CREST BUILDER HOLDINGS BERHAD 573382-P
Penthouse, The Crest, 3 Two Square, No.2, Jalan 19/1, 46300 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

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Crest Builder Holdings Berhad (573382-P) I Annual Report 2008

08

CREST BUILDER HOLDINGS BERHAD
573382-P
annual report

contents

Corporate Profile

CREST BUILDER HOLDINGS BERHAD
(573382-P)

CBHB was incorporated in Malaysia under the Companies Act, 1965 on 9 March 2002 as a public limited company. CBHB is principally an investment holding company and had successfully undertaken a Corporate and Debt Restructuring Scheme which involved taking over the listing status of MGR Corporation Berhad. CBHB was listed on the Main Board of Bursa Malaysia on 12 June 2003.

The CBHB Group was founded in 1985 by Mr Yong Soon Chow. What started out as a small timer of less than 10 staffs has grown to a strong corporation of over 500 staffs under its stable. Over the past 25 years, the CBHB Group has carved a strong foothold in the local construction industry. With in-depth industry experience, the CBHB Group has a proven track record in the sector – especially in the commercial, residential and institutional building construction. The Group counts top branded developers and international property players amongst its clientele.

With a good blend of experience and vibrant protégés in its management team, the CBHB Group has moved along the supply chain and diversified beyond purely construction into other construction-related activities, such as property development, mechanical & electrical services and project management – and most recently, upon completion of our RM300million maiden development 3 Two Square, the Group has also diversified into property management as well as car park management.

With the vision to be the 'Preferred' organization of choice by the partners and customers, the Group aspires to achieve distinction in the industry through prudent cost management, highest standards of quality and complete customer satisfaction.

Tierra Crest, Kelana Jaya

Notice of 7th Annual General Meeting

NOTICE is hereby given that the 7th annual general meeting will be held

Venue	Sime Darby Convention Centre 1A, Jalan Bukit Kiara 1 60000 Kuala Lumpur
Day, date and time	Thursday, 25 June 2009 at 9:30 a.m.

AGENDA

Ordinary business

1. **Laying of audited accounts**

   To lay the duly audited accounts consisting of the consolidated profit and loss account, the balance sheet, the reports of the Directors and auditors for the financial year ended 31 December 2008, in compliance with Section 169(1) and Section 174(1) of the Companies Act, 1965 ("Act") respectively. **Resolution 1**

2. **Declaration of dividend**

   THAT the payment for a first and final dividend of 3% less 25% taxation per share in respect of the financial year ended 31.12.2008 be hereby approved. **Resolution 2**

3. **Election of director**

   THAT re-election of the Executive Director, Koh Hua Lan (f), who retires in accordance with Article 80 of the Company's Articles of Association, be hereby approved. **Resolution 3**

4. **Election of director**

   THAT re-election of the Non-Executive Chairman, Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah who retires in accordance with Article 80 of the Company's Articles of Association, be hereby approved. **Resolution 4**

5. **Election of director**

   THAT re-election of the Independent Non-Executive Director, Kam Yong Kan, who retires in accordance with Article 80 of the Company's Articles of Association, be hereby approved. **Resolution 5**

6. **Election of director**

   THAT re-election of the Alternate Director, Yong Tiok Keng (f) (alternate to Koh Hua Lan) who retires in accordance with Article 86 of the Company's Articles of Association, be hereby approved. **Resolution 6**

7. **Appointment of auditors**

   THAT the appointment of Messrs GEP Associates (AF1030), Chartered Accountants, as the auditors in accordance with Article 57 of the Company's Articles of Association and pursuant to Section 172(2) the Act for the ensuing financial year ending 31 December 2009 be confirmed and that the directors be authorised to fix the remuneration of the auditors pursuant to Section 172(16)(a) of the Act, be hereby approved. **Resolution 7**

Special business

8. Approval for payment of directors' fees

THAT the payment of RM250,000 as directors' fee for the year ended 31 December 2008 (2007 : RM250,000) in accordance with Article 88 of the Company's Articles of Association be hereby approved. **Resolution 8**

9. Authority for issue of shares pursuant to Section 132D of the Act.

THAT pursuant to Section 132D of the Act and subject to the approval of all relevant authorities being obtained, the Directors be empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued and paid up capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next annual general meeting be hereby approved. **Resolution 9**

10. Proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature and mandate for additional recurrent related party transactions of a revenue or trading nature

THAT the shareholders' mandate granted by the shareholders of the Company on 17 June 2008 pursuant to paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad, authorizing the Company and its subsidiaries (the "CBHB Group"), to enter into the Recurrent Related Party Transactions of a revenue or trading nature which are necessary for the CBHB Group's day-to-day operations as set out in paragraph 4.2 of the Circular to Shareholders dated 1 June 2009 ("Circular") with the related parties mentioned therein, be and is hereby renewed and THAT approval be and is hereby given to the Company to enter into additional Recurrent Related Party Transactions of a revenue or trading nature with the related parties mentioned therein, provided that:- **Resolution 10**

(i) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

(ii) the disclosure of the breakdown aggregate value of the transactions conducted during a financial year will be disclosed in the annual report for the said financial year based on the following information:-

   i. the type of the Recurrent Related Party Transactions made;

   ii. the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company.

AND THAT the authority conferred by such renewed and granted mandate shall continue to be in force until:-

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which the Proposal is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed; and

(ii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposal.

11. Proposed share buy-back of up to ten percent (10%) of the issued and paid-up share capital

THAT subject to the Companies Act, 1965 ("the Act"), rules and regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association ("Articles") and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares comprised in the Company's issued and paid-up ordinary share capital, such purchases to be made through Bursa Securities subject further to the following:- **Resolution 11**

(i) the aggregate number of ordinary shares of RM1-00 each in CBHB ("CBHB Shares") which may be purchased or held by the Company shall not exceed ten per cent (10%) of the issued and paid-up ordinary share capital of the Company ("Proposed Share Buy-Back"), subject to the restriction that the issued and paid-up ordinary share capital of CBHB does not fall below the minimum share capital requirements of the Listing Requirements of Bursa Securities ("Listing Requirements") applicable to a company listed on the Main Board of Bursa Securities and that the listed issuer continues to maintain a shareholding spread that is in compliance with the requirements of the Listing Requirements after the share purchase;

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing the CBHB Shares under the Proposed Share Buy-Back shall not exceed the retained profits and/or share premium account of the Company for the time being which stood at RM12,689,591 and RM nil respectively as at 31 December 2008 based on the latest audited financial statements of CBHB for the financial year ended 31 December 2008;

(iii) the authority conferred by this resolution to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until;

i. the conclusion of the next annual general meeting ("AGM") of the Company at which such resolution was passed at the which time the authority would lapse unless renewed by ordinary resolution, either unconditionally or conditionally; or

ii. the expiration of the period within the next AGM of the Company after that date is required by law to be held; or

iii. the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company of the CBHB Shares before the aforesaid expiry date and, made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and

(iv) upon completion of the purchase(s) of the CBHB Shares by the Company, the Directors of the Company be and are hereby authorised to retain the CBHB Shares so purchased as treasury shares, which may be distributed as dividends to shareholders, cancel and/or resold on Bursa Securities, in the 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 hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the said Directors may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of CBHB Shares.

NOTICE OF DIVIDEND ENTITLEMENT

Further NOTICE is hereby given that a first and final dividend of 3% less 25% taxation per share in respect of the financial year ended 31.12.2008 if approved by shareholders, will be paid on 6 August 2009 to depositors registered in the Record of Depositors at the close of business on 15 July 2009.

A depositor shall qualify for entitlement only in respect of:

(a) share transferred into the depositor's securities account before 4:00 noon on 15 July 2009 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

Company Secretaries
Heng Chiang Pooh FCIS (MAICSA 7009923)
Chiam Han Twee FCIS (MAICSA 7009910)

Dated : 01 June, 2009

Notes :-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote on in his stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a) and Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. Shareholders' attention is hereby drawn to the Listing Requirements of the Bursa Malaysia Securities Berhad, which allows a member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of a officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at No. 14-2, Jalan 4A/27A, Section 2, Wangsa Maju, 53300 Kuala Lumpur not less than 48 hours before the time set for holding for the meeting or any adjournment thereof.

Statement Accompanying Notice of 7th Annual General Meeting

1. ORDINARY BUSINESS - RESOLUTION 2

The directors now recommend a first and final dividend of 3% or 3 sen (RM0.03) less 25% income tax per each ordinary share held in respect of the financial year ended 31 December 2008, giving rise to total net dividend for the financial year of 2.25 sen per ordinary share held.

2. ORDINARY BUSINESS - RESOLUTION 3, 4, 5 and 6

The particulars of the retiring Directors who are standing for re-election are set out in the relevant pages of the Annual Report as follows :-

Name of Directors	Directors' Profile	Directors' Shareholdings
1. Koh Hua Lan (f)	Page 12	Page 106
2. Tengku Dato' Sulaiman Shah	Page 12	Page 106
3. Kam Yong Kan	Page 13	Page 106
4. Yong Tiok Keng (f)	Page 13	Page 106

Details of Directors' attendance at Board Meetings are set out in the Statement of Corporate Governance on Page 20 of the Annual Report.

3. SPECIAL BUSINESS - RESOLUTION 8

This authorisation by the general meeting would enable the payment of directors' remuneration in accordance with Article 88 of the Company's Articles of Association as follows :-

Article 88 ***Directors' remuneration***

The Directors shall be paid by way of remuneration for their services such fixed sum (if any) as shall from time to time be determined by the company in general meeting, and such remuneration shall be divided among the Directors in such proportion and manner as the Directors may determine. Provided always that:-

(a) fees payable to Directors who hold no executive office in the company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;

(b) salaries payable to Directors who do hold an executive office in the Company may not include a commission on or percentage of turnover;

(c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;

(d) any fee paid to an Alternate Director shall be such as agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Statement Accompanying Notice of 7th Annual General Meeting *(Cont'd)*

4. Special business – Resolution 9

This authorisation will empower the Directors to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital. This authority, unless revoked or varied at a general meeting, will be valid until the conclusion of the next annual general meeting.

5. Special business – Resolution 10

The Proposed Shareholders' Mandate, if approved by the shareholders of the Company, and the renewal thereof on an annual basis, will eliminate the need by the Company to announce and/or convene separate general meetings from time to time to seek shareholders' approval for the Group to enter into the Recurrent Related Party Transactions with Farima Sdn Bhd. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without however compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

6. Special business – Resolution 11

The Proposed Share buy-back of up to ten percent (10%) of the issued and paid-up share capital, if approved by the shareholders of the Company, will enable the Company to make purchases of ordinary shares comprised in the Company's issued and paid-up ordinary share capital. Further information can be obtained in Part B of the accompanying circular dated 1 June 2009.

Corporate Information

BOARD OF DIRECTORS

Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah
- Non-Executive Chairman

Yong Soon Chow
- Managing Director

Koh Hua Lan (f)
- Executive Director

Lee Sooi Teng
- Executive Director

Yong Shang Ming
- Executive Director

Keong Choon Keat
- Senior Independent Non-Executive Director

Mohd Khasan bin Ahmad
- Independent Non-Executive Director

Kam Yong Kan
- Independent Non-Executive Director

Yong Tiok Keng (f)
- Executive Director, Alternate to Koh Hua Lan

AUDIT COMMITTEE

Mohd Khasan bin Ahmad, *Chairman*
Keong Choon Keat
Kam Yong Kan

REMUNERATION COMMITTEE

Yong Soon Chow, *Chairman*
Keong Choon Keat
Mohd Khasan bin Ahmad

NOMINATION COMMITTEE

Kam Yong Kan, *Chairman*
Keong Choon Keat
Mohd Khasan bin Ahmad

OPTION COMMITTEE

Keong Choon Keat, *Chairman*
Mohd Khasan bin Ahmad
Yong Soon Chow

COMPANY SECRETARIES

Heng Chiang Pooh *FCIS (MAICSA 7009923)*
Chiam Han Twee *FCIS (MAICSA 7009910)*

REGISTERED OFFICE

No. 14-2, Jalan 4A/27A
Section 2, Wangsa Maju
53300 Kuala Lumpur
Tel : 03-4149 8128
Fax : 03-4142 3128

PRINCIPAL PLACE OF BUSINESS

Penthouse, The Crest
3 Two Square
No. 2, Jalan 19/1
46300 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7841 6000
Fax : 03-7841 6088
E-mail : corporate@crestbuilder.com.my

SHARE REGISTRAR

ShareWorks Sdn Bhd
No. 10-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Tel : 03-6201 1120
Fax : 03-6201 3121

AUDITORS

GEP Associates
(A Member Firm of AGN International)
Chartered Accountants *(AF 1030)*
Wisma GEP
No. 25, Jalan PJU 1/42A
Dataran Prima
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7803 3390
Fax : 03-7803 3603

PRINCIPAL BANKERS

CIMB Bank Berhad
EON Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad - Main Board
Sector : Construction

Corporate Structure

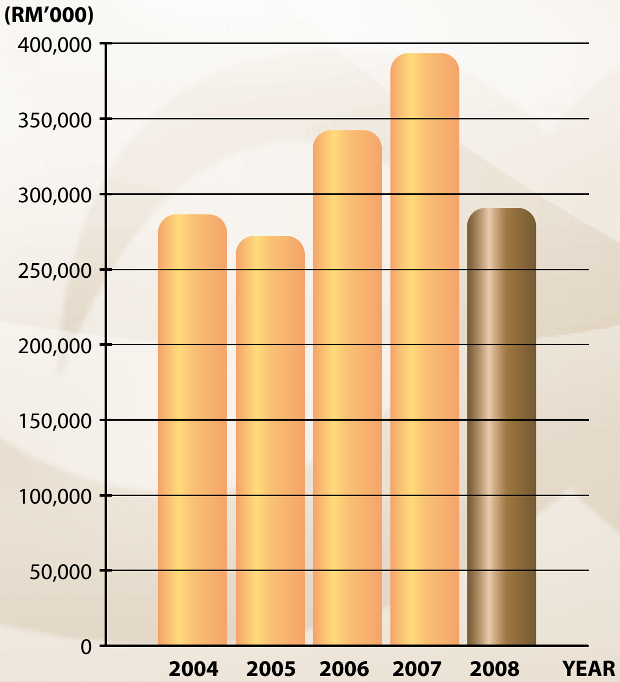
CREST BUILDER HOLDINGS BERHAD
(573382-P)

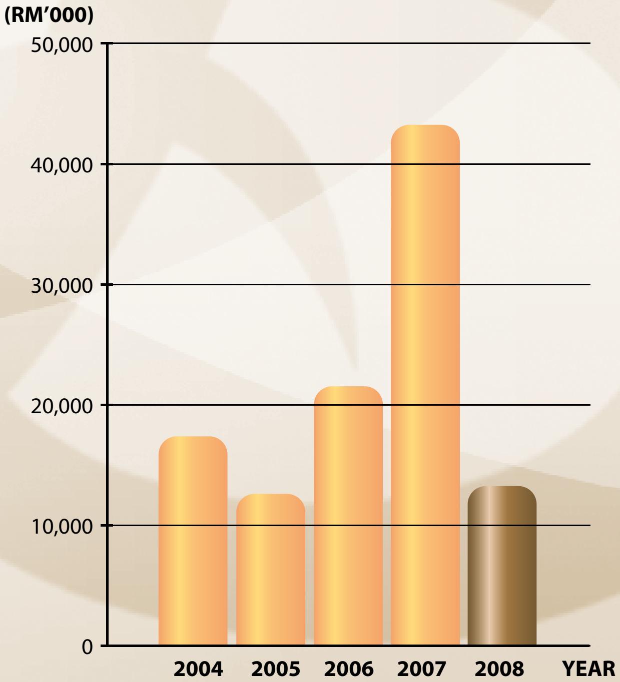
Investment Holding

- 100% **Crest Builder Sdn Bhd** 110330-K — Construction
  - 100% **Crestland Development Sdn Bhd** 316852-A — Property Investment
- 100% **CBTech (M) Sdn Bhd** 508386-M — Mechanical & Electrical Engineering Services
- 100% **3 Two Square Sdn Bhd** 617273-X — Property Development
- 100% **CB Land Sdn Bhd** 658719-D — Property Development
- 100% **Nepfield Sdn Bhd** 592256-M — Property Development
- 100% **Vertical Success Sdn Bhd** 691623-V — Property Development
- 100% **Crestland Project Management Sdn Bhd** 659478-V — Project Management
- 100% **Crest Builder International Sdn Bhd** 644441-T — Investment Holding

Financial Highlights

Financial Year End	2004 RM	2005 RM	2006 RM	2007 RM'000	2008 RM'000
Revenue	266,290,835	253,006,459	318,266,499	365,766,124	270,275,129
Profit Before Taxation	25,293,365	20,194,397	31,460,369	52,810,181	18,607,593
Profit After Taxation	16,238,228	11,738,289	20,034,336	40,193,267	12,343,260
Profit attributable to shareholders *[after deduction/(addition) of pre-acquisition profit/(loss)]*	16,264,116	11,740,593	20,034,336	40,193,267	12,343,260
Total Number of Shares	113,749,500	113,749,500	123,750,450	123,911,450	124,089,450
Basic Earnings per Share (sen)	14.30	10.32	16.39	32.46	9.95
Diluted Earnings per Share *(after full conversion of ICULS, RCULS and Warrants)*	12.94	9.69	n/a	31.62	n/a
Gross Dividend (%)	4.0	4.0	5.0	7.0	3.0





Director's Profile

Tengku Dato' Sulaiman Shah Bin Tengku Abdul Jalil Shah * [Non-Executive Chairman], aged 53, was appointed to the Board on 26 February 2003 as Executive Chairman and he was re-designated as the Non-Executive Chairman with effect from 1 March 2005. Tengku Dato' Sulaiman Shah has over 20 years of experience in the construction, printing advertising and sea freight industries. He was appointed the "Orang Besar Istana" in the year 1996 with the bestowed title of "Tengku Setia Selangor". In the following year, he was also conferred "Dato Di Raja Selangor". In the year 2007, he was awarded "Dato Sultan Sharafuddin Idris Shah" (D.S.I.S). He is primarily responsible for the orderly conduct and working of the Board and the public relation and communication affairs of the Group. He attended all of the five (5) Board meetings held during the financial year ended 31 December 2008

Yong Soon Chow [Managing Director], aged 57, was appointed to the Board on 26 February 2003. Mr Yong is the co-founder of Crest Builder Sdn Bhd and is the driving force behind the Group. Mr Yong started his career as an engineer with Jabatan Kerja Raya from 1977 to 1981. In year 1983, he formed Crest Builder Sdn Bhd and has successfully turned it into a profitable concern. Over the years, he has accumulated invaluable experience and in depth knowledge of civil engineering and construction industry in general from on the job training. He is responsible for the overall business operations and the implementation of policies and strategies of the Group. He attended all of the five (5) Board meetings held during the financial year ended 31 December 2008.

