sbc
CORPORATION

Annual Report 2013

building partnerships since 1954

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PRINCIPAL BANKERS

AL-RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BERHAD

BANGKOK BANK BERHAD

CIMB BANK BERHAD

MALAYAN BANKING BERHAD

OCBC BANK (MALAYSIA) BERHAD

PUBLIC BANK BERHAD

REGISTERED OFFICE

WISMA SIAH BROTHERS
74A Jalan Pahang
53000 Kuala Lumpur
Tel: 03-4041 8118 Fax: 03-4043 5281

REGISTRARS

TACS CORPORATE SERVICES SDN. BHD.
Unit No. 203, 2nd Floor, Block C
Damansara Intan
No. 1, Jalan SS20/27
47400 Petaling Jaya
Tel: 03-7118 2688 Fax:03-7118 2693

STOCK EXCHANGE LISTING

MAIN MARKET OF
BURSA MALAYSIA SECURITIES BERHAD

Directors' Profile

AS AT 21 AUGUST 2013

AHMAD FIZAL BIN OTHMAN
Malaysian, Aged 50
Independent
Non-Executive
Chairman

Ahmad Fizal bin Othman, a Malaysian, aged 50, was appointed as an Independent Non-Executive Director of SBC Corporation Berhad ("SBC") on 24th February, 2004. He is the Chairman of the Nominating Committee and the Remuneration Committee and a member of the Audit Committee of SBC. He graduated with a Bachelor in Accounting and Finance (Hons) from the Middlesex University, London.

He is a well-rounded and experienced businessman and involved in a multitude of industries. Currently, he immerses himself in retail, multimedia and technology.

He does not hold any securities, direct or indirect, in SBC or any of its subsidiaries.

He has no family relationship with any Director and/or major shareholder of SBC.

He does not have any conflict of interest with SBC.

He has not been convicted of any offence within the past 10 years.

He attended all the four Board Meetings held during the last financial year.

Directors' Profile
AS AT 21 AUGUST 2013

SIA TEONG HENG
Malaysian, Aged 50
Managing Director

Sia Teong Heng, a Malaysian, aged 50, is the Managing Director of SBC Corporation Berhad ("SBC"). He was appointed as a Director of SBC on 5th February, 1991. He graduated with a Bachelor of Science degree in Civil Engineering from Loughborough University, United Kingdom ("UK") and in 1986, earned a post graduate Masters degree in Management Science from Imperial College, University of London, UK.

Between 1986 and 1991, prior to his return to Malaysia, he worked in the investment banking industry based in London and Singapore. He joined SBC in 1991. Presently, he also sits on the boards of several subsidiaries of SBC.

His holdings in the securities of SBC are as follows -

	Direct Interest	Indirect Interest
Ordinary shares	5,907,992[a]	19,498,523[b]

[a] 5,664,000 shares are held in bare trust by Amsec Nominees (Tempatan) Sdn. Bhd.

[b] Deemed interest by virtue of his shareholding in LOM Holdings Sdn. Bhd. (14,317,500 shares) and Evergreen Legacy Sdn. Bhd. (5,181,023 shares).

By virtue of his interest in SBC, he is deemed to have interest in the securities of SBC's subsidiaries to the extent of SBC's interest, in accordance with Section 6A of the Companies Act, 1965.

He is a major shareholder of SBC.

He does not have any conflict of interest with SBC.

He has not been convicted of any offence within the past 10 years.

He attended all the four Board Meetings held during the last financial year.

Directors' Profile

AS AT 21 AUGUST 2013

MUN CHONG SHING @ MUN CHONG TIAN
Malaysian, Aged 76
Non-Executive Director

Mun Chong Shing @ Mun Chong Tian, a Malaysian, aged 76, was appointed as an Executive Director of SBC Corporation Berhad ("SBC") on 1st April, 1996 when he was employed as General Manager of Paling Industries Sdn. Bhd. ("Paling") from 1987 and appointed as a Director in 1991 and remained in both positions until his retirement on 31st December, 2001.

On 31st December, 2001, he was redesignated as a Non-Executive Director of SBC. He is a member of the Audit Committee, the Nominating Committee and the Remuneration Committee of SBC.

He has received training in Sales Management conducted by the National Productive Centre and the Malaysian Institute of Management and a General Management Programme at the National Productivity Board, Singapore.

Prior to his involvement with Paling, he was employed as a General Manager in Hume Industries (M) Bhd. where he has had extensive exposure to industrial engineering and management.

His holdings in the securities of SBC are as follows -

	Direct Interest	Indirect Interest
Ordinary shares	21,782	-

He does not hold any securities, direct or indirect, in any of SBC's subsidiaries.

He is an uncle to Sia Teong Heng, the Managing Director and a major shareholder of SBC.

He does not have any conflict of interest with SBC.

He has not been convicted of any offence within the past 10 years.

He attended all the four Board Meetings held during the last financial year.

Directors' Profile
AS AT 21 AUGUST 2013

LEE KONG LEONG
Malaysian, Aged 49
Independent
Non-Executive Director

Lee Kong Leong, a Malaysian, aged 49, was appointed as an Independent Non-Executive Director of SBC Corporation Berhad ("SBC") on 2nd October, 2012. He is a member of the Audit Committee, the Nominating Committee and the Remuneration Committee of SBC. He graduated with a Bachelor in Accountancy and Information System from the University of New South Wales, Sydney, Australia.

He is a member of the Australian Society of Certified Public Accountants, the Hong Kong Society of Certified Public Accountants and the Hong Kong Securities Institute.

Currently, he is the advisor to the CEC Fund, Hong Kong and he has held this post since 2005. Over the years, he had held various senior management positions in various companies in Hong Kong. He was a Partner of China Enterprise Investment Management Limited, Hong Kong (1994 – 2004), Senior Finance Manager of CP Pokphand Group of Co (1991 – 1994), Manager of Corporate Insolvency Price Waterhouse, Hong Kong (1990 – 1991) and Manager of Ferrier Hodgson & Co, Hong Kong (1989 – 1990).

He is an Independent Non-Executive Director of Artel Solutions Group Holdings Limited and Waderly International Holdings Limited, both are listed companies in Hong Kong.

He does not hold any securities, direct or indirect, in SBC or any of its subsidiaries.

He has no family relationship with any Director and/or major shareholder of SBC.

He does not have any conflict of interest with SBC.

He has not been convicted of any offence within the past 10 years.

He attended all the two Board Meetings held during the last financial year since his appointment to the Board of SBC.

Directors' Profile
AS AT 21 AUGUST 2013

DATUK ROSELAN JOHAR BIN JOHAR MOHAMED
Malaysian, Aged 60
Independent
Non-Executive Director

Datuk Roselan Johar bin Johar Mohamed, a Malaysian, aged 60 was appointed to the board on 14th June, 2013, as an Independent Non-Executive Director of SBC Corporation Berhad (SBC). He is the chairman of the Audit Committee, a member of the Nominating Committee and the Remuneration Committee.

He acquired his knowledge in maritime transportation whilst studying the Chartered Institute of Transport at the Mara Institute of Technology, Shah Alam. His 37 years of skills and related experience comes from working with Nakufreight (M) Sdn Bhd, Kontena Nasional Sdn Bhd, as well as international exposure in Hamburg, Bremen and New York. In 1982, he started his own shipping agency in Kota Kinabalu, specialising on log exports, chartering, tugs and barges and stevedorage. He is still the Patron of the KK Bumiputra Petty Traders Association since 2001 as well as the Treasurer of the Sabah Bumiputra Chamber of Commerce. Currently, he is the Chairman of the Bimp-Eaga Malaysia Business Council. He is a licensed Company Secretary and a member of the Institute of Approved Company Secretaries.

He does not hold any securities, direct or indirect, in SBC or any of its subsidiaries.

He has no family relationship with any Director and/or major shareholder of SBC.

He does not have any conflict of interest with SBC.

He has not been convicted of any offence within the past 10 years.

Corporate Structure
AS AT 21 AUGUST 2013

sbc CORPORATION

- 100% Syarikat Siah Brothers Trading Sdn Bhd ●
  - 11.74% Batu Bata Kampong Jawa Sdn Bhd ★
  - 28.5% Sri Rawang Properties Sdn Bhd ★
- 100% Syarikat Siah Brothers Construction Sdn Bhd ●
- 100% Mixwell (Malaysia) Sdn Bhd ★
  - 50% Ligamas Sdn Bhd ▲
- 100% South-East Best Sdn Bhd ★
  - 100% Gracemart Resources Sdn Bhd ★
- 100% PJX Property Sdn Bhd ◆
  - 100% Kiara East Property Sdn Bhd ★
  - 100% Sinaran Naga Sdn Bhd ★
  - 50% Goldhill Achiever Sdn Bhd ★
- 100% SBC Towers Sdn Bhd ◆
- 100% Aureate Construction Sdn Bhd ★
- 100% SBC Leisure Sdn Bhd ◆
- 100% Masahmura Sdn Bhd ★
- 100% Masahmura Sales & Service Sdn Bhd ★
- 100% The Borneo Quay (Fast East) Holdings Sdn Bhd ★
- 70% PJX Car Parks Sdn Bhd ◆
- 70% PJX Retail Sdn Bhd ◆
- 70% PJX Commercial Sdn Bhd ◆
- 50% SBHC Developments Sdn Bhd ★
- 50% Varich Industries Sdn Bhd ▲
- 50% Tri-Development Co., Ltd ★
- 49% Built SBC Co., Ltd ★
- 49% Kanyara Co., Ltd ★

▲ Strategic Investment
★ Property Development
◆ Investment Holding
● Build / Construction

Group Financial Highlights

	2013	2012	2011	2010	2009
INCOME STATEMENTS	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	126,025	153,701	113,136	103,415	77,770
Profit before taxation	38,823	34,779	18,057	13,131	5,089
Profit after taxation	27,911	22,678	13,154	9,885	4,988
Profit attributable to equity holders	28,025	22,678	13,154	9,894	4,990
STATEMENT OF FINANCIAL POSITION					
Property, plant and equipment	4,974	4,299	4,579	5,078	5,709
Investments and other assets	237,769	243,366	188,739	173,616	166,923
Net current assets	85,252	52,523	55,599	68,056	46,133
Goodwill and deferred expenditure	12,489	16,395	22,271	26,957	28,586
	340,484	316,583	271,188	273,707	247,351
SHAREHOLDERS EQUITY					
Share capital	82,385	82,385	82,431	82,435	82,435
Reserves	206,856	180,994	159,861	146,632	137,665
Non-controlling Interests	245	259	-	31	37
Deferred liabilities	50,998	52,945	28,896	44,609	27,214
	340,484	316,583	271,188	273,707	247,351
SELECTED RATIOS					
Net earnings per share (sen)	34.0	28.0	16.0	12.0	6.1
Net assets per share (sen)	351	320	294	278	267
Gross dividend (%)	4.0	3.5	2.5	1.5	1.5

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2013.

