

SECOND SUPPLEMENTARY MASTER PROSPECTUS

MANAGER

SBB MUTUAL BERHAD (209627-H)

(A company incorporated in Malaysia under the Companies Act 1965)

TRUSTEES

AMANAH RAYA BERHAD (344986 – V)

UNIVERSAL TRUSTEE (MALAYSIA) BERHAD (17540-D)

AmTRUSTEE BERHAD (163032 – V)

MALAYSIAN TRUSTEES BERHAD (21666-V)

SBB Double Growth Fund	SBB Emerging Companies Growth Fund
SBB Savings Fund	SBB High Growth Fund
SBB Dana Al-Ihsan	SBB Bond Fund
SBB Index-Linked Fund	SBB Dana Al-Mizan
SBB HGF Sequel Fund	SBB Premium Capital Fund
SBB Retirement Balanced Fund	SBB Composite Index Fund
SBB Dana Al-Ihsan 2	SBB Dana Al-Azam
SBB Dana Al-Hikmah	SBB Crystal Equity Fund
SBB Equity Income Fund	

This Second Supplementary Master Prospectus is dated 16 July 2004 and is to be read in conjunction with the Master Prospectus dated 16 January 2004 and the First Supplementary Master Prospectus dated 1 March 2004. This Second Supplementary Master Prospectus expires on 15 January 2005 which coincides with the date of expiry of the principal Master Prospectus and the First Supplementary Master Prospectus.

A copy of this Second Supplementary Master Prospectus has been registered and lodged with the Securities Commission, who takes no responsibility for its contents.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE SECOND SUPPLEMENTARY MASTER PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISOR.

No units will be issued or sold on the basis of this Second Supplementary Master Prospectus (to be read in conjunction with the Master Prospectus and the First Supplementary Master Prospectus) later than 15 January 2005.

Responsibility Statement

This Second Supplementary Master Prospectus has been seen and approved by the directors of SBB Mutual Berhad (“the Manager”) and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, the statements and information in this Second Supplementary Master Prospectus are true and not misleading and there are no other facts the omission of which would make any statement herein misleading.

Statement of Disclaimer

The Securities Commission has approved the issue, offer or invitation in respect of the unit trust funds the subject of this Second Supplementary Master Prospectus, and that the approval shall not be taken to indicate that the Securities Commission recommends the investment.

The Securities Commission shall not be liable for any non-disclosure on the part of the management company and takes no responsibility for the contents of the Second Supplementary Master Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Second Supplementary Master Prospectus.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR PROFESSIONAL ADVISERS IMMEDIATELY.

A copy of this Second Supplementary Master Prospectus has been registered by, and lodged with, the Securities Commission.

AMENDMENTS – DIRECTORY

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BOARD OF DIRECTORS

Directors

Dato' Yeap Leong Huat
YM Raja Puan Sri Dato' Noora Ashikin Bte Raja Abdullah
Dato' Dr Yahya Bin Ismail
Tan Sri Dato' (Dr) R.V. Navaratnam (Independent)
Mr. Wong Joon Hian (Independent)

(All are non-executive directors)

(With effect from 27 May 2004, Dato' Seri Goh Eng Toon had retired as the Chairman / Director of SBB Mutual Berhad)

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With effect from 15 March 2004, the new business address for Islamic Banking and Finance Institute Malaysia Sdn Bhd (340040-M) ("IBFIM") would be:

Level 3, Bangunan Sime Bank
Jalan Sultan Sulaiman
50000 Kuala Lumpur

Tel: (603) 2031 1010
Fax: (603) 2078 4857

AMENDMENTS – BOARD OF DIRECTORS

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Dato' Seri Goh Eng Toon's personal profile is hereby removed following his retirement from the Board of Directors of SBB Mutual Berhad on 27 May 2004.