Koh Hua Lan (f) * [Executive Director], aged 57, was appointed to the Board on 26 February 2003. Madam Koh is a co-founder of Crest Builder Sdn Bhd and she has more than 20 years of experience in financial and administration management. She is principally responsible for the administration, human resource and management support services of the Group. She attended all of the five (5) Board meetings held during the financial year ended 31 December 2008.

Lee Sooi Teng [Executive Director], aged 44 was appointed to the Board on 26 February 2003. He graduated from Tunku Abdul Rahman College with a Diploma in Building Technology in 1989. He started his service with Crest Builder Sdn Bhd in 1989 as Site Supervisor. He left Crest Builder Sdn Bhd in 1995 to pursue his studies and obtained a Master Degree in Construction Management from Heriot-Watt University, United Kingdom in 1996. He returned to Crest Builder Sdn Bhd in 1996 and assumed the position as General Manager of Project in 1997. His main responsibility is overseeing all construction project undertaken by the Group and the liaison with clients, consultants, contractors and relevant authorities on related matters. He attended four (4) out of the five (5) Board meetings held during the financial year ended 31 December 2008.

Yong Shang Ming [Executive Director], aged 26 was appointed to the Board on 31 January 2008. He graduated from City University, London with a Honours Degree in Civil Engineering He joined the Group in June 2003 as the Special Assistant to the Group Managing Director. He is involved in the project procurement and implementation as well as the business development ventures of the Group. He is also involved in the project planning, development and marketing operations of the Group's property development projects. He attended all of the five (5) Board meetings held during the financial year ended 31 December 2008.

Keong Choon Keat [Senior Independent Non-Executive Director], aged 64, was appointed to the Board on 25 February 2003 and is a member of the Audit Committee. He is a member of the Malaysian Institute of Accountants and a Fellow Member of the Institute of Chartered Accountants in England and Wales. He was attached to Bristol Myers & Company Ltd. in England as an Accountant in 1968. He then left and joined Malaysian Tobacco Company Berhad as an Accountant in 1969. From 1974 to 1999 he was attached to UMW Holdings Bhd where he held various management positions in the group before being promoted to the position of an Executive Director in 1988. Upon retirement in 1999, he joined a consultancy firm providing outplacement and career management consultancy services in Malaysia. He also serves on the Board of JT International Berhad, Chin Teck Plantations Berhad, Negeri Sembilan Oil Palms Berhad and Malaysian Airlines System Berhad. He attended all of the five (5) Board meetings held during the financial year ended 31 December 2008.

Mohd Khasan Bin Ahmad [Independent Non-Executive Director], aged 48, was appointed to the Board on 25 February 2003 and is the Chairman of the Audit Committee. He graduated from Universiti Teknologi MARA with a degree in Accountancy. He is a member of the Malaysian Institute of Accountants. He served in Bank Negara Malaysia for a period of about 7 years, the last 2 years of which he was seconded to the then Capital Issues Committee as its Principal Assistant Secretary. Subsequently, he joined the Securities Commission for a period of about 6 years and his last capacity was as an Assistant Manager in its Issues and Investment Division. During the tenure of his above appointments, he was involved in various corporate exercises ranging from initial public offerings, mergers and acquisitions, reverse take-overs, issuance of bonds and other capital raising exercises. He then joined the private sector in 1997 and held various senior management positions. He is also the Director of Ta Win Holdings Berhad, Farm Best Berhad, Wellcall Holdings Berhad and Ralco Corporation Berhad He attended all of the five (5) Board meetings held during the financial year ended 31 December 2008.

Kam Yong Kan * [Independent Non-Executive Director], aged 50, was appointed to the Board on 26 February 2003 and also a member of the Audit Committee. He is a fellow member of the Association of Chartered Certified Accountants, United Kingdom, a Registered Accountant with the Malaysian Institute of Accountants and an Associate member of the Malaysian Institute of Taxation. He has over 25 years experience in audit, finance, corporate finance, tax and treasury functions in property related industries. He was attached to a listed property group from 1991 to 2000 and held the position of a Finance Director during the last 4 years of his tenure in the property group. He then formed his consultancy firm and provides corporate advisory services to a wide range of corporate clients. He attended all of the five (5) Board meetings held during the financial year ended 31 December 2008.

Yong Tiok Keng (f) * [Executive Director, Alternate to Koh Hua Lan (f)], aged 30, was appointed to the Board on 25 May 2009. She holds a B. Sc in Accounting & Finance from London School of Economics in 2001. She has over 7 years of experience in the fields of accounting and corporate finance activities and she is currently the Corporate Affairs Manager of CBHB. She is principally responsible for the corporate affairs and financial policies of the Group.

Further information

All the Directors are Malaysian.

Except for certain recurrent related party transaction of revenue nature or trading nature which are necessary for the day to day operation of the Group and for which Tengku Dato Sulaiman Shah Bin Tengku Abdul Jalil Shah is deemed to be interested as disclosed in page 26.

Yong Soon Chow and Koh Hua Lan are husband and wife. Yong Shang Ming is the son to Yong Soon Chow and Koh Hua Lan. Yong Tiok Keng is the daughter to Yong Soon Chow and Koh Hua Lan. Yong Tiok Chin (a major shareholder) is the daughter to Yong Soon Chow and Koh Hua Lan and sibling to Yong Shang Ming and Yong Tiok Keng. Saved as disclosed herein, there are no family relationships between the Directors and/or major shareholders of the Company, or any personal interest or conflict of interest in any business arrangement involving the Group.

The securities holdings of the Directors are disclosed on page 106. By virtue of their interest in shares of the Company and under Section 6A of the Companies Act 1965, Yong Soon Chow and Koh Hua Lan are deemed to be interested in the shares of all the subsidiaries to the extend the Company has an interest.

None of the Directors has been convicted of any offence within the past ten years other than traffic offences if any.

Note :

* *Indicates Directors who retire according to the Articles of Association of the Company and are eligible to offer themselves for re-election.*

Chairman's Statement

On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Financial Statement of the Company for the financial year ended 31 December 2008.

The Crest, 3 Two Square

FINANCIAL REVIEW

The Group again showed financial resilients and delivered a set of satisfactory financial performance despite operating against the backdrop of slowing economy affected by global recession.

For the year 2008, the Group registered turnover of RM270.28 million or 26.11% less compared to RM365.77 million in the previous year. This was mainly due to lower contribution from property and construction divisions by 62.46% and 8.56% respectively.

Profit before taxation for 2008 was at RM18.61 million against RM47.75 million in 2007 (on a "like to like" basis after adjusting two (2) exceptional items-being fair value gain and intangible asset written off). Such decrease was mainly attributable to lower profit contribution from the property division.

The Group's earnings per share for 2008, however, was valued at 9.95 sen (2007: 32.46 sen-including the exceptional items referred to above)

Dividends

The Board continues to maintain a reasonable balance between dividend payouts and the setting aside of funds for the future business growth of the Group.

The Board has recommended a first and final gross dividend of 3.0 sen per share, less income tax of 25% at this Annual General Meeting.

Malaysian Economy and Development

Globally, major economies are experiencing recession and economic contraction which is expected to continue in year 2009. Malaysia's largest trading partner, the U.S. economy, is poised to register a contraction of 1.6% of its GDP in 2009. Similarly, other major economies such as the United Kingdom and Japan are in danger of registering negative GDP growth of 2.6% to 2.8% in the coming year.

On home soil, the GDP growth forecast for 2009 has been revised recently to between -1% to +1% from 3.5% predicted earlier. In order to mitigate the debilitating effects of global contraction, the government's recent announcement of the RM 60 billion mini-budget, in addition to the first stimulus package of RM7 billion, was well received and labelled by economists as being "a step in the right direction". More interestingly, a total of RM 22 billion or almost 37% of the mini-budget was allocated for operating and development expenditure and projects to be undertaken under the private finance initiative (PFI) in both 2009 and 2010. The construction sector should be able to maintain its momentum and kept adequately active with such pump priming efforts together with the implementation of projects under the 9th Malaysia Plan.

In property sector, the overall market is expected to moderate where buyers are becoming more selective on their purchases. On a brighter note, the recent interest rate cut announced by financial institutions offer more affordable housing loan that may result in sustaining property sales. The group's property division will continue to strengthen its product offering and quality during these challenging times with the aim to strategically position its upcoming products in Shah Alam, Kelana Jaya and Mon't Kiara according to realistic market demand and needs.

(Source: The Edge)

Kiara 1888 Condominium

Prospects

The Group will continue to focus on the replenishment of its current order book with new construction projects. The Group had a success rate of 30% in the RM3 billion worth of tenders that it participated in in 2008. Continuous efforts have been taken to identify various strategic measures to improve the Group's construction margins to ensure better contribution to the bottom line. As such, the Group has been innovatively implementing new building systems and methods of construction to enhance the productivity and efficiency of the operations.

The Group's stringent clientele and projects selection continue to be the main yardstick for projects that we are involved in. We are focussed on securing projects of high quality standards by esteemed developers with strong credentials as our business partners. These high quality standards are based on Singapore Building & Construction Authority's CONQUAS 21 standards. Adding to this attributes, the current huge fleet of machineries and tower cranes also enable the Group to build a niche in construction of high rise buildings. The current strategy of targeting projects in vibrant neighbourhoods and city centre allows a better exposure to the public whereby the Group is able to enhance the brand name to build better Shareholders' value.

The property division will also continue to contribute positively to the Group's earnings. The completion and handover of our maiden property development project **3 Two Square** has been the strong base for our next step into property development. The shops and office suites have been sold out; the Group have retain the Corporate Tower 'The Crest' as well as the car parks and this will form the new source of recurring income for the Group

Our second project, **Alam Hijau** in Shah Alam is also progressing well whereby Phase 1 and 2 have been sold enbloc to Syarikat Perumahan Negara Berhad. The Group's other property projects are situated at Kelana Jaya and Mont Kiara. We had recently acquired 4.26 acres of prime commercial land in Damansara Perdana, strategically facing Lebuhraya Damansara Puchong (LDP). We expect this Project to be the significant contributor for the Property Division in the near future.

In the medium term, apart from vying for tracts of land to cater for development segment, the Group also plans to undertake development in the Klang Valley on a joint venture basis with landowners. The Group is also actively looking for opportunities in the current slow market condition. The Group is confident that its construction division can be relied upon to sustain its turnover, at least at the current level in the coming financial year.

Acknowledgement

On behalf of the Directors and Management of Crest Builder Holdings Berhad, I would like to extend our appreciation to all our shareholders, valuable customers, financiers and business associates for their confidence and continued support for the Group.

I must express my gratitude to all the employees of the Group for contributing to the results for the year through their untiring commitments, dedication and loyalty.

Lastly, my sincere thanks to my fellow Directors for their invaluable advice and guidance to the Board.

Chairman
Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah

Report Of The Audit Committee

COMPOSITION AND MEMBERS

The current Audit Committee comprises of three (3) members of the Board which are all Independent Non-Executive Directors. All the Independent Non-Executive Directors, Mohd Khasan Bin Ahmad, Keong Choon Keat and Kam Yong Kan are members of the Malaysian Institute of Accountants. Below are the members of the Audit Committee during the financial year :-

	Directors	Status
1.	Mohd Khasan Bin Ahmad - Chairman	Independent Non-Executive Director
2.	Keong Choon Keat	Senior Independent Non-Executive Director
3.	Kam Yong Kan	Independent Non-Executive Director

TERMS OF REFERENCE

The Audit Committee is governed by the following terms of reference:

1. Composition

(i) The Committee shall be appointed by the Board from amongst the Directors excluding Alternate Directors; shall consist of not less than three members, all current members are independant non-executive Directors; and at least one member of the audit committee:

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

(b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:

(aa) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or

(bb) he must be a member of one of the associations of accountants specified in Part 11 of the 1st Schedule of the Accountants Act 1967.

The Chairman shall be an independent non-executive Director elected by the members of the Committee.

(ii) In the event of any vacancy in the Committee resulting in the non-compliance of paragraph (i) above, the Board must fill the vacancy within 3 months.

(iii) The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

2. Authority

The Committee is granted the authority to investigate any activity of the Company and its subsidiaries within its terms of reference, and all employees are directed to co-operate as requested by members of the Committee. The Committee is empowered to obtain independent professional or other advice and retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

3. Responsibility

The Committee is to serve as a focal point for communication between non-Committee Directors, the external auditors, internal auditors and the Management on matters in connection with financial accounting, reporting and controls. The Committee is to assist the Board in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and all subsidiaries and the sufficiency of auditing relative thereto. It is to be the Board's principal agent in assuring the independence of the Company's external auditors, the integrity of the management and the adequacy of disclosures to shareholders.

If the Committee is of the view that a matter reported to the Board has not been satisfactorily resolved resulting in a breach of the Bursa Malaysia Securities Berhad's ("Bursa Securities") Listing Requirements, the Committee shall promptly report such matter to the Exchange.

4. Functions

The functions of the Committee are as follows:

(i) review with the external auditors, their audit plan;

(ii) review with the external auditors, their evaluation of the system of internal controls;

(iii) review with the external auditors, their audit report;

(iv) review the assistance given by the Company's officers to the external auditors;

(v) review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

(vi) review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

(vii) review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:

- (a) changes in or implementation of major accounting policy changes;
- (b) significant and unusual events;
- (c) compliance with accounting standards and other legal requirements; and
- (d) compliance with Bursa Malaysia Securities Berhad

(viii) review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(ix) consider the nomination, appointment and re-appointment of external auditors; their audit fees; and any questions on resignation or removal; and

(x) review the allocation of options during the year under the Company's Employees Share Option Scheme ("ESOS") to ensure that it is in accordance with the criteria determined by the Option Committee and in compliance with the ESOS by-laws.

5. Meetings

(i) The Committee is to meet at least four times a year and as many times as the Committee deems necessary.

(ii) In order to form a quorum for any meeting of the Committee, the whole of the members present must be Non-Executive Directors and majority must be Independent Directors.

(iii) The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company regulating the meetings and proceedings of the Board so far as the same are applicable.

(iv) The director/person responsible for the financial management of the parent company and the head of internal audit shall normally attend meetings of the Committee. The presence of a representative of the external auditors will be requested if required.

(v) Upon request by the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matters the external auditors believe should be brought to the attention of the Directors or members of the Company.

(vi) At least twice a year, the Committee shall meet with the external auditors without the presence of other directors, and employees of the listed issuer whenever deemed necessary.

6. Secretary and minutes

The secretary of the Committee shall be the Company Secretary. Minutes of each meeting are to be prepared and sent to the Committee members, and the Company's Directors who are not members of the Committee.

MEETINGS

The Audit Committee convened 5 meetings in respect for financial year ended 31 December 2008. The attendance for the meetings were as follows:

	Members	No. of Meetings Attended	No. of Meetings Held During Tenure
1.	Mohd Khasan Bin Ahmad - Chairman	5	5
2.	Keong Choon Keat	5	5
3.	Kam Yong Kan	5	5

SUMMARY OF ACTIVITIES

For the financial year under review, the Audit Committee carried out its duties as set out in the terms of reference. The Committee convened five (5) meetings to review the following:-

- The annual financial statements prior to submission to the Board of Directors for consideration and approval;
- The unaudited Quarterly Financial Results for four quarters in year 2008 for the release to the Bursa Malaysia Securities Berhad;
- The Recurrent Related Party Transactions and Related Party Transactions of the Company;
- The Risk Management Framework and review of internal control;
- The Statement of Corporate Governance and Internal Control Statement for disclosure in Annual Report year 2007;
- Review of the internal audit report for financial year 2007 & 2008; and implementation of recommendations;
- The internal and external audit planning memorandums and programmes of the Internal and External Auditors for the following year as well as the recommendation of their respective fees to the Board.
- Consider and recommend to the Board of Directors the appointment of external and internal auditors;
- The recommendations by the external auditors in respect of control weaknesses noted during the course of their audit;
- The allocation of options under the Company's ESOS scheme to ensure its compliance with Bylaws

The meetings were appropriately structured through the use of agendas and meeting papers, which were distributed to members with sufficient notification.

INTERNAL AUDIT FUNCTION

The Company has an out-sourcing arrangement with an independent professional firm to provide internal audit services which assists the Audit Committee in the discharge of its functions. The Internal Auditor is to provide independent and objective reports on the organization's management records, accounting policies and controls directly to the Audit Committee. Such audits/reviews also ensure instituted controls are appropriate and are effectively applied to achieve acceptable risks exposures.

During the financial year, the Internal Auditor conducted independent reviews and evaluated risk exposures relating to the Group's governance, operations and information system as follows:

- Reliability and integrity of financial and operational information.
- Effectiveness and efficiency of operations.
- Safeguarding of assets.
- Compliance with policies and procedures, laws, regulations and contracts i.e. reasonably ensuring conformity and adherence to these matters.

The Internal Auditor also established follow-up audits/reviews to monitor and to ensure that internal audit's recommendations have been effectively implemented. Reports, including where relevant, action plans agreed with the operational level management, are circulated to Senior Management and are tabled at the Audit Committee Meeting.

During the financial year, the internal audit activities have been carried out according to the internal audit plan which has been approved by the Audit Committee.

Statement on Corporate Governance

The Board of Directors remains committed to achieving and maintaining the highest standards of corporate governance throughout the Group. The Board views corporate governance as synonymous with four key concepts; namely transparency, accountability, integrity as well as corporate performance.

The Board is fully committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles and best practices set out in Parts 1 and 2 respectively of the Malaysian Code on Corporate Governance (the "Code"). Additionally, the Board continually reviews the Group's corporate governance processes and makes adjustments as may be appropriate. The key intent is to adopt the substance behind good governance and not merely the form, with the aim of ensuring board effectiveness in enhancing shareholder value.

The Board is pleased to provide the following statement, which outlines the main corporate governance practices that were in place throughout the financial year unless otherwise stated.

Principle Statement

The following statement sets out how the Company has applied the principles in Part 1 of the Code.

A. Directors

The Board

The Group recognizes the important role played by the Board of Directors in the stewardship of its direction and operations and ultimately the enhancement of long term shareholder value. To fulfill this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and divestment policy, approval of major capital expenditure projects and significant financial matters. The schedule ensures that the governance of the Group is in its hands.

Meetings

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the financial year, the Board met on five (5) occasions, where it deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions, the business direction of the Group and corporate governance matters.