FINANCIAL REVIEW

This year's lower revenue of **RM126.03 million (2012:RM153.70 million)** was mitigated with an overall **better bottom line performance**, recording **a higher profit after taxation of RM27.91 million (2012: RM22.68 million)**.

Chairman's Statement

OPERATIONS REVIEW

During this time, the Group's activities at all our flagship locations of KL, Selangor, Kota Kinabalu and Kuantan plus one (Jalan Ipoh, KL) were all in session. These five projects include DEX suites @ Kiara East, KL (condominiums), Cantonment Exchange @ Jalan Ipoh (shop offices), Section IV @ Bandar Batang Kali (landed double storey houses), The Peak Soho @ Kota Kinabalu (luxury condominiums) and commercial precinct Mahkota Aman @ Kuantan (shop offices). Three out of these five projects are expected to be handed over during coming financial year.

Subsequent to this financial year end, SBC continues to develop attractive & modern themed developments; one such theme is the topically popular theme of transport. In line with the growing popularity of transport-enabled properties such as PJX, Kiara East & Cantonment Exchange, SBC has been actively developing transport-enabled properties, which are those that are located around and integrated with train stations or with new highway links which significantly bring all the conveniences closer to the communities.

Subsequent to the year, SBC's latest project is the much sought after RM1.8 billion redevelopment of Jesselton waterfront in Kota Kinabalu, which was signed on 21st May 2013, with works commencement expected immediately after authorities' approvals expected to be in early 2014.

ECONOMIC AND BUSINESS OUTLOOK

With sound economic policies propagated by the Government and major towns' in-migration by a young workforce, the Group shall continue to leverage on SBC's rich delivery track record to make available, strong property propositions throughout the country.

Chairman's Statement

DIVIDEND

The Board is pleased to recommend a first and final dividend of 4.0% per ordinary share less 25% tax for the financial year ended 31 March 2013 subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to thank our valued shareholders, joint venture partners, business associates, bankers and government authorities for their confidence, understanding and continued support with the Board and the management of the SBC Group.

I would also like to add our appreciation to our customers and supporters of SBC's products and services, all of whom have place much trust with us, as custodian to their home and property investments.

Lastly, I would like to thank the SBC management team and employees of the Group. Your effective execution of corporate strategies through sheer hard work, commitment and team work in a demanding and ever-changing business environment have certainly contributed much to the success of the Group.

Thank you.

Ahmad Fizal bin Othman
Independent Non-Executive Chairman

Penyata Pengerusi

BAGI PIHAK LEMBAGA PENGARAH, SAYA DENGAN SUKACITANYA MEMBENTANGKAN LAPORAN TAHUNAN DAN PENYATA KEWANGAN YANG TELAH DIAUDIT UNTUK KUMPULAN DAN SYARIKAT BAGI TAHUN KEWANGAN BERAKHIR 31 MAC 2013.

ULASAN KEWANGAN

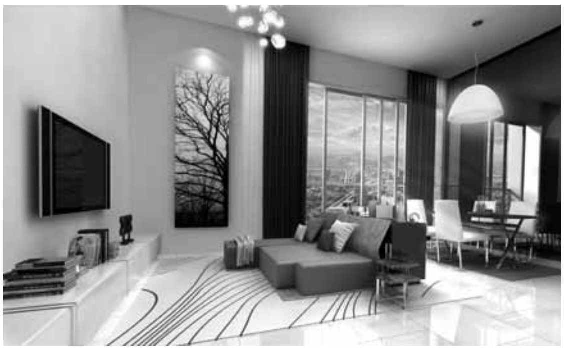
Pendapatan tahun ini mencatat perolehan yang lebih rendah sebanyak RM126.03 juta (2012: RM153.70 juta) tetapi telah diimbangi dengan prestasi keseluruhan yang menggalakkan dengan catatan keuntungan yang lebih tinggi selepas cukai sebanyak RM27.91 juta (2012: RM22.68 juta).

ULASAN OPERASI

Pada masa kini, aktiviti Kumpulan tertumpu di lokasi perdana iaitu KL, Selangor, Kota Kinabalu dan Kuantan serta satu lagi projek di Jalan Ipoh (Kuala Lumpur) yang sedang dijalankan. Kelima-lima projek ini termasuk DEX suites @ Kiara East, KL (kondominium), Cantonment Exchange @ Jalan Ipoh (pejabat kedai), Seksyen IV @ Bandar Batang Kali (rumah teres dua tingkat), "The Peak Soho" @ Kota Kinabalu (kondominium mewah) dan precinct perdagangan Mahkota Aman @ Kuantan (pejabat kedai). Tiga daripada lima projek-projek yang tersebut dijangka akan disiapserahkan pada tahun kewangan yang akan datang.

Berikutinya selepas akhir tahun kewangan ini, SBC akan terus membangunkan hartanah menarik dan moden yang bertemakan kepada topikal popular berasas pengangkutan. Sejajar dengan populariti hartanah yang mempunyai kemudahan pengangkutan awam yang meningkat seperti PJX, Kiara East dan Cantonment Exchange, SBC giat membangunkan hartanah di sekitar dan disepadukan dengan transit atau aliran lebuh raya baru yang memudahkan dan menrapatkan komuniti.

Bagi tahun berikutnya, SBC telahpun menandatangani projek terbaru yang berjumlah RM1.8 bilion sebagai pembangunan semula Jesselton waterfront di Kota Kinabalu pada 21 Mei 2013. Permulaan pembangunan ini dijangka pada awal tahun 2014 semasa mendapat kelulusan daripada pihak berkuasa,



Penyata Pengerusi

TINJAUAN EKONOMI DAN PERNIAGAAN

Dengan polisi ekonomi mapan yang diperkenalkan oleh Kerajaan dan penhijrahan ke bandar oleh golongan generasi kerja muda, Kumpulan akan terus bersandarkan rekod menyerahsiap projek yang amat baik demi menawarkan hartanah yang kukuh di seluruh negara.

DIVIDEN

Lembaga Pengarah dengan sukacitanya mencadangkan pembayaran dividen pertama dan akhir sebanyak 4.0% bagi setiap syer biasa tolak 25% cukai bagi tahun kewangan berakhir 31 Mac 2013 tertakluk kepada kelulusan para pemegang saham pada Mesyuarat Agung Tahunan Syarikat yang akan datang.

PENGHARGAAN DAN TERIMA KASIH

Bagi pihak Lembaga Pengarah, saya ingin mengucapkan ribuan terima kasih kepada para pemegang saham, rakan-rakan bersekutu dan niaga, ahli-ahli bank dan pihak kerajaan di atas keyakinan, persefahaman dan sokongan berterusan mereka terhadap Lembaga Pengarah dan pihak pengurusan Kumpulan SBC.

Saya juga ingin mengucapkan terima kasih kepada para pelanggan dan penyokong produk dan perkhidmatan SBC, dan mereka yang telah memberi kepercayaan kepada Kumpulan dalam bidang pelaburan hartanah dan kediaman.

Akhirnya, saya ingin mengucapkan terima kasih kepada pihak pengurusan dan para pekerja SBC. Pelaksanaan strategi korporat yang efektif menerusi usaha, kesungguhan, komitmen dan kerjasama, terutama di dalam persekitaran perniagaan yang mencabar dan sentiasa berubah, tentunya banyak menyumbangkan kepada kejayaan Kumpulan.

Terima kasih.

Ahmad Fizal bin Othman
Pengerusi Bebas Bukan Eksekutif

Statement of Corporate Governance

The Board of Directors of SBC Corporation Berhad remains firmly committed towards ensuring the highest standard of corporate governance is maintained throughout the Company and its subsidiaries ("the Group"). Hence, the Board is fully dedicated to continuously evaluating the Group's corporate governance practices and procedures with a view to ensure the principles and recommendations in corporate governance as promulgated by the Malaysian Code on Corporate Governance 2012 ("the Code") are applied and adhered to in the best interests of the stakeholders.

This disclosure statement sets out the manner in which the Group has applied and complied with the principles and recommendations of the Code and the extent of compliance.

BOARD OF DIRECTORS

Composition and Balance

The Board presently has 5 members, comprising 1 Independent Non-Executive Chairman, 2 Independent Non-Executive Directors, 1 Non-Executive Director and 1 Managing Director which satisfies Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements of having at least 2 Directors or 1/3 of the Board whichever is higher, who are Independent Directors.

The Directors have a wide range of experience and skills and are from diverse backgrounds relevant to managing and directing the Group's operations. The Managing Director is responsible for implementing policies of the Board, overseeing the Group's operations and developing the Group's business strategies. The role of the Independent Non-Executive Directors is to provide objective and independent judgement to the decision making of the Board and as such, provide an effective check and balance to the Board's decision making process.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company and represents the needed mix of skills and experience required to discharge the Board's duties and responsibilities effectively. Furthermore, no individual Director or group of Directors can dominate the Board's decision making process.

All of the Board members serve as directors in not more than five boards of listed companies, to ensure they devote sufficient time to carry out their responsibilities.

The profiles of the members of the Board are set out in this Annual Report under the section named Profile of the Directors.

