOTES TO INTERIM FINANCIAL REPORT

B5) Taxation

	Current year Quarter ended 30.06.2013 RM'000	Preceding year Corresponding Quarter ended 30.06.2012 RM'000	Current year To date 30.06.2013 RM'000	Preceding year Corresponding Period 30.06.2012 RM'000
Income tax expense	1,806	3,300	1,806	3,300
	1,806	3,300	1,806	3,300

The effective tax rate is very much higher than the statutory tax rate of 25% largely attributed to certain expenses being disallowed for taxation purposes for the financial period under review.

B6) Status of Corporate Proposals

On 2nd August 2013, on behalf of the Board of Directors of SBC Corporation Berhad (**"SBC" or "the Company"**), RHB Investment Bank Berhad ("**RHB Investment Bank**") announced that the Company proposes to undertake the following:-

(i) a renounceable rights issue of up to 49,461,000 new ordinary shares of RM1.00 each in SBC ("**SBC Shares**") ("**Rights Shares**") at an issue price to be determined and announced later, together with a bonus issue of up to 24,730,500 new SBC Shares ("**Bonus Shares**") to be credited as fully paid-up, on the basis of three (3) Rights Shares for every five (5) existing SBC Shares held and one (1) Bonus Share for every two (2) Rights Shares subscribed for on an entitlement date to be determined and announced later ("**Entitlement Date**") ("**Proposed Rights Issue**");

(ii) the establishment of an employees' share option scheme ("**ESOS**") for the eligible executive director of the Company and employees of the Company and its subsidiaries ("**SBC Group**") after the Proposed Rights Issue ("**Proposed ESOS**"); and

(iii) amendment to the Articles of Association of the Company ("**Proposed Amendment**").

The Proposed Rights Issue, Proposed ESOS and Proposed Amendment are collectively referred to as the "**Proposals**".

The Proposed Rights Issue and Proposed ESOS are subject to the following being obtained:

(i) the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the following:

   (a) up to 49,461,000 Rights Shares;

   (b) up to 24,730,500 Bonus Shares; and

   (c) such number of ESOS Shares, representing up to fifteen percent (15%) of the then issued and paid-up share capital of the Company (excluding treasury shares),

   on the Main Market of Bursa Securities;

(ii) the approval of the shareholders of the Company at an extraordinary general meeting ("**EGM**") to be convened; and

(iii) the approvals, waivers and/or consents from any other relevant authorities and/or persons, if required, and the fulfilment of all conditions attached to such approvals and/or consents, if any.

The Proposed Amendments are only subject to the approval of the shareholders of the Company at an EGM to be convened.

The Proposed Rights Issue and Proposed Amendments are inter-conditional upon each other but are not conditional upon the Proposed ESOS. The Proposed Rights Issue is not conditional upon the Proposed ESOS and vice versa.

B7) Details of Group Borrowings and Debt Securities

Group Borrowings

	Group 30 June 2013 RM'000	Group 31 March 2013 RM'000
Short Term (Unsecured)	21,113	21,069
Short Term (Secured)	18,919	14,364
Long Term (Secured)	45,949	39,915
	85,981	75,348

B8) Gains or Losses arising from Fair Value Changes of Financial Liabilities

There were no gains or losses are recognized for changes in the fair values of these liabilities for the financial period under review.

B9) Material Litigation

There were no pending material litigations for the financial period under review.

B10) Dividend

Not applicable.

SBC CORPORATION BERHAD
NOTES TO INTERIM FINANCIAL REPORT

B11) Earnings per ordinary share

Basic earnings per share ("EPS") is derived by dividing the profit after tax attributable to owners of the Parent by weighted average number of 82,376,100 (1st quarter 2013 – 82,376,100) ordinary shares of the Company in issue during the financial period under review, excluding treasury shares of 58,900 units held by the Company:-

	Current Quarter RM'000	Current Year-to-date RM'000
Profit attributable to Owners of the Parent	6,333	6,333
Basic earnings per share(in sen)	7.69	7.69

The computation of diluted EPS in respect of the financial period under review is not applicable.