Details of the attendance of the Directors at the Board Meetings are as follows:

	Directors	Number of meetings attended
(i)	Tengku Dato' Sulaiman Shah Bin Tengku Abdul Jalil Shah	5/5
(ii)	Yong Soon Chow	5/5
(iii)	Koh Hua Lan	5/5
(iv)	Lee Sooi Teng	4/5
(v)	Yong Shang Ming	5/5
(vi)	Keong Choon Keat	5/5
(vii)	Mohd Khasan Bin Ahmad	5/5
(viii)	Kam Yong Kan	5/5
(ix)	Yong Tiok Keng (Alternate to Koh Hua Lan) - appointed w.e.f 25 May 2009	–

Where a potential of conflict arise in the Group's investment, projects or any transactions involving Director's interest, such Director is required to declare his interest and abstain from further discussion and the decision making process.

Board Balance

As at the date of this statement the Board has nine (9) members, comprising four (4) Non-Executive Directors and five (5) Executive Directors. Three (3) of the nine (9) Directors are Independent Non-Executive Directors, which complies with paragraph 15.02 of the Listing Requirements that requires at least two Directors or one-third of the board of the Company, which ever is the higher, to be independent Directors. A brief profile of each Director is presented on pages 12 and 13 of this Annual Report.

There is a clear division of responsibility between the Chairman and the Managing Director of the Group in order to provide for balance of power and authority.

The Chairman is responsible for ensuring the Board effectiveness and conduct whilst the Managing Director has an overall responsibility over the operating units, organizational effectiveness and implementation of the Board's policies and decisions.

Although all the Executive Directors have an equal responsibility for the Group's operations, the presence of the Independent Non-Executive Directors on the Board fulfills a pivotal role in ensuring corporate accountability, as they provide unbiased and independent views, advices, opinions and judgments to take into account of the interests, not only of the Group but also the interest of the shareholders, employees, customers, suppliers and the many communities in which the Group conducts business. The Independent Non-Executive Directors are actively involved in the various Board Committees. They provide broader views, independent assessments and opinions on management proposals sponsored by the Executive Directors.

The composition of the Board provides an effective blend of entrepreneurship, business and professional expertise in general management, finance, corporate affairs, legal and technical areas of the industries in which the Group is involved in. A key strength of this structure has been the speed of decision making.

Board Committees

Where appropriate, matters have been delegated to Board Committees, all of which have written constitutions and terms of reference to assist the Board in discharging its duties and responsibilities. The Board will then receive the reports of their proceedings and deliberations in its scheduled Board meetings.

(i) Audit Committee

The Audit Committee whose composition meets the revised Listing Requirements of Bursa Malaysia Securities Berhad, i.e. All members are Non-Executive Directors and a member that is a qualified accountant. The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities relating to accounting and reporting practices of the Group. The Audit Committee Report is set out on page 16. The Audit Committee is empowered to obtain external professional advice and to invite outsiders with relevant experience to attend its meeting when necessary.

(ii) Nomination Committee

The Nomination Committee has been charged with identifying and recommending new nominees to the Board as well as committees of the Board of Crest Builder Holdings Berhad. However, the Board makes all decisions on appointments after considering the recommendations of the Committee.

The Committee will review the required mix of skills, experience and other qualities including core competencies which Non-Executive Directors should bring to the Board.

The members of the Nomination Committee, all of whom are Independent Non-Executive Directors are as follows:

(i) Kam Yong Kan (Chairman)
(ii) Keong Choon Keat
(iii) Mohd Khasan bin Ahmad

During the financial year, one (1) meeting was held and was attended by all members of the Nomination Committee.

(iii) Remuneration Committee

The Remuneration Committee is responsible for developing the Group's remuneration policy and determining the remuneration packages of the Executive Directors of the Group. The Remuneration Committee proposes, subject to the approval of the Board, the remuneration and terms and conditions of service and the remuneration to be paid to each Director for his services as a member of the Board as well as Committee of the Board.

The members of the Remuneration Committee are as follows:

(i) Yong Soon Chow (Chairman)
(ii) Keong Choon Keat
(iii) Mohd Khasan bin Ahmad

During the financial year, one (1) meeting was held and was attended by all members of the Remuneration Committee.

(iv) Option Committee

The Option Committee was established on 15 March 2007. The Option Committee was established to administer the Group's Employee Share Option Scheme ("ESOS") in accordance with the By-Laws of the ESOS and such manner as it shall deem fit and, with such powers and duties as are conferred upon it by the Board of Directors.

The members of the Option Committee are as follows:

(i) Keong Choon Keat (Chairman)
(ii) Mohd Khasan bin Ahmad
(iii) Yong Soon Chow

During the financial year, one (1) meeting was held and was attended by all members of the Option Committee.

Supply of Information

All scheduled meetings held during the financial year were preceded with a formal agenda issued by the Company Secretary in consultation with the Chairman and the Managing Director. The agenda for each meeting was accompanied by the minutes of preceding meetings of the Board and Board Committees, reports on Group financial performance, industry trends, business plans and proposals, quarterly result announcements and other relevant information. The Board papers are comprehensive and encompass all material aspects of the matters being considered, enabling the Board to look at both quantitative and qualitative factors so that informed decisions are made.

All Directors have access to the advice and services of the Company Secretary. Directors are informed and aware that they may take independent professional advice, if necessary and appropriate in furtherance of their duties, at the expense of the Group.

Appointments and Re-elections to the Board

The Nomination Committee is responsible for making recommendations for any appointments to the Board. In making these recommendations, the Nomination Committee considers the required mix of skills and experience which the Directors should bring to the Board.

As part of the process of appointing new Directors, the Board ensures that new Directors are provided with an orientation and education programme.

The Board acknowledges the amendments to the Listing Requirements of Bursa Malaysia ("CEP Amendments") which stated that from year 2005 onwards, the Board of Directors of listed companies will assume the onus of determining or overseeing the training needs of their Directors. During the year, the Directors have attended various training programmes, seminars and briefings to keep abreast of the relevant new laws and regulations changes in business environment and developments in corporate governance and risk management. The Directors will continue to undergo other relevant training programmes to equip themselves with the knowledge to discharge their duties more effectively.

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to re-election by rotation by shareholders at the first opportunity after their appointment. The Articles also provide that at least 1/3 of the remaining Directors be subject to re-election by rotation at each Annual General Meeting, provided that all Directors including the Managing Director shall retire from office at least once every three years but shall be eligible for re-election.

B. DIRECTORS' REMUNERATION

The objective of the Group's Remuneration Policy is to attract and retain the Directors required to lead and control the group effectively. Generally, the remuneration of each Director reflects the level of responsibility and commitment that goes with the Board Committee membership. In the case of Executive Directors, the component parts of the remuneration are structured so as to link rewards to individual and the Group performance.

The Remuneration Committee shall recommend to the Board the framework of the Executive Directors' remuneration and the remuneration package for each Executive Director of the Group. The Remuneration Committee also reviews and recommends for the Board's approval all other Director's fees.

Disclosure

The Board has considered disclosure of details of the remuneration of each Director. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to Directors' Remuneration are appropriately served by the "band disclosure" as required by the Listing Requirements.

The remuneration/fees received by the Directors from the Group for the financial year ended 31 December 2008 as follows:

Salary Band	Executive Director (Number of Directors)	Non-Executive Director (Number of Directors)
Less than 50,000	–	4
100,001 to 150,000	1	–
200,001 to 250,000	1	–
250,001 to 300,000	1	–
650,000 to 700,000	1	–

Aggregate remuneration of Directors is categorized into appropriate components:

	Directors' Fees (RM)	Salaries and/or Other Emoluments (RM)	Total (RM)
Executive Directors	80,000	1,280,674	1,360,674
Non-Executive Directors	170,000	–	170,000
Total	250,000	1,280,674	1,530,674

C. SHAREHOLDERS

Dialogue between the Company and Investors

The Group values communication with its shareholders and investors and does this through the Annual Report, Annual General Meeting and Corporate Announcements. All enquiries made are normally dealt with as promptly as practicable.

The Company also holds briefings with research analysts, fund managers and investors to explain the Group's strategies, performance and major developments and the Board plans to conduct regular dialogues with institutional investors, fund managers and analysts with the aim of fostering mutual understanding of the Group's objectives.

The Annual General Meeting

The Company has used the Annual General Meeting as a forum of communication with its shareholders. The Board encourages participation from shareholders by having a question and answer session during the Annual General Meeting whereby the Directors are available to discuss aspects of the Group's performance and its business activities. Each item of special business included in the notice of the meeting is accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairman declares the number of proxies received, both for and against each separate resolution, where appropriate.

D. ACCOUNTABILITY AND AUDIT

(a) Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of results to shareholders as well as the Chairman's statement in the Annual Report.

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. All accounting standards which the Board considers to be applicable have been complied with.

The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

(b) Internal Control

The Board of Directors acknowledges responsibility for maintaining a sound system of internal control and for reviewing its adequacy and integrity. The system of internal control is designed to safeguard the shareholders' investments and the Group's assets, by its nature can only manage rather than eliminate risk of failure to achieve business objectives and inherently can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors regard risk management as an integral part of the business operations. During the year, managers in the Group have attended a series of briefings on risk management which were facilitated by external consultants to raise the level of knowledge of risk management amongst managers to enhance their understanding of the risks which potentially affect the achievement of their respective operating unit's business objectives.

Information on the Group's internal control is presented in the Statement on Internal Control laid out on page 27 of this Annual Report.

(c) Relationship with Auditors

Through the Audit Committee, the Group has established a transparent and appropriate relationship with the Group's auditors, both external and internal, in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. In relation to the Financial Statement, the role of the Audit Committee in relation to the external auditors are contained in the Audit Committee Report set out on pages 16 to 19 of this Annual Report.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF CODE

The Company is committed to achieving a high standard of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all of its business dealings. The Board considers that it has complied throughout the financial year with the Best Practices as set out in the Code, unless otherwise stated.

Statement made in accordance with the resolution of the Board of Directors dated 15 April 2009.

ADDITIONAL COMPLIANCE INFORMATION

In conformance with Bursa Securities Listing Requirements, the following information is provided:

1. Utilisation of Proceeds

The Company did not implement any fund-raising proposal, whether involving the issue of securities or otherwise during the financial year.

2. Share Buy-Back

The Company did not have Shares Buy-Back for the financial year.

3. Exercise of Options, Warrants or Convertible Securities

During the financial year ended 31 December 2008, 178,000 options were exercised in relation to the Employees Share Option Scheme.

4. American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

The Company did not sponsor any ADR or GDR Programme during financial year.

5. Imposition of Sanctions/Penalties

There were no sanctions/penalties imposed on the Company and/or its subsidiaries, Directors or management arising from any significant breach of rules/guidelines/legislations by the relevant regulatory authorities.

6. Non-Audit Fees

Non-audit fees amounting to RM4,000 were paid to the external auditors for the financial year ended 31 December 2008.

7. Profit Estimate, Forecast or Projection

The Company did not release any profit estimate, forecast or projection during the financial year.

8. Profit Guarantee

There was no profit guarantee given by the Company during the financial year.

9. Material Contracts (Recurrent Related Party Transactions)

Save as disclosed hereunder, there were no material contracts entered into by the Company and its subsidiaries which involved Directors' and Major Shareholders' interests during the financial year.

Recurrent Related Party Transactions

Related Party	Contracting Party	Nature of Transaction	Transacted Value for Financial Year Ended 31.12.2008 (RM)
Farima Sdn Bhd (person connected to TDSS)	Crest Builder Sdn Bhd	Award of Contract (Construction and completion of building work)	8,839,742
Grandland Corporation Sdn Bhd (person connected to YSC & KHL)	Crest Builder Sdn Bhd	Office rental	36,000
Grandland Corporation Sdn Bhd (person connected to YSC & KHL)	CBTECH (M) Sdn Bhd	Office Rental	12,000
Grandland Corporation Sdn Bhd (person connected to YSC & KHL)	3 Two Square Sdn Bhd	Office rental	108,000

10. Revaluation Policy

The revaluation Policy on landed properties of the Company and its subsidiaries is disclosed in Note 3.3 to the Financial Statements.

11. Variation in Results

There was no significant variation in results (differ by 10% or more) from any profit estimation/ forecast /projection/unaudited result announced.

Statement on Internal Control

The Board's Responsibilities

In relation to internal control, pursuant to the requirements under the Malaysian Code of Corporate Governance for companies listed on Bursa Malaysia Securities Berhad ["Bursa Malaysia"], the Board of Directors ("the Board") acknowledges their responsibility under the Bursa Malaysia Listing Requirements to:

- Identify principal risks and ensure implementation of appropriate control measures to manage the risk.
- Review the adequacy and integrity of the internal control system and management information systems and systems for compliance with applicable laws, regulations, rules, directives and guidelines.

It should be noted that an internal control system is designed to manage risks rather than eliminate them, and can provide only reasonable but not absolute assurance against any material misstatement or loss.

The Board confirms that there is an ongoing risk management process established to identify, evaluate, and manage significant risks to effectively mitigate the risks that may impede the achievement of Crest Builder Group of Companies ("the Group") business and corporate objectives. The Board reviews the process on a regular basis to ensure proper management of risk and measures are taken to mitigate any weaknesses in the control environment.

The Group's System of Internal control

In striving to operate a system of internal control that will drive the Group towards its goals, the Board relies upon balanced monitoring and reviewing of the system by the Management Committee and Audit Committee respectively.

Management Committee

The Management Committee oversees the day-to-day operations and conduct of the Group's businesses. Scheduled meetings are held at operational and management levels to identify, discuss and resolve business and operational issues. These include scheduled management meetings at Group and individual subsidiary levels, project managers meetings and site meetings. Minutes of these meetings and management reports are escalated to the relevant Executive Directors on a timely basis. Periodic meetings are held as part of an ongoing process to review and assess the adequacy and effectiveness of the Group's risk management and controls and to ensure that any shortcomings identified are addressed on a timely basis.

Audit Committee

The Audit Committee received reports from the internal and external auditors on a regular basis. The Group has an out-sourcing arrangement with an independent professional firm in relation to its internal audit function. The internal audit function adopts a risk-based approach which focuses on the principal risks affecting the key business processes of the Group. Periodic scheduled internal audit visits have been carried out in accordance with the approved internal audit plan.

The internal audit function is responsible for undertaking regular and systematic review of the internal controls to provide the Audit Committee and the Board with sufficient assurance that the systems of internal control are effective in addressing the risks identified. On a half yearly basis, internal auditors submit audit reports and plan status for review and approval by the Audit Committee. Included in the reports are recommended corrective measures on risks identified, if any, for implementation by the Management.

The external auditors provide assurance in the form of their annual statutory audit of the financial statements of the Group. Any areas for improvement identified during the course of statutory audit by the external auditors are brought to the attention of the Audit Committee through management letters, or are articulated at Audit Committee meetings.

Statement on Internal Control *(Cont'd)*

Enterprise Risk Management Framework

The enterprise risk management framework prevalent in the Group was set up in 2003 with the assistance of a professional firm of consultants. The formalisation of the enterprise risk management framework involved developing the risk profile where principal business risks, which could affect the achievement of the strategic business objective of the Group, are systematically identified, evaluated and mitigated.

A risk management committee was formalised in 2006. The committee is dedicated to meet its obligations and fiduciary responsibilities to stakeholders of the Group. It is actively reviewing the framework to enhance the identification, evaluation and communication of the overall risk process to ensure critical risks (present and potential) are managed systematically and communicated to the Board on a timely basis. The committee also would ensure the framework is relevant and adaptive to changes in the business environment from time to time.

Other Features of the Group's System of Internal Control

Other features of the Group's system of internal control include the following:

: Quality Policy and Quality Objectives which clearly outlined the Group's direction
: Clear organisation structure with delineated reporting lines
: Clearly defined objectives and term of reference of the various Committees established by the Board.
: Frequent visits to the job sites by Executive Directors and Senior Management
: Process and procedures in accordance with the requirements of MS ISO 9001:2000 QMS certification
: Staff Handbook available for reference
: Project Budget and controls

The Board recognises that the Group operates in a dynamic business environment and that the Group's internal control system must be responsive to changes in the business environment and continuously evolves to support its business objectives. The review of all control procedures were continuously carried out throughout the period under review to ensure an effective and efficient system of internal control. The Board remains committed towards continuous improvements and enhancements of its system of internal control and will, when necessary, put in place action plans to ensure that there is increased certainty of the achievement of business objectives, thus enhancing shareholders' value.

This Statement is made in accordance with the resolution of the Board of Directors dated 15 April 2009.

Corporate Social Responsibility

The CBHB Group views Corporate Social Responsibilities ("CSR") as part of its long-term business outlook. The group is keen to respond and fulfil its responsibilities in manners that ensure beneficial contribution to the community and environment (external) and its employees, customers and shareholders (internal).

During the year 2008, the Group has achieved commendable progress mainly in three (3) areas under its CSR initiatives:

1. Continuous commitment to Quality Systems and Processes;
2. Continual community engagement through sponsorships programme; and
3. Continued emphasis on driving staff development and the promotion of ethnic and gender equalities.

Ensuring Customer Satisfaction is Our Top Priority

The Group's commitment to quality has become an internalised culture and forms an integral part of our management systems. In addition to the ISO 9001:2000 certification (2002) and the DOSH 100% Accident Free award (2007), the group was awarded the prestigious World Quality Commitment Gold Award ("WQCGA") in 2008 by the renowned Business Initiative Directions. The award of WQCGA is testament of the group's ability to offer its customers superior quality services and assurance of quality products. The construction work undertaken by the group also satisfied the stringent CONQUAS 21 (Singapore's Construction Quality Assessment System) quality standards. Internally and through independent audit, the group is constantly evaluating its work processes to ensure the highest standards of quality are achieved and maintained from time to time.

Community Engagement is Our Responsibility

As a responsible corporate citizen, the Group is committed to enhance community livelihood and to deliver hopes to needy citizens to further their dreams. The community sponsorships programme offers educational monetary assistance to the needy. To date, a total of RM 37,308 has been contributed to various families and charitable organisations. The Group intends to allocate more resources for this purpose in the future.

Developing Our People is Our Pride

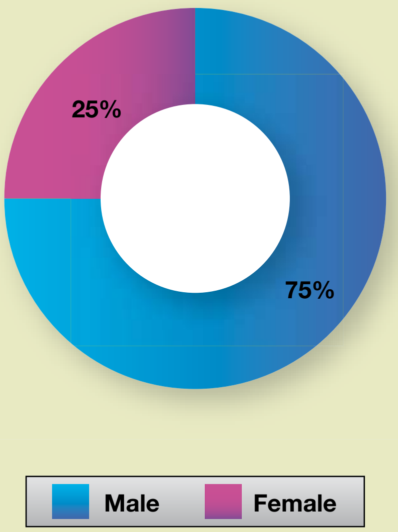
The Group acknowledged the importance of staff contribution to the overall business performance. That is why it has placed continued emphasis on staff development and enrichment programme. During the year, an estimated RM24,000 was invested for 552 hours of training. The topics covered include effective construction management, human resource development, safety and health, financial reporting and contract administration.