Duties and Responsibilities

The Board recognises its key role in charting the strategic direction, development and control of the Group and has adopted the specific responsibilities that are listed in the Code, which facilitates the discharge of the Board's stewardship responsibilities. In order to deliver both fiduciary and leadership functions, the Board, amongst others, assumes the following key responsibilities as per recommendations of the Code –

- Setting the objectives, goals and strategic plan for the Company with a view to maximizing shareholder value and promoting sustainability;
- Adopting and monitoring progress of the Company's strategy, budgets, plans and policies;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- To consider and approve reserved matters covering corporate policies, material investment and acquisition / disposal of assets;
- Identifying principal risks and ensure implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- Developing and implementing an investor relations programme or shareholder communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Statement of Corporate Governance

Along with good governance practices and to enhance transparency, accountability and timely disclosure of material information, the Board has put in place the following policies and procedures and they are made available at the Company's website at **http : // www. sbcgroup.com.my** -

- Board Charter;
- Code of Ethics and Conduct;
- Whistle Blowing Policy; and
- Corporate Disclosure Policy.

The roles of the Independent Non-Executive Chairman and the Managing Director are clearly distinct to ensure that there is a balance of power and authority on the board. The Independent Non-Executive Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Managing Director is responsible for the day-to-day running of the business and implementation of Board policies and decisions adopted by the Board.

Ahmad Fizal Bin Othman is the Senior Independent Non-Executive Director to whom concerns may be conveyed.

Board Meetings

The Board meets on a scheduled basis once every quarter with additional meetings held as and when urgent issues and important decisions are required to be taken between the scheduled meetings. During the financial year ended 31 March 2013, the Board met 4 times where it deliberated on and considered matters relating to the Group's financial performance, significant investments, corporate development, strategic issues and business plan.

Details of each Director's attendance of Board meetings are set out as follows:

Name of Director	No. of meetings attended
Ahmad Fizal bin Othman – Appointed as Independent Non-Executive Chairman on 21 August 2013	4/4
Sia Kwee Mow @ Sia Hok Chai (Executive Chairman) – Deceased on 14 April 2013	3/4
Sia Teong Heng (Managing Director)	4/4
Mun Chong Shing @ Mun Chong Tian (Non-Executive Director)	4/4
Dato' Dr. Norraesah bt. Haji Mohamad (Independent Non-Executive Director) – Resigned on 25 October 2012	2/2
Lee Kong Leong (Independent Non-Executive Director) – Appointed on 2 October 2012	2/2
Datuk Roselan Johar bin Johar Mohamed (Independent Non-Executive Director) – Appointed on 14 June 2013	Not applicable

The Board members have unrestricted and timely access to all information necessary for the discharge of their responsibilities. All Directors are provided with all relevant information and reports on financial, operational, corporate, regulatory, business development by way of Board papers or upon specific request for informed decision making and effective discharge of their duties. These documents are comprehensive and include qualitative and quantitative information to enable the Board members to make informed decisions. Notice of Board Meetings and board papers are provided to Directors in advance so that meaningful deliberation and sound decisions can be made at Board meetings. All proceedings of the Board meetings are minuted by the Company Secretary.

There is a formal schedule of matters reserved specifically for Board's decisions. These include approval of key policies, significant acquisitions and disposals of assets, significant investments and approval of budgets and corporate plans.

Statement of Corporate Governance

To assist in the discharge of their responsibilities and duties, all Directors have access to the advice and services of the Company Secretary. If required, the Directors may engage independent professionals at the Group's expense, in the furtherance of their duties.

New appointment, Re-election and Re-appointment of Directors

In accordance with the Company's Articles of Association, one third of the Directors shall retire by rotation from office and be eligible for re-election at the annual general meeting and all new Directors appointed by the Board are subject to re-election by shareholders at the first opportunity after their appointment. Furthermore, each Director shall retire from office at least once in every three years. Directors who are of or over the age of seventy years shall also retire from office and be eligible for re-appointment at the annual general meeting pursuant to Section 129 (6) of the Companies Act, 1965.

The Nominating Committee and the Board acknowledge the boardroom gender diversity as published in the Code and recognise business benefits of having a balanced board. Hence, appointment of new board members will be guided by gender, skill, competencies, knowledge, experience, commitment and integrity of the candidate.

The Board wishes to highlight that although Ahmad Fizal Bin Othman has served as an Independent Non-Executive Director for more than nine years, the Board, as recommended by the Nominating Committee, is fully satisfied that he demonstrates complete independence in character and judgement both in his designated role and as Board member and is of the opinion that he continues to bring independent view of the Company's affairs to the Board notwithstanding his length of service. The Board believes that his in-depth knowledge of the Group's business and his extensive and expertise continue to provide invaluable contribution to the Board. As such, the Board recommends him to be retained as an Independent Non-Executive Director and would be seeking shareholders' approval for the same at the forthcoming annual general meeting.

Directors' Training

All members of the Board have attended the Mandatory Accreditation Programme. Pursuant to Paragraph 15.08 of the Bursa Securities Listing Requirements, the Board is responsible to identify the training needs of its Directors which will aid them in the discharge of their duties on a continuous basis. The Board noted that the Nominating Committee is satisfied that the Board comprises qualified people with professional background, expertise in various fields and practical experience. Nevertheless, the Board encourages its Directors to go for training on their own initiative from time to time in order to keep them abreast of the latest developments in the market-place as well as the current changes in the laws, regulations and accounting standards.

During the financial year, the Board recommended all its members to attend a half day training course entitled "Understanding the Governance Framework For Boardroom Excellence – MCCG 2012 & Amended Listing Requirements". The following Directors had attended the said course on 14 March, 2013 -

1) Sia Kwee Mow @ Sia Hok Chai
2) Sia Teong Heng
3) Mun Chong Shing @ Mun Chong Tian

Ahmad Fizal bin Othman and Lee Kong Leong did not attend the said course because both were overseas. The training course attended by Ahmad Fizal bin Othman was "Withholding Taxes – Law and Implications on Cross Border Transactions" on 19 March 2013 and by Lee Kong Leong was "Integrating Corporate Governance with Business Acumen" on 26 March 2013.

For new Directors, a familiarisation program will be conducted for them. This includes a presentation of the Group's operations by senior management and visits to the existing project sites.

Lee Kong Leong and Datuk Roselan Johar bin Johar Mohamed had attended the Mandatory Accreditation Programme for Public Listed Companies on 10 to 11 October 2012 and 3 to 4 July 2013 respectively.

Board Committees

The Board has delegated certain of its responsibilities to the three Committees, namely the Audit, the Nominating and the Remuneration Committees with clearly defined terms of reference in assisting the Board to discharge its duties and responsibilities effectively.

Statement of Corporate Governance

AUDIT COMMITTEE

The report of the Audit Committee is set out on pages 25 to 29 of this annual report.

NOMINATING COMMITTEE ("NC")

The NC presently comprises 4 members, 1 is Independent Non-Executive Chairman, 2 are Independent Non-Executive Directors and 1 is Non-Executive Director. The NC has held one meeting during the financial year ended 31 March 2013. The attendance of the members of the NC at the meeting is as follows:-

Name of members	No. of meetings attended
Ahmad Fizal bin Othman - Chairman (Independent Non-Executive Chairman)	1
Dato' Dr Norraesah bt Haji Mohamad (Independent Non-Executive Director) – Resigned on 25 October 2012	Not applicable
Lee Kong Leong (Independent Non-Executive Director) – Appointed on 2 October 2012	1
Mun Chong Shing @ Mun Chong Tian (Non-Executive Director)	1
Datuk Roselan Johar bin Johar Mohamed (Independent Non-Executive Director) – Appointed on 14 June 2013	Not applicable

The terms of reference of the NC are as follows:

(a) Membership

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist exclusively of non-executive Directors, with a minimum of 3, a majority of whom are independent.

The members of the Committee shall elect the Chairman from among their number who shall be an independent director.

In order to form a quorum in respect of a meeting of the Committee, the members present must be wholly or a majority of whom must be independent directors.

(b) Frequency of meetings

Meetings shall be held not less than once a year. The Company Secretary shall be the Secretary of the Committee.

(c) Authority

The Committee is to recommend new nominees for the Board and the board committees and to assess Directors on an on-going basis. The actual decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Committee.

Statement of Corporate Governance

(d) Duties

The duties of the Committee shall be:

(i) to recommend to the Board, candidates for all directorships and in doing so, preference shall be given to shareholders or existing Board members and candidates proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any director or shareholder may also be considered.

(ii) to recommend to the Board, directors to fill the seats on board committees.

(iii) to review annually, on behalf of the Board, the required mix of skills, experience and other qualities, including core competencies, which non-executive directors should bring to the Board.

(iv) to carry out annually, on behalf of the Board, the assessment of the effectiveness of the Board as a whole, the board committees and the contribution of each director.

(e) Reporting procedures

The Company Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

The criteria to assess independence of independent directors and the procedure of recruitment / selection for directorship are made available at the Company's website at **http : // www.sbcgroup.com.my**

At the meeting of the NC during the financial year ended 31 March 2013, the following matters were considered and resolved:

(a) re-appointment and re-election of Directors at the Twenty-third Annual General Meeting;
(b) assessment of independence of independent directors;
(c) mix of skills, experience and qualities of all Directors;
(d) the effectiveness of the Board and the contribution from each Board member; and
(e) nomination of director and committee member.

REMUNERATION COMMITTEE ("RC")

The RC presently comprises 4 members, 1 is Independent Non-Executive Chairman, 2 are Independent Non-Executive Directors and 1 is Non-Executive Director. The NRC has held one meeting during the financial year ended 31 March 2013. The attendance of the members of the RC at the meeting is as follows:

Name of members	No. of meetings attended
Ahmad Fizal bin Othman – Chairman (Independent Non-Executive Chairman)	1
Dato' Dr Norraesah bt Haji Mohamad (Independent Non-Executive Director) – Resigned on 25 October 2012	Not applicable
Lee Kong Leong (Independent Non-Executive Director) – Appointed on 2 October 2012	1
Mun Chong Shing @ Mun Chong Tian (Non-Executive Director)	1
Datuk Roselan Johar bin Johar Mohamed (Independent Non-Executive Director) – Appointed on 14 June 2013	Not applicable

Statement of Corporate Governance

The terms of reference of the RC are as follows:

(a) Membership

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of at least 3 directors, wholly or a majority of whom are non-executive directors.