B12) Profit before tax

Profit before tax is arrived at after charging/(crediting) the following items:

	Current Quarter Ended 30/06/2013 RM'000	Financial Year-to-date Ended 30/06/2013 RM'000
(a) Interest income	(2)	(2)
(b) Other income excluding investment income	(409)	(409)
(c) Interest expense	364	364
(d) Depreciation and amortization	550	550
(e) Provision for and write off of receivables	-	-
(f) Provision for and write off of inventories	-	-
(g) Gain or loss on disposal of quoted or unquoted Investment properties	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange gain or loss	-	-
(j) Gain or loss on derivatives	-	-
(k) Exceptional items	-	-

sbc
CORPORATION

Registered Office

Wisma Siah Brothers
74A, Jalan Pahang
53000 Kuala Lumpur

謝氏機構有限公司

Date: 21 October 2013

To: The Shareholders of SBC Corporation Berhad ("SBC")

Dear Sir/Madam,

On behalf of the Board of Directors of SBC ("**Board**"), I wish to report, after making due enquiries in relation to the interval between the period from 31 March 2013 (being the date to which the last audited financial statements of SBC and its subsidiaries ("**Group**") have been made up) to the date hereof, being a date not earlier than fourteen (14) days before the date of issue of this Abridged Prospectus ("**AP**") that:

(i) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstances have arisen since the last audited financial statements of the Group which have adversely affected the trading or the value of the assets of the Group;

(iii) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) save as disclosed in Section 8.3 of this AP, there are no contingent liabilities which have arisen by reason of any guarantee or indemnity given by the Group;

(v) since the last audited financial statements of the Group, 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 of the Group in which the Board is aware of;

(vi) save as disclosed in this AP, there have not been any material change in the published reserves or unusual factor affecting the profits of the Group since the last audited financial statements of the Group; and

(vii) save as disclosed above and up to the date of this letter, no other reports are required in relation to items (i) to (vi) above.

Yours faithfully
For and on behalf of the Board of
SBC CORPORATION BERHAD

SIA TEONG HENG
Managing Director

SBC CORPORATION BERHAD 199310 P
FORMERLY KNOWN AS SIAH BROTHERS CORPORATION BERHAD
WISMA SIAH BROTHERS, 74A JALAN PAHANG, 53000 KUALA LUMPUR, MALAYSIA
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www.sbcgroup.com.my

ADDITIONAL INFORMATION

1. SHARE CAPITAL

(i) Save for the Rights Shares and Bonus Shares, no securities of our Company will be allotted or issued on the basis of this AP later than twelve (12) months after the date of this AP.

(ii) As at the LPD, save for the Entitled Shareholders who will be provisionally allotted the Rights Shares with attached Bonus Shares pursuant to the Rights Issue and the ESOS Options to be granted under the ESOS after the completion of the Rights Issue, no person has been, or is entitled to be granted, an option to subscribe for, any of our securities.

The salient terms of the ESOS are as follows:

(a) Under the ESOS, up to fifteen percent (15%) of the total issued and paid-up share capital of our Company (excluding treasury shares) can be issued at any point of time throughout the duration of five (5) years of the ESOS to eligible Executive Directors and employees of our Group (excluding subsidiaries that are dormant); and

(b) The subscription price of the ESOS Options shall not be at a discount of more than ten percent (10%) (or such lower or higher limit in accordance with any prevailing guidelines, rules or regulations issued by Bursa Securities or any other relevant authorities) from the five (5)-day VWAP of SBC Shares as quoted on Bursa Securities, immediately preceding the offer date and shall in no event be less than the par value of SBC Shares of RM1.00 each, subject to adjustments in accordance with the bylaws governing the ESOS.

As at the LPD, the ESOS has not been implemented.

(iii) As at the LPD, there is only one (1) class of shares in our Company, namely ordinary shares of RM1.00 each, all of which rank *pari passu* with one another.

2. ARTICLES OF ASSOCIATION

The provisions in our Articles of Association in relation to the remuneration of our Directors are as follows:

Article 86 – Directors' remuneration

The Directors shall be paid by way of fees for their services such fixed sum (if any) as shall from time to time be determined by the Company in general meeting, and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine, provided always that:-

(a) Fees payable to the Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;

(b) Salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover;

(c) Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting; and

(d) Any fee paid to an Alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 87 – Reimbursement of expenses

(1) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company.

(2) If any Director being willing shall be called upon to perform extra 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, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Company in general meeting and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors. Extra remuneration payable to non-executive Director(s) shall not include a commission or percentage of turnover or profits.

Article 99 – Director may act in his professional capacity

Any Director may act by himself or by his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as Auditors of the Company.

Article 111 – Remuneration of Managing Director

The remuneration of a Managing Director or Managing Directors shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these mode but shall not include a commission on or percentage of turnover.

3. MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years preceding the date of this AP:

(i) Sale and Purchase Agreement dated 29 November 2011 entered into between Goldhill Achiever Sdn Bhd ("**GASB**") as the Purchaser, a 50%-owned company of PJX Property Sdn Bhd ("**PPSB**") which in turn is a wholly-owned subsidiary of our Company, and Ecoship Sdn Bhd as the Vendor, to acquire the whole of that piece of land held under GRN 7649, Lot 40443, Mukim Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring approximately 2,050 square metres together with a double storey bungalow erected thereon, free from all encumbrances and with vacant possession at a total purchase price of RM13,500,000.00;

(ii) Joint Venture Agreement dated 24 February 2012 entered into between Chin Yoke Chung, Patrick ("**Proprietor**") and GASB ("**Developer**"), a 50%-owned company of PPSB which in turn is a wholly-owned subsidiary of our Company, for the appointment of the Developer to undertake the finance, management, construction, development and sale of the development in relation to the whole of that piece of freehold land measuring approximately 1,852 square metres in area held under GRN 7647, Lot 40441, Mukim of Kuala Lumpur, District of Kuala Lumpur, where the Proprietor shall be entitled to the sum of RM11,250,000.00 while the Developer will be entitled to the remaining sale proceeds arising from the development;

(iii) Shareholders Agreement of GASB dated 2 March 2012 entered into between PPSB, a wholly-owned subsidiary of our Company, and Chin Yoke Chung, Patrick, to regulate their rights and relationship as shareholders of GASB upon the terms and conditions contained therein in consideration of PPSB and Chin Yoke Chung, Patrick each agreeing to apply for additional 249,999 ordinary shares of RM1.00 each in the capital of GASB at par for cash in due course;

(iv) Sale and Purchase Agreement dated 6 August 2012 entered into between JP Holdings (M) Sdn Bhd with Mixwell (M) Sdn Bhd, a wholly-owned subsidiary of our Company, for the disposal of the freehold vacant land held under GRN 227725, Lot No. 10072, Mukim of Batang Kali, District of Ulu Selangor for the consideration of RM12,316,590.00;

(v) Sale and Purchase Agreement dated 17 August 2012 entered into between SBC Leisure Sdn Bhd, a wholly-owned subsidiary of our Company, and Bumi Harus Sdn Bhd ("**BHSB**") to dispose of the whole of that piece of land held under PN 22411, Lot No. 48685 Mukim Batu, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur together with two (2) units of buildings erected thereon to BHSB for a cash sale consideration of RM19,289,000.00;

(vi) Joint Venture Agreement dated 21 May 2013 and the 1st and 2nd Supplemental Letters dated 16 August 2013 entered into between Suria Capital and our Company for commercially developing a parcel of development land owned by Suria Capital measuring approximately 16.25 acres situated at Jalan Tanjung Lipat, Kota Kinabalu, Sabah ("**Development Land**") into a mixed development of residential units, retail units, office towers and hotel together with the appropriate infrastructure within the boundary of the Development Land and other complementary or incidental developments; and

(vii) Underwriting Agreement dated 16 October 2013 entered into between our Company and RHB Investment Bank for the underwriting of up to 33,328,612 Right Shares, representing approximately 67.38% of the maximum number of Rights Shares to be issued pursuant to the Rights Issue for an underwriting commission of 3.00% of the value of the Rights Shares underwritten.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, neither our Company nor our subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceedings, pending or threatened, against our Company and/or our subsidiaries, or of any fact likely to give rise to any proceedings which may materially and adversely affect the business or financial position of our Group.

5. GENERAL

(i) None of our Directors has any existing or proposed service contracts with our Company or our subsidiaries, excluding contracts expiring or determinable by the employing company without payments or compensation (other than statutory compensation) within one (1) year from the date of this AP.

(ii) Save as disclosed in this AP (where relevant) and to the best of knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:

(a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;

(b) material commitments for capital expenditure of our Group, the purpose of such commitments and the source of fundings;

(c) unusual, infrequent events or transactions or significant economic changes which materially affected the amount of reported income from the operations of our Group and the extent to which income was so affected; and

(d) known trends or uncertainties which have had, or will have, a material favourable or unfavourable impact on revenues or operating income of our Group.

(iii) Save as disclosed in this AP (where relevant), our Board, after having made all reasonable enquiries, is not aware of any material information, including all special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our Group's results.