Embrace Gender Equality & Ethnic Diversity is Our Principle

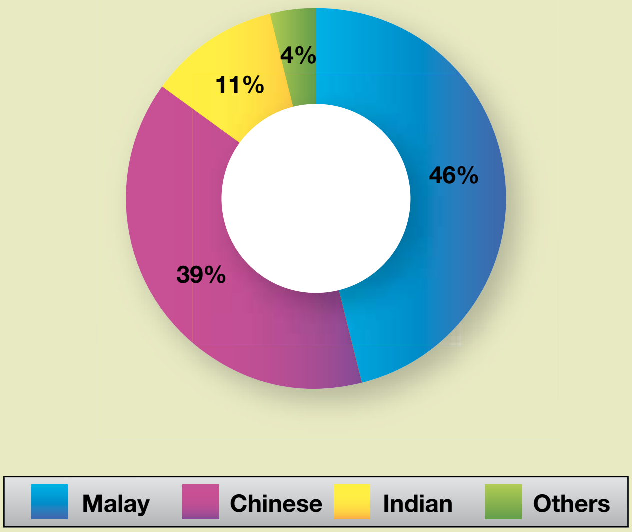
The Group aims to offer equal opportunities and to tap on the wide knowledge base offered by the rich ethnic diversity the country offers. Despite being in an industry (construction and property development) where male dominance is a norm, the group's female employees now made up of 25% of the total permanent employees of 300. The Group embraces these principles when hiring and promoting any individual according to the group's best interest.

In the future, the Group will continue to find ways to improve its CSR initiatives with the objective to contribute positively to the well being of the stakeholders and society at large.

GENDER DIVERSITY



ETHNIC DIVERSITY



Statement on Directors' Responsibility

Pursuant to paragraph 15.27(a) of the listing requirements of Bursa Malaysia Securities Berhad

As required under the Companies Act, 1965 (“Act”), the Directors of **Crest Builder Holdings Berhad** have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company for the financial year ended 31 December 2008.

In the process of preparing these financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the year. In cases where judgement and estimates were made, they were based on reasonableness and prudence.

Additionally, the Directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This statement is made in accordance with a resolution of the Board of Directors dated 15 April 2009.

Financial Statements

Directors' Report

The Directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding company.

The principal activities of the Subsidiary Companies are set out in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit after taxation	12,343,260	7,747,149
Retained earnings brought forward	88,212,478	11,370,276
Profit available for appropriation	100,555,738	19,117,425
Dividends	(6,427,834)	(6,427,834)
Retained earnings carried forward	94,127,904	12,689,591

DIVIDENDS

Since the end of the previous financial year, a first and final dividend of 7 sen gross per ordinary share less income tax at 26% amounting to RM6,427,834 in respect of financial year ended 31 December 2007 was paid on 8 August 2008.

The Directors now recommend a first and final dividend of 3 sen gross per ordinary share less income tax at 25% in respect of the current financial year ended 31 December 2008 which, subject to the approval of the members at the forthcoming Annual General Meeting of the Company, will be paid to shareholders whose names appear in the Record of Depositors on a date to be determined by the Directors, based on the outstanding issued and paid-up share capital of the Company as at 31 December 2008 of 124,089,450 ordinary shares, amounting to RM2,792,013 (2-25 sen net per ordinary share). Such dividend, if approved by the shareholders will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

ISSUE OF SHARES

During the financial year, the issued and paid-up share capital of the Company was increased from 123,911,450 to 124,089,450 by way of the issuance of 178,000 new ordinary shares of RM1-00 each pursuant to the Company's Employee Share Option Scheme ("ESOS").

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

WARRANTS 2003 / 2013

On 25 February 2003, the Company issued a renounceable rights issue of 24,000,000 Warrants to entitled shareholders at an issue price of RM0-30 per Warrant, on the basis of 1-008 Warrants for every four (4) existing shares held on the entitlement date.

No Warrants were converted during the financial year.

As at 31 December 2008, the total number of Warrants which remain unconverted amounted to 23,999,050 units.

Details of the Warrants are set out in Note 19 to the financial statements.

EMPLOYEE SHARE OPTION SCHEME

On 14 March 2007, approval was granted by the shareholders at the Extraordinary General Meeting held for the establishment of Crest Builder Holdings Berhad Employee Share Option Scheme ("ESOS"). The ESOS is governed by the by-laws approved by the shareholders at the Extraordinary General Meeting. The ESOS was implemented on 19 April 2007 and is to be in force for a period of five (5) years and expiring on 18 April 2012.

The ESOS Committee appointed by the Board of Directors to administer the ESOS, may from time to time grant options to eligible employees of the Group to subscribe for new ordinary shares of RM1-00 each in the Company.

The salient features of the ESOS are as follows :-

(a) The total number of shares to be offered shall not exceed in aggregate 10% of the issued and fully paid-up share capital of the Company at any point of offer during the duration of the ESOS.

(b) Eligible persons for the ESOS are full time confirmed employees of the Group who have been employed for a period of at least six (6) months, and Directors of the Group who have been appointed for a period of at least three (3) months and the entitlement have been approved by the shareholders of the Company in general meeting.

(c) Subject to paragraph (d) below, no option shall be granted for less than 100 shares.

(d) In the event of any alteration in the capital structure of the Company except for certain exemptions, adjustments will be made to the option price and / or the number of shares in respect of options granted but not exercised, such that the grantee will be entitled to the same proportion of the issued and paid-up share capital of the Company prior to the event giving rise to such alteration.

(e) The price at which the grantee is entitled to subscribe for each new ordinary share shall be the higher of the following :-

    (i) at a discount of not more than 10% from the weighted average market price of the ordinary shares for the five (5) market days as shown in the daily official list issued by the Bursa Malaysia Securities Berhad immediately preceding the date of offer; or

    (ii) the par value of the ordinary shares.

(f) The option granted may be exercised at any time within a period of five (5) years from 19 April 2007.

EMPLOYEE SHARE OPTION SCHEME (CONT'D)

Information in respect of the number of share options granted under the ESOS is as follows :-

	Number of share options 2008	2007
At 1 January	6,129,500	–
Granted	1,125,000	6,780,000
Exercised	(178,000)	(161,000)
Lapsed due to resignation	(1,206,500)	(489,500)
At 31 December	5,870,000	6,129,500

The movements of options over unissued new ordinary shares of RM1-00 each of the Company granted under the ESOS during the financial year are as follows :-

		←	Number of share options			→
Date of offer	Option price	1 / 1 / 2008	Granted	Exercised	Lapsed	31 / 12 / 2008
19 / 4 / 2007	RM1-00	6,129,500	–	178,000	1,096,500	4,855,000
19 / 4 / 2008	RM1-00	–	1,125,000	–	110,000	1,015,000

The Company has been granted exemption by the Companies Commissions of Malaysia under Section 169(11) of the Companies Act, 1965 from having to disclose the names of option holders, other than Directors, who have been granted options to subscribe for less than 40,000 ordinary shares of RM1-00 each.

Other than the Directors whose interests are disclosed separately in the Directors' Interests, the names of option holders granted options to subscribe for 40,000 or more ordinary shares of RM1-00 each are as disclosed in Note 44 to the financial statements.

DIRECTORS

The Directors in office since the date of the last report are :-

TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH
YONG SOON CHOW
KOH HUA LAN (f)
LEE SOOI TENG
YONG SHANG MING
KEONG CHOON KEAT
MOHD KHASAN BIN AHMAD
KAM YONG KAN

In accordance with Article 80 of the Company's Article of Association, TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH, KOH HUA LAN and KAM YONG KAN retire from the board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election respectively.

Directors' Report *(Cont'd)*

DIRECTORS' INTERESTS

The following Directors who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act, 1965, interests in ordinary shares, options over ordinary shares and Warrants of the Company and its related corporations as stated below :-

		← Number of ordinary shares of RM1-00 each →			
		At 1 / 1 / 2008	Bought	Sold	At 31 / 12 / 2008
COMPANY					
DIRECT INTEREST					
YONG SOON CHOW		42,418,000	780,000	–	43,198,000
KOH HUA LAN (f)		3,945,500	–	–	3,945,500
LEE SOOI TENG		200,000	50,000	–	250,000
YONG SHANG MING		–	195,000	–	195,000
KEONG CHOON KEAT		20,000	–	–	20,000
KAM YONG KAN		30,000	–	–	30,000
INDIRECT INTEREST					
TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH	(a)	6,807,939	–	–	6,807,939
YONG SOON CHOW	(b)	11,610,808	195,000	–	11,805,808
LEE SOOI TENG	(c)	12,000	–	–	12,000
KEONG CHOON KEAT	(c)	30,000	–	–	30,000

	← Number of options over ordinary shares of RM1-00 each →			
	At 1 / 1 / 2008	Granted	Exercised	At 31 / 12 / 2008
COMPANY'S ESOS				
TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH	200,000	–	–	200,000
YONG SOON CHOW	1,000,000	–	–	1,000,000
KOH HUA LAN (f)	500,000	–	–	500,000
LEE SOOI TENG	500,000	–	–	500,000
YONG SHANG MING	50,000	–	–	50,000
KEONG CHOON KEAT	100,000	–	–	100,000
MOHD KHASAN BIN AHMAD	100,000	–	–	100,000
KAM YONG KAN	100,000	–	–	100,000

DIRECTORS' INTERESTS (CONT'D)

		Number of Warrants		
	At 1 / 1 / 2008	Bought	Sold	At 31 / 12 / 2008
COMPANY				
DIRECT INTEREST				
YONG SOON CHOW	7,999,916	–	–	7,999,916
KOH HUA LAN (f)	1,400,000	–	–	1,400,000
INDIRECT INTEREST				
TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH [(a)]	3,000,000	–	–	3,000,000
YONG SOON CHOW [(c)]	1,400,000	–	–	1,400,000

(a) Held by a company in which the Director has interest
(b) Held by spouse and dependent
(c) Held by spouse

By virtue of his interest in the shares of the Company and pursuant to Section 6A of the Companies Act, 1965, YONG SOON CHOW is also deemed interested in the shares of all the Subsidiary Companies to the extent the Company has an interest.

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in the shares, options over ordinary shares and Warrants of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements, or the fixed salary of a full-time employee of the Company) 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 as disclosed in Note 39 to the financial statements.

Neither during nor at the end of the financial year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted pursuant to the ESOS and Warrants.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps :-

   i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

   ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable value.

(b) At the date of this report, the Directors are not aware of any circumstances which would render :-

   i) it necessary to write off any bad debts or the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

   ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

(d) 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 respective financial statements misleading.

(e) At the date of this report, there does not exist :-

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

   ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year except as disclosed in Note 38 to the financial statements.

(f) In the opinion of the Directors :-

   i) no contingent liability or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;

   ii) the results of the operations of the Group and of the Company during the financial year have not been affected by any item, transaction or event of a material and unusual nature; and

   iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT SUBSEQUENT EVENTS

Significant events subsequent to the balance sheet date are disclosed in Note 40 to the financial statements.

AUDITORS

The Auditors, GEP Associates, have indicated their willingness to continue in office.

Signed in accordance with a resolution of the Directors dated 15 April 2009.

CHAIRMAN
TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH

MANAGING DIRECTOR
YONG SOON CHOW

Petaling Jaya
Dated: 15 April 2009

Statement By Directors

We, TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH and YONG SOON CHOW, being two of the Directors of CREST BUILDER HOLDINGS BERHAD, do hereby state that in the opinion of the Directors, the financial statements set out on pages 43 to 99 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008 and of the results of their operations, changes in equity and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors dated 15 April 2009.

CHAIRMAN
TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH

MANAGING DIRECTOR
YONG SOON CHOW

Petaling Jaya
Dated: 15 April 2009

Statutory Declaration

I, GOH SIN HUAT, being the officer primarily responsible for the financial management of CREST BUILDER HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 43 to 99 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)
GOH SIN HUAT)
at Petaling Jaya)
on 15 April 2009)

GOH SIN HUAT

Before me

COMMISSIONER FOR OATHS

Independent Auditors' Report
to the Members of Crest builder Holdings Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of CREST BUILDER HOLDINGS BERHAD, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 43 to 99.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its Subsidiary Companies have been properly kept in accordance with the provisions of the Act.

b) We are satisfied that the accounts of the Subsidiary Companies 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.

c) Our audit reports on the accounts of the Subsidiary Companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

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

GEP ASSOCIATES
No : AF 1030
Chartered Accountants

GONG WOOI TEIK
No : 741 / 04 / 10 (J)
Chartered Accountant

Petaling Jaya

Date: 15 April 2009

Consolidated Balance Sheet
as at 31 December 2008

	Note	2008 RM	2007 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	14,543,200	14,755,302
Investment properties	5	87,698,313	88,011,005
Other investments	7	8,554,000	8,554,000
Intangible assets	8	33,604,364	33,604,364
Land held for property development	9	29,335,930	21,135,734
		173,735,807	166,060,405
Current assets			
Property development costs	10	13,798,747	15,530,073
Inventories	11	1,897,679	6,872,205
Trade receivables	12	100,695,411	131,038,433
Amounts due from contract customers	13	152,200,283	122,562,566
Other receivables, deposits and prepayments	14	12,745,599	15,355,978
Tax recoverable		3,962,152	5,213,254
Cash and bank balances	16	18,096,953	24,347,850
		303,396,824	320,920,359
TOTAL ASSETS		477,132,631	486,980,764
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	17	124,089,450	123,911,450
Reserves	18	98,452,166	92,441,555
Total equity		222,541,616	216,353,005
Non-current liabilities			
Hire purchase payables	20	1,882,386	1,689,485
Loans	21	43,188,427	88,187,999
Deferred tax liabilities	22	532,340	496,574
		45,603,153	90,374,058

Consolidated Balance Sheet

as at 31 December 2008 (Cont'd)

	Note	2008 RM	2007 RM
Current liabilities			
Trade payables	23	86,630,607	83,608,826
Amounts due to contract customers	13	4,265,309	10,933,336
Progress billings in respect of property development costs		12,068,033	12,291,339
Other payables, deposits and accruals	24	27,527,298	32,342,780
Hire purchase payables	20	2,082,243	1,911,455
Bank overdraft	26	7,982,303	3,872,361
Other bank borrowings	27	68,425,872	29,243,744
Provision for taxation		6,197	6,049,860
		208,987,862	180,253,701
Total liabilities		254,591,015	270,627,759
TOTAL EQUITY AND LIABILITIES		477,132,631	486,980,764

The accompanying Notes form an integral part of the Financial Statements.

Consolidated Income Statement

for the year ended 31 December 2008

	Note	2008 RM	2007 RM
Revenue	28	270,275,129	365,766,124
Cost of sales	28	(229,091,889)	(296,942,084)
Gross profit		41,183,240	68,824,040
Other operating income		2,849,240	41,245,946
		44,032,480	110,069,986
Administrative expenses		(17,397,201)	(49,205,497)
Profit from operations	29	26,635,279	60,864,489
Finance costs	32	(8,027,686)	(8,054,308)
Profit before taxation		18,607,593	52,810,181
Income tax expense	33	(6,264,333)	(12,616,914)
Profit after taxation		12,343,260	40,193,267
Earnings per share attributable to equity holders of the Company :-			
- Basic earnings per share (sen)	34	9-95	32-46
- Diluted earnings per share (sen)	34	N/A	31-62
Dividends per share (sen)	35	3-00	7-00

The accompanying Notes form an integral part of the Financial Statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2008

		Attributable to Equity Holders of the Company				
			Non-Distributable		Distributable	
	Note	Share capital RM	Capital reserve RM	Share option reserve RM	Retained earnings RM	Total equity RM
At 1 January 2007		123,750,450	4,025,542	–	52,536,103	180,312,095
Profit for the year		–	–	–	40,193,267	40,193,267
		123,750,450	4,025,542	–	92,729,370	220,505,362
Dividends	35	–	–	–	(4,516,892)	(4,516,892)
Issue of shares pursuant to ESOS	17	161,000	22,833	(22,833)	–	161,000
Share options granted under ESOS	18	–	–	203,535	–	203,535
At 31 December 2007		123,911,450	4,048,375	180,702	88,212,478	216,353,005
At 1 January 2008		123,911,450	4,048,375	180,702	88,212,478	216,353,005
Profit for the year		–	–	–	12,343,260	12,343,260
		123,911,450	4,048,375	180,702	100,555,738	228,696,265
Dividends	35	–	–	–	(6,427,834)	(6,427,834)
Issue of shares pursuant to ESOS	17	178,000	25,244	(25,244)	–	178,000
Share options granted under ESOS	18	–	–	95,185	–	95,185
At 31 December 2008		124,089,450	4,073,619	250,643	94,127,904	222,541,616

The accompanying Notes form an integral part of the Financial Statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2008

	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	18,607,593	52,810,181
Adjustments for :-		
Deposits forfeited	–	(3,500)
Depreciation	3,922,348	3,740,482
ESOS expenses	95,185	203,535
Fair value adjustments on investment properties	–	(38,506,961)
Gain on disposal of investment properties	(144,444)	(264,800)
Gain on disposal of property, plant and equipment	(774,000)	(481,948)
Intangible asset written off	–	33,450,999
Interest expense	8,027,686	9,784,286
Interest income	(822,315)	(826,886)
Property, plant and equipment written off	–	36,389
Short-term accumulating compensated absences	(247,256)	59,482
Operating profit before working capital changes	28,664,797	60,001,259
Decrease / (Increase) in property development costs	1,731,326	(3,817,767)
Decrease in inventories	4,974,526	27,343,273
Decrease / (Increase) in trade receivables	30,343,022	(52,796,150)
(Increase) / Decrease in amounts due from contract customers	(29,637,717)	1,641,430
Decrease / (Increase) in other receivables, deposits and prepayments	2,610,379	(12,295,878)
Increase / (Decrease) in trade payables	3,021,781	(13,876,038)
(Decrease) / Increase in amounts due to contract customers	(6,668,027)	6,217,129
(Decrease) / Increase in progress billings	(223,306)	1,013,702
(Decrease) / Increase in other payables, deposits and accruals	(4,568,226)	26,404,825
	1,583,758	(20,165,474)
Cash generated from operations	30,248,555	39,835,785
Income tax paid	(11,738,520)	(12,802,780)
Income tax refund	717,392	433,323
Net cash generated from operating activities carried forward	19,227,427	27,466,328

Consolidated Cash Flow Statement

for the year ended 31 December 2008 (Cont'd)

	Note	2008 RM	2007 RM
Net cash generated from operating activities brought forward		19,227,427	27,466,328
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in development expenditure		(8,200,196)	(1,395,549)
Proceeds from disposal of investment properties		1,256,124	1,267,800
Proceeds from disposal of property, plant and equipment		774,000	889,400
Purchase of investment		–	(4,000,000)
Purchase of investment properties		(798,988)	(10,776,995)
Purchase of property, plant and equipment		(1,121,246)	(9,028,070)
Interest received		822,315	826,886
Net cash used in investing activities		(7,267,991)	(22,216,528)
		11,959,436	5,249,800
CASH FLOWS FROM FINANCING ACTIVITIES			
Fixed deposits (pledged) / uplifted		(108,171)	218,286
Proceeds from issuance of ordinary shares		178,000	161,000
Loan raised		85,520	39,901,000
Repayment of term loans		(5,902,964)	(15,778,142)
Repayment of hire purchase payables		(2,225,311)	(2,260,951)
Interest paid		(8,027,686)	(7,941,223)
Dividend paid		(6,427,834)	(4,516,892)
Net cash (used in) / generated from financing activities		(22,428,446)	9,783,078
Net (decrease) / increase in cash and cash equivalents		(10,469,010)	15,032,878
Cash and cash equivalents brought forward		17,189,089	2,156,211
Cash and cash equivalents carried forward	16	6,720,079	17,189,089

The accompanying Notes form an integral part of the Financial Statements.