The members of the Committee shall elect the Chairman from among their number who shall be a non-executive director.

In order to form a quorum in respect of a meeting of the Committee, the members present must be wholly or a majority of whom must be non-executive directors.

(b) Frequency of meetings

Meetings shall be held not less than once a year. The Company Secretary shall be the Secretary of the Committee.

(c) Authority

The Committee is authorized to draw from outside advice as and when necessary in forming its recommendation to the Board on the remuneration of the executive directors in all its forms. Executive directors should play no part in decisions on their own remuneration and should abstain from discussion of their own remuneration.

The determination of the remuneration packages of the non-executive directors, including non-executive chairman, should be a matter for the Board as a whole. The individuals concerned should abstain from discussion of their own remuneration.

(d) Duty

The duty of the Committee is to recommend to the Board the structure and level of remuneration of executive directors.

(e) Reporting procedures

The Company Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

The remuneration policy for executive directors and the remuneration policy for non-executive directors are made available at the Company's website at **http : // www.sbcgroup.com.my**

During the financial year ended 31 March 2013, the RC met once to discuss and consider the remuneration of the Executive Chairman and Managing Director for year 2013.

Statement of Corporate Governance

DIRECTORS' REMUNERATION

The details of the remuneration of each Director during the financial year ended 31 March 2013 are as follows:

(a) Total Remuneration

	Basic Salary	Bonuses	Fees	Benefits-in-kind	Attendance Fee	Total
	RM	RM	RM	RM	RM	RM
Executive						
Sia Kwee Mow @ Sia Hok Chai	600,000	282,000	-	27,550	-	909,550
Sia Teong Heng	604,800	376,320	-	-	-	981,120
Non-Executive						
Mun Chong Shing @ Mun Chong Tian	-	-	36,000	-	3,000	39,000
Dato' Dr. Norraesah bt. Haji Mohamad	-	-	20,986	-	1,200	22,186
Ahmad Fizal bin Othman	-	-	38,364	-	3,000	41,364
Lee Kong Leong	-	-	17,903	-	1,800	19,703
Total	1,204,800	658,320	113,253	27,550	9,000	2,012,923

(b) Directors' remuneration by bands

	Executive	Non-Executive	Total
RM1 to RM50,000	-	4	4
RM50,001 to RM100,000	-	-	-
RM100,001 to RM150,000	-	-	-
RM150,001 to RM200,000	-	-	-
RM200,001 to RM250,000	-	-	-
RM250,001 to RM300,000	-	-	-
RM300,001 to RM350,000	-	-	-
RM350,001 to RM400,000	-	-	-
RM400,001 to RM450,000	-	-	-
RM450,001 to RM500,000	-	-	-
RM500,001 to RM550,000	-	-	-`
RM550,001 to RM600,000	-	-	-
RM600,001 to RM650,000	-	-	-
RM650,001 to RM700,000	-	-	-
RM700,001 to RM750,000	-	-	-
RM750,001 to RM800,000	-	-	-
RM800,001 to RM850,000	-	-	-
RM850,001 to RM900,000	-	-	-
RM900,001 to RM950,000	1	-	1
RM950,001 to RM1,000,000	1	-	1
Total	2	4	6

Statement of Corporate Governance

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to convey a balanced and understandable assessment of the Group's financial position and prospects through the quarterly results and annual reports/financial statements to the Company's shareholders and regulators.

The Responsibility Statement by the Directors pursuant to Bursa Securities Listing Requirements is set out on page 30.

Internal Control

The Board acknowledges its responsibility for maintaining a sound internal controls system, which provides reasonable assurance in ensuring the effectiveness and efficiency of operations and the safeguard of assets and interest in compliance with laws and regulations as well as with internal financial administration procedures and guidelines.

The Group's Statement on Risk Management and Internal Control is set out on pages 23 to 24.

Relationship with Auditors

The Board maintains a close and transparent professional relationship with the Group's internal and external auditors through the Audit Committee. In the course of audit of the Group's operations, the internal and external auditors have highlighted all important matters to the Audit Committee. The Audit Committee will then bring up the matters for the Board's attention if it is necessary.

The Group has paid RM20,000 of non-audit fees to the external auditors for the financial year ended 31 March 2013.

Relationship with Shareholders and Investors

The primary tools of communication with the shareholders of the Company are through annual reports, circulars, announcements through Bursa Securities and the Company's website at **http://www.sbcgroup.com.my**. All queries from shareholders and members of public received through phone calls or letters are handled by the Managing Director, Group Financial Controller or Company Secretary.

At the annual general meeting and extraordinary general meeting, the Chairman gives shareholders ample opportunity to participate through questions on the prospects, performance of the Group and other matters of concern to them with the Board.

ADDITIONAL COMPLIANCE INFORMATION

In conformance with the requirements of Bursa Securities, the following compliance information is provided:

1. **Materials Contracts Involving Directors' and Major Shareholders' Interest**

   There were no material contracts entered into by the Company and its subsidiaries which involved the directors' and major shareholders' interests subsisting at the end of the financial year ended 31 March 2013 or entered into since the end of the previous financial year.

2. **Utilisation of Proceeds**

   There were no proceeds raised from any proposals by the Company during the financial year.

3. **Share Buy-backs**

   During the financial year, there was no share buy-back from the open market on Bursa Malaysia Securities Berhad.

   As at 31 March 2013, the Company held a total of 58,900 treasury shares.

Statement of Corporate Governance

None of the treasury shares held were resold or cancelled during the financial year. Other details of the share buy-back and treasury shares are disclosed in Note 25 to the financial statements for the year ended 31 March 2013.

The Company is seeking a renewal of shareholders' mandate for the share buy-back at the forthcoming Annual General Meeting.

4. Options or Convertible Securities

There were no options or convertible securities issued by the Company during the financial year.

5. Depository Receipt Programme

During the financial year, the Company did not sponsor any depository receipt programme.

6. Sanctions and / or Penalties

There were no sanctions and / or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year.

7. Variation in Results

There was no material variation between the results for the financial year and the unaudited results previously announced.

8. Profit Guarantee

There was no profit guarantee given by the Company in respect of the financial year.

9. Corporate Social Responsibility

The Group will continuously ensure that all activities relating to corporate social responsibility are considered and supported in its operations for the well being of stakeholders and community.

The Group had undertaken and participated in the corporate social responsibility activities as follows:-

(a) A donation of RM175.00 to Mouth & Foot Painting Artists Sdn.Bhd.;
(b) A contribution of RM1,000.00 to Veritas Architect Sdn.Bhd. for the Tree Planting Project;
(c) A contribution of RM5,000.00 to Kementerian Penerangan, Komunikasi dan Kebudayaan on Creative Malaysia;
(d) A contribution of RM5,000.00 to The Institution of Surveyors Malaysia (Sabah Branch) for Charity Dinner;
(e) A contribution of RM2,500.00 to Persatuan Hemodialisis Kinabalu Sabah for Charity Night; and
(f) A contribution of RM2,500.00 to Risworld Creation on Charity Dinner Show "Moment With Elvis Presley".

As part of efforts towards the preservation of environment, the Group will ensure there are measures at the construction sites to prevent any adverse impact on the environment. The Group will also ensure priority will be given to environmental friendly material to be used in all the construction with balance of benefit and cost.

The Group also recognises the important of staff welfare and provides continuous training including taking appropriate construction work safety measures for the employees.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("the Board") of SBC Corporation Berhad is committed to maintain a sound system of risk management and internal control of the Group and is pleased to provide The Board's Statement on Risk Management and Internal Control ("the Statement"), which outline the nature and scope of risk management and internal control of the Group for the financial year ended 31 March 2013. The Statement is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and in accordance with the Principles and Recommendations relating to risk management and internal control provided in the Malaysian Code on Corporate Governance 2012.

BOARD RESPONSIBILITY

The Board acknowledges that it is ultimately responsible for the Group's systems of risk management and internal control and for reviewing the adequacy and integrity of the Risk Management and Internal Control ("RMIC") systems to ensure that shareholders' interests and the Group's assets are safeguarded. In this respect, the responsibility of reviewing the adequacy and integrity of the RMIC systems has been delegated to the Audit Committee, which is empowered by its terms of reference to seek the assurance on the adequacy and integrity of the RMIC systems through reports it receives from independent reviews conducted by the internal audit function and management.

However, as there are inherent limitations in any system on risk management and internal controls, such RMIC systems put into effect by Management can only manage rather than eliminate all the risks that may impede the achievement of the Group's business objectives or goals. Therefore, the RMIC systems can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

RISK MANAGEMENT FRAMEWORK

The Board regards risk management as an integral part of the Group's business operations. The Group has an embedded process for the identification, evaluating, reporting, treatment, monitoring and reviewing of the business and operation risk within the Group. Both the Audit Committee and the Board review the effectiveness of the risk management function and deliberate on the risk management and internal control framework, functions, processes and reports on a regular basis.

Key management staffs and Head of Departments are delegated with the responsibility to manage identified risks within defined parameters and standards. Periodic management meetings were held in which key risks and the appropriate mitigating controls were discussed. Significant risks affecting the Group's strategic and business plans are brought to the attention of the Board at their scheduled meetings.

The abovementioned risk management practices of the Group serve as the on-going process used to identify, evaluate and manage significant risks.

Statement on Risk Management and Internal Control

INTERNAL AUDIT FUNCTIONS

The Group has set up its Internal Audit Department. They report directly to the Audit Committee and assist the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control systems. The internal audit function did not perform any review and assessment of the Group's associate companies as the Group does not have the full management control over the associates.

The key elements of the Group's risk and controls system are structured as such:

- An organizational structure, which clearly defines the lines of responsibility, proper segregation of duties and delegation of authority;
- The results of audits conducted by internal auditor are reported to the Audit Committee. Follow-up action and the review of the status of action taken as per the internal auditors' recommendations are carried out by the Management. The Audit Committee holds regular meetings to deliberate on the findings and recommendations for improvement;
- The Managing Director is closely involved in the running of business and operation of the Group and he reports to the Board on significant changes in the business and external environment, which affect the operation of the Group at large;
- Regular management meetings are held to discuss the Group's performance, business operation and management issues as well as formulate appropriate measures to address them; and
- The Group has established policies and procedures to support the Group's various business activities.