The amended profile for Dato' Yeap Leong Huat:

Dato' Yeap Leong Huat was a Director of BHL Bank Berhad from September 1980 until it merged with Southern Bank Berhad. He is currently a Director of Southern Bank Berhad and Southern Finance Berhad. He is also a Director of several private limited companies having activities in education, property development and investments. His other directorship include Island & Peninsular Berhad, a public listed company. He has been a Director of SBB Mutual Berhad since the 3rd of June 1992 and was appointed as Director of SBB Asset Management Sdn Bhd with effect from the 17th of November 2003.

AMENDMENTS – THE MANAGEMENT TEAM

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Mr. Joseph Tan Gee Hon's profile is hereby removed as he has left the employment of SBB Mutual Berhad.

Ms Cheow Kok Lan's profile is hereby added:

Ms Cheow Kok Lan is the Vice President – Information Technology. She holds a Bachelor of Computer Science (Hons) from Universiti Sains Malaysia. Ms. Cheow has over 17 years of experience in Information Technology specialising in the Financial Industry; namely Banking, Unit Trust and Fund Management. She has in-depth knowledge in the local and foreign retail and treasury banking products and has been exposed to a wide spectrum of computer hardware from Personal Computers to IBM Mainframe. Currently, she is heading a team of IT personnel in software development, product enhancement and maintenance of current IT infrastructure. She joined SBB Mutual Berhad in October 2003.

AMENDMENTS – BOARD OF DIRECTORS OF SBB ASSET MANAGEMENT SDN BHD

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The amended profiles for Dato' Yeap Leong Huat and Dato' Dr. Michael Yeoh Oon Kheng:

Dato' Yeap Leong Huat was a Director of BHL Bank Berhad from September 1980 until it merged with Southern Bank Berhad. He is currently a Director of Southern Bank Berhad and Southern Finance Berhad. He is also a Director of several private limited companies having activities in education, property development and investments. His other directorship include Island & Peninsular Berhad, a public listed company. He has been a Director of SBB Mutual Berhad since the 3rd of June 1992 and was appointed as Director of SBB Asset Management Sdn Bhd with effect from the 17th of November 2003.

Dato' Dr. Michael Yeoh Oon Kheng is Co-Founder and Chief Executive Officer of the Asian Strategy & Leadership Institute (ASLI), a Research Institute focusing on Asian strategy, thought leadership, knowledge society and international business partnerships. He has over 25 years of corporate management and consulting experience. He is currently the Vice-President of the Malaysian Institute of Directors and the Institute of Management Consultants; Joint Secretary-General of the Malaysia-China Business Council and the Non-Aligned Movement (NAM) Business Council. He is also a Member of the National Economic Consultative Council's National Consultative Group on Globalization; the Ministry of International Trade & Industry's Expert Group on WTO issues; the Royal Commission on the Police Force and the Industrial Court Panel.

AMENDMENTS-THE INVESTMENT COMMITTEE

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Professor Dr Mahani Zainal Abidin, Ph.D (*independent member*) resigned from her position as independent member of the Investment Committee effective from 17 June 2004 and accordingly her personal profile is hereby removed.

AMENDMENTS – BACKGROUND OF AMANAH RAYA BERHAD - BOARD OF DIRECTORS AND PROFILE OF KEY MANAGEMENT STAFF

PAGE 128

Encik Izham Bin Yusoff vacated his position as Managing Director of Amanah Raya Berhad on 30 June 2004.

Accordingly, Encik Izham's name and personal profile are hereby removed.

AMENDMENTS – TAXATION ADVISER’S LETTER ON TAXATION OF THE FUNDS AND UNITHOLDERS

PAGES 136-138

Please refer to the Taxation Adviser’s letter on taxation of the Funds and Unitholders dated 16 January 2004 in respect of the 12 Funds¹ which is set out on pages 136 to 138 of the Master Prospectus dated 16 January 2004.

Please take note that the Taxation Adviser, PricewaterhouseCoopers Taxation Services Sdn Bhd has issued a revised Taxation Adviser’s letter dated 16 July 2004 which supersedes and replaces the abovementioned Taxation Adviser’s letter dated 16 January 2004, and is attached hereto.