Balance Sheet

as at 31 December 2008

	Note	2008 RM	2007 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,751	8,197
Investments in Subsidiary Companies	6	94,775,268	94,765,270
Other investments	7	8,500,000	8,500,000
Intangible assets	8	–	–
		103,282,019	103,273,467
Current assets			
Other receivable and prepayments	14	556,966	930,988
Amounts due from Subsidiary Companies	15	125,151,098	122,398,679
Tax recoverable		301,231	878,839
Cash and bank balances	16	51,415	221,051
		126,060,710	124,429,557
TOTAL ASSETS		229,342,729	227,703,024
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	17	124,089,450	123,911,450
Reserves	18	17,013,853	15,599,353
Total equity		141,103,303	139,510,803
Non-current liabilities			
Loans	21	40,000,000	85,000,000
Current liabilities			
Other payables and accruals	24	2,999,426	2,952,221
Amounts due to Subsidiary Companies	25	240,000	240,000
Other bank borrowings	27	45,000,000	–
		48,239,426	3,192,221
Total liabilities		88,239,426	88,192,221
TOTAL EQUITY AND LIABILITIES		229,342,729	227,703,024

The accompanying Notes form an integral part of the Financial Statements.

Income Statement
for the year ended 31 December 2008

	Note	2008 RM	2007 RM
Revenue	28	16,052,436	53,740,826
Cost of sales		–	–
Gross profit		16,052,436	53,740,826
Other operating income		–	–
		16,052,436	53,740,826
Administrative expenses		(674,893)	(34,375,143)
Profit from operations	29	15,377,543	19,365,683
Finance costs	32	(6,470,178)	(6,240,171)
Profit before taxation		8,907,365	13,125,512
Income tax expense	33	(1,160,216)	(12,799,085)
Profit after taxation		7,747,149	326,427

The accompanying Notes form an integral part of the Financial Statements.

Statement of Changes in Equity

for the year ended 31 December 2008

	Note	Share capital RM	Non-Distributable Capital reserve RM	Non-Distributable Share option reserve RM	Distributable Retained earnings RM	Total equity RM
At 1 January 2007		123,750,450	4,025,542	–	15,560,741	143,336,733
Profit for the year		–	–	–	326,427	326,427
		123,750,450	4,025,542	–	15,887,168	143,663,160
Dividends	35	–	–	–	(4,516,892)	(4,516,892)
Issue of shares pursuant to ESOS	17	161,000	22,833	(22,833)	–	161,000
Share options granted under ESOS	18	–	–	203,535	–	203,535
At 31 December 2007		123,911,450	4,048,375	180,702	11,370,276	139,510,803
At 1 January 2008		123,911,450	4,048,375	180,702	11,370,276	139,510,803
Profit for the year		–	–	–	7,747,149	7,747,149
		123,911,450	4,048,375	180,702	19,117,425	147,257,952
Dividends	35	–	–	–	(6,427,834)	(6,427,834)
Issue of shares pursuant to ESOS	17	178,000	25,244	(25,244)	–	178,000
Share options granted under ESOS	18	–	–	95,185	–	95,185
At 31 December 2008		124,089,450	4,073,619	250,643	12,689,591	141,103,303

The accompanying Notes form an integral part of the Financial Statements.

Cash Flow Statement

for the year ended 31 December 2008

	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,907,365	13,125,512
Adjustments for :-		
Depreciation	1,446	1,446
Dividend income	(10,000,000)	(48,000,000)
ESOS expenses	95,185	203,535
Intangible asset written off	–	33,450,999
Interest expense	6,470,178	6,240,171
Interest income	(6,052,436)	(5,740,826)
Operating loss before working capital changes	(578,262)	(719,163)
Decrease / (Increase) in other receivable and prepayments	374,022	(377,137)
Increase in other payables and accruals	47,205	1,294,508
	421,227	917,371
Cash (used in) / generated from operations	(157,035)	198,208
Income tax refund	717,392	433,323
Net cash generated from operating activities	560,357	631,531
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional shares in Subsidiary Company	(9,998)	–
Acquisition of other investment	–	(4,000,000)
Interest received	6,052,436	5,740,826
Dividend received	8,700,000	35,040,000
Net cash generated from investing activities	14,742,438	36,780,826
Balance carried forward	15,302,795	37,412,357

Cash Flow Statement

for the year ended 31 December 2008 (Cont'd)

	Note	2008 RM	2007 RM
Balance brought forward		15,302,795	37,412,357
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		178,000	161,000
Loan raised		–	40,000,000
Increase in amounts due from Subsidiary Companies		(2,752,419)	(66,649,139)
Interest paid		(6,470,178)	(6,240,171)
Dividend paid		(6,427,834)	(4,516,892)
Net cash used in financing activities		(15,472,431)	(37,245,202)
Net (decrease) / increase in cash and cash equivalents		(169,636)	167,155
Cash and cash equivalents brought forward		221,051	53,896
Cash and cash equivalents carried forward	16	51,415	221,051

The accompanying Notes form an integral part of the Financial Statements.

Notes to the Financial Statements
31 December 2008

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of the Bursa Malaysia Securities Berhad since 12 June 2003. It is not a subsidiary of another company.

The registered office and principal place of business of the Company are located at 14-2, Jalan 4A/27A, Section 2, Wangsa Maju, 53300 Kuala Lumpur and Penthouse, The Crest, 3 Two Square, 2, Jalan 19/1, 46300 Petaling Jaya, Selangor Darul Ehsan respectively.

The principal activity of the Company is investment holding.

The principal activities of the Subsidiary Companies are described in Note 6 to the financial statements.

The financial statements are expressed in Ringgit Malaysia.

The financial statements of the Group and of the Company for the financial year ended 31 December 2008 were authorised for issue in accordance with a resolution of the Board of Directors on 15 April 2009.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies.

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRSs") in Malaysia.

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and applicable FRSs in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

2.1 Changes in accounting policies

On 1 January 2008, the Group and the Company adopted the following revised FRSs, amendment to FRS and Issues Committee Interpretations ("IC Int.") which are mandatory for financial periods beginning on or after 1 July 2007 :-

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Int. 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Int. 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Int. 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Int. 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Int. 7	Applying the Restatement Approach under FRS 129_{2004} Financial Reporting in Hyperinflationary Economies
IC Int. 8	Scope of FRS 2

2. BASIS OF PREPARATION (CONT'D)

2.1 Changes in accounting policies (Cont'd)

The adoption of the above revised FRSs, amendment to FRS and IC Int. does not result in significant changes in accounting policies of the Group and of the Company, or any significant impact on the financial statements of the Group and of the Company.

The Group and the Company have not early adopted the following new FRSs and IC Int. that are mandatory for the respective dates as follows :-

a) Financial periods beginning on or after 1 July 2009

FRS 8	Operating Segments

b) Financial periods beginning on or after 1 January 2010

FRS 4	Insurance Contracts
FRS 7	Financial Instruments : Disclosures
FRS 139	Financial Instruments : Recognition and Measurement
IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 10	Interim Financial Reporting and Impairment

The adoption of the above new FRSs and IC Int. upon their effective dates will have no significant impact on the financial statements of the Group and of the Company except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

2.2 Significant accounting estimates and judgements

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows :-

a) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating the value-in-use requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill of the Group as at 31 December 2008 was RM33,604,364 (2007 : RM33,604,364). Further details are as disclosed in Note 8 to the financial statements.

b) Construction contracts and property development

The Group recognises construction contracts and property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that construction contracts and property development costs incurred for the work performed to date bear to the estimated total construction contracts and property development costs, respectively.

2. BASIS OF PREPARATION (CONT'D)

2.2 Significant accounting estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

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

c) Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the employee share options at the date at which they are granted. Judgement is required in determining the most appropriate valuation model for the share options granted, depending on the terms and conditions of the grant. Management is also required to use judgement in determining the most appropriate inputs to the valuation model including volatility and dividend yield. The assumptions and model used are disclosed in Note 17 to the financial statements.

d) Income taxes

Judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its Subsidiary Companies as at the balance sheet date. The financial statements of the Subsidiary Companies are prepared for the same reporting date as the Company.

Subsidiary Companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Uniform accounting policies are adopted in the consolidated financial statements for transactions and events in similar circumstances.

Intragroup balances, transactions and unrealised gains and losses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

Acquisition of Subsidiary Companies are accounted for by applying the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the identifiable assets, liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets acquired, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

Building-in-progress is stated at cost unless in the opinion of the Directors there is a permanent diminution in value, in which case, provision will be made. Depreciation of building-in-progress commences when the assets are ready for their intended use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates :-

Buildings	2 %
Equipment, furniture and fittings	10 - 20 %
Light equipment	20 %
Motor vehicles	20 %
Plant and machinery	20 %

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, 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 property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Upon disposal, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

3.3 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in the income statement in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Investment properties (Cont'd)

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their use. Any gain or loss on the retirement or disposal of an investment property is recognised in the income statement in the year in which it arises.

3.4 Subsidiary Companies

Subsidiary Companies are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in Subsidiary Companies are stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is included in the income statement.

3.5 Other investments

Other non-current investments are stated at cost less impairment losses.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

3.6 Intangible assets

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Subsequent to the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3.7 Land held for property development

Land held for property development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current asset and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified 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.

3.8 Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Property development costs (Cont'd)

When the financial outcome of a development activity can be reliably estimated, property development revenue and costs are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

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

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings in respect of property development costs and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings in respect of property development costs.

3.9 Inventories

Inventories of completed properties are stated at lower of cost and net realisable value.

Cost is determined on the specific identification basis and comprises costs associated with the acquiring of land, direct construction costs and appropriate proportions of common cost.

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.

3.10 Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the year in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

3.11 Construction contracts

When the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised in the income statement by using the stage of completion method. The stage of completion is measured by the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

When the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Construction contracts (Cont'd)

The aggregate of the costs incurred and the profits or losses recognised are compared against the progress billings up to the year end for all contracts in progress. When costs incurred plus recognised profits (less recognised losses) exceed progress billings, the balance is classified as amounts due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

3.12 Payables

Payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.13 Provisions for liabilities

Provisions are recognised where there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of obligations. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.14 Leases

Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions :-

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease as disclosed in Note 3.3.

i) Finance leases - the Group as Lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represents the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as disclosed in Note 3.2.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.14 Leases (Cont'd)

ii) Operating leases - the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

iii) Operating leases - the Group as Lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (Note 3.17(iii)). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.15 Borrowings

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, any differences between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

3.16 Share capital

i) Classification

Ordinary shares are classified as equity.

ii) Share issue costs

External costs directly attributable to the issue of new shares are shown as a deduction from equity.

iii) Dividends

Dividends on ordinary shares are accounted for in the shareholders' equity as an appropriation of retained earnings in the year in which they are declared.

Final dividends proposed by the Board of Directors are not recorded as a liability in the financial statements until they are approved by the shareholders at the Annual General Meeting.

3.17 Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Revenue recognition (Cont'd)

i) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method where the outcome of the contracts can be reliably estimated. When the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately as a provision for foreseeable loss.

ii) Property development

Revenue from sale of development properties is accounted for by the stage of completion method in respect of all building units that have been sold. The stage of completion is determined by reference to the costs incurred to date to the total estimated costs where the outcome of the projects can be reliably estimated. Any expected loss is recognised as an expense in the period in which the loss is identified.

Revenue relating to sale of completed properties is recognised, net of discounts, upon the transfer of significant risks and rewards of ownership to the buyers.

iii) Rental income

Rental income from investment properties is recognised on a straight-line basis over the terms of the leases.

iv) Interest income

Interest income is recognised in the income statement on an accrual basis unless collection is doubtful.

v) Dividend income

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

vi) Car park income

Car park income is recognised when services are rendered.

3.18 Impairment of assets

The carrying amounts of assets, other than investment properties, construction contract assets, property development costs and inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any of such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill that has an indefinite useful life, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Impairment of assets (Cont'd)

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the date of the acquisition, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units.

The recoverable amount of an asset is the higher of an asset's or CGU's fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in the income statement in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss of an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount 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 for the asset in prior years. The reversal is recognised in the income statement immediately.

3.19 Employee benefits

i) Short-term benefits

Wages, salaries, 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. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

iii) Share-based compensation

The Crest Builder Holdings Berhad Employee Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions about the number of options that are expected to become exercisable on vesting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Employee benefits (Cont'd)

iii) Share-based compensation (Cont'd)

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognised the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

3.20 Borrowing costs

Interest incurred on borrowings directly associated with property development activities is capitalised and included as part of development expenditure during the period where activities to plan, develop and construct the land held for property development and development properties are undertaken. Capitalisation of borrowings costs will be ceased when the development properties are ready for their intended use or sale, or during the period in which development and construction are interrupted.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of the cost of the property, plant and equipment during the period of time that is required to complete and prepare the property, plant and equipment for its intended use.

All other interest expense and other costs incurred in connection with borrowings are expensed as incurred.

3.21 Income tax

Income tax on the profit or loss 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 at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and 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 taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill 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 is 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 tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.22 Cash and cash equivalents

Cash and cash equivalents comprise bank balances, cash on hand and short-term highly liquid assets that are readily convertible to cash with insignificant risk of changes in value less bank borrowings that are not subject to fixed term of repayment.

3.23 Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, investments, receivables, payables and borrowings.

i) Financial instruments recognised in the balance sheet

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to financial instruments classified as liabilities, are reported as 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.

The particular recognition method adopted for financial instruments recognised in the balance sheet is disclosed in the individual policy statements associated with each item.

The Group has not used any derivatives financial instrument.

ii) Fair values estimation for disclosure purposes

In assessing the fair values of financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The carrying amounts for financial assets and liabilities with a maturity of less than one (1) year are assumed to approximate their fair values.

3.24 Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services are subject to risks and returns that are different from the other business segments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP Net carrying amount	At 1 / 1 / 2008 RM	Additions RM	Disposals RM	Current depreciation RM	Transfers RM	At 31 / 12 / 2008 RM
Freehold land	3,049,653	–	–	–	–	3,049,653
Buildings	1,028,143	–	–	25,920	–	1,002,223
Building-in-progress	–	–	–	–	–	–
Equipment, furniture and fittings	1,426,991	490,656	–	450,093	–	1,467,554
Light equipment	2,004,770	700,006	–	698,104	–	2,006,672
Motor vehicles	2,592,551	1,496,584	–	936,157	–	3,152,978
Plant and machinery	4,653,194	1,023,000	–	1,812,074	–	3,864,120
	14,755,302	3,710,246	–	3,922,348	–	14,543,200

Net carrying amount	At 1 / 1 / 2007 RM	Additions RM	Disposals RM	Current depreciation RM	Transfers RM	At 31 / 12 / 2007 RM
Freehold land	3,336,760	–	287,107	–	–	3,049,653
Buildings	1,177,039	–	120,345	28,551	–	1,028,143
Building-in-progress	27,887,420	15,056,624	–	–	(42,944,044)	–
Equipment, furniture and fittings	1,154,783	656,810	–	384,602	–	1,426,991
Light equipment	1,348,168	1,247,700	–	591,098	–	2,004,770
Motor vehicles	2,342,331	1,067,332	36,389	780,723	–	2,592,551
Plant and machinery	4,745,102	1,863,600	–	1,955,508	–	4,653,194
	41,991,603	19,892,066	443,841	3,740,482	(42,944,044)	14,755,302

2008	Cost RM	Accumulated depreciation RM	Net carrying amount RM
Freehold land	3,049,653	–	3,049,653
Buildings	1,295,978	293,755	1,002,223
Building-in-progress	–	–	–
Equipment, furniture and fittings	4,777,187	3,309,633	1,467,554
Light equipment	5,309,400	3,302,728	2,006,672
Motor vehicles	7,685,245	4,532,267	3,152,978
Plant and machinery	23,645,313	19,781,193	3,864,120
	45,762,776	31,219,576	14,543,200

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

2007	Cost RM	Accumulated depreciation RM	Net carrying amount RM
Freehold land	3,049,653	–	3,049,653
Buildings	1,295,978	267,835	1,028,143
Buildings-in-progress	–	–	–
Equipment, furniture and fittings	4,286,531	2,859,540	1,426,991
Light equipment	4,609,394	2,604,624	2,004,770
Motor vehicles	7,049,117	4,456,566	2,592,551
Plant and machinery	23,701,222	19,048,028	4,653,194
	43,991,895	29,236,593	14,755,302

COMPANY Net carrying amount	At 1 / 1 / 2008 RM	Additions RM	Disposals RM	Current depreciation RM	At 31 / 12 / 2008 RM
Equipment, furniture and fittings	8,197	–	–	1,446	6,751

Net carrying amount	At 1 / 1 / 2007 RM	Additions RM	Disposals RM	Current depreciation RM	At 31 / 12 / 2007 RM
Equipment, furniture and fittings	9,643	–	–	1,446	8,197

2008	Cost RM	Accumulated depreciation RM	Net carrying amount RM
Equipment, furniture and fittings	14,465	7,714	6,751

2007	Cost RM	Accumulated depreciation RM	Net carrying amount RM
Equipment, furniture and fittings	14,465	6,268	8,197

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM3,710,246 (2007 : RM19,892,066) of which RM2,589,000 (2007 : RM2,535,000) were acquired by means of hire purchase arrangements.