The total cost incurred for the Group's internal audit function in respect of the financial year ended 31 March 2013 was RM25,000.

REVIEW BY THE BOARD

The Board also received assurances from the Managing Director and the Group Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects based on the risk management and internal control system of the Group.

REVIEW ON THE STATEMENT BY THE EXTERNAL AUDITORS

As required by the Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Company and of the Group for the financial year ended 31 March 2013. The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding to the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal control.

CONCLUSION

The Board is of the view that the Group's system of risk management and internal controls is adequate to safeguard shareholder's investments and the Group's assets. The Board is conscious of the fact that the system of internal control and risk management practices must continuously evolve to support the Group's operations and changing business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal control.

Audit Committee Report

The Board of SBC Corporation Berhad is pleased to present the Audit Committee Report for the financial year ended 31 March 2013.

Composition and Meetings

The Audit Committee presently comprises 4 members, 1 is Independent Non-Executive Chairman, 2 are Independent Non-Executive Directors and 1 is Non-Executive Director. During the financial year ended 31 March 2013, the Committee met four times. The name of the members and their attendance at meetings are as follows:-

Name of members	No. of meetings attended
Dato' Dr Norraesah bt Haji Mohamad – Resigned as Chairperson / member on 25 October 2012 (Independent Non-Executive Director)	2/2
Ahmad Fizal bin Othman – Appointed as Chairman on 20 November 2012. Resigned as Chairman on 21 August 2013 and remains as member (Independent Non-Executive Chairman)	4/4
Lee Kong Leong – Appointed as member on 2 October 2012 (Independent Non-Executive Director)	2/2
Mun Chong Shing @ Mun Chong Tian (Non-Executive Director)	4/4
Datuk Roselan Johar bin Johar Mohamed – Appointed as member on 14 June 2013 and as Chairman on 21 August 2013 (Independent Non-Executive Director)	Not applicable

The Audit Committee normally meets four times a year with additional meetings convened between scheduled meetings, if necessary, to deliberate on urgent and significant matters.

The Group Financial Controller and the Internal Auditors and representative of the External Auditors attended the meetings at the invitation of the Audit Committee, where considered necessary. The Company Secretary is responsible for distributing the notice of the meetings and relevant papers to the Audit Committee members prior to their meetings and recording the proceedings of the meetings thereat.

Internal Audit Function

During the financial year ended 31 March 2013, the Company has set up a new Internal Audit Department in place of the outsourced internal auditors. The Internal Audit Department is independent from the activities or operations of other operation units. The principal role of the Internal Auditor is to undertake independent, regular and systematic review of the Group's systems of internal control so as to provide reasonable assurance that such systems continue to operate efficiently and effectively. It is the responsibility of the Internal Auditor to provide the Audit Committee with independent and objective reports on the state of internal control of various operating units within the Group and the extent of compliance of the units with Group's established policies and procedures as well as relevant statutory requirements.

Audit Committee Report

Summary of Activities of the Audit Committee

In line with the terms of reference of the Audit Committee, the following activities were carried out by the Audit Committee during the financial year ended 31 March 2013:-

a) Discussed and reviewed the Audit Planning Memorandum which covers the external auditor's plan, scope and nature of work.
b) Reviewed the Audit Review Memorandum in relation to their findings and accounting issues arising from the audit of the Group's annual financial results.
c) Reviewed the unaudited quarterly report on the consolidated results of the Group for the quarters ended 31 March 2012, 30 June 2012, 30 September 2012 and 31 December 2012.
d) Assessed the Group's financial performance.
e) Reviewed related party transactions and conflicts of interest situation that may arise within the Group.
f) Reviewed and approved the internal audit plan and the internal audit reports and followed up on the remedial actions implemented by the Management in respect of the internal control weaknesses identified.
g) Reviewed the Group's risk management policy and framework.
h) Reviewed the Group's compliance with the applicable approved accounting standards issued by the Malaysian Accounting Standards Board and other relevant legal and regulatory requirements.

Summary of Activities of the Internal Audit Function

During the financial year ended 31 March 2013, the Internal Auditor and the management have:-

a) Right sized all the reports pertaining to project accounts in particular reporting variation order;
b) Checked for accuracy and completeness;
c) Identified gaps within these reports to feedback to management and be part of a fresh committee to re-examine how a new standalone project accountability structure can be implemented to better identify project profitability and project cash flows, with which each project leader will be better empowered; and
d) Evaluated, prepared, developed, conducted and managed financial and compliance audits, by way of assessing the adequacy and effectiveness of internal controls through direct review and verification of records for compliance with standards, policies and procedures.

The above reviews cover all the offices and project sites which are located in Kuala Lumpur, Batang Kali, Kuantan and Kota Kinabalu.

In accordance with the approved audit plan for 2012/2013, the areas reviewed by the internal audit function were as follows:-

a) Management and operational review of companies within the Group;
b) Management of progress billing;
c) Project status and cost monitoring;
d) Credit control and collection;
e) Execution of sales and purchase agreement;
f) Sales processing;
g) Feasible studies and planning;
h) Preparation of cost estimation / project budgeting;
i) Master schedule;
j) Submission of regulation approval management;
k) Approval and contract award management;
l) Mobilization of resources;
m) Program evaluation;
n) Financial analysis and planning;
o) Project monitoring and cost monitoring;
p) Project meeting and reporting;

Audit Committee Report

q) Value engineering;
r) Contractor pre-qualification;
s) Tender management for design and construction;
t) Contractor and agreement;
u) Review of relevant policies and procedures; and
v) Related party transactions.

A number of minor internal control weaknesses were identified during the year, all of which have been addressed by the Management. None of the weaknesses has resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The annual internal audit plan for 2013/2014 was presented to the Audit Committee for review and approval during the financial year ending 31 March 2014. The activities of the internal audit function cover the following areas:-

a) Present a Risk-based Annual Audit Plan for the Audit Committee's review and approval;
b) Will perform company-wide operation and special audits giving due attention to high and medium risk area of concerns;
c) Follow up on the status of rectification where weakness areas are highlighted with regards to significant issues and keep the Audit Committee abreast of the current status and
d) Furnished Internal Audit Report to the Audit Committee as updated on internal audit activities.

The above reviews cover all the offices and project sites which are located in Kuala Lumpur, Batang Kali, Kuantan and Kota Kinabalu.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Membership

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of at least three members. All the members must be non-executive directors, with a majority of them are independent directors. At least one member of the Committee:

(i) must be a member of the Malaysian Institute of Accountants ("MIA"); or

(ii) if he is not a member of the MIA, he must have at least three years working experience and
- he must have passed the examinations specified in Part I of the 1st Schedule to the Accountant Act, 1967; or
- he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule to the Accountants Act, 1967; or

(iii) fulfills such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

The members of the Committee shall elect a Chairman from amongst their number who shall be an independent director. In order to form a quorum in respect of a meeting of the Committee, the majority of the members present must be independent directors.

Attendance At Meetings

The Group Financial Controller and the internal auditors and representatives of the external auditors shall normally attend meetings. Other directors and employees of the Company may attend meetings at the Committee's invitation. The Committee shall be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

The Company Secretary shall be the secretary of the Committee.

Audit Committee Report

Frequency Of Meetings

Meetings shall be held not less than four times a year. The external auditors may request a meeting if they consider that one is necessary.

Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all the employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of an outsider with relevant experience and expertise, if it considers this necessary.

Duties

The duties of the Committee shall be:

(1) to consider the appointment of the external auditors, the audit fees and any questions of nomination, resignation or dismissal.

(2) to discuss with the external auditors before the audit commences the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved.

(3) to discuss with the external auditors the evaluation of the system of internal controls, audit report and ensure assistance given by the employees to the external auditors.

(4) to review the quarterly and year-end financial statements before submission to the Board, focusing particularly on:
- any changes or implementation of changes in accounting policies and practices;
- major judgement areas;
- significant adjustments arising from the audit;
- significant and unusual events;
- the going concern assumption;
- compliance with accounting standards; and
- compliance with Bursa Malaysia Securities Berhad and legal requirements.

(5) to discuss problems and reservations arising from the interim and final audits and any matters the external auditor may wish to discuss (in the absence of management, where necessary).

(6) to review the external auditors' management letter and management's response.

(7) to do the following in respect of the internal audit function:
- review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.
- review the internal audit programme and processes and results of the internal audit programme, processes and investigation and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function.
- review any appraisal or assessment of the performance of the members of the internal audit function.
- approve the appointment or termination of senior staff members of the internal audit function.
- inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

Audit Committee Report

(8) to consider any related party transaction and conflict of interest situations that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

(9) to consider the major findings of internal investigations and management's response and ensure co-ordination between internal and external auditors.

(10) to consider other topics, as defined by the Board.

Reporting

The Company Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

Statement of Directors' Responsibilities
IN RESPECT OF THE PREPARATION OF THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the financial statements of the Group are drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and the Company as of 31 March 2013 and of the results and cash flows of the Group and Company for the financial year ended on that date.

In preparing the financial statements, the Directors have:

(a) adopted suitable accounting policies and applied them consistently;

(b) made judgements and estimates that are prudent and reasonable;

(c) ensured the adoption of applicable approved accounting standards; and

(d) used the going concern basis for the preparation of the financial statements.

The Directors are responsible for ensuring proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and are kept in accordance with the Companies Act, 1965. The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the Group's assets and to prevent and detect fraud and other irregularities.

Financial Statements

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.

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.

Directors' Report

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.

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.

Directors' Report

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.

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' Report

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.

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.

Directors' Report

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

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 JULY 2013

Sia Teong Heng

Mun Chong Shing @ Mun Chong Tian

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 40 to 118 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 JULY 2013

Sia Teong Heng

Mun Chong Shing @ Mun Chong Tian

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 40 to 118 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 JULY 2013

Lee Yan Yaw

Before me

Datin Hajah Raihela Wanchik (W275)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SBC CORPORATION BERHAD

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 40 to 118.

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.

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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SBC CORPORATION BERHAD

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 119 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.

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
29 JULY 2013

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

Kuala Lumpur

Statements of Financial Position

AT 31 MARCH 2013

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
	NOTE	RM	RM	RM	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.