Investors in SBB Dana Al Ihsan, SBB Dana Al Mizan, SBB Dana Al Ihsan 2, SBB Dana Al Azam and SBB Dana Al Hikmah (the “SBB Islamic Funds”) should take note that the SBB Islamic Funds do not deduct zakat from income distributions. The zakat obligation will have to be undertaken individually by the Muslim Unitholders.

If you have any queries, please contact our Customer Care Hotline at 03-7718 3000

¹ The 12 Funds are:-

SBB Double Growth Fund
SBB Emerging Companies Growth Fund
SBB Savings Fund
SBB High Growth Fund
SBB Dana Al-Ihsan
SBB Dana Al-Mizan
SBB HGF Sequel Fund
SBB Dana Al-Ihsan 2
SBB Dana Al-Azam
SBB Dana Al-Hikmah
SBB Crystal Equity Fund
SBB Equity Income Fund

**TAXATION ADVISER'S LETTER ON
TAXATION OF THE FUNDS AND UNITHOLDERS
(Prepared for inclusion in this Second Supplementary Master Prospectus)**

PricewaterhouseCoopers Taxation Services Sdn Bhd
11th Floor, Wisma Sime Darby
Jalan Raja Laut
P.O.Box 10192
50706 Kuala Lumpur

The Board of Directors
SBB Mutual Berhad
50, 52 & 54 Jalan SS21/39
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

16 July 2004

Dear Sirs,

TAXATION OF THE FOLLOWING:-

- I. SBB DOUBLE GROWTH FUND;**
- II. SBB EMERGING COMPANIES GROWTH FUND;**
- III. SBB SAVINGS FUND;**
- IV. SBB HIGH GROWTH FUND;**
- V. SBB DANA AL-IHSAN;**
- VI. SBB DANA AL-MIZAN;**
- VII. SBB HGF SEQUEL FUND;**
- VIII. SBB DANA AL-IHSAN 2;**
- IX. SBB DANA AL-AZAM;**
- X. SBB DANA AL-HIKMAH;**
- XI. SBB CRYSTAL EQUITY FUND;**
- XII. SBB EQUITY INCOME FUND AND UNITHOLDERS**

This letter has been prepared for inclusion in the Second Supplementary Master Prospectus dated 16 July 2004 (which is to be read in conjunction with the Master Prospectus dated 16 January 2004 and the First Supplementary Master Prospectus dated 1 March 2004) in connection with the offer of units in the SBB Double Growth Fund, SBB Emerging

Companies Growth Fund, SBB Savings Fund, SBB High Growth Fund, SBB Dana Al-Ihsan, SBB Dana Al-Mizan, SBB HGF Sequel Fund, SBB Dana Al-Ihsan 2, SBB Dana Al-Azam, SBB Dana Al-Hikmah, SBB Crystal Equity Fund and SBB Equity Income Fund (“the Funds”). This letter replaces and supersedes our letter dated 16 January 2004 which appears on pages 136 to 138 of the Master Prospectus dated 16 January 2004.

The taxation of income for both the Funds and the Unitholders are subject to the provisions of the Malaysian Income Tax Act 1967 (“the Act”). The applicable provisions are contained in Section 61 of the Act, which deals specifically with the taxation of Trust bodies in Malaysia.

TAXATION OF THE FUNDS

The Funds will be regarded as resident for Malaysian tax purposes since the Trustees of the Funds are resident in Malaysia.

The income of the Funds consisting of dividends, interest or profit¹ (other than interest and profit¹ which are exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 28 per cent.

Gains on disposal of investments by the Funds will not be subject to income tax.

Tax Credit

Dividends received by the Funds would have suffered tax deduction at source at 28 per cent, unless specific exemptions apply e.g. pioneer dividends. No additional tax will be payable by the Funds on the dividends. However, such tax or part thereof will be refundable to the Funds if the total tax so deducted at source exceeds the tax liability of the Funds.

Exempt Income

Income of the Funds in respect of dividends received from overseas investment is exempt from Malaysian tax by virtue of Paragraph 28, Schedule 6 of the Act and distributions from such income will be tax exempt in the hands of the Unitholders.