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

The net carrying amount of assets acquired under hire purchase arrangements of which instalments are still outstanding at the balance sheet date are as follows :-

	GROUP	
	2008 RM	2007 RM
Equipment, furniture and fittings	–	94,800
Light equipment	440,533	–
Motor vehicles	2,798,251	2,353,497
Plant and machinery	2,815,177	3,415,248
	6,053,961	5,863,545

Included in property, plant and equipment of the Group are fully depreciated property, plant and equipment which are still in use costing RM22,218,384 (2007 : RM18,427,026).

The net carrying amount of the Group's freehold land amounting to RM457,697 (2007 : RM457,697) is pledged for borrowings as referred to in Note 21 to the financial statements.

Included in building-in-progress is interest expense capitalised during the financial year amounting to NIL (2007 : RM455,154).

5. INVESTMENT PROPERTIES

	GROUP	
	2008 RM	2007 RM
At 1 January	88,011,005	5,115,000
Transfer from property plant and equipment	–	42,944,044
Additions during the year	798,988	2,448,000
Disposals during the year	(1,111,680)	(1,003,000)
Fair value adjustments	–	38,506,961
At 31 December	87,698,313	88,011,005

Investment properties with an aggregate carrying value of RM82,871,005 (2007 : RM82,871,005) are held under lease terms.

Leasehold land of the Group is held on a long lease with an unexpired period of more than fifty (50) years.

The fair values of the investment properties of the Group were recommended by the Directors based on valuations carried out by independent professional valuers on an open market value basis.

Investment properties amounting to RM500,000 (2007 : RM81,951,005) have been pledged as securities for borrowings as referred to in Note 21 to the financial statements.

6. INVESTMENTS IN SUBSIDIARY COMPANIES

	COMPANY 2008 RM	2007 RM
Unquoted shares, at cost	94,775,268	94,765,270

The Subsidiary Companies, all of which are incorporated in Malaysia, are as follows :-

Name of company	Effective equity interest 2008 %	2007 %	Principal activities
3 Two Square Sdn Bhd	100	100	Property investment and property development
CB Land Sdn Bhd	100	100	Property investment and property development
CBTech (M) Sdn Bhd	100	100	Mechanical and electrical engineering services
Crest Builder International Sdn Bhd	100	100	Investment holding
Crest Builder Sdn Bhd	100	100	Construction
Crestland Development Sdn Bhd	100	100	Property investment
Crestland Project Management Sdn Bhd	100	100	Project management
Nepfield Sdn Bhd	100	100	Property investment
Vertical Success Sdn Bhd	100	100	Property investment and property development

7. OTHER INVESTMENTS

	GROUP 2008 RM	GROUP 2007 RM	COMPANY 2008 RM	COMPANY 2007 RM
At cost				
Unquoted bonds in Malaysia	8,500,000	8,500,000	8,500,000	8,500,000
Transferable club memberships	90,000	90,000	–	–
	8,590,000	8,590,000	8,500,000	8,500,000
Less : Accumulated impairment losses	(36,000)	(36,000)	–	–
	8,554,000	8,554,000	8,500,000	8,500,000

8. INTANGIBLE ASSETS

	GROUP 2008 RM	GROUP 2007 RM	COMPANY 2008 RM	COMPANY 2007 RM
At 1 January	33,604,364	67,055,363	–	33,450,999
Less : Written off during the year	–	(33,450,999)	–	(33,450,999)
At 31 December	33,604,364	33,604,364	–	–

On 27 March 2008, the Malaysian Institute of Accountants issued the FRSIC Consensus 5/2008 Accounting For Premium Paid For Transfer Of Listing Status In A Reverse Takeover Scenario (Acquisition Of The Listing Status Of A Company That Was Not Itself A Going Concern). The Consensus requires payment for listing status to be expensed off to the income statement.

Hence in compliance with the Consensus, the Group and the Company had written off an amount of NIL (2007 : RM33,450,999) representing the premium paid for listing status that was previously included as intangible asset.

8.1 Impairment tests for goodwill

Goodwill has been allocated to the Group's CGUs identified according to the business segments as follows :-

	Construction RM	Investment holding RM	Property development RM	Total RM
At 31 December 2008	33,550,094	32,988	21,282	33,604,364
At 31 December 2007	33,550,094	32,988	21,282	33,604,364

8.2 Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial forecasts approved by management for the next one (1) year. Cash flows beyond the next one (1) year are extrapolated using the growth rates as stated below. The key assumptions used for value-in-use calculations are :-

	2008		2007	
	Discount rate %	Growth rate %	Discount rate %	Growth rate %
Construction	8.00	10.00	14.00	10.00
Property development	8.00	10.00	14.00	10.00

The following describes each key assumption on which the management has based its cash flow projections to undertake impairment testing of goodwill :-

i) Discount rate

The discount rates used are based on the weighted average cost of capital of the Group.

ii) Growth rate

The growth rates used are consistent with the long term average growth rate for the Group.

8.3 Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the construction and property development unit, the management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

9. LAND HELD FOR PROPERTY DEVELOPMENT

	GROUP	
	2008 RM	2007 RM
At cost		
Freehold land		
At 1 January	18,044,000	29,271,373
Additions during the year	6,693,314	–
Transfer to property development costs	–	(11,227,373)
At 31 December	24,737,314	18,044,000
Development expenditure		
At 1 January	3,091,734	4,199,628
Costs incurred during the year	1,506,882	756,319
Transfer to property development costs	–	(1,864,213)
At 31 December	4,598,616	3,091,734
Land held for property development at 31 December	29,335,930	21,135,734

Included in development expenditure incurred during the financial year is interest expense capitalised of RM2,250 (2007 : RM460,815).

Freehold land amounting to RM11,127,609 (2007 : RM11,127,609) is pledged for borrowings as referred to in Note 21 to the financial statements.

10. PROPERTY DEVELOPMENT COSTS

Property development costs comprise the following :-

	GROUP 2008 RM	GROUP 2007 RM
Property development costs at 1 January :-		
Leasehold land	11,227,373	22,219,899
Development expenditure	14,164,191	37,089,111
	25,391,564	59,309,010
Costs incurred during the year :-		
Leasehold land	–	6,247,786
Development expenditure	20,663,933	41,205,101
	20,663,933	47,452,887
Costs transferred from land held for property development :-		
Freehold land	–	11,227,373
Development expenditure	–	1,864,213
	–	13,091,586
Costs recognised in income statement :-		
At 1 January	(9,861,491)	(25,268,978)
Recognised during the year	(22,395,259)	(47,114,829)
At 31 December	(32,256,750)	(72,383,807)
Transfer :-		
To inventories	–	(31,939,603)
Property development costs at 31 December	13,798,747	15,530,073

Included in development expenditure incurred during the year is interest expense capitalised of RM2,270 (2007 : RM1,847,967).

The freehold land is pledged for borrowings as referred to in Note 21 to the financial statements.

11. INVENTORIES

	GROUP 2008 RM	GROUP 2007 RM
At cost		
Completed properties	1,897,679	6,872,205

12. TRADE RECEIVABLES

	GROUP 2008 RM	GROUP 2007 RM
Trade receivables	15,379,708	43,799,321
Progress billings receivable	40,861,276	50,209,235
Less : Allowance for doubtful debts	(1,997,475)	(1,997,475)
	54,243,509	92,011,081
Retention sums	46,451,902	39,027,352
	100,695,411	131,038,433

The Group's normal trade credit term ranges from 14 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to a group of debtors.

Included in trade receivables of the Group is an amount of RM3,000 (2007 : NIL) due from a Company connected to a Director of the Company.

13. AMOUNTS DUE FROM / (TO) CONTRACT CUSTOMERS

	GROUP 2008 RM	GROUP 2007 RM
Construction cost incurred to date	1,188,966,774	1,079,571,895
Attributable profits	185,963,146	175,555,497
	1,374,929,920	1,255,127,392
Less : Progress billings	(1,226,994,946)	(1,143,498,162)
	147,934,974	111,629,230
Amounts due from contract customers	152,200,283	122,562,566
Amounts due to contract customers	(4,265,309)	(10,933,336)
	147,934,974	111,629,230
Advances received on contracts, included within progress billings	60,515,218	52,801,750

The costs incurred to date on construction contracts include the following charges made during the financial year :-

	GROUP 2008 RM	GROUP 2007 RM
Hire of plant and machinery	2,072,534	2,712,202
Depreciation of property, plant and equipment	2,384,259	2,397,650
Lease rental	666,840	644,217
Rental of premises	321,350	281,746

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP 2008 RM	GROUP 2007 RM	COMPANY 2008 RM	COMPANY 2007 RM
Other receivables	10,144,581	12,641,523	9,536	9,536
Deposits	1,911,964	1,751,970	–	–
Prepayments	1,176,875	1,450,306	547,430	921,452
	13,233,420	15,843,799	556,966	930,988
Less : Allowance for doubtful debts	(487,821)	(487,821)	–	–
	12,745,599	15,355,978	556,966	930,988

15. AMOUNTS DUE FROM SUBSIDIARY COMPANIES

The amounts due are unsecured, interest free and without any fixed term of repayment except for an amount of RM77,673,495 (2007 : RM77,653,495) which bears weighted average effective interest rate of 7.48% (2007 : 7.48%) per annum.

16. CASH AND CASH EQUIVALENTS

	GROUP 2008 RM	GROUP 2007 RM	COMPANY 2008 RM	COMPANY 2007 RM
Short-term investments	55,255	53,455	–	–
Fixed deposits with licensed banks	7,052,284	6,837,530	–	–
Short-term deposits	9,100,000	15,000,000	–	–
Cash on hand and at banks	1,889,414	2,456,865	51,415	221,051
Cash and bank balances	18,096,953	24,347,850	51,415	221,051
Less : Bank overdraft	(7,982,303)	(3,872,361)	–	–
Fixed deposits pledged	(3,394,571)	(3,286,400)	–	–
Cash and cash equivalents	6,720,079	17,189,089	51,415	221,051

Short-term investments comprise of investments in Income Fund. The weighted average effective interest rate of investments in Income Fund is 3.60% (2007 : 3.40%).

Included in fixed deposits of the Group are an amount of RM1,917,326 (2007 : RM1,858,623) pledged to licensed banks for short-term borrowings facilities and an amount of RM1,477,245 (2007 : RM1,427,777) being bank guarantees for performance bonds issued in favour of third parties in respect of projects undertaken by a Subsidiary Company.

16. CASH AND CASH EQUIVALENTS (CONT'D)

The weighted average effective interest rates of deposits as at balance sheet date were as follows :-

	GROUP	
	2008 %	2007 %
Short-term deposits with licensed banks	3.15	3.40
Fixed deposits with licensed banks	3.14	3.18

The weighted average maturities of deposits as at balance sheet date were as follows :-

	GROUP	
	2008 Days	2007 Days
Short-term deposits with licensed banks	14	14
Fixed deposits with licensed banks	182	104

17. SHARE CAPITAL

	GROUP AND COMPANY			
	2008		2007	
	Number of shares	Nominal value RM	Number of shares	Nominal value RM
Authorised :-				
Ordinary shares of RM1-00 each	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid :-				
Ordinary shares of RM1-00 each				
At 1 January	123,911,450	123,911,450	123,750,450	123,750,450
Issued during the year pursuant to ESOS	178,000	178,000	161,000	161,000
At 31 December	124,089,450	124,089,450	123,911,450	123,911,450

17. SHARE CAPITAL (CONT'D)

Information in respect of the number of share options granted under the ESOS is as follows :-

	Number of share options 2008	2007
At 1 January	6,129,500	–
Granted	1,125,000	6,780,000
Exercised	(178,000)	(161,000)
Lapsed due to resignation	(1,206,500)	(489,500)
At 31 December	5,870,000	6,129,500

The movements of options over unissued new ordinary shares of RM1-00 each of the Company granted under the ESOS during the financial year are as follows :-

		←	Number of share options		→	
Date of offer	Option price	1 / 1 / 2008	Granted	Exercised	Lapsed	31 / 12 / 2008
19 / 4 / 2007	RM1-00	6,129,500	–	178,000	1,096,500	4,855,000
19 / 4 / 2008	RM1-00	–	1,125,000	–	110,000	1,015,000

Fair value of share options granted during the financial year

The fair value of share options granted during the year was estimated using the Black Scholes model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows :-

	19 April 2008	19 April 2007
Fair value of share options granted (RM)	0.13	0.14
Share price (RM)	1-05	1-05
Exercise price (RM)	1-00	1-00
Expected volatility (%)	25.00%	18.00%
Expected life (years)	4	5
Risk free rate (%)	3.40%	3.40%
Expected dividend yield (%)	6.67%	4.05%

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other feature of the option grant was incorporated into the measurement of fair value.

18. RESERVES

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
NON-DISTRIBUTABLE :-				
Capital reserve :-				
At 1 January	4,048,375	4,025,542	4,048,375	4,025,542
Issue of shares pursuant to ESOS	25,244	22,833	25,244	22,833
At 31 December	4,073,619	4,048,375	4,073,619	4,048,375
Share option reserve :-				
At 1 January	180,702	–	180,702	–
Share options granted under ESOS	95,185	203,535	95,185	203,535
Issue of shares pursuant to ESOS	(25,244)	(22,833)	(25,244)	(22,833)
At 31 December	250,643	180,702	250,643	180,702
DISTRIBUTABLE :-				
Retained earnings	94,127,904	88,212,478	12,689,591	11,370,276
	98,452,166	92,441,555	17,013,853	15,599,353

(a) Capital reserve

Capital reserve of the Group and of the Company arose from issuance of Warrants as referred to in Note 19 to the financial statements and transfer within reserve for ESOS exercised.

(b) Share option reserve

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

(c) Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the tax credit under Section 108 of the Income Tax Act, 1967 and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 tax credit to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2008 and 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 December 2008 and 2007, the Company has sufficient credit in the 108 balance to pay franked dividends out of its entire retained earnings.

19. WARRANTS 2003 / 2013

The Warrants Issue involves a renounceable rights issue of 24,000,000 Warrants to the entitled shareholders at an issue price of RM0-30 per Warrant, on the basis of 1-008 Warrants for every four (4) existing shares held on the entitlement date.

The principle objective of the Warrants Issue is to generate cash proceeds of RM7,200,000, of which RM7,000,000 was utilised as cash payment to MGR Corporation Berhad's creditors.

The Warrants are convertible into fully paid-up ordinary shares of RM1-00 each in the Company at any time on or before 29 May 2013 at the rate of RM1-00 cash per Warrant subject to the terms and conditions set out in the Deed Poll. Warrants not exercised during the period will thereafter lapse and cease to be valid for any purpose.

As at 31 December 2008, 23,999,050 (2007 : 23,999,050) Warrants remain unconverted.

20. HIRE PURCHASE PAYABLES

The amounts owing to hire purchase creditors are repayable as follows :-

	GROUP	
	2008 RM	2007 RM
Minimum hire purchase payments :-		
- not later than one year	2,252,087	2,068,848
- later than one year and not later than five years	2,030,950	1,825,149
- later than five years	–	–
	4,283,037	3,893,997
Future finance charges on hire purchase	(318,408)	(293,057)
Present value of hire purchase payments	3,964,629	3,600,940
Present value of hire purchase payments :-		
- not later than one year	2,082,243	1,911,455
- later than one year and not later than five years	1,882,386	1,689,485
- later than five years	–	–
	3,964,629	3,600,940
Less : Amount repayable within one year	(2,082,243)	(1,911,455)
Amount repayable after one year	1,882,386	1,689,485

Hire purchase facilities incur weighted average effective interest rate of 2.71% (2007 : 2.71%) per annum.

The maturity structure of the hire purchase payables are as follows :-

	GROUP	
	2008 RM	2007 RM
Amount repayable :-		
Within one year	2,082,243	1,911,455
After one year but within two years	1,348,009	1,201,233
After two years but within three years	534,377	488,252
After three years but within four years	–	–
After four years but within five years	–	–
After five years	–	–
	3,964,629	3,600,940

21. LOANS

	GROUP 2008 RM	GROUP 2007 RM	COMPANY 2008 RM	COMPANY 2007 RM
Secured				
Term loans	7,135,299	13,033,743	–	–
Unsecured				
Collaterised loan obligations	85,000,000	85,000,000	85,000,000	85,000,000
	92,135,299	98,033,743	85,000,000	85,000,000
Less : Amount repayable within one year (Note 27)	(48,946,872)	(9,845,744)	(45,000,000)	–
Amount repayable after one year	43,188,427	88,187,999	40,000,000	85,000,000

21.1 The bank overdraft, bankers acceptance and term loans facilities are secured by way of :-

i) a first legal charge over freehold land known as Lot 13824 and 13825, Seksyen 22, Shah Alam, Selangor held under Geran 30437 and 30438, Mukim of Damansara, District of Petaling, State of Selangor Darul Ehsan;

ii) a first and second legal charge against a 3 storey shop house situated at No. 24, Jalan 30/48, Taman Datu Senu, Sentul, Kuala Lumpur held under H.S. (D) No. 44166, P.T. No. 16311, Mukim of Setapak, District of Wilayah Persekutuan;

iii) a first and second legal charge against five (5) acres of vacant land known as E.M.R. 8258, Lot No. 5440, Mukim of Kapar, District of Klang, Selangor Darul Ehsan;

iv) an asset purchase agreement and asset sale agreement over a Subsidiary Company's assets;

v) a deed of assignment of all rights, interest and benefit under the relevant sale and purchase agreement of all monies owing or payable under the facilities;

vi) a deed of Power of Attorney; and

vii) corporate guarantees by the Company and its Subsidiary Company, Crest Builder Sdn Bhd.

21. LOANS (CONT'D)

21.2 The Unsecured Term Loan Facility agreements provides that the Company shall subscribe for the Subordinated Bonds issued by Kerisma Berhad and Prima Uno Berhad, companies specially incorporated for the purpose of implementing and carrying out primary collateralised loan obligations transactions.

Tenure for the Unsecured Term Loans is for a period not exceeding five (5) years from the date of advance of the facilities. Such term loans are repayable on a lump sum basis on the last day of the tenure of the term loans.