Statements of Financial Position
AT 31 MARCH 2013

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
	NOTE	RM	RM	RM	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.

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
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		

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

Statements of Changes in Equity
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

		NON-DISTRIBUTABLE				DISTRIBUTABLE			
	NOTE	SHARE CAPITAL RM	SHARE PREMIUM RM	LEGAL RESERVE RM	TREASURY SHARES RM	RETAINED PROFITS RM	ATTRIBUTABLE TO OWNERS OF THE GROUP RM	NON-CONTROLLING INTERESTS RM	TOTAL EQUITY RM
THE GROUP									
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.

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

		← NON-DISTRIBUTABLE		→	DISTRIBUTABLE	
		SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	RETAINED PROFITS	TOTAL EQUITY
	NOTE	RM	RM	RM	RM	RM
THE COMPANY						
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

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

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
	NOTE	RM	RM	RM	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.

Statements of Cash Flows
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
	NOTE	RM	RM	RM	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)

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

Statements of Cash Flows
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
	NOTE	RM	RM	RM	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

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

Notes to the 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

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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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
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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

3. BASIS OF PREPARATION (Cont'd)

3.2 (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.

(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.

(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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

3. BASIS OF PREPARATION (Cont'd)

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.

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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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.

(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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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.

(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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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.

- 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.2 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

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

  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.

  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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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.

4.4 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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.4 Basis of Consolidation (Cont'd)

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.

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.

<u>Business combinations from 1 April 2011 onwards</u>

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.

<u>Business combinations before 1 April 2011</u>

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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

4.6 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.7 Investments in Associates (Cont'd)

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.

4.8 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.

4.9 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.9 Property, Plant and Equipment (Cont'd)

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.

4.10 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.

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.11 Impairment (Cont'd)

(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.

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.

4.14 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

4.17 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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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.

4.23 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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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.

(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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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.

5. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2013	**2012**
	RM	**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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

5. INVESTMENT IN SUBSIDIARIES (Cont'd)

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

Name of Company	Effective Equity Interest 2013 %	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.
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.
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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

6. INVESTMENT IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	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

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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 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)

8. PROPERTY, PLANT AND EQUIPMENT

	AT 1.4.2012	ADDITIONS	WRITTEN OFF / TRANSFER	DEPRECIATION CHARGE	AT 31.3.2013
	RM	RM	RM	RM	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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

8. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	AT 1.4.2011	ADDITIONS	DISPOSALS	DEPRECIATION CHARGE	AT 31.3.2012
	RM	RM	RM	RM	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

	AT COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE
	RM	RM	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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

8. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	AT COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE
	RM	RM	RM
THE GROUP (Cont'd)			
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	ADDITION	DEPRECIATION CHARGE	AT 31.3.2013
	RM	RM	RM	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

	AT 1.4.2011	ADDITION	DEPRECIATION CHARGE	AT 31.3.2012
	RM	RM	RM	RM
THE COMPANY				
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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

8. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	AT COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
AT 31.3.2013			
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.

9. BIOLOGICAL ASSETS

	AT 1.4.2012 RM	AT 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	AT ADDITION RM	AT 31.3.2012 RM
NET BOOK VALUE			
Oil palm plantation	-	428,237	428,237

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

9. BIOLOGICAL ASSETS (Cont'd)

	AT COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE
	RM	RM	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	2012	2013	2012
	RM	RM	RM	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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

11. LAND HELD FOR PROPERTY DEVELOPMENT

	THE GROUP	
	2013	**2012**
	RM	**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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

12. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	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	2012
	RM	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	2012
	RM	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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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)

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

16. PROPERTY DEVELOPMENT COSTS (Cont'd)

	THE GROUP 2013 RM	THE GROUP 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

The net accrued billings are represented by:-

	THE GROUP 2013 RM	THE GROUP 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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

17. RECEIVABLES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	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 total receivables	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	2012
	RM	RM
Thai Baht	548,192	548,192

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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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	-	-

23. CASH AND BANK BALANCES

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

23. CASH AND BANK BALANCES (Cont'd)

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

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	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 GROUP		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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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.

(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	2012	2013	2012
	RM	RM	RM	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	-

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

27. LONG-TERM BORROWINGS (Cont'd)

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		THE COMPANY	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**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		THE COMPANY	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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.

(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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

28. TERM LOANS (Cont'd)

(e) Term loan Vl 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.

(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.

(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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

28. TERM LOANS (Cont'd)

(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	2012	2013	2012
	RM	RM	RM	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

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

30. PAYABLES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	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

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

	THE GROUP	
	2013	2012
	RM	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	2012
	RM	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.

Notes to the Financial Statements
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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.

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.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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.

35. REVENUE

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

36. COST OF SALES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	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	-	-

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

37. PROFIT BEFORE TAXATION (Cont'd)

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	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)	-	-

38. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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	2012	2013	2012
	RM	RM	RM	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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

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	2012	2013	2012
	RM	RM	RM	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	2012	2013	2012
	RM	RM	RM	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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

43. DIRECTORS' REMUNERATION (Cont'd)

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	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		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

44. SIGNIFICANT RELATED PARTY DISCLOSURES (Cont'd)

(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:-

		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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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.

THE GROUP 2013	CONSTRUCTION	PROPERTY DEVELOPMENT	INVESTMENT	MANUFACTURING AND TRADING	ELIMINATIONS	GROUP
	RM	RM	RM	RM	RM	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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

47. OPERATING SEGMENTS (Cont'd)

THE GROUP 2012	CONSTRUCTION	PROPERTY DEVELOPMENT	INVESTMENT	MANUFACTURING AND TRADING	ELIMINATIONS	GROUP
	RM	RM	RM	RM	RM	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

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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

Notes to the Financial Statements
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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 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

Notes to the Financial Statements
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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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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)	2012 Increase/ (Decrease)	2013 Increase/ (Decrease)	2012 Increase/ (Decrease)
	RM	RM	RM	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)

(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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

49. FINANCIAL INSTRUMENTS (Cont'd)

49.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Exposure to interest rate risk

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	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)

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	2012 (Decrease) Increase	2013 (Decrease) Increase	2012 (Decrease) Increase
	RM	RM	RM	RM
Effects on profit/loss 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.

Notes to the Financial Statements
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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.

Exposure to credit risk

The exposure of credit risk for receivables by geographical region is as follows:-

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

49. FINANCIAL INSTRUMENTS (Cont'd)

49.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

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

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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

49. FINANCIAL INSTRUMENTS (Cont'd)

49.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

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.

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.

Notes to the 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 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	-

Notes to the 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	-

Notes to the 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	-

49.2 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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

49. FINANCIAL INSTRUMENTS (Cont'd)

49.2 Capital Risk Management (Cont'd)

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	THE GROUP	
	2013	2012
	RM	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

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.

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

49. FINANCIAL INSTRUMENTS (Cont'd)

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
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

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

49. FINANCIAL INSTRUMENTS (Cont'd)

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.

(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).

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
	11,328	208,000	219,328

Notes to the Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

49. FINANCIAL INSTRUMENTS (Cont'd)

49.5 Fair Value Hierarchy (Cont'd)

THE GROUP	Level 1 RM	Level 2 RM	Total RM
2012			
Financial assets			
Other investments:			
- quoted shares in Singapore	11,328	-	11,328
- club membership	-	208,000	208,000
	11,328	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.

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	2012	2013	2012
	RM	RM	RM	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

Group Properties
AS AT 31 MARCH 2013

Location	Tenure/ (Age of building or date of expiry)	Land/ (Built-Up) Area Sq. Ft.	Net Book Value As At 31. 03. 2013 RM	Description	Date of Acquisition*/ Revaluation
74, 74A-E, Wisma Siah Brothers, Jalan Pahang, 53000 Kuala Lumpur.	Freehold (33-35 years)	5,513/ (38,238)	3,739,156	6 l/2 storey commercial building for office headquarters and for rental	28/03/2000
Lot no. 48611 held under GRN 48589, Mukim Batu, Daerah and Negeri Wilayah Persekutuan.	Leasehold expiring on 04/07/2109	130,675	7,832,757	Vacant land for future development	16/06/2011*
Lot no. 48610 held under GRN 22337 & Lot no. 48612 held under GRN 22336, Mukim Batu, Daerah and Negeri Wilayah Persekutuan.	Leasehold expiring on 22/04/2086	379,560	208,159	Vacant land for future development	28/03/2000
Part of Lot no. 48614 held under GRN 22343 & part of Lot no. 48615 held under GRN 22342, Mukim Batu, Daerah and Negeri Wilayah Persekutuan.	Leasehold expiring on 22/04/2111	450,805	8,930,911	Land currently under development	28/03/2000
Lot no. 48685 held under GRN 22411, Mukim Batu, Daerah and Negeri Wilayah Persekutuan.	Leasehold expiring on 22/04/2086	96,445	3,806,334	Vacant land for future development and sales gallery	28/03/2000
Lot no. 48686 held under GRN 22549, Mukim Batu, Daerah and Negeri Wilayah Persekutuan.	Leasehold expiring on 22/04/2086	20,495	17,924	Vacant land for future development	28/03/2000
P.T 107529 - 107538 held under GRN 39807 - 39816, Mukim Kuala Kuantan, District of Kuantan, Pahang Darul Makmur.	Freehold	22,841	339,579	Land currently under development	16/12/1993*
Lot no. 45197 held under GRN 22549, Mukim Kuala Kuantan, District of Kuantan, Pahang Darul Makmur.	Freehold	497,727	911,408	Vacant land for future development	16/12/1993*
Lot 3 (TL017546486) Signal Hill, Tanjung Lipat, District of Kota Kinabalu, State of Sabah.	Leasehold expiring on 31/12/2093	195,139	32,691,270	Vacant land for future development of hotel	30/04/2002*