The Funds may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Funds will not be taxable on such exempt income.

Interest income or profit¹ derived from the following investments are exempt from tax:

- (a) Securities or bonds issued or guaranteed by the Government;
- (b) Debentures, other than convertible loan stock approved by the Securities Commission;
- (c) Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (d) Bonds, other than convertible loan stock, paid or credited by any company listed in Malaysia Exchange of Securities Dealing and Automated Quotation Berhad; and
- (e) Interest or profit¹ paid or credited by any bank or financial institution licensed under the Banking and Financial Institutions Act 1989 or the Islamic Banking Act 1983.

The interest income or profit¹ exempted from tax at the Funds' level will also be exempted from tax upon distribution to the Unitholders.

Tax Allowable Expenses

Expenses wholly and exclusively incurred in the production of gross income are allowable as deductions under Section 33(1) of the Act. In addition, Section 63B of the Act provides for tax deduction in respect of managers' remuneration, expenses on maintenance of the register of Unitholders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postages based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses.

TAXATION OF UNITHOLDERS

Unitholders will be taxed on an amount equivalent to their share of the total taxable income of the Funds to the extent of the distributions received from the Funds. The income distribution from the Funds will carry a tax credit in respect of the tax paid by the Funds. Unitholders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them. No additional withholding tax will be imposed on the income distribution from the Funds.

Corporate Unitholders, resident and non-resident, will generally be liable to income tax at 28 per cent on distribution of income received from the Funds. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unitholders.

Individuals and other non-corporate Unitholders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1 percent to 28 per cent. Individuals and other non-corporate Unitholders who are not resident in Malaysia will be subject to income tax at 28 per cent. The tax credits attributable to the distribution of income will be utilised against the tax liabilities of these Unitholders.

¹ For SBB Dana Al-Ihsan, SBB Dana Al-Mizan, SBB Dana Al-Ihsan 2, SBB Dana Al-Azam, SBB Dana Al-Hikmah profit received in lieu of interest, in transaction conducted in accordance with the Principles of Syariah will be treated as interest for purposes of taxation.

Non-resident Unitholders may also be subject to tax in their respective jurisdictions and depending on the provisions of the relevant tax legislation and any double tax treaty with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdictions.

The distribution of exempt income and gains arising from the disposal of investments by the Funds will be exempted from tax in the hands of the Unitholders.

Any gains realised by Unitholders (other than dealers in securities, insurance companies or financial institutions) on the sale or redemption of the units are treated as capital gains and will not be subject to income tax.

Unitholders electing to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new units out of their income distribution after tax.

Unit splits distributed by the Funds are not taxable in the hands of Unitholders.

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. We recommend that investors obtain independent advice on the tax issues associated with their investments in the Funds.

Yours faithfully,
for and on behalf of

PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD

Frances Po
Executive Director

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as Taxation Adviser in the form and context in which it appears in this Second Supplementary Master Prospectus (which is to be read in conjunction with the Master Prospectus dated 16 January 2004 and the First Supplementary Master Prospectus dated 1 March 2004) and have not withdrawn such consent prior to the delivery of a copy of this Second Supplementary Master Prospectus for approval. This letter replaces and supersedes the Taxation Adviser's letter dated 16 January 2004 which appears on pages 136 to 138 of the Master Prospectus dated 16 January 2004.

DIRECTORS' DECLARATION

This Second Supplementary Master Prospectus has been seen and approved by the Directors of the Manager and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, the statements and information in this Second Supplementary Master Prospectus are true and not misleading and there are no other facts the omission of which would make any statement herein misleading.

DIRECTORS:

DATO' YEAP LEONG HUAT

YM RAJA PUAN SRI DATO' NOORA ASHIKIN BTE RAJA ABDULLAH

DATO' DR YAHYA BIN ISMAIL

TAN SRI DATO' (DR) R.V. NAVARATNAM (INDEPENDENT)

MR WONG JOON HIAN (INDEPENDENT)