The weighted average effective interest rates of loans at the balance sheet date were as follows :-

	GROUP		COMPANY	
	2008 %	2007 %	2008 %	2007 %
Term loans	7.00	7.00	–	–
Collaterised loan obligations	7.15	7.15	7.15	7.15

The maturity structure of the loans are as follows :-

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Amount repayable :-				
Within one year	48,946,872	9,845,744	45,000,000	–
After one year but within two years	3,188,427	48,187,999	–	45,000,000
After two years but within three years	–	–	–	–
After three years but within four years	40,000,000	–	40,000,000	–
After four years but within five years	–	40,000,000	–	40,000,000
After five years	–	–	–	–
	92,135,299	98,033,743	85,000,000	85,000,000

22. DEFERRED TAX LIABILITIES

	GROUP 2008 RM	GROUP 2007 RM
At 1 January	496,574	759,511
Recognised in income statement	35,766	(262,937)
At 31 December	532,340	496,574

Deferred tax liabilities arises from temporary differences between tax capital allowances and book depreciation of property, plant and equipment.

The components and movements of deferred tax liabilities during the financial year are as follows :-

Deferred tax liabilities of the Group :-

	Accelerated capital allowances 2008 RM	Accelerated capital allowances 2007 RM
At 1 January	496,574	759,511
Recognised in income statement	35,766	(262,937)
At 31 December	532,340	496,574

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

	GROUP 2008 RM	GROUP 2007 RM
Unutilised tax losses	–	5,985

Deferred tax assets have not been recognised in respect of the above as it is not probable that future taxable profit will be available against which this item can be utilised.

23. TRADE PAYABLES

	GROUP 2008 RM	GROUP 2007 RM
Trade payables	54,951,882	57,819,140
Retention sums	31,678,725	25,789,686
	86,630,607	83,608,826

The normal trade credit terms granted to the Group ranges from 30 to 60 days.

24. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Other payables	4,215,300	6,560,196	1,230,675	1,227,295
Deposits received	1,750,026	2,301,628	–	–
Accruals	21,561,972	23,480,956	1,768,751	1,724,926
	27,527,298	32,342,780	2,999,426	2,952,221

25. AMOUNTS DUE TO SUBSIDIARY COMPANIES

The amounts due are unsecured, interest free and without any fixed term of repayment.

26. BANK OVERDRAFT

The securities for the bank overdraft facilities are as disclosed in Note 21 to the financial statements.

Bank overdraft facilities bear weighted average effective interest rate of 7.97% (2007 : 7.50%) per annum for the Group and 8.00% (2007 : NIL) per annum for the Company.

27. OTHER BANK BORROWINGS

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Bankers' acceptance	19,479,000	19,398,000	–	–
Term loans (Note 21)	48,946,872	9,845,744	45,000,000	–
	68,425,872	29,243,744	45,000,000	–

The securities for the bankers' acceptance and term loan facilities are as disclosed in Note 21 to the financial statements.

Bankers' acceptance facilities incur weighted average effective interest rate of 4.24% (2007 : 4.58%) per annum.

28. REVENUE AND COST OF SALES

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Revenue is categorised as follows :-				
Contract revenue	225,317,896	246,422,036	–	–
Sales of development / completed properties	38,671,819	118,889,003	–	–
Rental income from investment properties	4,531,791	325,773	–	–
Interest income	132,840	58,480	6,052,436	5,740,826
Dividend income	–	–	10,000,000	48,000,000
Car park income	1,620,783	70,832	–	–
	270,275,129	365,766,124	16,052,436	53,740,826

	GROUP	
	2008 RM	2007 RM
Cost of sales are categorised as follows :-		
Cost of construction contracts	201,632,605	224,559,506
Cost of development / completed properties sold	27,459,284	72,382,578
	229,091,889	296,942,084

29. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging :-

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Auditors' remuneration				
- current year's provision				
- statutory	120,600	115,600	20,000	20,000
- non-statutory	3,200	4,800	3,200	4,800
- underprovision in prior year	–	11,300	–	–
Depreciation	3,922,348	3,740,482	1,446	1,446
Direct operating expenses of investment properties				
- revenue generating during the year	66,450	27,894	–	–
- non-revenue generating during the year	12,033	16,694	–	–
Directors' fees (Note 30)	250,000	250,000	250,000	250,000
Directors' other emoluments (Note 30)	1,450,523	1,223,472	–	–
Hire of plant and machineries	2,072,897	2,727,505	–	–
Intangible asset written off	–	33,450,999	–	33,450,999
Lease rental	666,840	658,859	–	–
Property, plant and equipment written off	–	36,389	–	–
Rental expense	1,552,593	545,366	–	–

and crediting :-

	GROUP 2008 RM	GROUP 2007 RM	COMPANY 2008 RM	COMPANY 2007 RM
Dividend income	–	–	10,000,000	48,000,000
Fair value adjustments on investment properties	–	38,506,961	–	–
Gain on disposal of investment properties	144,444	264,800	–	–
Gain on disposal of property, plant and equipment	774,000	481,948	–	–
Interest income	822,315	826,886	6,052,436	5,740,826
Late payment interest income	264,898	147,644	–	–
Rental income from investment properties	130,560	157,560	–	–

30. DIRECTORS' REMUNERATION

	GROUP 2008 RM	GROUP 2007 RM	COMPANY 2008 RM	COMPANY 2007 RM
Executive Directors				
- Emoluments	1,450,523	1,223,472	-	-
- Fees	80,000	80,000	80,000	80,000
	1,530,523	1,303,472	80,000	80,000
Non-executive Directors				
- Fees	170,000	170,000	170,000	170,000
Total	1,700,523	1,473,472	250,000	250,000

The number of Directors of the Group whose total remuneration are analysed into the bands of RM50,000 is as follows :-

	Number of Directors 2008	Number of Directors 2007
Executive Directors		
Less than RM50,000	-	-
RM50,001 - RM150,000	-	-
RM150,001 - RM200,000	1	-
RM200,001 - RM250,000	-	1
RM250,001 - RM300,000	2	2
RM300,001 - RM350,000	-	-
RM350,001 - RM400,000	-	-
RM400,001 - RM450,000	-	-
RM450,001 - RM500,000	-	-
RM500,001 - RM550,000	-	-
RM550,001 - RM600,000	1	1
	4	4
Non-executive Directors		
Less than RM50,000	4	4
Total	8	8

31. STAFF COSTS

Included in the staff costs are the following :-

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
EPF and SOCSO	902,986	898,302	–	–
ESOS expenses	95,185	203,535	95,185	203,535
Medical expenses	26,547	241,742	–	–
Messing and refreshment	64,817	46,433	–	–
Salaries, overtime, bonus and allowances	6,927,031	6,527,327	–	–
Short-term accumulating compensated absences	(247,256)	59,482	–	–
Staff training	7,655	8,470	–	–
Staff welfare	14,687	61,011	–	–
	7,791,652	8,046,302	95,185	203,535

32. FINANCE COSTS

Included in finance costs are the following charges for the year :-

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Bank overdraft interest	547,965	358,345	–	–
Bankers' acceptance interest	789,642	1,006,809	–	–
Hire purchase interest	182,535	169,515	–	–
Term loan interest	6,507,544	6,519,639	6,470,178	6,240,171
	8,027,686	8,054,308	6,470,178	6,240,171

33. INCOME TAX EXPENSE

	GROUP 2008 RM	GROUP 2007 RM	COMPANY 2008 RM	COMPANY 2007 RM
Current year's provision	5,218,916	13,069,311	1,159,197	12,798,552
Under / (Over) provision of taxation in prior years	1,009,651	(189,460)	1,019	533
	6,228,567	12,879,851	1,160,216	12,799,085
Deferred tax :-				
Relating to (reversal) / origination of temporary differences	(76,378)	66,405	–	–
Under / (Over) provision of deferred tax in prior year	112,144	(329,342)	–	–
	35,766	(262,937)	–	–
	6,264,333	12,616,914	1,160,216	12,799,085

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows :-

	GROUP 2008 RM	GROUP 2007 RM	COMPANY 2008 RM	COMPANY 2007 RM
Profit before taxation	18,607,593	52,810,181	8,907,365	13,125,512
Taxation at Malaysian statutory tax rate :-				
- at 26% (2007 : 27%)	4,657,283	13,774,529	2,315,915	3,543,888
- up to RM500,000 at 20%	212,472	247,182	–	–
Effect of different in tax rate	(8,131)	(2,888)	–	–
Income not subject to tax	(468)	(10,397,338)	(1,300,000)	–
Expenses not deductible for tax purposes	280,347	9,513,203	143,282	9,254,664
Deferred tax assets not recognised during the year	1,035	1,028	---	–
Under / (Over) provision of taxation in prior years	1,009,651	(189,460)	1,019	533
Under / (Over) provision of deferred tax in prior year	112,144	112,144	(329,342)	–
	6,264,333	12,616,914	1,160,216	12,799,085

33. INCOME TAX EXPENSE (CONT'D)

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Tax savings recognised during the year arising from :-				
- Utilisation of current year capital allowances	774,890	959,784	–	–
- Utilisation of tax losses brought forward from previous years	6,521	2,833	–	–

Subject to the agreement by the Inland Revenue Board, the unutilised tax losses available for utilisation against future taxable profits are approximated to be as follows :-

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Unutilised tax losses	–	22,200	–	–

34. EARNINGS PER SHARE

34.1 Basic earnings per share

The basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2008 RM	2007 RM
Profit attributable to ordinary equity holders of the Company (RM)	12,343,260	40,193,267
Weighted average number of ordinary shares in issue	124,070,278	123,812,645
Basis earnings per share (sen)	9-95	32-46

34. EARNINGS PER SHARE (CONT'D)

34.2 Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the effects of dilutive potential ordinary shares from exercise of ESOS and conversion of Warrants. The adjusted weighted average number of ordinary shares is the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares which would be issued on the full conversion of the outstanding ESOS and Warrants into ordinary shares. The ESOS and Warrants are deemed to have been converted into ordinary shares at the date of issue of the ESOS and Warrants. No adjustment is made to the net profit for the calculation.

	GROUP	
	2008 **RM**	**2007** **RM**
Profit attributable to ordinary equity holders of the Company (RM)	12,343,260	40,193,267
Weighted average number of ordinary shares in issue	124,070,278	123,812,645
Adjustment for ESOS	*	535,194
Adjustment for assumed conversion of Warrants	*	2,745,279
Adjusted weighted average number of ordinary shares in issue and issuable	124,070,278	127,093,118
Diluted earnings per share (sen)	N/A	31-62

* Not taken into account in the computation of diluted earnings per share as the effect arising from assumed conversion of ESOS and Warrants is anti-dilutive

35. DIVIDENDS

	GROUP AND COMPANY 2008 RM	2007 RM
First and final dividend of 5 sen less income tax at 27% in respect of financial year ended 31 December 2006	–	4,516,892
First and final dividend of 7 sen less income tax at 26% in respect of financial year ended 31 December 2007	6,427,834	–
	6,427,834	4,516,892

The Directors now recommend a first and final dividend of 3 sen gross per ordinary share less income tax at 25% in respect of the financial year ended 31 December 2008 which, subject to the approval of the members at the forthcoming Annual General Meeting of the Company, will be paid to shareholders whose names appear in the Record of Depositors on a date to be determined by the Directors, based on the outstanding issued and paid-up share capital of the Company as at 31 December 2008 of 124,089,450 ordinary shares, amounting to RM2,792,013 (2-25 sen net per ordinary share). Such dividend, if approved by the shareholders will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

36. OPERATING LEASE ARRANGEMENTS

a) The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the use of buildings. These leases have an average life of between 2 and 3 years with no purchase option included in the contracts.

The Group also leases various buildings under cancellable operating lease agreements. The Group is required to give a one-month notice for the termination of those agreements.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as liabilities, are as follows :-

	GROUP 2008 RM	2007 RM
Future minimum rental payments :-		
Not later than one year	1,059,823	350,642
Later than one year and not later than five years	393,652	-
Later than five years	-	-
	1,453,475	350,642

36. OPERATING LEASE ARRANGEMENTS (CONT'D)

b) The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its investment properties portfolio. These leases have remaining non-cancellable lease terms of between 1 and 3 years.

The future minimum lease payments receivable under non-cancellable operating lease contracted for as at the balance sheet date but not recognised as receivables, are as follows :-

	GROUP	
	2008 RM	**2007 RM**
Not later than one year	4,665,363	1,652,256
Later than one year and not later than five years	4,858,583	3,100,139
Later than five years	–	–
	9,523,946	4,752,395

Investment properties rental income recognised in income statement during the financial year is disclosed in Note 28 to the financial statements.

37. CAPITAL COMMITMENT

	GROUP	
	2008 RM	**2007 RM**
Capital expenditure		
Approved and contracted for :-		
- Investment property	1,245,232	–
- Land held for property development	–	6,447,517
	1,245,232	6,447,517

38. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Guarantees given to financial institution in respect of facilities granted to Subsidiary Companies	–	–	355,869,000	228,469,000
Guarantees issued in favour of third parties	78,351,484	51,942,861	–	–

39. RELATED PARTY DISCLOSURES

39.1 Identity of related parties

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

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Company.

39.2 In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year :-

Related parties	**Relationship**
Farima Sdn Bhd	Company connected to a Director of the Company
Grandland Corporation Sdn Bhd	Company connected to certain Directors of the Company
Lee Sooi Teng	Director of the Company

39. RELATED PARTY DISCLOSURES (CONT'D)

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
a) Contract revenue received / receivable from :-				
- Farima Sdn Bhd	8,839,742	82,725,008	–	–
b) Rental received from :-				
- Farima Sdn Bhd	36,000	36,000	–	–
c) Gross dividends receivable from :-				
- Subsidiary Companies	–	–	10,000,000	48,000,000
d) Interest receivable from :-				
- Subsidiary Companies	–	–	6,052,436	5,740,826
e) Rental paid to :-				
- Grandland Corporation Sdn Bhd	160,000	156,000	–	–
f) Sale of investment property to :-				
- Lee Sooi Teng	315,000	–	–	–

The outstanding year end balances for related party transactions with the related party in which a Director of the Company has significant financial interest are as follows :-

	GROUP	
	2008 RM	2007 RM
Progress billings receivable	9,888,347	12,843,089
Retention sums	8,880,521	9,493,978
	18,768,868	22,337,067

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

39. RELATED PARTY DISCLOSURES (CONT'D)

39.3 Compensation of key management personnel

The remuneration of Directors and other members of key management during the financial year was as follows :-

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Short-term employee benefits	1,617,023	1,585,574	80,000	80,000

Included in the total key management personnel are :-

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Directors' remuneration	1,530,523	1,303,472	80,000	80,000

Executive Directors of the Group and the Company have been granted the following number of options under ESOS :-

	GROUP AND COMPANY	
	2008 RM	2007 RM
At 1 January	2,050,000	–
Granted	–	2,050,000
Exercised	–	–
At 31 December	2,050,000	2,050,000

40. SIGNIFICANT SUBSEQUENT EVENTS

40.1 On 21 January 2009, the Company's wholly-owned Subsidiary Company, Crest Builder Sdn Bhd entered into a Memorandum of Understanding with Detik Utuh Sdn Bhd to form a Special Purpose Vehicle known as Unitapah Sdn Bhd to co-operate with each other in submitting a joint proposal for the concession project titled "CADANGAN PROJECT PEMBINAAN KAMPUS BARU UNIVERSITI TEKNOLOGI MARA (UiTM) TAPAH, PERAK DARUL RIDZUAN SECARA REKA BINA DAN PRIVATE FINANCE INITIATIVE" to the Economic Planning Unit of the Prime Minister's Department, Ministry of Higher Education and UiTM. The Subsidiary Company's equity participation in Unitapah shall be 51%.

40. SIGNIFICANT SUBSEQUENT EVENTS (CONT'D)

40.2 On 19 February 2009, the Company's wholly-owned Subsidiary Company, Crest Builder Sdn Bhd entered into a conditional sales and purchase agreement with Saujana Triangle Sdn Bhd, a wholly-owned subsidiary of MK Land Holdings Berhad, for the proposed acquisition of a piece of vacant land located in Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor measuring approximately 275,777 square feet (6.33 acres) with a usable land area of approximately 185,567 square feet (4.26 acres) for a purchase consideration of RM37,113,120 to be satisfied by setting off the same amount against the total contract sum payable by Saujana Triangle Sdn Bhd to the Subsidiary Company in the ordinary course of business.

41. FINANCIAL INSTRUMENTS

41.1 Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, credit, market and liquidity risks. The Group operates within clearly defined guidelines that are approved by the Board.

i) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing financial instruments.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. The objectives of a mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

The information on maturity dates and effective interest rates on financial assets and liabilities are disclosed in their respective notes. As at 31 December 2008, the Group has not entered into any hedging instruments arrangements to minimise its exposure to interest rate volatility.

ii) Credit risk

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's association to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis by the Group's management reporting procedures.

iii) Market risk

The Group has in place policies to manage its exposure to fluctuation in the prices of the key raw materials used in the operations through close monitoring and buying ahead in anticipating of significant price increase, where possible.

iv) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and prudently balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

41. FINANCIAL INSTRUMENTS (CONT'D)

41.2 Fair values

It is not practical to estimate the fair value of the Group's and the Company's non-current unquoted investments because of the lack of quoted market prices and the inability to estimate the fair value without incurring excessive costs.

It is also not practical to estimate the fair values of the amounts due from / to Subsidiary Companies due principally to a lack of fixed repayment term entered into by the parties involved and without incurring excessive costs. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments :-

i) Cash and cash equivalents, receivables, payables and short-term borrowings

The carrying amounts approximate fair values due to the relatively short-term maturity of these financial instruments.

ii) Hire purchase loans

The carrying values of hire purchase loans approximate their fair values.

iii) Borrowings

The fair values of borrowings are estimated using discounted cash flow analysis, based on the current interest rates for similar types of borrowing arrangements.

The carrying values of long term borrowings approximate their fair values.

42. SEGMENTAL REPORTING

42.1 Business segments :-

The Group is organised into three major business segments :-

i) Construction - general construction, mechanical and electrical engineering services;

ii) Investment holding - investment in shares, properties and other investment related activities; and

iii) Property development - development of residential and commercial properties

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties. Inter-segment pricing is determined based on the terms mutually agreed between the companies concerned.

42. SEGMENTAL REPORTING (CONT'D)

31 December 2008	Construction RM	Investment holding RM	Property development RM	Eliminations RM	Consolidated RM
Revenue					
External sales	225,317,896	229,440	44,727,793	–	270,275,129
Inter-segment sales	14,134,762	15,919,596	–	(30,054,358)	–
Total revenue	239,452,658	16,149,036	44,727,793	(30,054,358)	270,275,129
Results					
Segment results	13,030,944	(700,201)	14,068,035	–	26,398,778
Unallocated corporate expenses					236,501
					26,635,279
Finance costs					(8,027,686)
Income tax expense					(6,264,333)
Profit after taxation					12,343,260
Assets					
Segment assets	273,700,575	44,664,838	154,805,290	–	473,170,703
Unallocated corporate assets	2,677,114	301,231	983,807	–	3,962,152
Consolidated total assets					477,132,855
Liabilities					
Segment liabilities	92,643,515	3,019,410	34,828,322	–	130,491,247
Unallocated corporate liabilities	31,042,672	85,006,421	8,050,899	–	124,099,992
Consolidated total liabilities					254,591,239
Other information					
Capital expenditure	4,166,513	–	8,542,917	–	12,709,430
Depreciation	3,738,297	1,446	182,605	–	3,922,348
Non-cash expenses other than depreciation	–	95,185	–	–	95,185
Non-cash income	1,165,700	–	2,200	–	1,167,900

42. SEGMENTAL REPORTING (CONT'D)

31 December 2007	Construction RM	Investment holding RM	Property development RM	Eliminations RM	Consolidated RM
Revenue					
External sales	246,422,036	182,079	119,162,009	–	365,766,124
Inter-segment sales	77,691,935	53,682,347	–	(131,374,282)	–
Total revenue	324,113,971	53,864,426	119,162,009	(131,374,282)	365,766,124
Results					
Segment results	11,570,958	(34,450,361)	83,350,035	–	60,470,632
Unallocated corporate expenses					393,857
					60,864,489
Finance costs					(8,054,308)
Income tax expense					(12,616,914)
Profit after taxation					40,193,267
Assets					
Segment assets	253,482,526	46,151,242	182,133,742	–	481,767,510
Unallocated corporate assets	4,334,415	878,839	–	–	5,213,254
Consolidated total assets					486,980,764
Liabilities					
Segment liabilities	97,222,543	2,972,392	38,981,346	–	139,176,281
Unallocated corporate liabilities	27,035,983	85,039,702	19,375,793	–	131,451,478
Consolidated total liabilities					270,627,759
Other information					
Capital expenditure	4,174,829	–	24,633,344	–	28,808,173
Depreciation	3,657,405	1,446	81,631	–	3,740,482
Non-cash expenses other than depreciation	98,895	203,535	–	–	302,430
Non-cash income	576,748	173,500	38,509,985	–	39,260,233

42.2 Geographical segments

Segmental reporting by geographical segments has not been prepared as all activities of the Group's operations are carried out in Malaysia only.

43. COMPARATIVE FIGURES

The comparative figures were extended to comply with the additional disclosure requirements of the new Financial Reporting Standards that are applicable for the financial year ended 31 December 2008.

44. CBHB - ESOS

Other than the Directors whose interests are disclosed separately in the Directors' Report, the eligible employees of the Group whose share options entitlements are equal to or more than 40,000 share options in the Company pursuant to the ESOS are as follows :-

	← Number of options over ordinary shares of RM1-00 each →				
	At 1 / 1 / 2008	Granted	Exercised	Lapsed	At 31 / 12 / 2008
Chan Fei Ching	50,000	–	15,000	35,000	–
Chan Song Kee	40,000	–	–	40,000	–
Chua Choo Tieng	52,500	–	–	52,500	–
Gan Lai Hoon	40,000	–	–	–	40,000
Goh Sin Huat	75,000	–	–	–	75,000
Haji Abdul Rahman Bin Ahmad	75,000	–	–	75,000	–
Ho Wan Chan	100,000	–	–	–	100,000
Ong Hean Hoon	100,000	–	–	–	100,000
Keh Pei Tian	–	40,000	–	–	40,000
Khoo Kheng Kiat	150,000	–	–	–	150,000
Kogila A/P Subramaniam	40,000	–	–	40,000	–
Koh Wai Kong	75,000	–	–	–	75,000
Kshithi Devan A/L C K Nair	75,000	–	–	–	75,000
Lee Kiam Wah	50,000	–	30,000	20,000	–
Lee Kit Seng	40,000	–	–	–	40,000
Lee Kok Ming	100,000	–	–	–	100,000
Leong Chee Foong	75,000	–	20,000	55,000	–
Lim Ah Fook	75,000	–	45,000	30,000	–
Lim Shee Hau	75,000	–	–	–	75,000
Lim Swee Peng	50,000	–	–	–	50,000
Lye Tuck Yew	40,000	–	–	–	40,000
San Siew Hong	–	75,000	–	–	75,000
Siau Mui	–	75,000	–	–	75,000
Tan Kim Yong	50,000	–	–	–	50,000
Tan Tek Long	75,000	–	–	–	75,000
Teh Hock Hua	75,000	25,000	10,000	–	90,000
Teoh Guan Sim	–	100,000	–	–	100,000
Wang Luan Boo	100,000	–	–	–	100,000
Yap Chin Chon	70,000	–	–	70,000	–
Yeo Joon Hui	75,000	–	–	–	75,000
Yong Swan Jong	65,000	–	–	–	65,000
Yong Tiok Chin	75,000	–	–	–	75,000
Yong Tiok Keng	50,000	–	–	–	50,000
Za'Azlin Bin Abdul Maulud	75,000	–	–	–	75,000

List of Group Properties

Location	Tenure	Approx. Area/ Built-up	Description	Year of Expiry	Net Book Value @ 31.12.08 (RM)	Approx. age of building (years)	Date of Valuation/ Acquisition
EMR 8258 Lot No. 5440, Mukim Kapar, Daerah Klang, Negeri Selangor	Freehold	5.3 acres	Agricultural land/company depot (store)	–	457,697	–	2002
No. 28 & 30, Jalan SS 24/13, Taman Megah, 47301 Petaling Jaya, Selangor Daul Ehsan	Freehold	12,939 sq ft	2 units of 3-storey shop office/office	–	3,594,179	12	2002
Units G-17, G-18 and G-19, Vega Square, Bentong, held under CT No. 2719, P.T. No. 2770, Mukim and Daerah Bentong, Negeri Pahang Darul Makmur	Freehold	1,551 sq ft	3 units of retail outlets	–	390,000	11	2007
Units W2-1, W5-1 and W14-1, Storey No. 2, West Tower,Country Towers Condominium, held under Geran 76438 Lot 77636 (old title H.S. (D) 208455 PTD 110146), Mukim Plentong, Daerah Johor Bahru, Negeri Johor	Freehold	5,868 sq ft	3 units of condominium	–	705,000	8	2007
P.N 19970 (Old title H.S. (D) 44166) P.T. No. 16311, Mukim Setapak, Daerah Wilayah Persekutuan, Negeri Wilayah Persekutuan	Leasehold	4,200 sq ft	3-storey shop office/office	2075	500,000	22	2007
Q.T. (R) 2006, L.O. No. PJ 63/59, Town of Petaling Jaya, District of Kuala Lumpur, State of Selangor	Leasehold	5,520 sq ft	Bungalow	2058	920,000	8	2007
No. 10-06, 12A-06, 13A-06, 20-06, 22-06, Scott Sentral, 28, Jalan Scott, Brickfields, KL	Freehold	5,860 sq ft	5 units of Condominium	-	1,521,000	2	2007

List of Group Properties *(Cont'd)*

Location	Tenure	Approx. Area/ Built-up	Description	Year of Expiry	Net Book Value @ 31.12.08 (RM)	Approx. age of building (years)	Date of Valuation/ Acquisition
H.S. (D) 46981, Lot No. 11073, Mukim Sg. Buloh, Daerah Petaling, Negeri Selangor.	Freehold	9,612 sq ft	3 storey shop office/office	–	1,900,000	8	2007
The Crest, 3 Two Square, No. 2, Jalan 19/1, Petaling Jaya, 46300, Selangor Darul Ehsan	Leasehold		16 storey office block & 1370 parking bays	2105	89,780,000	2	2007
GM 1059 Lot No. 1863 Mukim Batu, Daerah Kuala Lumpur	Freehold	2.93 acres	Cultivation Land	–	6,200,000	–	2004
Geran 30437 (Lot No. 13824) & Geran 30438 (Lor No. 13825), Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan	Freehold	36.8 acres	Residential/ Commercial	–	22,354,982	–	2005

Analysis of Shareholdings

As at 15 May 2009

Authorised Share Capital	:	RM500,000,000.00 divided into 500,000,000 ordinary shares of RM1.00 each
Issued and Paid-up Capital	:	RM124,089,450.00
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting rights	:	One vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 15 MAY 2009

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	2,386	29.99	118,068	0.10
100 to 1,000	2,944	37.00	1,178,950	0.95
1,001 to 10,000	1,917	24.10	8,740,150	7.04
10,001 to 100,000	619	7.78	19,192,278	15.47
100,001 to less than 5% of issued shares	88	1.11	44,003,696	35.46
5% and above of issued shares	2	0.03	50,856,308	40.98
Total	**7,956**	**100.00**	**124,089,450**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 15 MAY 2009

(In accordance with the Register maintained pursuant to Section 69L of the Companies Act, 1965)

	Direct Interest		Indirect Interest	
Name	No. of Shares	%	No. of Shares	%
Yong Soon Chow	43,198,000	34.81%	11,928,808	9.61%
Yong Tiok Chin	7,665,308	6.18%	–	–
Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah	–	–	6,807,939	5.49%

THIRTY LARGEST SHAREHOLDERS AS AT 15 MAY 2009

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	No. of Shares	%
1	Yong Soon Chow	43,198,000	34.81
2	Yong Tiok Chin	7,658,308	6.17
3	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pertiwi Positif Sdn Bhd	5,000,000	4.03
4	Alliancegroup Nominees (Tempatan) Sdn Bhd PHEIM Asset Management Sdn Bhd for Employees Provident Fund	4,741,100	3.82
5	Koh Hua Lan	3,945,500	3.18
6	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Takrif Jaya Sdn Bhd	3,448,600	2.78
7	Capai Hasil Sdn Bhd	1,939,036	1.56
8	Pertiwi Positif Sdn Bhd	1,807,939	1.46
9	Lembaga Tabung Haji	1,451,800	1.17

Analysis of Shareholdings

As at 15 May 2009 (Cont'd)

THIRTY LARGEST SHAREHOLDERS AS AT 15 MAY 2009

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	No. of Shares	%
10	Malaysia Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad	990,300	0.80
11	Malaysia Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad	900,400	0.73
12	Koh Kin Lip	900,000	0.73
13	Lim Shiu Ho	837,000	0.67
14	Kong Tiam	782,000	0.63
15	SJ Sec Nominees (Asing) Sdn Bhd Pledged Securities Account For Lim Beng Tiong	538,900	0.43
16	Ng Ming Kai	514,000	0.41
17	Ho Chu Chai	497,100	0.40
18	Teng Swee Lan @ Fong Swee Lan	483,500	0.39
19	Lai Wooi Giap	460,000	0.37
20	Lai Chooi Chan	425,000	0.34
21	Liew Siew Chin	421,400	0.34
22	Malaysian Assurance Alliance Berhad AS Beneficial Owner (Growth Fund)	417,500	0.34
23	Chai Yoon Fook	406,000	0.33
24	AIBB Nominees (Asing) Sdn Bhd Pledged Securities Account For Lim Beng Tiong	392,000	0.32
25	Ngang Ching Tang	378,000	0.30
26	OSK Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Khoo Teng Yeow	350,000	0.28
27	Lee Ah Loy	320,000	0.26
28	Yong Shang Ming	318,000	0.26
29	Lau Mun Cheong	316,700	0.26
30	Pang Yue Mun	315,000	0.25
		84,153,083	67.82

Analysis of Shareholdings
As at 15 May 2009 (Cont'd)

ANALYSIS BY SIZE OF WARRANTHOLDINGS (WARRANTS 2003/1013) AS AT 15 MAY 2009

Size of Holdings	No. of Warrant Holders	%	No. of Warrants	%
Less than 100	69	8.73	2,699	0.01
100 to 1,000	275	34.81	224,285	0.93
1,001 to 10,000	276	34.94	1,590,050	6.63
10,001 to 100,000	143	18.10	4,504,200	18.77
100,001 to less than 5% of issued warrants	24	3.04	5,277,900	21.99
5% and above of issued warrants	3	0.38	12,399,916	51.67
Total	**790**	**100.00**	**23,999,050**	**100.00**

THIRTY LARGEST WARRANTHOLDERS AS AT 15 MAY 2009
(without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	No. of Warrants	%
1	Yong Soon Chow	43,198,000	34.81
2	Yong Tiok Chin	7,658,308	6.17
3	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pertiwi Positif Sdn Bhd	5,000,000	4.03
4	Alliancegroup Nominees (Tempatan) Sdn Bhd PHEIM Asset Management Sdn Bhd for Employees Provident Fund	4,741,100	3.82
5	Koh Hua Lan	3,945,500	3.18
6	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Takrif Jaya Sdn Bhd	3,448,600	2.78
7	Capai Hasil Sdn Bhd	1,939,036	1.56
8	Pertiwi Positif Sdn Bhd	1,807,939	1.46
9	Lembaga Tabung Haji	1,451,800	1.17
10	Malaysia Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad	990,300	0.80
11	Malaysia Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad	900,400	0.73
12	Koh Kin Lip	900,000	0.73
13	Lim Shiu Ho	837,000	0.67
14	Kong Tiam	782,000	0.63
15	SJ Sec Nominees (Asing) Sdn Bhd Pledged Securities Account For Lim Beng Tiong	538,900	0.43
16	Ng Ming Kai	514,000	0.41

Analysis of Shareholdings

As at 15 May 2009 (Cont'd)

THIRTY LARGEST WARRANTHOLDERS AS AT 15 MAY 2009
(without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	No. of Warrants	%
17	Ho Chu Chai	497,100	0.40
18	Teng Swee Lan @ Fong Swee Lan	483,500	0.39
19	Lai Wooi Giap	460,000	0.37
20	Lai Chooi Chan	425,000	0.34
21	Liew Siew Chin	421,400	0.34
22	Malaysian Assurance Alliance Berhad AS Beneficial Owner (Growth Fund)	417,500	0.34
23	Chai Yoon Fook	406,000	0.33
24	AIBB Nominees (Asing) Sdn Bhd Pledged Securities Account For Lim Beng Tiong	392,000	0.32
25	Ngang Ching Tang	378,000	0.30
26	OSK Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Khoo Teng Yeow	350,000	0.28
27	Lee Ah Loy	320,000	0.26
28	Yong Shang Ming	318,000	0.26
29	Lau Mun Cheong	316,700	0.26
30	Pang Yue Mun	315,000	0.25
		84,153,083	67.82

Analysis of Shareholdings
As at 15 May 2009 (Cont'd)

STATEMENT OF DIRECTORS' INTERESTS IN SHARES AND WARRANTS IN THE COMPANY
AS AT 15 MAY 2009

DIRECTORS' SHAREHOLDINGS
(In accordance with the Register maintained pursuant to Section 134 of the Companies Act, 1965)

Name	Direct Interest No. of Shares	Direct Interest %	Indirect Interest No. of Shares	Indirect Interest %
Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah	–	–	6,807,939	5.49%
Yong Soon Chow	43,198,000	34.81%	11,928,808	9.61%
Koh Hua Lan (f)	3,945,500	3.18%	–	
Lee Sooi Teng	282,000	0.23%	12,000	0.01%
Yong Shang Ming	318,000	0.26%	–	–
Keong Choon Keat	20,000	0.02%	30,000	0.02%
Mohd Khasan bin Ahmad	–	–	–	–
Kam Yong Kan	30,000	0.02%	–	–
Yong Tiok Keng (f)	–	–	–	–

DIRECTORS' WARRANTHOLDINGS
(In accordance with the Register maintained pursuant to Section 134 of the Companies Act, 1965)

Name	Direct Interest No. of Warrants	Direct Interest %	Indirect Interest No. of Warrants	Indirect Interest %
Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah	–	–	3,000,000	12.50%
Yong Soon Chow	7,999,916	33.33%	1,400,000	5.83%
Koh Hua Lan (f)	1,400,000	5.83%	–	–
Yong Shang Ming	–	–	–	–
Keong Choon Keat	–	–	–	–
Mohd Khasan bin Ahmad	–	–	–	–
Kam Yong Kan	–	–	–	–
Yong Tiok Keng (f)	–	–	–	–

CREST BUILDER HOLDINGS BERHAD

(573382-P)

PROXY FORM

No. of Ordinary Shares Held	

I/We ....

NRIC No. .... /Passport No. ....

of ....

being a member/members of the abovenamed Company hereby appoint

.... [holding shares] ....

of ....

NRIC No. .... /Passport No. ....

And/or failing him/her

.... [holding shares] ....

of ....

NRIC No. .... /Passport No. ....

as *my/our proxy to vote for *me/us and on *my/our behalf at the 7th Annual General Meeting of the Company, to be held at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 25th June, 2009 at 9:30 a.m. or at any adjournment thereof.

	Ordinary business	For	Against
1.	To lay the reports of the directors, auditors and the financial statements for the year ended 31 December 2008.		
2.	To declare a final dividend of 3% less 25% tax for the financial year ended 31 December 2008.		
3.	To re-elect the Executive Director, Koh Hua Lan (f).		
4.	To re-elect the Non-Executive Director Chairman, Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah		
5.	To re-elect the Independent Non-Executive Director, Kam Yong Kan		
6.	To re-elect the Alternate Director, Yong Tiok Keng (f)		
7.	To appoint Messrs GEP Associates (AF1030), Chartered Accountants, as auditors for the ensuing financial year ending 31 December 2009 and authorise the fixing of their remuneration by directors.		
	Special business	**For**	**Against**
8.	To approve payment of directors' remunerations for the year ended 31 December 2008 in accordance with Article 88 of the Company's Articles of Association.		
9.	To empower the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965 and in compliance with the Listing Requirements of Bursa Securities		
10.	To approve the recurrent related party transactions of a revenue or trading nature and which are necessary for the day-to-day operations up to the next annual general meeting		
11.	To approve the mandate for share buy-back		

Please indicate with a cross [x] in the box provided, how you wish to cast your votes. If no specific instruction as to voting is given, the proxy may vote or abstain at his discretion.

....

Signature of member

Dated:

Notes:-

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote on in his stead. A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a) and Section 149(1)(b) of the Companies Act, 1965 shall not apply.*
2. *Shareholders' attention is hereby drawn to the Listing Requirements of the Bursa Malaysia Securities Berhad, which allows a member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities.*
3. *Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of a officer or attorney duly authorised.*
5. *The instrument appointing a proxy must be deposited at No. 14-2, Jalan 4A/27A, Section 2, Wangsa Maju, 53300 Kuala Lumpur not less than 48 hours before the time set for holding for the meeting or any adjournment thereof.*

Common seal affixed in the presence of

Director ....

Director/Secretary ....

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY
CREST BUILDER HOLDINGS BERHAD (573382-P)
NO. 14-2, JALAN 4A/27A,
SECTION 2, WANGSA MAJU,
53300 KUALA LUMPUR.

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