Group Properties
AS AT 31 MARCH 2013

Location	Tenure/ (Age of building or date of expiry)	Land/ (Built-Up) Area Sq. Ft.	Net Book Value As At 31. 03. 2013 RM	Description	Date of Acquisition*/ Revaluation
Lot No. 5871, Seksyen 20, (GRN 149859), Bandar Serendah, Daerah Ulu Selangor, Selangor Darul Ehsan.	Freehold	48,846	380,558	Vacant land for future development	03/06/2008
Lot 5 (TL017560717) Signal Hill, Tanjung Lipat, District of Kota Kinabalu, State of Sabah.	Leasehold expiring on 31/12/2109	70,859	3,117,456	Land currently under development	27/04/2011*
Lot 6 (P.T. 20-07010095) Signal Hill, Tanjung Lipat, District of Kota Kinabalu, State of Sabah.	Leasehold (provisional title)	66,081	2,985,000	Vacant land for future development	16/11/2011*
CT no. 10166 for Lot no. 2398, Mukim of Batang Kali, District of Ulu Selangor, Selangor Darul Ehsan.	Freehold	2,178,149	25,468,334	Vacant land for future development	16/04/2004*
HS(M) 1622 PT 2186, Pekan Ulu Yam Lama, Mukim of Hulu Yam, District of Hulu Selangor, Selangor Darul Ehsan.	Leasehold expiring on 16/05/2055	236,983	1,030,143	Vacant land for future development	16/04/2004*
Lot 40443 held under GRN 7649, Mukim Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan.	Freehold	22,066	15,711,874	Vacant land for future development	29/11/2011*
Lot nos. 414-417, 543-545, 677 & 624, held under GRN 37628, 37629, 37631, 37632, 5484-5486, 43804 & 65305, Section 47, Bandar Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan.	Freehold	24,692	9,627,220	Vacant land for future development	28/01/2011*
Lot No. 26 held under GRN 24742, Section 47, Bandar Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan.	Freehold	17,995	7,624,670	Vacant land for future development	28/01/2011*

Group Properties
AS AT 31 MARCH 2013

Location	Tenure/ (Age of building or date of expiry)	Land/ (Built-Up) Area Sq. Ft.	Net Book Value As At 31. 03. 2013 RM	Description	Date of Acquisition*/ Revaluation
HS(M) 7847 PT 15, GM 5279 Lot 47034 & HS(D) 106697 PT 20965, all in Mukim Batu, District of Kuala Lumpur, State of Wilayah Persekutuan.	Freehold	192,450	25,080,000	Land currently under development	27/05/2011*
20, Jalan Suria Setapak, Taman Suria Setapak, 53000 Kuala Lumpur	Freehold	(1,359)	372,428	Unit for rental	01/08/2008*
31-0-2 and 31-0-3, Intan Kenny Condo, Persiaran Bukit Tunku, 50480 Kuala Lumpur.	Freehold	(3,851)	1,351,382	Unit for rental	27/03/2000
A-33-03A, Suasana Sentral Loft Condominium, No.6, Jalan Stesen Sentral 5, KL Sentral, 50470 Kuala Lumpur.	Freehold	(811)	400,202	Unit for rental	06/06/2005*
Unit nos. S-01 to S-12, Ground Floor, The Peak Suites, Signal Hill, Tanjung Lipat, 88400 Kota Kinabalu, Sabah.	Leasehold expiring on 31/12/2093	(22,478)	7,866,000	Units for rental and sales office	02/09/2009
No. J-3-12, The Peak Suites, Signal Hill, Tanjung Lipat, 88400 Kota Kinabalu, Sabah.	Leasehold expiring on 31/12/2093	(965)	437,510	Unit for staff hostel	02/09/2009
No. J-3-07, The Peak Suites, Signal Hill, Tanjung Lipat, 88400 Kota Kinabalu, Sabah.	Leasehold expiring on 31/12/2093	(972)	361,299	Unit for staff hostel	02/09/2009
Unit nos. G-S1 to G-S9, Ground Floor & Unit nos. 1-S10 to 1-S18, First Floor, Retail Shops, The Peak Vista, Block B, Lorong Puncak 1, Tanjung Lipat, 88400 Kota Kinabalu, Sabah.	Leasehold expiring on 31/12/2093	(18,923)	4,162,500	Units for rental and sales office	01/12/2012
No. 8/7,2nd Floor, Building No. A, Ideo Bluecove Sathorn, Klong Ton Zai, Klong San, Bangkok, Thailand.	Freehold	(744)	544,477	Unit for rental and sale	05/08/2008*

Group Properties
AS AT 31 MARCH 2013

Location	Tenure/ (Age of building or date of expiry)	Land/ (Built-Up) Area Sq. Ft.	Net Book Value As At 31. 03. 2013 RM	Description	Date of Acquisition*/ Revaluation
No. 20-01-08, PJ Exchange, Persiaran Barat, 46050 Petaling Jaya, Selangor.	Leasehold expiring on 27/07/2105	(13,353)	9,614,160	Unit for rental and sale	01/12/2011*
Unit Nos. L-01-01, PJX-HM Shah Tower, No. 16A, Persiaran Barat, 46050 Petaling Jaya, Selangor.	Leasehold expiring on 27/07/2105	(12,792)	9,594,000	Unit for rental	27/07/2012*
Unit Nos. L-01-02, PJX-HM Shah Tower, Persiaran Barat, 46050 Petaling Jaya, Selangor.	Leasehold expiring on 27/07/2105	(3,478)	2,608,500	Unit for rental	27/07/2012*
Unit Nos. L-01-03, PJX-HM Shah Tower, Persiaran Barat, 46050 Petaling Jaya, Selangor.	Leasehold expiring on 27/07/2105	(658)	493,500	Unit for rental	27/07/2012*
Unit Nos. L9-01-08, PJX-HM Shah Tower, Persiaran Barat, 46050 Petaling Jaya, Selangor.	Leasehold expiring on 27/07/2105	(54,479)	20,267,700	Unit for rental	27/07/2012*
Unit Nos. L2-L8, PJX-HM Shah Tower, Persiaran Barat, 46050 Petaling Jaya, Selangor.	Leasehold expiring on 27/07/2105	N/A	13,740,000	Commercial car park for rental	27/07/2012*

Shareholders' Information

AS AT 29 JULY 2013

Authorised Shares Capital	:	RM200,000,000
Issued and Fully Paid Up Capital	:	RM82,435,000
Class of Shares	:	Ordinary shares of RM1 each fully paid
Voting Right	:	1 vote per ordinary share

DISTRIBUTION SCHEDULE

Shareholding Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
1 - 99	352	9.64	11,412	0.01
100 - 1,000	767	21.01	627,007	0.76
1,001 - 10,000	1,932	52.93	8,377,402	10.17
10,001 - 100,000	524	14.36	17,675,011	21.46
100,001 - 4,118,804	72	1.98	30,522,745	37.05
4,118,805 and above	3	0.08	25,162,523	30.55
Total	3,650	100.00	82,376,100 Ω	100.00

Ω is equivalent to 82,435,000 less 58,900 shares bought back and retained as treasury shares

THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors)

Name of Shareholders		No. of Shares Held	% of Issued Capital
1.	LOM Holdings Sdn. Bhd.	14,317,500	17.38
2.	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Sia Teong Heng	5,664,000	6.88
3.	Evergreen Legacy Sdn. Bhd.	5,181,023	6.29
4.	Bluescope Enterprises Limited	3,789,000	4.60
5.	Southwark Limited	2,749,200	3.34
6.	Mun Oi @ Mun Oi Lin	2,709,000	3.29
7.	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Sia Kwee Mow @ Sia Hok Chai (STH 981069)	1,480,800	1.80
8.	Yap Mui Cheng Angela	1,360,000	1.65
9.	Southwark Limited	1,191,300	1.45
10.	Nican Asia Limited	1,106,478	1.34
11.	Siah Teong Woei	877,711	1.07
12.	Siah Teong Teck	807,830	0.98
13.	Siah Chong Hock	722,000	0.88
14.	Lim Jit Hai	685,000	0.83
15.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ooi Chin Hock (8058312)	637,900	0.77
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Liaw Hen Kyun @ Alex Liaw (474468)	520,000	0.63
17.	Meer Sadik Bin Habib Mohamed	513,528	0.62

Shareholders' Information

AS AT 29 JULY 2013

	Name of Shareholders	No. of Shares Held	% of Issued Capital
18.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tung Kok Lam	507,000	0.62
19.	TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Kua Kien Heng	410,000	0.50
20.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yap Chee Boon	380,500	0.46
21.	HSBC Nominees (Tempatan) Sdn. Bhd. - HSBC (M) Trustee Bhd. for OSK-UOB Thematic Growth Fund (6210-401)	377,400	0.46
22.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lau Chee Leong	355,200	0.43
23.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Koay Sai Leat (E-PPG)	350,800	0.43
24.	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Teh Swee Heng (MM1118)	347,800	0.42
25.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Siah Teong Chein (8061998)	341,723	0.41
26.	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB for Wong Yit Poh (PB)	300,000	0.36
27.	Ong Hung Hock	300,000	0.36
28.	HLIB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tey Ming Lun (CCTS)	288,000	0.35
29.	HLIB Nominees (Tempatan) Sdn. Bhd. - Hong Leong Bank Bhd. for Khor Weng Liew	285,100	0.35
30.	Siah Chong Ong	268,000	0.32
	TOTAL	48,823,793	59.27

The thirty largest shareholders refer to the thirty securities account holders having the largest number of securities according to the Record of Depositors (without aggregating the securities from different securities accounts belonging to the same depositor).

DIRECTORS' SHAREHOLDINGS (As per Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Name of Directors	**Shareholdings**	**%**	**Shareholdings**	**%**
Sia Teong Heng	5,907,992[a]	7.17	19,498,523[b]	23.67
Mun Chong Shing @ Mun Chong Tian	21,782	0.03	-	-
Ahmad Fizal bin Othman	-	-	-	-
Lee Kong Leong	-	-	-	-
Datuk Roselan Johar bin Johar Mohamed	-	-	-	-

Notes –

[a] 5,664,000 shares are held in bare trust by Amsec Nominees (Tempatan) Sdn. Bhd.

[b] Deemed interest by virtue of his shareholding in LOM Holdings Sdn. Bhd. (14,317,500 shares) and Evergreen Legacy Sdn. Bhd. (5,181,023 shares).

Shareholders' Information
AS AT 29 JULY 2013

SUBSTANTIAL SHAREHOLDERS (excluding bare trustees)
(As per Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of shares held or beneficially interested in		% of Issued Capital	
	Direct	Indirect	Direct	Indirect
The Estate of Sia Kwee Mow @ Sia Hok Chai, Deceased	1,480,800[a]	19,498,523[b]	1.80	23.67
Sia Teong Heng	5,907,992[c]	19,498,523[b]	7.17	23.67
LOM Holdings Sdn. Bhd.	14,317,500	5,181,023[d]	17.38	6.29
Evergreen Legacy Sdn. Bhd.	5,181,023	-	6.29	-

Notes –

[a] 1,480,800 shares are held in bare trust by RHB Capital Nominees (Tempatan) Sdn. Bhd.

[b] Deemed interest by virtue of his shareholding in LOM Holdings Sdn. Bhd. (14,317,500 shares) and Evergreen Legacy Sdn. Bhd. (5,181,023 shares)

[c] 5,664,000 shares are held in bare trust by Amsec Nominees (Tempatan) Sdn. Bhd.

[d] Deemed interest by virtue of its shareholding in Evergreen Legacy Sdn. Bhd.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting of SBC Corporation Berhad will be held at the 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 11.00 a.m. to transact the following business -

AGENDA

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the year ended 31 March, 2013 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final dividend of 4.0% less 25% income tax for the year ended 31 March, 2013. **(Resolution 2)**

3. To approve the additional payment of Directors' fees totalling RM2,254 for the year ended 31 March, 2013. **(Resolution 3)**

4. To approve the Directors' fees totalling RM140,000 payable for the year ending 31 March, 2014. **(Resolution 4)**

5. To re-appoint Mr. Mun Chong Shing @ Mun Chong Tian pursuant to Section 129(6) of the Companies Act, 1965. **(Resolution 5)**

6. To re-elect En. Ahmad Fizal bin Othman as a Director retiring by rotation pursuant to Article 77 of the Articles of Association of the Company. **(Resolution 6)**

7. To re-elect the following Directors retiring pursuant to Article 84 of the Articles of Association of the Company -

   (a) Mr. Lee Kong Leong **(Resolution 7)**

   (b) YBhg. Datuk Roselan Johar bin Johar Mohamed **(Resolution 8)**

8. To re-appoint Messrs. Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

9. As Special Business, to consider and, if thought fit, to pass the following resolutions –

   ORDINARY RESOLUTION I – AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES **(Resolution 10)**

   "THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approval from the Bursa Malaysia Securities Berhad and other governmental/regulatory bodies, where such approval shall be necessary, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as they may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per cent (10%) of the issued capital (excluding treasury shares) of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Notice of Annual General Meeting

ORDINARY RESOLUTION II – PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK **(Resolution 11)**

"THAT subject to compliance with all applicable rules, regulations and orders made pursuant to the Companies Act, 1965 ("the Act"), the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, approval be and is hereby given to renew the authority for the Company to purchase its own shares through Bursa Securities, subject to the following:-

(a) the maximum number of shares which may be purchased by the Company (which includes the shares already purchased and held as treasury shares) shall be 8,243,500 representing 10% of the issued and paid-up share capital of the Company as at 29 July, 2013;

(b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the combined total of the audited retained profits and/or the share premium reserves of the Company as at 31 March, 2013 of RM25.56 million and RM111.41 million respectively;

(c) the authority conferred by this Ordinary Resolution will be effective immediately upon the passing of this Ordinary Resolution and will expire at the conclusion of the next Annual General Meeting or the expiry of the period within which the next Annual General Meeting is required by law to be held, whichever occurs first (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting) but not so as to prejudice the completion of purchase(s) by the Company or any person before the aforesaid expiry date and in any event, in accordance with the provisions of the requirements issued by Bursa Securities or any other relevant authorities;

(d) upon completion of the purchase by the Company of its own shares, the shares shall be dealt with in the following manner:-

    (i) to cancel the shares so purchased; or

    (ii) to retain the shares so purchased in treasury for distribution as dividend to the shareholders of the Company and/or resell through Bursa Securities and/or subsequently cancel the treasury shares; or

    (iii) to retain part of the shares so purchased as treasury shares and cancel the remainder,

    and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

ORDINARY RESOLUTION III – RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR **(Resolution 12)**

"THAT En. Ahmad Fizal bin Othman, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012."

10. To consider any other business for which due notice shall have been given.

Notice Of Dividend Payment

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Twenty-Third Annual General Meeting of the Company, the first and final dividend of 4.0% less 25% income tax for the year ended 31 March, 2013 will be paid on 31 October, 2013 to Depositors registered in the Record of Depositors on 10 October, 2013.

A Depositor shall qualify for entitlement only in respect of :

a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 10 October, 2013 in respect of ordinary transfers; and

b) shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

CHONG FOOK SIN
KAN CHEE JING
Company Secretaries

Kuala Lumpur
3 September, 2013

NOTES -

(1) A member whose name appear in the Record of Depositors as at 18 September, 2013 shall be regarded as a member entitled to attend, speak and vote at the meeting.

(2) Proxy -
A member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. To be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time set for holding the meeting. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney.

Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(3) Resolution 3 -
Shareholders' approval had been obtained at the last Annual General Meeting held on 25 September, 2012 for Directors' fees totalling RM111,000 payable for the year ending 31 March, 2013. The actual payment of Directors' fees for the year ended 31 March, 2013 was RM113,254. Hence, there is a shortfall of RM2,254 which requires shareholders' approval at this Annual General Meeting.

(4) Resolution 10 -
This resolution, if passed, will give the Directors authority to issue and allot new ordinary shares up to an amount not exceeding 10% of the issued capital (excluding treasury shares) of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority will commence from the date of this Annual General Meeting and unless revoked or varied by the Company at a general meeting, expire at the next Annual General Meeting.

The approval is a renewed general mandate and is sought to provide flexibility and to avoid delay and cost in convening a general meeting for such issuance of shares.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last Annual General Meeting held on 25 September 2012 and which will lapse at the conclusion of the Twenty-Third Annual General Meeting.

Should there be a decision to issue new shares after the authority is sought, the Company will make an announcement of the actual purpose and utilization of proceeds arising from such issuance of shares.

(5) Resolution 11 -
The detailed text on this resolution on the Proposed Renewal of Authority for Share Buy-Back is included in the Statement to Shareholders dated 3 September 2013 which is enclosed together with the Annual Report 2013.

(6) Resolution 12 –
Both the Nominating Committee and the Board have assessed the independence of En. Ahmad Fizal bin Othman, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, and recommended him to be retained as an Independent Non-Executive Director of the Company based on the following justifications –

(a) He has fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to provide independent judgement, objectivity and check and balance to the Board.

(b) He performs his duties and responsibilities diligently and in the best interest of the Company without being subject to influence of the management.

(c) He, having been with the Company for more than 9 years, is familiar with the Group's business operations and has devoted sufficient time and attention to his professional obligations and attended the Board and Committee meetings for an informed and balanced decision making.

Statement Accompanying Notice of Annual General Meeting

PURSUANT TO PARAGRAPH 8.27 (2) OF THE MAIN MARKET LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

(1) The following are the Directors standing for re-appointment or re-election at the Twenty-Third Annual General Meeting :-

(i) Re-appointment of Mr. Mun Chong Shing @ Mun Chong Tian as a Director pursuant to Section 129 (6) of the Companies Act, 1965

(ii) Re-election of En. Ahmad Fizal bin Othman as a Director pursuant to Article 77 of the Article of Association of the Company.

(iii) Re-election of the following Directors pursuant to Article 84 of the Article of Association of the Company –

(a) Mr. Lee Kong Leong

(b) YBhg. Datuk Roselan Johar bin Johar Mohamed

(2) The profiles of the Directors standing for re-appointment or re-election as mentioned in paragraph 1 above at the Twenty-Third Annual General Meeting are set out in pages 2 and 6 of this Annual Report.

PROXY FORM

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

I/We, ____

of ____

being a member/ members of the abovenamed Company do hereby appoint ______________________________________ of

______________________________________ or failing whom, ______________________________________

of ______________________________________ or failing whom, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Twenty-Third Annual General Meeting of the Company to be held at the SBC Sales Gallery, Lot PT 9076, Jalan 4/18A, Off Jalan Ipoh, Batu 5½, Taman Mastiara, 51200 Kuala Lumpur on Wednesday, 25th September, 2013 at 11.00 a.m. and at any adjournment thereof in the manner indicated below –

No.	**Resolution**	**For**	**Against**
1.	Adoption of Reports and Audited Financial Statements		
2.	Declaration of a first and final dividend		
3.	Additional payment of Directors' fees for the year ended 31 March, 2013		
4.	Directors' fees payable for the year ending 31 March, 2014		
5.	Re-appointment of Director : Mr. Mun Chong Shing @ Mun Chong Tian		
6.	Re-election of Director : En. Ahmad Fizal bin Othman		
7.	Re-election of Director : Mr. Lee Kong Leong		
8.	Re-election of Director : YBhg. Datuk Roselan Johar bin Johar Mohamed		
9.	Re-appointment of Auditors		
10.	Authority to Directors to allot and issue shares		
11.	Proposed Renewal of Authority for Share Buy-Back		
12.	Retention of Independent Non-Executive Director : En. Ahmad Fizal bin Othman		

(Please indicate with an 'X' in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

Dated this ______________ day of ________________ , 2013

Number of Shares held	

____

Signature of Member(s)

NOTES -

A member whose name appear in the Record of Depositors as at 18 September 2013 shall be regarded as a member entitled to attend, speak and vote at the meeting.

A member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. To be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time set for holding the meeting. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

Fold this flap for sealing

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Stamp

The Company Secretaries
SBC CORPORATION BERHAD (199310-P)
Wisma Siah Brothers,
74A, Jalan Pahang,
53000 Kuala Lumpur.

First fold here

WHAT WE DO

“ We select development sites, apply good planning principles & build new homes which altogether create fresh surroundings with better transport linkages.”

HOW WE DO

“ We place high emphasis on creating a work environment where anyone who is passionate about all the details that go into place making, can thrive.”

SBC CORPORATION BERHAD 199310 P
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