6. DECLARATION OF CONFLICT OF INTEREST

6.1 RHB Investment Bank

RHB Investment Bank and its related companies ("**RHB Banking Group**") engage in private banking, commercial banking and investment banking transaction including, *inter-alia*, brokerage, securities trading, asset and funds management and credit transaction service businesses. The RHB Banking Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this AP. In addition, in the ordinary course of business, any member of the RHB Banking Group may at any time offer or provide their services to or engage in any transactions (on their own account or otherwise) with any member of our Group or any other entity or person, hold long or short positions, and may trade or otherwise effect transactions for their own account or the account of their other customers in debt or equity securities or senior loans of our Company and/or our affiliates. This is a result of the businesses of the RHB Banking Group generally acting independently of each other, and accordingly there may be situations where parts of the RHB Banking Group and/or its customers currently have or in the future, may have interest or take actions that may conflict with the interests of our Company and/or our affiliates.

As at the LPD, our Group does not have any credit facility with the RHB Banking Group.

RHB Investment Bank has in the ordinary course of its banking business, granted credit facility to Sia Teong Heng, our substantial shareholder and the Managing Director of our Company. As at the LPD, RHB Investment Bank has extended a bridging term loan facility to Sia Teong Heng amounting to RM12.80 million. The bridging term loan facility is to be utilised by Sia Teong Heng to finance the subscription for his entitlement in full under the Rights Issue together with the Renounced Entitlements.

RHB Investment Bank is of the opinion that the aforementioned extension of the bridging term loan facility would not give rise to a conflict of interest situation in its capacity as our Principal Adviser and Underwriter for the Rights Issue as:

(i) the extension of the bridging term loan facility arose in the ordinary course of business of the RHB Banking Group in view of the RHB Banking Group's extensive participation in the Malaysian capital market and banking industry;

(ii) the bridging term loan facility is not material when compared to the RHB Banking Group's total loans, advances and financing of approximately RM109.28 billion as at 31 December 2012;

(iii) the bridging term loan facility is not material when compared to the RHB Banking Group's audited total assets of approximately RM189.08 billion as at 31 December 2012; and

(iv) the team(s) in charge of the Rights Issue in the RHB Banking Group is independent from the team handling the bridging term loan facility.

Save as disclosed above, RHB Investment Bank confirms that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as our Principal Adviser and Underwriter for the Rights Issue.

6.2 Messrs. Foong & Partners

Messrs. Foong & Partners confirms that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as our Solicitors for the Rights Issue.

6.3 Messrs. Crowe Horwath

Messrs. Crowe Horwath confirms that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as our Auditors and Reporting Accountants for the Rights Issue.

7. WRITTEN CONSENTS

Our Principal Adviser and Underwriter, Solicitors for the Rights Issue, Share Registrar, Company Secretaries, Principal Bankers and Bloomberg Finance L.P. have given their written consents to the inclusion in this AP of their names in the form, manner and context in which such names appear before the issuance of this AP and their consents have not been subsequently withdrawn.

Our Auditors and Reporting Accountants for the Rights Issue have given their written consent to the inclusion in this AP of their letter on the proforma consolidated statements of financial position of our Company as at 31 March 2013 as well as the auditors' report on the consolidated financial statements of our Company for the FYE 31 March 2013 and all references to their name in the form, manner and context in which they appear before the issuance of this AP and their consent have not been subsequently withdrawn.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection at our Registered Office at Wisma Siah Brothers, 74A, Jalan Pahang, 53000 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of twelve (12) months from the date of this AP:

(i) our Memorandum and Articles of Association;

(ii) our audited consolidated financial statements for the past two (2) FYEs 31 March 2012 and 31 March 2013;

(iii) our latest unaudited consolidated financial statements for the three (3)-month FPE 30 June 2013 as set out in Appendix V of this AP;

(iv) the certified true extract of the resolutions in respect of the Rights Issue and Amendment passed at our EGM held on 25 September 2013 as set out in Appendix I of this AP;

(v) the proforma consolidated statements of financial position of our Company as at 31 March 2013 together with the Reporting Accountants' letter thereon as set out in Appendix III of this AP;

(vi) the letters of undertaking by the Undertaking Shareholders in relation to the Initial Undertakings and Supplemental Undertakings as referred to in Section 9.1 of this AP;

(vii) our Directors' Report as set out in Appendix VI of this AP;

(viii) the material contracts as referred to in Section 3 of this Appendix; and

(ix) the letters of consent as referred to in Section 7 of this Appendix.

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9. RESPONSIBILITY STATEMENTS

Our Board has seen and approved the Documents and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in the Documents false or misleading.

RHB Investment Bank, being our Principal Adviser and Underwriter for the Rights Issue, acknowledges that, based on all available information, and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue.