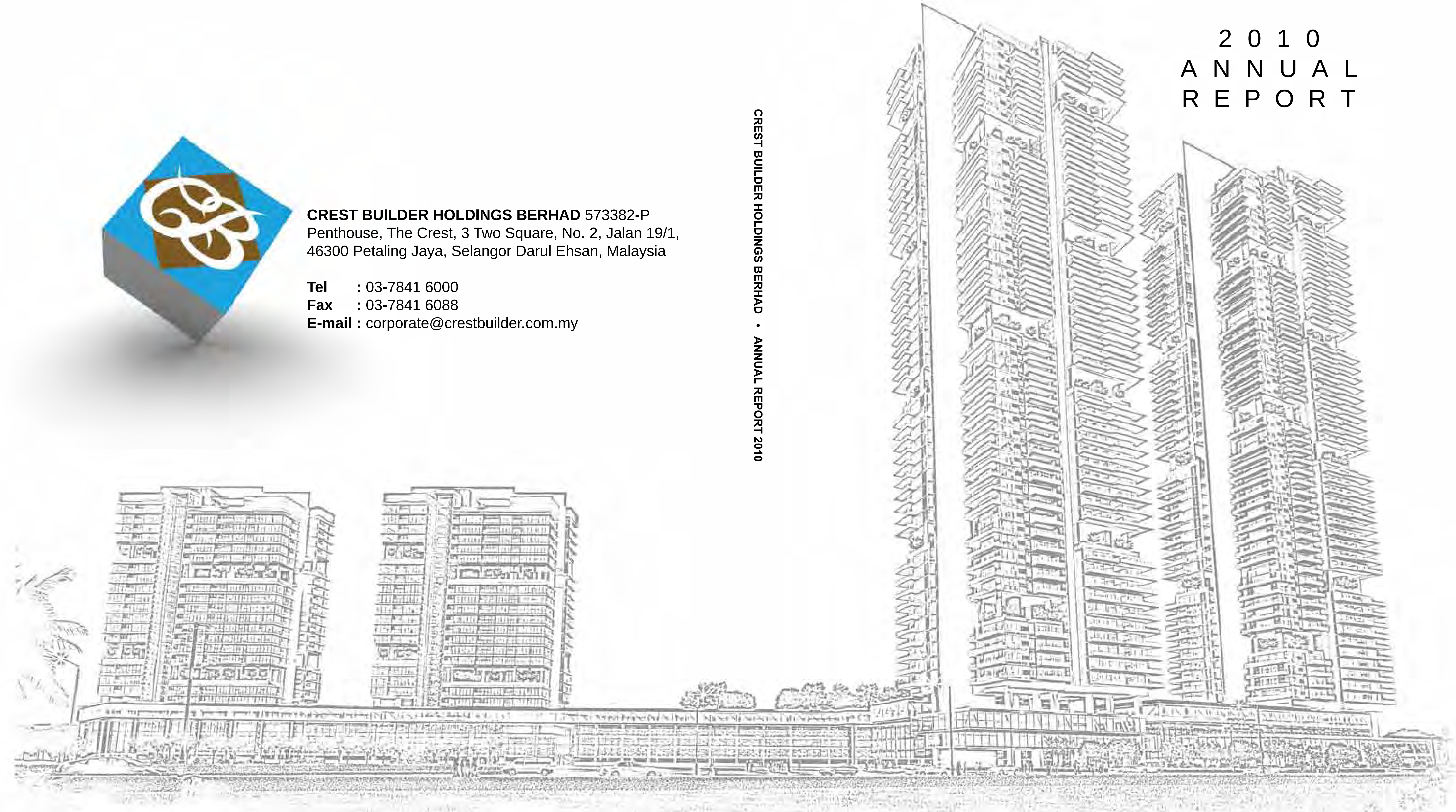
CREST BUILDER HOLDINGS BERHAD
(573382-P)

2010 ANNUAL REPORT



CREST BUILDER HOLDINGS BERHAD 573382-P
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Corporate Profile

Tierra Crest, Kelana Jaya

CBHB was incorporated in Malaysia under the Companies Act, 1965 on 9th 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 12th 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 an 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, M&E 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.

NOTICE is hereby given that the 9th annual general meeting will be held

Venue	Sime Darby Convention Centre 1A, Jalan Bukit Kiara 1 60000 Kuala Lumpur
Day, date and time	Wednesday, 22 June 2011 at 9:30 a.m.

AGENDA

Ordinary business

1. **Laying of audited accounts**

   To receive and adopt 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 2010, 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 4% less 25% taxation per share in respect of the financial year ended 31.12.2010 be hereby approved. ***Resolution 2***

3. **Election of director**

   THAT re-election of the Managing Director, Mr. Yong Soon Chow, 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 Executive Director, Mr. Yong Shang Ming 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, Mr. Kam Yong Kan, who retires in accordance with Article 80 of the Company's Articles of Association, be hereby approved. ***Resolution 5***

6. **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 2011 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 6***

Special business

7. **Approval for payment of directors' fees**

   THAT the payment of RM250,000 as directors' fee for the year ended 31 December 2010 (2009 : RM250,000) in accordance with Article 88 of the Company's Articles of Association be hereby approved. ***Resolution 7***

8. **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 8***

9. **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 23 June 2010 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 30 May 2011 ("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 9***

(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.

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

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:-

(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 RM15,150,038 and RM nil respectively as at 31 December 2010 based on the latest audited financial statements of CBHB for the financial year ended 31 December 2010;

(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

Notice of 9th Annual General Meeting

(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 4% less 25% taxation per share in respect of the financial year ended 31.12.2010 if approved by shareholders, will be paid on 3 August 2011 to depositors registered in the Record of Depositors at the close of business on 12 July 2011.

A depositor shall qualify for entitlement only in respect of:

(a) share transferred into the depositor's securities account before 4:00 noon on 12 July 2011 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 : 30 May, 2011

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.*

1. **ORDINARY BUSINESS – RESOLUTION 2**

The Directors now recommend a first and final dividend of 4% or 4 sen (RM0.04) less 25% income tax per each ordinary share held in respect of the financial year ended 31 December 2010, giving rise to total net dividend for the financial year of 3 sen per ordinary share held.

2. **ORDINARY BUSINESS – RESOLUTION 3, 4, & 5**

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
Yong Soon Chow	Page 12	Page 118
Yong Shang Ming	Page 12	Page 118
Kam Yong Kan	Page 13	Page 118

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

3. **SPECIAL BUSINESS – RESOLUTION 7**

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 sums (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 shall be paid out of the remuneration of the latter.

Statement Accompanying Notice of 9th Annual General Meeting

4. **SPECIAL BUSINESS – RESOLUTION 8**

The Company had during its 8th Annual General Meeting held on 23 June 2010, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965. The Company did not issue any shares pursuant to the said mandate.

This Proposed Resolution No. 8 which is an Ordinary Resolution, if passed, will grant a renewed general mandate which will provide flexibility for the Company and will empower the Directors to allot and issue new shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the purpose of funding current and/or future investment projects, working capital, and/or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied at a general meeting, will be valid until the conclusion of the next annual general meeting.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company shall make an announcement in respect thereof.

5. **SPECIAL BUSINESS – RESOLUTION 9**

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. Further information can be obtained in Part A of the accompanying circular dated 30 May 2011.

6. **SPECIAL BUSINESS – RESOLUTION 10**

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 30 May 2011.

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

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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad - Main Market
Sector : Construction

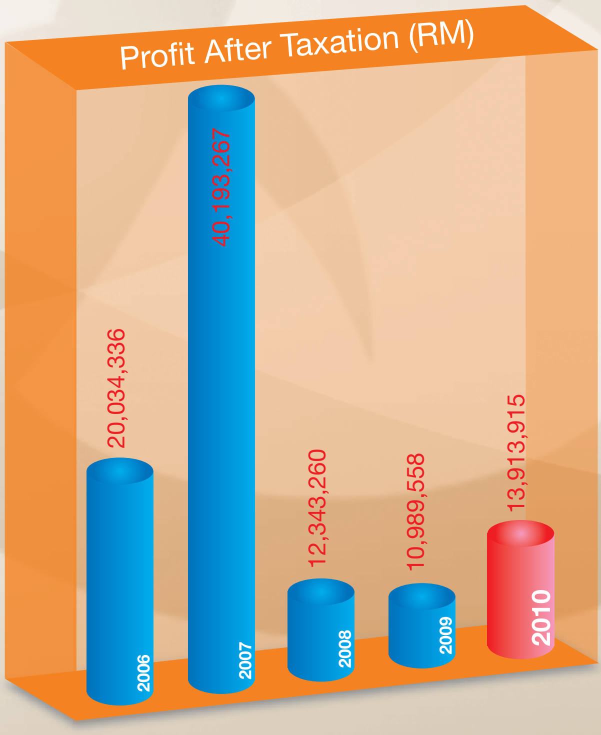
Corporate Structure

CREST BUILDER HOLDINGS BERHAD
(573382-P)

Investment Holding

Company	Registration No.	Activity	Holding
Crest Builder Sdn Bhd	110330-K	Construction	100%
Crestland Development Sdn Bhd (subsidiary of Crest Builder 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 Investment	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 Investment	100%
Crestland Project Management Sdn Bhd	659478-V	Project Management	100%
Crest Builder International Sdn Bhd	644441-T	Investment Holding	100%
Unitapah Sdn Bhd (subsidiary of Crest Builder International Sdn Bhd)	846665-X	Concession Holder	51%
Damansara One Sdn Bhd	669184-V	Dormant	100%

Financial Year End	2006 RM	2007 RM	2008 RM	2009 RM	2010 RM
Revenue	318,266,499	365,766,124	270,275,129	329,563,766	460,078,516
Profit Before Taxation	31,460,369	52,810,181	18,607,593	17,564,685	20,120,723
Profit After Taxation Pre-acquisition loss / (profit)	20,034,336	40,193,267	12,343,260	10,989,558	13,913,915
Profit attributable to shareholders [after deduction/(addition) of pre-acquisition profit/(loss)]	20,034,336	40,193,267	12,343,260	10,989,558	13,938,701
Total Number of Shares	123,750,450	123,911,450	124,089,450	124,089,450	124,089,450
Basic Earnings per Share (sen)	16.39	32.46	9.95	8.85	11.25
Diluted Earnings per Share (after full conversion of ICULS, RCULS and Warrants)	n/a	31.62	n/a	n/a	n/a
Gross Dividend (%)	5.0	7.0	3.0	4.0	4.0



Director's Profile

Tengku Dato' Sulaiman Shah Bin Tengku Abdul Jalil Shah [Non-Executive Chairman], aged 55, 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, freight industries and health products. 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 six (6) Board meetings held during the financial year ended 31 December 2010

Yong Soon Chow * [Managing Director], aged 59, 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 six (6) Board meetings held during the financial year ended 31 December 2010.

Koh Hua Lan (f) [Executive Director], aged 59, 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 six (6) Board meetings held during the financial year ended 31 December 2010.

Lee Sooi Teng [Executive Director], aged 46 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 all of the six (6) Board meetings held during the financial year ended 31 December 2010.

Yong Shang Ming * [Executive Director], aged 28 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 six (6) Board meetings held during the financial year ended 31 December 2010.

Keong Choon Keat [Senior Independent Non-Executive Director], aged 66, 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 six (6) Board meetings held during the financial year ended 31 December 2010.

Mohd Khasan Bin Ahmad [Independent Non-Executive Director], aged 50, 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 and Homeritz Corporation Berhad. He attended all of the six (6) Board meetings held during the financial year ended 31 December 2010.

Kam Yong Kan * [Independent Non-Executive Director], aged 52, 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 attended all of the six (6) Board meetings held during the financial year ended 31 December 2010.

Yong Tiok Keng (f) [Executive Director, Alternate to Koh Hua Lan (f)], aged 32, 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 8 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. She attended all of the six (6) Board meetings held during the financial year ended 31 December 2010.

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 27.

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 118. 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 2010.

FINANCIAL REVIEW

The Group again showed financial resilients and delivered a set of satisfactory financial performance.

For the year 2010, the Group registered turnover of RM 460.08 million a 39.60% increase compared to RM 329.56 million in the previous year. This was mainly due to higher contribution from property and construction divisions by 51.17% and 39.80% respectively. Profit before taxation for 2010 was at RM 20.12 million against RM 17.56 million in 2009. Such increase was mainly attributable to higher profit contribution from the property division.

The Group's earnings per share for 2010, was valued at 11.25 sen (2009: 8.85 sen)

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 4.0 sen per share, less income tax of 25% at this Annual General Meeting.

Malaysian Economy and Development

The global economy recovered unevenly last year after the contraction in 2009. The Malaysian economy recovered strongly to record a 7.2% growth in 2010, supported by healthy exports and high domestic demand. With the improving economic fundamentals, Malaysia's economy is expected to be sufficiently resilient.

Furthermore, the Economic Transformation Programme (ETP) which was unveiled on 21 September 2010 augurs well for the construction sector. The initiative to turn Malaysian income a high income economy is anchored on 12 National Key Economic Areas (NKEAs), which are drivers of economic activities that have the potential to materially contribute to Malaysia's growth. It also includes the development of Greater Kuala Lumpur, the Mass Rapit Transit (MRT), and a myriad of other major property development projects. With these projects and development plans in the pipeline, the construction sector will have a positive and encouraging growth.

Prospects

The Group will continue to focus on the replenishment of its current order book with new construction projects. 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.

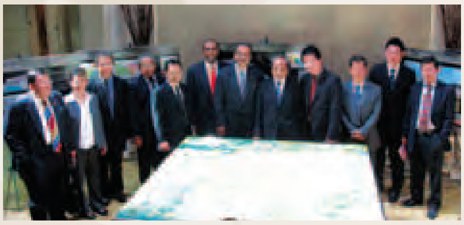
The Group's stringent clientele and projects selection continue to be the main yardstick for projects that we are involved in. We are focussed on securing projects of high quality standards by esteemed developers with strong credentials as our business partners. These high quality standards are based 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.

In May 2010, The Group via its SPV, Unitapah Sdn Bhd, have entered into a Concession agreement with Ministry of Higher Education and University Teknologi Mara for the design, development, construction and completion of the facilities and Infrastucture and the maintenance new UiTM campus in Tapah, Perak. The period of concession is 23 years and the total construction cost for the construction works is RM284.9million. The project is expected to contribute positively for the long term earnings of the Group

The Group is placing more emphasis in property division. We intend to build a healthy portfolio and not to be over-reliant on the construction division. 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 for recurring income for the Group

Alam Idaman, in Shah Alam with estimated GDV of RM104million, launched in December 2009 had achieved a take up rate of over 90%. We are targeting for an early completion in the first quarter of 2012.

We are rolling out another project in Shah Alam namely Avenue Crest. This project comprises 495 units of boutique office suites with a retail podium.



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 market condition.

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 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.

(c) fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad or approved by the Securities Commission

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 and adequate internal control 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) significant adjustments arising from the audit;
(d) compliance with accounting standards and other legal requirements;
(e) compliance with Bursa Malaysia Securities Berhad's requirements; and
(f) the going concern assumption.

(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.

Report Of The Audit Committee

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, two 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 6 meetings in respect for financial year ended 31 December 2010. 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	6	6
2. Keong Choon Keat	6	6
3. Kam Yong Kan	6	6

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 six (6) 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 of the year 2010 for the release to the Bursa Malaysia Securities Berhad;
- The Recurrent Related Party Transactions and Related Party Transactions of the Company;
- Review of internal control;
- The Statement of Corporate Governance and Internal Control Statement for disclosure in Annual Report year 2009;
- Review of the internal audit report for financial year 2009 & 2010; 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; and
- 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. Internal audit fees of RM65,000 was paid to the outsourced internal auditors for the financial year ended 31 December 2010.

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 six (6) 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	6/6
(ii)	Yong Soon Chow	6/6
(iii)	Koh Hua Lan	6/6
(iv)	Lee Sooi Teng	6/6
(v)	Yong Shang Ming	6/6
(vi)	Keong Choon Keat	6/6
(vii)	Mohd Khasan Bin Ahmad	6/6
(viii)	Kam Yong Kan	6/6
(ix)	Yong Tiok Keng (Alternate to Koh Hua Lan)	6/6

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 at least one member 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 in 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 appointments. 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 2010 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	2	–
200,001 to 250,000	1	–
350,000 to 400,000	1	–
700,000 to 750,000	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	1,469,797	1,549,797
Non-Executive Directors	170,000	–	170,000
Total	**250,000**	**1,469,797**	**1,719,797**

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

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.

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 pages 28 and 29 of this Annual Report.

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 25 May 2011.

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**

   Details of the shares purchased during the financial year ended 31 December 2010 are set out below:

Month	No. of Shares Purchased	Highest Price Paid per Share (RM)	Lowest Price Paid per Share (RM)	Total Consideration (RM)
January	97,900	0.830	0.755	77,457.86
February	7,000	0.800	0.795	5,616.14
March	51,000	0.770	0.740	38,363.92
May	81,400	0.755	0.700	59,631.08
Total	**237,300**			**181,069.00**

   The shares purchased during the financial year ended 31 December 2010 were held as treasury shares. There is no resale of treasury shares made during the financial year.

3. **Exercise of Options, Warrants or Convertible Securities**

   During the financial year ended 31 December 2010, no options were exercised in relation to the Employees Share Option

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 RM5,900 were paid to the external auditors for the financial year ended 31 December 2010.

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 31.12.2010 (RM)
Farima Sdn Bhd (person connected to TDSS)	Crest Builder Sdn Bhd	Award of Contract (Construction and completion of building work)	49,214,808
Grandland Corporation Sdn Bhd (person connected to YSC & KHL)	Crest Builder Sdn Bhd	Office rental	18,000
Grandland Corporation Sdn Bhd (person connected to YSC & KHL)	3 Two Square Sdn Bhd	Office rental	60,000

10. **Revaluation Policy**

The revaluation Policy on landed properties of the Company and its subsidiaries is disclosed in Note 3.6 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.

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.

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.

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 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 25 May 2011.

Corporate Social Responsibility


Pertubuhan Profesional Keselamatan
Dan
Kesihatan Pekerjaan Malaysia
Malaysian Occupational Safety & Health Professional's Association
(MOSHPA)

6th MOSHPA OSH
EXCELLENCE AWARD 2010

Awarded to

CREST BUILDERS SDN BHD

For

CIVIL ENGINEERING SECTOR
YEAR 2009/10

At

6th MOSHPA/ PERKESO OSH NATIONAL
CONFERENCE & AWARD PRESENTATION NITE
2010

The Board of Directors of Crest Builder Holdings Berhad acknowledges the significance of Corporate Social Responsibilities ("CSR")

Encouraged by the success of the CSR initiatives in the previous year, the Group continues to strengthen its commitment in CSR this year.

COMMUNITY ENGAGEMENT

The Group continue to focus and remain committed through various CSR initiatives

The Group steps forward and serves the community in which it operates and strives to make positive contrbution to the community particularly in helping the underprivileged and the less fortunate.

In year 2010, the Group lends support in terms of financial assistance to the following charitable bodies:-

- Malaysian Association for The Blind
- Persatuan Diabetes Malaysia
- National Kidney Foundation of Malaysia
- Hospis Malaysia
- Persatuan Kebajikan Hope Worldwide KL
- Pertubuhan Kebajikan Mental Selangor
- Rumah Hope
- Pusat Penjagaan Kanak-Kanak Cacat Taman Megah
- MAKNA
- Yayasan Latihan Insan Istimewa Ipoh Perak

The Group have also been taking in students from various universities and colleges to undergo practical trainings. In year 2010, students from the following institutions completed their repsected trainings with the Group:-

- Universiti Tenaga Nasional (3 students)
- Universiti Tun Hussein Onn Malaysia (1 student)
- Tunku Abdul Rahman Kolej (3 students)
- Politeknik Sultan Salahuddin Abdul Aziz Shah (2 students)
- Institut Latihan Perindustrian Kuala Terengganu (1 student)

WORKPLACE DEVELOPMENT

The Group recognises the importance of equipping its management and staff with the right skills and knowledge in order to perform their duties professionally. The Group continued to provide employees with the necessary training and development by attending seminar, courses offered by professional bodies including subjects in Finance and Accounting, Management, and Marketing.

The Group continue to maintain a safe and healthy working environment for all employees and workers through various measures. The Construction division is currently pursuing the Environmental, Safety & Health Management Systems MS ISO 14001:2004, BS OHSAS 18001:2007 and MS 1722 : Part 1 :2005 Certifications

ENVIRONMENTAL SUSTAINABILITY

As a construction player in the country, the Group's activities are often be subjected to adverse environmental impact, in particular the effects of extreme weather pattern.

In 2010, the Group replaced over 4,000 traditional light bulbs located at it's headquarter, 3 Two Square into energy efficient bulbs based on a patented US technology. Test conducted and revealed that the energy efficient bulbs were expected to consume 39% less energy annually compared to traditional ones.

Statement On Directors' Responsibility

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 2010.

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 25 May 2011.

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 2010.

PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding company.

The principal activities of the Subsidiary Companies are disclosed in Note 7 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 for the year	13,913,915	5,111,115
Attributable to:		
Owners of the parent	13,938,701	5,111,115
Non-controlling interest	(24,786)	–
	13,913,915	5,111,115

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final dividend of 4 sen gross per ordinary share less income tax at 25% amounting to RM3,715,564 in respect of financial year ended 31 December 2009 on 6 August 2010.

At the forthcoming Annual General Meeting, a first and final dividend of 4 sen gross per ordinary share (the outstanding issued and paid-up share capital of the Company with voting rights) less income tax at 25% on 123,852,150 ordinary shares of RM1-00 each amounting to RM3,715,564 (3 sen net per ordinary share) in respect of the current financial year ended 31 December 2010 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. 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 2011.

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, no shares or debentures were issued.

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 2010, the total number of warrants which remain unconverted amounted to 23,999,050 units.

Details of the warrants are disclosed in Note 22 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 (continued)

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

	Number of share options 2010	2009
At 1 January	6,625,000	5,870,000
Granted	–	1,340,000
Exercised	–	–
Lapsed due to resignation	(545,000)	(585,000)
At 31 December	6,080,000	6,625,000

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	1/1/2010	Granted	Exercised	Lapsed	31/12/2010
19/4/2007	RM1-00	4,530,000	–	–	355,000	4,175,000
19/4/2008	RM1-00	835,000	–	–	120,000	715,000
19/4/2009	RM1-00	1,260,000	–	–	70,000	1,190,000

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 49 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
LEE SOOI TENG
YONG SHANG MING
KEONG CHOON KEAT
MOHD KHASAN BIN AHMAD
KAM YONG KAN
YONG TIOK KENG

In accordance with Article 79 of the Company's Article of Association, YONG SOON CHOW, KAM YONG KAN and YONG SHANG MING retire from the board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

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 shares, options over ordinary shares and warrants of the Company as stated below :-

		.... Number of ordinary shares of RM1-00 each			
		At 1/1/2010	Bought	Sold	At 31/12/2010
COMPANY					
DIRECT INTEREST					
YONG SOON CHOW		43,198,000	–	–	43,198,000
KOH HUA LAN		3,945,500	–	–	3,945,500
LEE SOOI TENG		282,000	–	–	282,000
YONG SHANG MING		370,000	100,000	–	470,000
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)	11,980,808	100,000	–	12,080,808
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 1/1/2010	Granted	Exercised	At 31/12/2010
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	500,000	–	–	500,000
LEE SOOI TENG	500,000	–	–	500,000
YONG SHANG MING	500,000	–	–	500,000
KEONG CHOON KEAT	100,000	–	–	100,000
MOHD KHASAN BIN AHMAD	100,000	–	–	100,000
KAM YONG KAN	100,000	–	–	100,000
YONG TIOK KENG	75,000	–	–	75,000

DIRECTORS' INTERESTS (continued)

		.... Number of warrants			
		At 1/1/2010	Bought	Sold	At 31/12/2010
COMPANY					
DIRECT INTEREST					
YONG SOON CHOW		7,999,916	–	–	7,999,916
KOH HUA LAN		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, the other Directors in office at the end of the financial year had no 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 a benefit (other than benefits 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 43 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 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 had 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 method 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 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 of the Group or of the Company which has arisen since the end of the financial year other than as disclosed in Note 42 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 were not substantially 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 EVENTS

The significant events during the financial year are disclosed in Note 44 to the financial statements.

SIGNIFICANT SUBSEQUENT EVENT

Significant event subsequent to the reporting date is disclosed in Note 45 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 18 April 2011

MANAGING DIRECTOR
YONG SOON CHOW

EXECUTIVE DIRECTOR
LEE SOOI TENG

Petaling Jaya

Dated : 18 April 2011

Statement By Directors

We, **YONG SOON CHOW** and **LEE SOOI TENG**, 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 44 to 111 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 financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the year then ended.

The supplementary information set out in Note 50 to the financial statements have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the Directors dated 18 April 2011

MANAGING DIRECTOR
YONG SOON CHOW

EXECUTIVE DIRECTOR
LEE SOOI TENG

Petaling Jaya

Dated : 18 April 2011

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 44 to 111 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 18 April 2011)

GOH SIN HUAT

Before me

COMMISSIONER FOR OATHS

Independent Auditors' Report

to the members of Crest Builder Holdings Berhad (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **CREST BUILDER HOLDINGS BERHAD**, which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 44 to 111.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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 entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements 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 2010 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company 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 REPORTING RESPONSIBILITIES

The supplementary information set out in Note 50 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

GEP ASSOCIATES
No : AF 1030
Chartered Accountants

ESTHER TAN CHOON HWA
No : 1023/03/12 (J)
Chartered Accountant

Petaling Jaya

Dated : 22 April 2011

Consolidated Statement Of Financial Position

as at 31 December 2010

	Note	2010 RM	2009 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	19,895,785	27,344,217
Prepaid land lease payments	5	37,802,076	38,206,376
Investment properties	6	107,339,377	83,851,004
Other investments	8	4,054,000	4,054,000
Goodwill on consolidation	9	33,604,364	33,604,364
Land held for property development	10	12,917,357	15,116,013
		215,612,959	202,175,974
Current assets			
Property development costs	11	33,328,348	20,858,249
Inventories	12	2,015,000	2,015,000
Trade receivables	13	137,147,306	106,439,757
Amounts due from contract customers	14	167,262,909	157,791,041
Other receivables, deposits and prepayments	15	20,016,881	17,808,754
Tax recoverable		2,166,630	4,523,832
Cash and bank balances	17	5,478,195	23,428,998
		367,415,269	332,865,631
TOTAL ASSETS		583,028,228	535,041,605
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	18	124,089,450	124,089,450
Treasury shares	19	(181,069)	–
Reserves	20	116,914,730	106,691,593
Equity attributable to owners of the parent		240,823,111	230,781,043
Non-controlling interest	21	452,277	–
Total equity		241,275,388	230,781,043

Consolidated Statement Of Financial Position

as at 31 December 2010

	Note	2010 RM	2009 RM
Non-current liabilities			
Loans	23	112,785,552	108,510,322
Hire purchase payables	24	4,107,574	2,640,752
Deferred tax liabilities	25	361,486	294,709
		117,254,612	111,445,783
Current liabilities			
Trade payables	26	132,467,231	108,810,119
Amounts due to contract customers	14	4,152,816	662,767
Progress billings in respect of property development costs		12,106,335	14,689,461
Other payables, deposits and accruals	27	16,998,009	24,651,779
Hire purchase payables	24	4,209,370	2,407,021
Bank overdraft	29	19,057,212	10,768,620
Other bank borrowings	30	35,440,724	30,820,458
Provision for taxation		66,531	4,554
		224,498,228	192,814,779
Total liabilities		341,752,840	304,260,562
TOTAL EQUITY AND LIABILITIES		583,028,228	535,041,605

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

Consolidated Statement Of Comprehensive Income

for the year ended 31 December 2010

	Note	2010 RM	2009 RM
Revenue	31	460,078,516	329,563,766
Cost of sales	31	(418,009,456)	(288,685,363)
Gross profit		42,069,060	40,878,403
Other operating income		1,846,933	2,519,245
		43,915,993	43,397,648
Administrative expenses		(13,441,060)	(17,544,533)
Profit from operations	32	30,474,933	25,853,115
Finance costs	35	(10,354,210)	(8,288,430)
Profit before taxation		20,120,723	17,564,685
Income tax expense	36	(6,206,808)	(6,578,127)
Profit for the year		13,913,915	10,986,558
Other comprehensive income		–	–
Total comprehensive income for the year		13,913,915	10,986,558
Profit for the year / total comprehensive income attributable to :-			
Owners of the parent		13,938,701	10,986,558
Non-controlling interest		(24,786)	–
		13,913,915	10,986,558
Earnings per share attributable to owners of the parent (sen) :-			
- Basic	37	11-25	8-85
- Diluted	37	N/A	N/A
Dividends per share (sen)	38	4-00	4-00

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

Consolidated Statement Of Changes In Equity

for the year ended 31 December 2010

	Note	Share capital RM	Capital reserve RM	Share option reserve RM	Retained earnings RM	Total equity RM
			Attributable to owners of the parent			
			Non-distributable		Distributable	
At 1 January 2009		124,089,450	4,073,619	250,643	94,127,904	222,541,616
Total comprehensive income for the year		–	–	–	10,986,558	10,986,558
		124,089,450	4,073,619	250,643	105,114,462	233,528,174
Dividends	38	–	–	–	(2,792,013)	(2,792,013)
Share options granted under ESOS	20	–	–	44,882	–	44,882
At 31 December 2009		124,089,450	4,073,619	295,525	102,322,449	230,781,043

	Note	Share capital RM	Capital reserve RM	Share option reserve RM	Treasury shares RM	Retained earnings RM	Total RM	Non-controlling Interests RM	Total equity RM
			Attributable to owners of the parent						
			Non-distributable			Distributable			
At 1 January 2010		124,089,450	4,073,619	295,525	–	102,322,449	230,781,043	–	230,781,043
Effect of adopting FRS 139		–	–	–	–	–	–	–	–
At 1 January 2010		124,089,450	4,073,619	295,525	–	102,322,449	230,781,043	–	230,781,043
Purchase of treasury shares	19	–	–	–	(181,069)	–	(181,069)	–	(181,069)
Total comprehensive income for the year		–	–	–	–	13,938,701	13,938,701	(24,786)	13,913,915
Acquisition of new subsidiary company									
- Share capital		–	–	–	–	–	–	490,000	490,000
- Pre-acquisition reserves		–	–	–	–	–	–	(12,937)	(12,937)
Dividends	38	–	–	–	–	(3,715,564)	(3,715,564)	–	(3,715,564)
Share options granted under ESOS	20	–	–	–	–	–	–	–	–
At 31 December 2010		124,089,450	4,073,619	295,525	(181,069)	112,545,586	240,823,111	452,277	241,275,388

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

Consolidated Statement Of Cash Flows

for the year ended 31 December 2010

	2010 RM	2009 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,120,723	17,564,685
Adjustments for :-		
Allowance for diminution in value	–	4,500,000
Amortisation of prepaid land lease payments	404,300	101,075
Depreciation	4,436,284	4,053,485
ESOS expenses	–	44,882
Gain on disposal of property, plant and equipment	(324,015)	(509,700)
Goodwill on acquisition	47,734	–
Interest expense	10,354,210	8,288,430
Interest income	(156,795)	(267,041)
Short-term accumulating compensated absences	168,256	(32,872)
Operating profit before working capital changes	35,050,697	33,742,944
(Increase) / Decrease in property development costs	(12,975,222)	(7,059,502)
(Increase) / Decrease in inventories	–	3,418,680
(Increase) / Decrease in trade receivables	(17,816,700)	(5,744,346)
(Increase) / Decrease in amounts due from contract customers	(4,132,689)	(5,590,758)
(Increase) / Decrease in other receivables, deposits and prepayments	7,883,392	(5,063,155)
Increase / (Decrease) in trade payables	3,467,863	22,179,512
Increase / (Decrease) in amounts due to contract customers	3,490,049	(3,602,542)
Increase / (Decrease) in progress billings	(2,583,126)	2,621,428
Increase / (Decrease) in other payables, deposits and accruals	(15,196,431)	(2,842,647)
	(37,862,864)	(1,683,330)
Cash (used in) / generated from operations	(2,812,167)	32,059,614
Income tax paid	(8,159,964)	(7,379,081)
Income tax refund	4,094,620	–
Net cash (used in) / generated from operating activities carried forward	(6,877,511)	24,680,533

Consolidated Statement Of Cash Flows

for the year ended 31 December 2010

	Note	2010 RM	2009 RM
Net cash (used in) / generated from operating activities brought forward		(6,877,511)	24,680,533
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) / Decrease in development expenditure		2,704,425	5,138,380
Proceeds from disposal of property, plant and equipment		481,901	509,700
Purchase of investment properties		(11,693,213)	–
Purchase of property, plant and equipment		(1,829,515)	(3,527,831)
Purchase of leasehold land		–	(38,307,451)
Purchase of treasury shares		(181,069)	–
Interest received		156,795	267,041
Net cash used in investing activities		(10,360,676)	(35,920,161)
		(17,238,187)	(11,239,628)
CASH FLOWS FROM FINANCING ACTIVITIES			
Fixed deposits uplifted		3,107,008	265,408
Loan raised		20,717,271	75,533,000
Repayments of term loans		(11,821,775)	(47,816,519)
Repayments of hire purchase payables		(3,826,930)	(2,850,682)
Interest paid		(10,354,210)	(8,288,430)
Dividends paid		(3,715,564)	(2,792,013)
Net cash (used in) / generated from financing activities		(5,894,200)	14,050,764
Net increase / (decrease) in cash and cash equivalents		(23,132,387)	2,811,136
Cash and cash equivalents brought forward		9,531,215	6,720,079
Cash and cash equivalents carried forward	17	(13,601,172)	9,531,215

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

Statement Of Financial Position

as at 31 December 2010

	Note	2010 RM	2009 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,857	5,304
Investments in Subsidiary Companies	7	95,765,270	94,775,268
Other investments	8	4,000,000	4,000,000
		99,769,127	98,780,572
Current assets			
Other receivable and prepayments	15	157,732	315,268
Amounts due from Subsidiary Companies	16	153,122,020	139,497,220
Tax recoverable		685,275	492,467
Cash and bank balances	17	2,835,688	16,825,433
		156,800,715	157,130,388
TOTAL ASSETS		256,569,842	255,910,960
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	18	124,089,450	124,089,450
Treasury shares	19	(181,069)	–
Reserves	20	19,519,182	18,123,631
Total equity		143,427,563	142,213,081
Non-current liabilities			
Loans	23	104,500,000	107,350,000
Current liabilities			
Other payables and accruals	27	2,780,059	2,780,059
Amounts due to Subsidiary Companies	28	223,000	249,716
Bank overdraft	29	2,589,220	868,104
Other bank borrowings	30	3,050,000	2,450,000
		8,642,279	6,347,879
Total liabilities		113,142,279	113,697,879
TOTAL EQUITY AND LIABILITIES		256,569,842	255,910,960

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

Statement Of Comprehensive Income

for the year ended 31 December 2010

	Note	2010 RM	2009 RM
Revenue	31	14,878,792	18,928,367
Cost of sales		–	–
Gross profit		14,878,792	18,928,367
Other operating income		–	–
		14,878,792	18,928,367
Administrative expenses		(612,987)	(5,891,995)
Profit from operations	32	14,265,805	13,036,372
Finance costs	35	(8,007,841)	(6,620,699)
Profit before taxation		6,257,964	6,415,673
Income tax expense	36	(1,146,849)	(2,558,764)
Profit for the year		5,111,115	3,856,909
Other comprehensive income		–	–
Total comprehensive income for the year		5,111,115	3,856,909

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

Statement Of Changes In Equity

for the year ended 31 December 2010

	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 2009		124,089,450	4,073,619	250,643	12,689,591	141,103,303
Total comprehensive income for the year		–	–	–	3,856,909	3,856,909
		124,089,450	4,073,619	250,643	16,546,500	144,960,212
Dividends	38	–	–	–	(2,792,013)	(2,792,013)
Share options granted under ESOS	20	–	–	44,882	–	44,882
At 31 December 2009		124,089,450	4,073,619	295,525	13,754,487	142,213,081

	Note	Share capital RM	Non-distributable Capital reserve RM	Non-distributable Share option reserve RM	Non-distributable Treasury shares RM	Distributable Retained earnings RM	Total equity RM
At 1 January 2010		124,089,450	4,073,619	295,525	–	13,754,487	142,213,081
Purchase of treasury shares	19	–	–	–	(181,069)	–	(181,069)
Total comprehensive income for the year		–	–	–	–	5,111,115	5,111,115
		124,089,450	4,073,619	295,525	(181,069)	18,865,602	147,143,127
Dividends	38	–	–	–	–	(3,715,564)	(3,715,564)
Share options granted under ESOS	20	–	–	–	–	–	–
At 31 December 2010		124,089,450	4,073,619	295,525	(181,069)	15,150,038	143,427,563

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

	2010 RM	2009 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,257,964	6,415,673
Adjustments for :-		
Allowance for diminution in value	–	4,500,000
Depreciation	1,447	1,447
Dividend income	(8,000,000)	(13,000,000)
ESOS expenses	–	44,882
Interest expense	8,007,841	6,620,699
Interest income	(6,878,792)	(5,928,367)
Operating loss before working capital changes	(611,540)	(1,345,666)
(Increase) / Decrease in other receivable and prepayments	157,536	241,698
Increase / (Decrease) in other payables and accruals	–	(219,367)
	157,536	22,331
Cash used in operations	(454,004)	(1,323,335)
Income tax refund	160,343	–
Net cash used in operating activities	(293,661)	(1,323,335)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional shares in Subsidiary Company	(990,002)	–
Purchase of treasury shares	(181,069)	–
Interest received	6,878,792	5,928,367
Dividend received	6,500,000	10,250,000
Net cash generated from investing activities	12,207,721	16,178,367
Balance carried forward	11,914,060	14,855,032

...continued

Statement Of Cash Flows

for the year ended 31 December 2010

	Note	2010 RM	2009 RM
Balance brought forward		11,914,060	14,855,032
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan raised		–	70,000,000
Repayment of term loans		(2,250,000)	(45,200,000)
(Increase) / Decrease in amounts due from Subsidiary Companies		(13,624,800)	(14,346,122)
Increase / (Decrease) in amounts due to Subsidiary Companies		(26,716)	9,716
Interest paid		(8,007,841)	(6,620,699)
Dividends paid		(3,715,564)	(2,792,013)
Net cash (used in) / generated from financing activities		(27,624,921)	1,050,882
Net (decrease) / increase in cash and cash equivalents		(15,710,861)	15,905,914
Cash and cash equivalents brought forward		15,957,329	51,415
Cash and cash equivalents carried forward	17	246,468	15,957,329

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

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

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 disclosed in Note 7 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 April 2011.

2. BASIS OF PREPARATION

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

These financial statements have been prepared under the historical cost convention unless otherwise indicated in the summary of significant accounting policies.

These financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies

On 1 January 2010, the Group and the Company adopted the following new and revised FRSs, Issues Committee Interpretations ("IC Int.") and amendments to FRSs which are mandatory for financial periods beginning on or after the respective dates as follows :-

i) Financial periods beginning on or after 1 July 2009

FRS 8	Operating Segments

ii) Financial periods beginning on or after 1 January 2010

FRS 4	Insurance Contracts
FRS 7	Financial Instruments : Disclosures
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments : Recognition and Measurement
IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 10	Interim Financial Reporting and Impairment
IC Int. 11	FRS 2 - Group and Treasury Share Transactions
IC Int. 13	Customer Loyalty Programmes
IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Changes in accounting policies (continued)

ii) Financial periods beginning on or after 1 January 2010 (continued)

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2 Share-based Payment - Vesting Conditions and Cancellations

Amendments to FRS 132 Financial Instruments : Presentation

Amendments to FRS 139 Financial Instruments : Recognition and Measurement, FRS 7 Financial Instruments : Disclosures and IC Int. 9 Reassessment of Embedded Derivatives

Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"

The adoption of the above new and revised FRSs, IC Int. and amendments to FRSs, does not result in any significant impact on the financial statements of the Group and of the Company except as follows :-

a) FRS 7 : Financial Instruments : Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments : Disclosure and Presentation. FRS 7 introduces new disclosures to improve both quantitative and qualitative information provided to users of the financial statements about an entity's exposure to risk and how the entity manages these risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions of the standard. Hence, the new disclosures have no impact to the comparatives.

b) FRS 8 : Operating Segment

FRS 8 replaces FRS 114_{2004} : Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments.

The Group concluded that reportable operating segments determined in accordance with FRS 8 are the same as the business segment previously identified under FRS 114_{2004}, no further segmental information disclosures will be necessary.

c) FRS 101 : Presentation of Financial Statement (Revised 2009)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The standard also introduces the statement of comprehensive income : presenting all items of income and expenses recognised in the statement of comprehensive income, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement. Comparative information have been re-presented so that it is in conformity with the revised standard.

In addition, the revised FRS 101 also requires the Group and the Company to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing its capital.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Changes in accounting policies (continued)

d) "Improvements to FRSs (2009)" : Amendments to FRS 117: Leases

Prior to the adoption of the Amendments to FRS 117, leasehold land that normally had an indefinite economic life and where title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land was accounted for as prepaid lease payments that were amortised over the lease term in accordance with the pattern of benefits provided.

The amendments to FRS 117 requires entities with existing leases of land to reassess the classification of land as a finance or operating lease based on the extent of risk and rewards associated with the land. The adoption of amentments to FRS 117 has no impact on the financial position of the Group as the Group has determined that, the leasehold land of the Group other than land held for property development is continued to be classified as operating leases.

e) FRS 123 : Borrowing Costs

This standard supersedes $FRS123_{2004}$: Borrowing Costs that removes the option of expensing borrowing costs and requires capitalisation of such costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense.

f) FRS 139 : Financial Instruments : Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial instruments. The Group and the Company have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated. The details of changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

(i) Impairment of receivables

Prior to 1 January 2010, provisions for doubtful debts was recognised on debts when recovery is considered doubtful. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate.

The effect of the adoption of the measurement of impairment of trade receivables have no impact on the comparatives of the Group and the Company.

(ii) Investment securities

Prior to 1 January 2010, other and short term investments of the Group and of the Company were initially recognised at cost and subsequently measured at cost less any impairment losses. Upon the adoption of FRS 139, these investments are designated at 1 January 2010 and classified as held to maturity investments.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Changes in accounting policies (continued)

The Group and the Company has not early adopted the following new and revised FRSs, IC Int. and amendments to FRSs which are mandatory for financial period beginning on or after the respective dates as follows :-

i) Financial periods beginning on or after 1 March 2010

Amendments to FRS 132 Financial Instruments : Presentation

ii) Financial periods beginning on or after 1 July 2010

FRS 1	First-time Adoption of Financial Reporting Standards (Revised 2010)
FRS 3	Business Combinations (Revised 2010)
FRS 127	Consolidated and Separate Financial Statements (Revised 2010)
IC Int. 12	Service Concession Arrangements
IC Int. 16	Hedges of a Net Investment in a Foreign Operation
IC Int. 17	Distributions of Non-cash Assets to Owners

Amendments to FRS 2 Share-based Payment

Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 138 Intangible Assets

Amendments to IC Int. 9 Reassessment of Embedded Derivatives

iii) Financial periods beginning on or after 1 January 2011

IC Int. 4	Determining whether an Arrangement contains a Lease
IC Int. 18	Transfers of Assets from Customers

Amendments to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 2 Group Cash-settled Share-based Payment Transactions

Amendments to FRS 7 Improving Disclosures about Financial Instruments

Amendments to FRSs contained in the document entitled “Improvements to FRSs (2010)”

iv) Financial periods beginning on or after 1 July 2011

IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Int. 14 Prepayments of a Minimum Funding Requirement

v) Financial periods beginning on or after 1 January 2012

FRS 124	Related Party Disclosures
IC Int. 15	Agreements for the Construction of Real Estate

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Changes in accounting policies (continued)

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and of the Company upon their initial application :-

a) FRS 3 : Business Combinations (Revised 2010) and FRS 127 : Consolidated and Separate Financial Statements (Revised 2010)

FRS 3 (Revised 2010) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (Revised 2010) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the revised Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (Revised) and FRS 127 (Revised) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

b) IC Interpretation 15 : Agreements for the Construction of Real Estate

This IC requires that when the real estate developer is providing construction services to the buyer's specifications, revenue can be recorded only as construction progresses. Otherwise, revenue should be recognised on completion of the relevant real estate unit. The Group's current revenue recognition policy for the sales of development properties are recognised in the income statement by using the stage of completion method as described in Note 3.11 and Note 3.19(ii) to the financial statements. The Group is currently assessing the impact of the adoption of this interpretation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 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 reporting 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 a value-in-use amount 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 as at 31 December 2010 was RM33,604,364 (2009 : RM33,604,364). Further details are as disclosed in Note 9 to the financial statements.

b) Construction contracts and property development

The Group recognises construction contracts and property development revenue and expenses in the statement of comprehensive income 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.

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 18 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 taxation. 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 (continued)

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its Subsidiary Companies as at the reporting 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 like 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 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 given, 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.

3.4 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 statement of comprehensive income 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 on building-in-progress commences when the assets are ready for their intended use.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment (continued)

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 or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the statement of comprehensive income.

3.5 Leases

i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risk and rewards incidental to ownership. All lease that do not transfer substantially all the risks and rewards are classified as operating leases and are not recognised in the statement of financial position of the Group or of the Company, except for property interest held under operating lease. Lease 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. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both is classified as investment property on a property-by-property basis.

ii) 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 statement of financial position 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 statement of comprehensive income 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 3.4 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leases (continued)

iii) 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 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.

iv) Operating leases - the Group as Lessor

Assets leased out under operating leases are presented on the statement of financial position 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 3.19(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.

3.6 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 statement of comprehensive income 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.

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

3.7 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 investments, the difference between net disposal proceeds and their carrying amounts is included in the statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 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 value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that assets may be impaired. If any 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 reporting date or more frequently when indicators of impairment are identified.

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 groups 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 statement of comprehensive income in the period in which it arises, unless the assets are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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 statement of comprehensive income, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is treated as a revaluation increase.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Land held for property development

Land held for property development consists of land where no 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. Cost includes cost of land and attributable development expenditure.

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.

3.11 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.

When the financial outcome of a development activity can be reliably estimated, property development revenue and costs are recognised in the statement of comprehensive income 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 statement of comprehensive income 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 statement of comprehensive income is classified as progress billings in respect of property development costs.

3.12 Inventories

Inventories comprising properties held for sale are valued at the lower of cost and net realisable value.

Cost of unsold completed properties comprises costs associated with the acquisition of land, direct construction costs and appropriate proportions of common cost. Cost of other inventories comprises costs of purchase.

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. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in the statement of comprehensive income.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at loans and receivables and held-to-maturity investments financial assets.

i) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gain and losses are recognised in statement of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

ii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group and the Company has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of comprehensive income when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in statement of comprehensive income.

Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way of purchases and sales of financial assets are recognised or derecognised on the trade date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Receivables and other financial assets carried at amortised cost.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interets rate. The impairment loss is recognised in statement of comprehensive income.

The carrying amount of the financial asset is reduced by the impairment loss either directly or through a use of an allowance account. When the financial asset's carrying amount is reduced through the use of an allowance account becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in statement of comprehensive income.

3.15 Construction contracts

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

When the outcome of a constructual 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.

When the total costs incurred on construction contracts 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 amounts due to customers on contracts.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument . Financial liabilities of the Group and of the Company are classified as other financial liabilities which include trade and other payables, amount due to contract customer, progress billing in respect of property development costs, loan and borrowings.

Trade and other payables are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amotised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gain and losses are recognised in statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.17 Provisions for liabilities

Provisions are recognised when the Group has 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 of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.18 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 in equity.

iii) Dividends

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

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. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 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 measured reliably.

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 term of the lease.

iv) Interest income

Interest income is recognised in the statement of financial position on an accrual basis unless collection is in doubt.

v) Dividend income

Dividend income is recognised in the statement of financial position when the right to receive payment is established.

vi) Car park income

Car park income is recognised when services are rendered.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 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 state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the statement of comprehensive income as incurred.

iii) Share-based compensation

The Crest Builder Holdings Berhad Employee Share Option Scheme ("ESOS"), equity-settled, share-based compensation plan which allow 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.

At each reporting 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 statement of comprehensive income, 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.

3.21 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Income tax

Income tax on the statement of comprehensive income 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 reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting 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 reporting date. Deferred tax is recognised in the statement of comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited 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.

3.23 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.

3.24 Segment reporting

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

Segment revenue, expenses, 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 1/1/2010 RM	Transfers (Note 6) RM	Additions RM	Disposals RM	Current depreciation RM	At 31/12/2010 RM
Freehold land	3,049,653	–	–	–	–	3,049,653
Buildings	976,303	–	–	–	25,919	950,384
Equipment, furniture and fittings	1,180,526	–	186,541	–	314,794	1,052,273
Light equipment	1,371,262	–	550,000	–	616,094	1,305,168
Motor vehicles	3,159,123	–	1,015,509	157,886	1,180,534	2,836,212
Plant and machinery	5,267,402	–	6,339,204	–	2,298,943	9,307,663
Building-in-progress	12,339,948	(11,795,160)	849,644	–	–	1,394,432
	27,344,217	(11,795,160)	8,940,898	157,886	4,436,284	19,895,785

Net carrying amount	At 1/1/2009 RM	Transfers (Note 10) RM	Additions RM	Disposals RM	Current depreciation RM	At 31/12/2009 RM
Freehold land	3,049,653	–	–	–	–	3,049,653
Buildings	1,002,223	–	–	–	25,920	976,303
Equipment, furniture and fittings	1,467,554	–	125,224	–	412,252	1,180,526
Light equipment	2,006,672	–	25,500	–	660,910	1,371,262
Motor vehicles	3,152,978	–	1,191,680	–	1,185,535	3,159,123
Plant and machinery	3,864,120	–	3,172,150	–	1,768,868	5,267,402
Building-in-progress	311,308	9,081,537	2,947,103	–	–	12,339,948
	14,854,508	9,081,537	7,461,657	–	4,053,485	27,344,217

4. PROPERTY, PLANT AND EQUIPMENT (continued)

2010	Cost RM	Accumulated depreciation RM	Net carrying amount RM
Freehold land	3,049,653	–	3,049,653
Buildings	1,295,978	345,594	950,384
Equipment, furniture and fittings	5,091,985	4,039,712	1,052,273
Light equipment	5,884,900	4,579,732	1,305,168
Motor vehicles	8,688,309	5,852,097	2,836,212
Plant and machinery	21,717,812	12,410,149	9,307,663
Building-in-progress	1,394,432	–	1,394,432
	47,123,069	27,227,284	19,895,785

2009	Cost RM	Accumulated depreciation RM	Net carrying amount RM
Freehold land	3,049,653	–	3,049,653
Buildings	1,295,978	319,675	976,303
Equipment, furniture and fittings	4,902,411	3,721,885	1,180,526
Light equipment	5,334,900	3,963,638	1,371,262
Motor vehicles	8,612,463	5,453,340	3,159,123
Plant and machinery	24,814,713	19,547,311	5,267,402
Building-in-progress	12,339,948	–	12,339,948
	60,350,066	33,005,849	27,344,217

COMPANY

Net carrying amount	At 1/1/2010 RM	Additions RM	Disposals RM	Current depreciation RM	At 31/12/2010 RM
Equipment, furniture and fittings	5,304	–	–	1,447	3,857

Net carrying amount	At 1/1/2009 RM	Additions RM	Disposals RM	Current depreciation RM	At 31/12/2009 RM
Equipment, furniture and fittings	6,751	–	–	1,447	5,304

4. PROPERTY, PLANT AND EQUIPMENT (continued)

2010	Cost RM	Accumulated depreciation RM	Net carrying amount RM
Equipment, furniture and fittings	14,465	10,608	3,857

2009	Cost RM	Accumulated depreciation RM	Net carrying amount RM
Equipment, furniture and fittings	14,465	9,161	5,304

Included in property, plant and equipment of the Group are fully depreciated assets which are still in use costing RM24,348,160 (2009 : RM19,343,536).

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM8,940,898 (2009 : RM7,461,657) of which RM7,096,101 (2009 : RM3,933,826) were acquired by means of hire purchase arrangements.

Net carrying amounts of assets acquired under hire purchase arrangements of which instalments are still outstanding at the reporting date are as follows :-

	GROUP	
	2010 RM	2009 RM
Light equipment	251,734	346,133
Motor vehicles	2,804,271	2,611,201
Plant and machinery	8,827,650	4,385,650
	11,883,655	7,342,984

The net carrying amount of the Group's freehold land amounting to RM457,697 (2009 : RM457,697) is pledged for borrowings as referred to in Note 23 to the financial statements.

5. PREPAID LAND LEASE PAYMENTS

GROUP

	Cost RM	Accumulated amortisation RM	Net carrying amount RM
Long term leasehold land			
At 1 January 2010	38,307,451	101,075	38,206,376
Addition during the year	–	–	–
Amortisation for the year	–	404,300	(404,300)
At 31 December 2010	38,307,451	505,375	37,802,076
At 1 January 2009	–	–	–
Addition during the year	38,307,451	–	38,307,451
Amortisation for the year	–	101,075	(101,075)
At 31 December 2009	38,307,451	101,075	38,206,376

The long term leasehold land of the Group has an unexpired lease period of more than 50 years.

The long term leasehold land of the Group has been pledged to a licensed bank as security for credit facilities granted to the Company.

6. INVESTMENT PROPERTIES

	GROUP	
	2010 RM	2009 RM
At fair value		
At 1 January	83,851,004	83,851,004
Additions during the year	11,693,213	–
Disposals during the year	–	–
Transfer from property, plant and equipment (Note 4)	11,795,160	–
At 31 December	107,339,377	83,851,004

Investment properties with an aggregate carrying value of RM81,951,005 (2009 : RM81,951,005) are held under lease terms.

Leasehold land of the Group has an unexpired lease period of more than 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 with an aggregate carrying value of RM500,000 (2009 : RM500,000) have been pledged as securities for borrowings as disclosed in Note 23 to the financial statements.

7. INVESTMENTS IN SUBSIDIARY COMPANIES

	COMPANY	
	2010 RM	2009 RM
Unquoted shares, at cost	95,765,270	94,775,268

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

Name of Company	Effective equity interest 2010 %	2009 %	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
Damansara One Sdn Bhd	100	–	Property investment and property development
Unitapah Sdn Bhd	51	–	Concession holder

8. OTHER INVESTMENTS

	GROUP 2010 RM	GROUP 2009 RM	COMPANY 2010 RM	COMPANY 2009 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	(4,536,000)	(4,536,000)	(4,500,000)	(4,500,000)
	4,054,000	4,054,000	4,000,000	4,000,000

9. GOODWILL ON CONSOLIDATION

	GROUP 2010 RM	GROUP 2009 RM
Purchased goodwill		
At 1 January / 31 December	33,604,364	33,604,364

9.1 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 2010	33,550,094	32,988	21,282	33,604,364
At 31 December 2009	33,550,094	32,988	21,282	33,604,364

9. GOODWILL ON CONSOLIDATION (continued)

9.2 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 :-

	2010		2009	
	Discount rate %	Growth rate %	Discount rate %	Growth rate %
Construction	8.00	10.00	8.00	10.00
Property development	8.00	10.00	8.00	10.00

The following describes each key assumption on which the management has based its cash flow projections for the purposes of 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.

9.3 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 have caused the carrying values of the units to materially exceed their recoverable amounts.

10. LAND HELD FOR PROPERTY DEVELOPMENT

	GROUP 2010 RM	GROUP 2009 RM
At cost		
Freehold land		
At 1 January	13,106,792	24,737,314
Additions during the year	–	–
Transfer to property, plant and equipment (Note 4)	–	(7,409,705)
Transfer to property development costs (Note 11)	(1,918,553)	(4,220,817)
At 31 December	11,188,239	13,106,792
Development costs		
At 1 January	2,009,221	4,598,616
Costs incurred during the year	256,538	180,525
Transfer to property, plant and equipment (Note 4)	–	(1,671,832)
Transfer to property development costs (Note 11)	(536,641)	(1,098,088)
At 31 December	1,729,118	2,009,221
Land held for property development at 31 December	12,917,357	15,116,013

Included in development costs incurred during the financial year is interest expense capitalised of RM97,643 (2009 : RM110,264).

Freehold land amounting to RM4,988,239 (2009 : RM6,906,792) is pledged for borrowings as disclosed in Note 23 to the financial statements.

11. PROPERTY DEVELOPMENT COSTS

	GROUP	
	2010 RM	2009 RM
Property development costs at 1 January :-		
Freehold land	15,448,190	11,227,373
Development costs	46,903,735	34,828,124
	62,351,925	46,055,497
Additional costs incurred during the year :-		
Development costs	27,429,477	10,977,523
Costs transfer from land held for property development (Note 10) :-		
Freehold land	1,918,553	4,220,817
Development costs	536,641	1,098,088
	2,455,194	5,318,905
Accumulated costs recognised in income statement :-		
At 1 January	(41,493,676)	(32,256,750)
Recognised during the year	(17,414,572)	(9,236,926)
At 31 December	(58,908,248)	(41,493,676)
Net property development costs at 31 December	33,328,348	20,858,249

Included in development costs incurred during the year is interest expense capitalised of RM1,036,939 (2009 : RM246,866).

The freehold land is pledged as security for term loan facility as disclosed in Note 23 to the financial statements.

12. INVENTORIES

	GROUP	
	2010 RM	2009 RM
At cost		
Properties held for sale	2,015,000	2,015,000

13. TRADE RECEIVABLES

	GROUP	
	2010 RM	2009 RM
Trade receivables	8,822,812	10,562,874
Progress billings receivables	57,360,181	42,785,067
Retention sums	72,961,788	55,089,291
	139,144,781	108,437,232
Less : Allowance for impairment	(1,997,475)	(1,997,475)
	137,147,306	106,439,757

Included in trade receivables of the Group is an amount of RM4,000 (2009 : RM3,000) due from a Company connected to a Director of the Company.

The Group's normal trade credit terms range 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 exposures to a single debtor or to groups of debtors.

Analysis of the trade receivables ageing is as follows :-

	GROUP	
	2010 RM	2009 RM
Current	26,117,500	17,762,186
Past due less than 30 days	13,027,817	5,368,639
Past due for more than 31-60 days	10,134,529	3,951,251
Past due for more than 61-90 days	12,295,374	11,631,204
Past due for more than 90 days	75,572,086	67,726,477
	137,147,306	106,439,757

The Group and the Company has not made any further allowance on its past due trade receivables as the management is of the view that the past due trade receivables are recoverable.

14. AMOUNTS DUE FROM / (TO) CONTRACT CUSTOMERS

	GROUP 2010 RM	GROUP 2009 RM
Aggregate costs incurred to date	1,194,230,147	1,385,362,636
Attributable profits	172,089,906	215,236,824
	1,366,320,053	1,600,599,460
Progress billings	(1,203,209,960)	(1,443,471,186)
	163,110,093	157,128,274

	GROUP 2010 RM	GROUP 2009 RM
Presented by :-		
Amounts due from contract customers	167,262,909	157,791,041
Amounts due to contract customers	(4,152,816)	(662,767)
	163,110,093	157,128,274

	GROUP 2010 RM	GROUP 2009 RM
Advances received on contracts, included within progress billings	9,770,873	17,765,186

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

	GROUP 2010 RM	GROUP 2009 RM
Hire of plant and machineries	3,412,952	2,040,118
Depreciation of property, plant and equipment	2,857,202	2,351,878
Lease rental	257,190	624,441
Rental of premises	368,767	269,800

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Other receivables	13,924,979	15,036,321	–	9,536
Deposits	2,051,033	1,912,954	–	–
Prepayments	4,528,690	1,347,300	157,732	305,732
	20,504,702	18,296,575	157,732	315,268
Less : Allowance for impairment	(487,821)	(487,821)	–	–
	20,016,881	17,808,754	157,732	315,268

16. AMOUNTS DUE FROM SUBSIDIARY COMPANIES

The amounts due are unsecured, interest free and without any fixed term of repayment except for an amount of RM91,145,000 (2009 : RM80,092,258) which bears weighted average effective interest rate of 7.33% (2009 : 7.36%) per annum.

17. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Short-term investments	–	56,651	–	–
Fixed deposits with licensed banks	2,788,155	8,339,169	2,766,000	2,766,000
Short-term deposits	–	14,000,000	–	14,000,000
Cash on hand and at banks	2,690,040	1,033,178	69,688	59,433
Cash and bank balances	5,478,195	23,428,998	2,835,688	16,825,433
Less : Bank overdraft (Note 29)	(19,057,212)	(10,768,620)	(2,589,220)	(868,104)
Fixed deposits pledged	(22,155)	(3,129,163)	–	–
Cash and cash equivalents	(13,601,172)	9,531,215	246,468	15,957,329

Short-term investments comprise of investments in Income Fund. The weighted average effective interest rate of investments in Income Fund is 2.70% (2009 : 2.80%).

Included in fixed deposits of the Group are an amount of Nil (2009 : RM1,964,656) pledged to licensed banks for short-term borrowings facilities and an amount of RM22,155 (2009 : RM1,164,507) being bank guarantees for performance bonds issued in favour of third parties in respect of projects undertaken by a Subsidiary Company.

17. CASH AND CASH EQUIVALENTS (continued)

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

	GROUP		COMPANY	
	2010 %	2009 %	2010 %	2009 %
Short-term deposits with licensed banks	–	1.80	–	1.80
Fixed deposits with licensed banks	2.00	1.95	2.00	2.00

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

	GROUP		COMPANY	
	2010 Days	2009 Days	2010 Days	2009 Days
Short-term deposits with licensed banks	–	7	–	7
Fixed deposits with licensed banks	40	115	37	37

18. SHARE CAPITAL

	GROUP AND COMPANY			
	2010		2009	
	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	124,089,450	124,089,450	124,089,450	124,089,450
Issued during the year pursuant to ESOS	–	–	–	–
At 31 December	124,089,450	124,089,450	124,089,450	124,089,450

18. SHARE CAPITAL (continued)

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

	Number of share options 2010	Number of share options 2009
At 1 January	6,625,000	5,870,000
Granted	–	1,340,000
Exercised	–	–
Lapsed due to resignation	(545,000)	(585,000)
At 31 December	6,080,000	6,625,000

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	1/1/2010	Granted	Exercised	Lapsed	31/12/2010
19/4/2007	RM1-00	4,530,000	–	–	355,000	4,175,000
19/4/2008	RM1-00	835,000	–	–	120,000	715,000
19/4/2009	RM1-00	1,260,000	–	–	70,000	1,190,000

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 2010	19 April 2009	19 April 2008
Fair value of share options granted (RM)	0.003	0.052	0.133
Share price (RM)	0-73	0-57	1-05
Exercise price (RM)	1-00	1-00	1-00
Expected volatility (%)	16.00%	44.00%	25.00%
Expected life (years)	2	3	4
Risk free rate (%)	2.21%	2.00%	3.40%
Expected dividend yield (%)	5.52%	5.31%	6.67%

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 was incorporated into the measurement of fair value.

19. TREASURY SHARES

	GROUP 2010 RM	GROUP 2009 RM	COMPANY 2010 RM	COMPANY 2009 RM
At 1 January	–	–	–	–
Shares repurchased during the financial year	(181,069)	–	(181,069)	–
At 31 December	(181,069)	–	(181,069)	–

As at 31 December 2010, the number of outstanding ordinary shares in issue after deducting the treasury shares is 123,852,150 (2009: 124,089,450).

During the financial year, the Company purchased 237,300 of its issued ordinary shares from the open market on Bursa Malaysia. The average price paid for the shares repurchased was approximately RM0.76 (2009: Nil) per share.

The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of Companies Act, 1965. The Company has the right to reissue these shares at later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended. None of the treasury shares repurchased has been sold or cancelled as at 31 December 2010.

20. RESERVES

	GROUP 2010 RM	GROUP 2009 RM	COMPANY 2010 RM	COMPANY 2009 RM
NON-DISTRIBUTABLE :-				
Capital reserve :-				
At 1 January	4,073,619	4,073,619	4,073,619	4,073,619
Issue of shares pursuant to ESOS	–	–	–	–
At 31 December	4,073,619	4,073,619	4,073,619	4,073,619
Share option reserve :-				
At 1 January	295,525	250,643	295,525	250,643
Share options granted under ESOS	–	44,882	–	44,882
Issue of shares pursuant to ESOS	–	–	–	–
At 31 December	295,525	295,525	295,525	295,525
DISTRIBUTABLE :-				
Retained earnings	112,545,586	102,322,449	15,150,038	13,754,487
Total reserves	116,914,730	106,691,593	19,519,182	18,123,631

20. RESERVES (continued)

(a) Capital reserve

Capital reserve of the Group and of the Company arose from issuance of warrants as disclosed in Note 22 to the financial statements and transfer within reserve for ESOS exercised as disclosed in Note 18.

(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 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007.

As at 31 December 2010, the Company has sufficient credit in the 108 balance and tax exempt income account balance to pay franked dividends out of its entire retained earnings.

21. NON-CONTROLLING INTEREST

GROUP

This consists of share capital and the proportion of reserves attributable to minority shareholders in Subsidiary Companies.

22. 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 2010, 23,999,050 (2009 : 23,999,050) warrants remain unconverted.

23. LOANS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Secured				
Term loans	76,581,703	74,318,780	67,550,000	69,800,000
Unsecured				
Collateralised loan obligations	40,000,000	40,000,000	40,000,000	40,000,000
	116,581,703	114,318,780	107,550,000	109,800,000
Less : Amount repayable within one year (Note 30)	(3,796,151)	(5,808,458)	(3,050,000)	(2,450,000)
Amount repayable after one year	112,785,552	108,510,322	104,500,000	107,350,000

23.1 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 No. 34701, 34702, 34703 and 34704, Seksyen 22, Shah Alam, Selangor held under Geran 30437 and 30438, Mukim of Damansara, District of Petaling, State of Selangor Darul Ehsan;

ii) loan agreement and third party first legal charge over a 13 1/2 storey stratified office block together with two lower ground levels (of a total built-up area of approximately 140,000 square feet) and 1,370 numbers of car park bays, collectively identified as The Crest located within 3 Two Square, Section 19, Petaling Jaya, Daerah Petaling, Selangor Darul Ehsan ("the Property");

iii) third party Deed of Assignment of rental proceeds from the Property;

iv) charge over the monies in the Debt Service Reserve Account;

v) third party legal charge over a piece of vacant land located along Jalan PJU 8/8, Damansara Perdana, Petaling Jaya held under H.S. (D) 222402, P.T. No. 44018, Mukim of Sungai Buloh, District of Petaling, State of Selangor Darul Ehsan;

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

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

23.2 The unsecured term loan facility agreements provides that the Company shall subscribe for the Subordinated Bonds issued by Prima Uno Berhad, companies specially incorporated for the purpose of implementing and carrying out primary collateralised loan obligations transactions.

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

23. LOANS (continued)

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

	GROUP		COMPANY	
	2010 %	2009 %	2010 %	2009 %
Term loans	7.80	7.05	7.80	7.05
Collateralised loan obligations	7.38	7.38	7.38	7.38

The maturity structure of the loans are as follows :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Amount repayable :-				
Within one year	3,796,151	5,808,458	3,050,000	2,450,000
After one year but within two years	44,026,000	4,210,322	44,026,000	3,050,000
After two years but within three years	9,973,904	44,026,000	8,712,000	44,026,000
After three years but within four years	15,735,648	8,712,000	8,712,000	8,712,000
After four years but within five years	8,712,000	8,712,000	8,712,000	8,712,000
After five years	34,338,000	42,850,000	34,338,000	42,850,000
	116,581,703	114,318,780	107,550,000	109,800,000

24. HIRE PURCHASE PAYABLES

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

	GROUP	
	2010 RM	2009 RM
Minimum hire purchase payments :-		
- not later than one year	4,547,756	2,928,222
- later than one year and not later than five years	4,475,526	2,537,025
	9,023,282	5,465,247
Future finance charges	(706,338)	(417,474)
Present value of hire purchase payments	8,316,944	5,047,773

24. HIRE PURCHASE PAYABLES (continued)

	GROUP 2010 RM	GROUP 2009 RM
Present value of hire purchase payments :-		
- not later than one year	4,209,370	2,407,021
- later than one year and not later than five years	4,107,574	2,640,752
	8,316,944	5,047,773
Less : Amount repayable within one year	(4,209,370)	(2,407,021)
Amount repayable after one year	4,107,574	2,640,752

Hire purchase facilities incur weighted average effective interest at 2.89% (2009 : 2.75%) per annum.

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

	GROUP 2010 RM	GROUP 2009 RM
Amount repayable :-		
Within one year	4,209,370	2,407,021
After one year but within two years	2,890,186	1,814,624
After two years but within three years	1,217,388	826,128
	8,316,944	5,047,773

25. DEFERRED TAX LIABILITIES

	GROUP 2010 RM	GROUP 2009 RM
At 1 January	294,709	532,340
Recognised in income statement	66,777	(237,631)
At 31 December	361,486	294,709

Deferred tax liabilities of the Group wholly arise from accelerated capital allowances.

25. DEFERRED TAX LIABILITIES (continued)

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

	GROUP 2010 RM	GROUP 2009 RM
Unutilised tax losses	14,624	7,430

The unutilised tax losses are available indefinitely for offsetting against future taxable profits of the Subsidiary Companies in which the item arose. Deferred tax assets have not been recognised in respect of the item as it is not probable that future taxable profits will be available against which they can be utilised based on the current plan of the Subsidiary Companies.

26. TRADE PAYABLES

	GROUP 2010 RM	GROUP 2009 RM
Trade payables	97,697,464	80,869,252
Retention sums	34,769,767	27,940,867
	132,467,231	108,810,119

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

27. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Other payables	7,455,805	6,187,371	1,229,795	1,229,795
Deposits received	2,246,997	2,022,421	–	–
Accruals	7,295,207	16,441,987	1,550,264	1,550,264
	16,998,009	24,651,779	2,780,059	2,780,059

28. AMOUNTS DUE TO SUBSIDIARY COMPANIES

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

29. BANK OVERDRAFT

The securities for the bank overdraft facilities are as disclosed in Note 23 to the financial statements.

Bank overdraft facilities bear weighted average effective interest rate of 7.72% (2009 : 7.00%) per annum for the Group and 7.80% (2009 : 7.05%) per annum for the Company.

30. OTHER BANK BORROWINGS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Bankers' acceptance	29,415,000	25,012,000	–	–
Bridging loan	2,229,573	–	–	–
Term loans (Note 23)	3,796,151	5,808,458	3,050,000	2,450,000
	35,440,724	30,820,458	3,050,000	2,450,000

The securities for the other bank borrowings are as disclosed in Note 23 to the financial statements.

Bankers' acceptance facilities incur weighted average effective interest rate of 3.79% (2009 : 2.99%) per annum.

31. REVENUE AND COST OF SALES

Revenue is categorised as follows :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Contract revenue	428,197,763	306,283,888	–	–
Sales of development / completed properties	23,781,026	15,730,806	–	–
Rental income from investment properties	5,039,394	4,818,863	–	–
Interest income	73,245	32,166	6,878,792	5,928,367
Dividend income	–	–	8,000,000	13,000,000
Car park income	2,987,088	2,698,043	–	–
	460,078,516	329,563,766	14,878,792	18,928,367

Cost of sales are categorised as follows :-

	GROUP	
	2010 RM	2009 RM
Cost of construction contracts	398,096,336	275,186,700
Cost of development / completed properties sold	17,414,573	11,210,329
Cost of maintenance of investment properties	2,498,547	2,288,334
	418,009,456	288,685,363

32. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Allowance for diminution in value	–	4,500,000	–	4,500,000
Amortisation of prepaid land lease payments	404,300	101,075	–	–
Auditors' remuneration				
- current year's provision				
- statutory	127,200	125,600	20,000	20,000
- non-statutory	5,900	4,000	5,900	4,000
- underprovision in prior year	–	5,000	–	–
Depreciation	4,436,284	4,053,485	1,447	1,447
Direct operating expenses of investment properties				
- revenue generating during the year	4,834	9,202	–	–
- non-revenue generating during the year	–	–	–	–
Directors' fees (Note 33)	250,000	250,000	250,000	250,000
Directors' other emoluments (Note 33)	1,469,797	1,312,333	–	–
Goodwill on acquisition of subsidiaries	47,734	–	–	–
Hire of plant and machineries	3,416,312	2,042,696	–	–
Lease rental	257,190	624,441	–	–
Rental expense	464,767	354,200	–	–

and crediting :-

	GROUP 2010 RM	GROUP 2009 RM	COMPANY 2010 RM	COMPANY 2009 RM
Dividend income	–	–	8,000,000	13,000,000
Gain on disposal of properties held for sale	–	353,400	–	–
Gain on disposal of property, plant and equipment	324,015	509,700	–	–
Interest income	156,795	267,041	6,878,792	5,928,367
Rental income from investment properties	5,090,386	4,852,823	–	–

33. DIRECTORS' REMUNERATION

	GROUP 2010 RM	GROUP 2009 RM	COMPANY 2010 RM	COMPANY 2009 RM
Executive Directors				
- Emoluments	1,469,797	1,312,333	–	–
- Fees	80,000	80,000	80,000	80,000
	1,549,797	1,392,333	80,000	80,000
Non-executive Directors				
- Fees	170,000	170,000	170,000	170,000
Total	1,719,797	1,562,333	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 2010	Number of Directors 2009
Executive Directors		
Less than RM50,000	–	1
RM50,001 - RM100,000	–	1
RM100,001 - RM150,000	2	–
RM150,001 - RM200,000	–	–
RM200,001 - RM250,000	1	–
RM250,001 - RM300,000	–	2
RM300,001 - RM350,000	–	–
RM350,001 - RM400,000	1	–
RM400,001 - RM450,000	–	–
RM450,001 - RM500,000	–	–
RM500,001 - RM550,000	–	–
RM550,001 - RM600,000	–	1
RM600,001 - RM650,000	–	–
RM650,001 - RM700,000	–	–
RM700,001 - RM750,000	1	–
	5	5
Non-executive Directors		
Less than RM50,000	4	4
Total	9	9

34. STAFF COSTS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
EPF and SOCSO	571,322	736,317	–	–
ESOS expenses	–	44,882	–	44,882
Medical expenses	23,003	61,854	–	–
Messing and refreshment	116,183	70,340	–	–
Salaries, overtime, bonus and allowances	4,444,806	4,806,262	–	–
Short-term accumulating compensated absences	168,256	(32,872)	–	–
Staff training	130	2,350	–	–
Staff welfare	27,783	28,171	–	–
	5,351,483	5,717,304	–	44,882

35. FINANCE COSTS

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Bank overdraft interest	1,024,837	735,646	166,775	120,541
Bankers' acceptance interest	1,174,685	819,624	–	–
Hire purchase interest	313,621	232,937	–	–
Term loan interest	7,841,067	6,500,223	7,841,066	6,500,158
	10,354,210	8,288,430	8,007,841	6,620,699

36. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Income tax :-				
Current year's provision	6,004,057	6,478,107	1,198,996	2,544,675
Under / (Over) provision in prior years	135,974	337,651	(52,147)	14,089
	6,140,031	6,815,758	1,146,849	2,558,764
Deferred tax :-				
Relating to reversal of temporary differences	54,727	(105,995)	–	–
Under / (Over) provision in prior year	12,050	(131,636)	–	–
	66,777	(237,631)	–	–
	6,206,808	6,578,127	1,146,849	2,558,764

36. INCOME TAX EXPENSE (continued)

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		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit before taxation	20,120,723	17,564,685	6,257,964	6,415,673
Taxation at Malaysian statutory tax rate at 25%	5,030,181	4,391,171	1,564,491	1,603,918
Income not subject to tax	(469)	(349)	(500,000)	(500,000)
Expenses not deductible for tax purposes	1,018,033	1,980,389	134,505	1,440,757
Deferred tax assets not recognised during the year	11,039	901	–	–
Under / (Over) provision of taxation in prior years	135,974	337,651	(52,147)	14,089
Under / (Over) provision of deferred tax in prior year	12,050	(131,636)	–	–
	6,206,808	6,578,127	1,146,849	2,558,764
Tax savings recognised during the year arising from :-				
- Utilisation of current year capital allowances	989,285	727,203	–	–

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	
	2010 RM	2009 RM
Unutilised tax losses	59,400	29,700

37. EARNINGS PER SHARE

37.1 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 2010	GROUP 2009
Profit attributable to owners of the parent (RM)	13,938,701	10,986,558
Weighted average number of ordinary shares in issue	123,896,637	124,089,450
Basic earnings per share (sen)	11-25	8-85

37.2 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 2010	GROUP 2009
Profit attributable to owners of the parent (RM)	13,938,701	10,986,558
Weighted average number of ordinary shares in issue	123,896,637	124,089,450
Adjustment for ESOS	*	*
Adjustment for assumed conversion of warrants	*	*
Adjusted weighted average number of ordinary shares in issue and issuable	123,896,637	124,089,450
Diluted earnings per share (sen)	N/A	N/A

* 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.

38. DIVIDENDS

	GROUP AND COMPANY 2010 RM	2009 RM
First and final dividend of 3 sen less income tax at 25% in respect of financial year ended 31 December 2008	–	2,792,013
First and final dividend of 4 sen less income tax at 25% in respect of financial year ended 31 December 2009	3,715,564	–
	3,715,564	2,792,013

At the forthcoming Annual General Meeting, a first and final dividend of 4 sen gross per ordinary share (the outstanding issued and paid-up share capital of the Company with voting rights) less income tax at 25% on 123,852,150 ordinary shares of RM1-00 each amounting to RM3,715,564 (3 sen net per ordinary share) in respect of the current financial year ended 31 December 2010 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. 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 2011.

39. SUMMARY OF EFFECTS OF ACQUISITION OF SUBSIDIARY COMPANIES

Acquisition of Subsidiary Companies.

i) On 17 March 2010, the company acquired 100% equity interest in Damansara One Sdn Bhd comprising 2 ordinary shares of RM1-00 each for a total purchase consideration of RM2.

ii) On 1 June 2010, the Group acquired 51% equity interest in Unitapah Sdn Bhd comprising 1,020 ordinary shares of RM1-00 each for a total purchase consideration of RM1,020. Subsequently the Group acquired an additional 508,980 ordinary shares of RM1-00 each by way of rights issue.

Detail of net liabilities acquired and goodwill are as follows:

	RM
Total purchase consideration	1,022
Share of fair value of net liabilities acquired	46,712
Goodwill	47,734

39. SUMMARY OF EFFECTS OF ACQUISITION OF SUBSIDIARY COMPANIES (continued)

The assets and liabilities as of the date of acquisition are as follows:

	Fair Value RM	Acquiree's carrying amount RM
Net assets acquired		
Current assets	1,022	1,022
Current liabilities	(71,740)	(71,740)
Net liabilities acquired	(70,718)	(70,718)
Non-controlling interest	24,006	
Goodwill on consolidation	47,734	
Purchase consideration	1,022	
Less: Cash and cash equivalents of Subsidiaries acquired	(1,022)	
Net cash inflow on acquisition	–	

The acquired subsidiaries contributed revenues of Nil and net losses of RM16,896 to the Group for the period from date of acquisition to 31 December 2010. If the acquisition had occurred on 1 January 2010, the Group's revenues and net losses for the year would have increase by Nil and RM728 respectively.

40. OPERATING LEASE ARRANGEMENTS

a) The Group as lessee

The Group has entered into several tenancy agreements for the rental of premises, resulting in future rental commitments which may, subject to certain terms in the agreements, be revised accordingly or upon its maturity based on prevailing market rates.

The Group also leases various premises 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 reporting date but not recognised as liabilities are as follows :-

	GROUP 2010 RM	GROUP 2009 RM
Future minimum rental payments :-		
Not later than one year	–	377,857
Later than one year and not later than five years	–	–
	–	377,857

...continued

40. OPERATING LEASE ARRANGEMENTS (continued)

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 reporting date but not recognised as receivables are as follows :-

	GROUP	
	2010 RM	2009 RM
Not later than one year	4,622,906	4,534,716
Later than one year and not later than five years	8,226,086	390,414
	12,848,992	4,925,130

Investment properties rental income recognised in income statement during the financial year is disclosed in Note 31 to the financial statements.

41. CAPITAL COMMITMENT

	GROUP	
	2010 RM	2009 RM
Capital expenditure		
Approved and contracted for :-		
- Building-in-progress	713,500	1,011,751
- Purchase of property, plant and equipment	2,042,108	1,934,596
	2,755,608	2,946,347

42. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Guarantees given to financial institution in respect of facilities granted to Subsidiary Companies	–	–	3,260,091	191,700,000
Guarantees issued in favour of third parties	62,308,588	85,846,117	–	–

43. RELATED PARTY DISCLOSURES

43.1 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.

43.2 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

		GROUP		**COMPANY**	
		2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
a)	Contract revenue received / receivable from :- - Farima Sdn Bhd	49,214,808	24,287,162	–	–
b)	Rental income received / receivable from :- - Farima Sdn Bhd	36,000	36,000	–	–
c)	Gross dividends received / receivable from :- - Subsidiary Companies	–	–	8,000,000	13,000,000
d)	Interest income received / receivable from :- - Subsidiary Companies	–	–	6,878,792	5,896,200
e)	Rental paid to :- - Grandland Corporation Sdn Bhd	78,000	84,400	–	–

43. RELATED PARTY DISCLOSURES (continued)

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 2010 RM	GROUP 2009 RM
Progress billings receivable	10,929,524	7,817,286
Retention sums	12,422,266	10,443,550
	23,351,790	18,260,836

The Directors are of the opinion that the 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 that obtainable in transactions with unrelated parties.

43.3 Compensation of key management personnel

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

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Short-term employee benefits	1,665,757	1,500,637	80,000	80,000

Included in the total compensation of key management personnel are :-

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Directors' remuneration (Note 33)	1,549,797	1,392,333	80,000	80,000

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

	GROUP AND COMPANY 2010 RM	GROUP AND COMPANY 2009 RM
At 1 January	2,725,000	2,275,000
Granted	–	450,000
At 31 December	2,725,000	2,725,000

44. SIGNIFICANT EVENTS

44.1 On 17 March 2010, the company acquired 100% equity interest in Damansara One Sdn Bhd for a total cash consideration of RM2.

44.2 On 1 June 2010, the Group acquired 51% equity interest in Unitapah Sdn Bhd for a total cash consideration of RM1,020. Subsequently the Group acquired an additional 508,980 ordinary shares of RM1-00 each by way of rights issue.

45. SIGNIFICANT SUBSEQUENT EVENT

On 4 March 2011, the Company's wholly-owned Subsidiary Company, Crest Builder Sdn Bhd, had entered into a Sale and Purchase Agreement ("SPA") with Foster Estate Sdn Bhd ("Foster Estate" or "Purchaser") for the proposed disposal of a parcel of leasehold commercial development land and held under H.S. (D) 222402, PT 44018, Mukim of Sungai Buloh, Daerah of Petaling, Negeri Selangor measuring approximately 6.33 acres with a net usable area of approximately 4.26 acres as agreed by both parties ("Net Usable Area") ("Land") for a total cash consideration of RM57,525,336 ("Disposal Consideration").

46. FINANCIAL INSTRUMENTS

46.1 Classification of Financial Instruments

The following table analyses the financial assets and liabilities of the Group and the Company in the statement of financial position as at 31 December 2010 by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

a) Held to maturity investment ("HMI")
b) Loan and receivables ("L&R")
c) Other financial liabilities measured at amortised cost ("OL")

GROUP At 31 December 2010	HMI RM	L&R RM	OL RM	Total RM
Assets				
Other investment	4,000,000	–	–	4,000,000
Trade receivables	–	137,147,306	–	137,147,306
Amount due from contract customers	–	167,262,909	–	167,262,909
Other receivables and deposit (excluding prepayment)	–	15,488,191	–	15,488,191
Cash and bank balance	–	5,478,195	–	5,478,195
Total financial assets	4,000,000	325,376,601	–	329,376,601

46. FINANCIAL INSTRUMENTS (continued)

46.1 Classification of Financial Instruments (continued)

GROUP At 31 December 2010	HMI RM	L&R RM	OL RM	Total RM
Liabilities				
Loans	–	–	112,785,552	112,785,552
Hire purchase payables	–	–	8,316,944	8,316,944
Trade payables	–	–	132,467,231	132,467,231
Amounts due to contract customer	–	–	4,152,816	4,152,816
Progress billing in respect of property development cost	–	–	12,106,335	12,106,335
Other payables, deposits and accruals	–	–	16,998,009	16,998,009
Bank overdraft	–	–	19,057,212	19,057,212
Other bank borrowings	–	–	35,440,724	35,440,724
Total financial liabilities	–	–	341,324,823	341,324,823

COMPANY At 31 December 2010				
Assets				
Other investment	4,000,000	–	–	4,000,000
Other receivables and deposit	–	–	–	–
Amount due from Subsidiary Company	–	153,122,020	–	153,122,020
Cash and bank balance	–	2,835,688	–	2,835,688
Total financial assets	4,000,000	155,957,708	–	159,957,708
Liabilities				
Loans	–	–	104,500,000	104,500,000
Other payables, deposits and accruals	–	–	2,780,059	2,780,059
Amount due to Subsidiary Company	–	–	223,000	223,000
Bank overdraft	–	–	2,589,220	2,589,220
Other bank borrowings	–	–	3,050,000	3,050,000
Total financial liabilities	–	–	113,142,279	113,142,279

46. FINANCIAL INSTRUMENTS (continued)

46.2 Financial risk management objectives and policies

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

i) Interest rate risk

The Group and the Company's primary interest rate risk relates to interest-bearing financial instruments. The investments in financial assets are mainly short term in nature and have been mostly placed in fixed deposits and money market funds which yield better returns than cash at bank.

The Group and the Company manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group and the Company actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes. As at 31 December 2010, the Group has not entered into any hedging instruments arrangements to minimise its exposure to interest rate volatility.

No sensitivity analysis being prepared as the Group's loans and borrowings are accounted at amortised cost. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss on equity.

ii) Credit risk

Credit risks, or the risk of counterparties defaulting, are 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 via the Group's management reporting procedures.

The age analysis of trade receivables is disclosed in Note 13.

In addition, the Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain Subsidiary Companies. The maximum exposure to credit risk is as disclosed in Note 23 representing the outstanding banking facilities of the companies as at the reporting date.

46. FINANCIAL INSTRUMENTS (continued)

46.2 Financial risk management objectives and policies (continued)

iii) Liquidity risk

The Group manages its debt maturity portfolio, 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 and 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.

The maturity analysis for financial liabilities that shows the remaining contractual maturities are disclosed in Note 23 and Note 24.

iv) Price fluctuation risk

The Group has policies in place 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.

46.3 Fair values

It is not practical to estimate the fair values 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 values without incurring excessive costs.

It is also not practical to estimate the fair values of the amounts due from / to Subsidiary Companies, principally due 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 reporting 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) Borrowings and hire purchase payables

The fair values of borrowings and hire purchase payables 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 and hire purchase payables approximate their fair values.

47. CAPITAL RISK MANAGEMENT

The Group defines capital as unquoted bonds (Note 8), cash and cash equivalents (Note 17), loans (Note 23), hire purchase payables (Note 24), other bank borrowings (Note 30) and equity attributable to owners of the parent excluding non-distributable reserve.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group assesses its financial capacity by reference to cash flow and interest cover. Group policies include a set of financing principles including the monitoring of credit ratings, interest cover and liquidity. These provide a framework within which the Group's capital base is managed and, in particular, the policies on dividends (as a percentage of long-term sustainable earnings) and share buy-back are decided.

48. SEGMENTAL REPORTING

48.1 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 that obtainable in transactions with unrelated parties. Inter-segment pricing is determined based on the terms mutually agreed between the companies concerned.

48. SEGMENTAL REPORTING (continued)

48.2 Geographical segments

No information is prepared on the geographical segment as the Group principally operates within Malaysia.

31 December 2010	Construction RM	Investment holding RM	Property development RM	Eliminations RM	Consolidated RM
Revenue					
External sales	428,197,763	8,099,727	23,781,026	–	460,078,516
Inter-segment sales	7,021,092	14,805,546	–	(21,826,638)	–
Total revenue	435,218,855	22,905,273	23,781,026	(21,826,638)	460,078,516
Results					
Segment results	20,237,065	4,527,969	5,757,633	–	30,522,667
Unallocated corporate expenses					(47,734)
					30,474,933
Finance costs					(10,354,210)
Income tax expense					(6,206,808)
Profit after taxation					13,913,915
Assets					
Segment assets	361,758,960	107,972,367	111,130,271	–	580,861,598
Unallocated corporate assets					2,166,630
Consolidated total assets					583,028,228
Liabilities					
Segment liabilities	125,174,015	12,606,815	27,943,561	–	165,724,391
Unallocated corporate liabilities					176,028,449
Consolidated total liabilities					341,752,840
Other information					
Capital expenditure	8,848,714	20,000	39,451,412	–	48,320,126
Depreciation	4,256,602	136,012	43,670	–	4,436,284
Non-cash expenses other than depreciation	–	–	–	–	–

48. SEGMENTAL REPORTING (continued)

31 December 2009	Construction RM	Investment holding RM	Property development RM	Eliminations RM	Consolidated RM
Revenue					
External sales	306,283,888	7,549,072	15,730,806	–	329,563,766
Inter-segment sales	7,948,571	18,896,200	–	(26,844,771)	–
Total revenue	314,232,459	26,445,272	15,730,806	(26,844,771)	329,563,766
Results					
Segment results	22,627,041	(1,119,714)	3,685,095	–	25,192,422
Unallocated corporate expenses					660,693
					25,853,115
Finance costs					(8,288,430)
Income tax expense					(6,578,127)
Profit after taxation					10,986,558
Assets					
Segment assets	319,342,860	56,691,512	154,483,401	–	530,517,773
Unallocated corporate assets					4,523,832
Consolidated total assets					535,041,605
Liabilities					
Segment liabilities	109,860,010	2,796,086	36,158,030	–	148,814,126
Unallocated corporate liabilities					155,446,436
Consolidated total liabilities					304,260,562
Other information					
Capital expenditure	42,954,389	–	13,972,767	–	56,927,156
Depreciation	3,862,404	1,447	189,634	–	4,053,485
Non-cash expenses other than depreciation	–	4,544,882	–	–	4,544,882

49. 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 1/1/2010	Granted	Exercised	Lapsed	At 31/12/2010
Chin Poh Ming	75,000	–	–	–	75,000
Chuah Tian Pong	75,000	–	–	–	75,000
Gan Lai Hoon	50,000	–	–	–	50,000
Goh Sin Huat	75,000	–	–	–	75,000
Ho Wan Chan	100,000	–	–	–	100,000
Keh Pei Tian	40,000	–	–	–	40,000
Khoo Kheng Kiat	150,000	–	–	–	150,000
Koh Wai Kong	75,000	–	–	–	75,000
Kshithi Devan A/L C K Nair	75,000	–	–	–	75,000
Lai Fei Hong	40,000	–	–	–	40,000
Lee June Vee	44,000	–	–	–	44,000
Lee Kit Seng	50,000	–	–	–	50,000
Lee Kok Ming	100,000	–	–	–	100,000
Lim Ah Ber	41,000	–	–	–	41,000
Lim Shee Hau	75,000	–	–	–	75,000
Lim Swee Peng	50,000	–	–	–	50,000
Liong Yan Herng	75,000	–	–	–	75,000
Lye Tuck Yew	40,000	–	–	–	40,000
Ng Sze Lee	40,000	–	–	40,000	–
Ngi Kuang Huei	50,000	–	–	–	50,000
Ong Hean Hoon	100,000	–	–	100,000	–
San Siew Hong	75,000	–	–	–	75,000
Siau Mui	75,000	–	–	–	75,000
So Kooi Mui	40,000	–	–	–	40,000
Tan Kim Yong	50,000	–	–	–	50,000
Tan Tek Long	75,000	–	–	–	75,000
Tan Yew Lee	40,000	–	–	–	40,000
Teh Hock Hua	190,000	–	–	–	190,000
Teng Siong Kwang	40,000	–	–	–	40,000
Teoh Guan Sim	100,000	–	–	–	100,000
Teo Jed Wei	50,000	–	–	50,000	–
Wang Luan Boo	100,000	–	–	100,000	–
Wan Heng Lin	75,000	–	–	–	75,000
Wong Lai Mui	40,000	–	–	–	40,000
Yeo Joon Hui	75,000	–	–	75,000	–
Yong Tiok Chin	75,000	–	–	–	75,000
Za'Azlin Bin Abdul Maulud	75,000	–	–	–	75,000

50. SUPPLEMENTARY INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFIT OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2010, into realised and unrealised profits, pursuant to the directive, is as follows:

	2010 GROUP	2010 COMPANY
Total retained earnings of the Company and its subsidiaries:		
- realised	76,119,006	15,150,038
- unrealised	38,477,229	–
	114,596,235	15,150,038
Less: Consolidation adjustments	(2,050,649)	–
Total retained earnings	112,545,586	15,150,038

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.

List Of Properties

as at 31 December 2010

Location	Tenure	Approx. Area / Built-up	Description	Year of Expiry	Net Book Value @ 31.12.10 (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 Darul Ehsan	Freehold	12,939 sq ft	2 units of 3-storey shop office/office	–	3,542,340	14	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	0.13	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	10	2007
P.N 19970 (Old title H.S. (D) 44166) P.T. No. 16311, Mukim Setapak, Daerah Wilayah Persekutuan, Negeri Wilayah Persekutuan	Freehold	4,200 sq ft	3-storey shop office/office	2075	500,000	24	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	10	2007
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	10	2007
The Crest, 3 Two Square, No. 2, Jalan 19/1, Petaling Jaya, 46300, Selangor Darul Ehsan	Leasehold	150,522 sq ft	16 storey office block & parking bays	2105	89,780,000	4	2007

Location	Tenure	Approx. Area / Built-up	Description	Year of Expiry	Net Book Value @ 31.12.10 (RM)	Approx. age of building (years)	Date of Valuation / Acquisition
GM 1059 Lot No.1863 Mukim Batu, Daerah Kuala Lumpur	Freehold	2.93 acres	Cultivation Land	–	6,200,000	–	2004
No. Hakmilik 0244869, Lot No. 0034701, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan	Freehold	7.14 acres	Residential Land	–	7,547,625	–	2005
No. Hakmilik 0244870, Lot No. 0034702, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan	Freehold	2.71 acres	Residential Land	–	4,046,897	–	2005
No. Hakmilik 0244871, Lot No. 0034703, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan	Freehold	3.82 acres	Commercial Land	–	2,871,611	–	2005
No. Hakmilik 0244872, Lot No. 0034704, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan	Freehold	2.02 acres	Commercial Land	–	2,138,113	–	2005
H.S (D) 222402, PT44018, Mukim Sg. Buloh, Daerah Petaling, Selangor Darul Ehsan	Leasehold	36.33 acres	Commercial Land	2104	37,802,073	–	2009
No. Hakmilik 0243082, Lot No. 0000232, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan	Freehold	1.83 acres	Commercial Land	–	7,409,705	–	2006

Analysis Of Shareholdings

as at 10 May 2011

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 10 MAY 2011

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	2,380	31.75	117,371	0.09
100 to 1,000	2,682	35.77	1,046,683	0.84
1,001 to 10,000	1,712	22.84	8,107,014	6.53
10,001 to 100,000	631	8.42	19,052,378	15.35
100,001 to less than 5% of issued shares	90	1.20	44,909,696	36.19
5% and above of issued shares	2	0.03	50,856,308	40.98
Total	**7,497**	**100.00**	**124,089,450**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 10 MAY 2011

(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%	12,080,808	9.74%
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 10 MAY 2011

(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	3,452,800	2.78
7	Capai Hasil Sdn Bhd	2,749,136	2.22

THIRTY LARGEST SHAREHOLDERS AS AT 10 MAY 2011 (continued)
(without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	No. of Shares	%
8	Pertiwi Positif Sdn Bhd	1,807,939	1.46
9	Lembaga Tabung Haji	1,451,800	1.17
10	Lim Khuan Eng	1,150,800	0.93
11	Koh Kin Lip	900,000	0.73
12	Mayban Nominees (Asing) Sdn Bhd Pledged Securities Account For San Tuan Sam	872,400	0.70
13	Kong Tiam	829,000	0.67
14	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Mak Ngia Ngia & Mak Yoke Lum	572,300	0.46
15	Ng Ming Kai	550,000	0.44
16	Chee Siang Yee @ Cher Sian Peng	510,000	0.41
17	Yong Shang Ming	470,000	0.38
18	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teng Swee Lan & Fong Swee Lan	469,200	0.38
19	Lai Wooi Giap	460,000	0.37
20	Yap Hock Lee	426,600	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	Ngang Ching Tang	378,000	0.30
25	Ong Saw Peng	350,100	0.28
26	OSK Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Khoo Teng Yeow	350,000	0.28
27	Lau Mun Cheong	316,700	0.26
28	Pang Yue Mun	315,000	0.25
29	Lee Ah Loy	311,700	0.25
30	AIBB Nominees (Asing) Sdn Bhd Pledged Securities Account For Lim Beng Tiong	302,000	0.24
		84,783,283	**68.32**

Analysis Of Shareholdings

as at 10 May 2011

ANALYSIS BY SIZE OF WARRANTHOLDINGS (WARRANTS 2003/2013) AS AT 10 MAY 2011

Size of Holdings	No. of Warrant Holders	%	No. of Warrants	%
Less than 100	67	9.68	2,560	0.01
100 to 1,000	246	35.55	195,824	0.82
1,001 to 10,000	229	33.09	1,299,250	5.41
10,001 to 100,000	127	18.35	4,427,700	18.45
100,001 to less than 5% of issued warrants	20	2.89	5,673,800	23.64
5% and above of issued warrants	3	0.43	12,399,916	51.67
Total	**692**	**100.00**	**23,999,050**	**100.00**

THIRTY LARGEST WARRANTHOLDERS AS AT 10 MAY 2011

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

No.	Name of Shareholders	No. of Warrants	%
1	Yong Soon Chow	7,999,916	33.33
2	Pertiwi Positif Sdn Bhd	3,000,000	12.50
3	Koh Hua Lan	1,400,000	5.83
4	Ng Ming Kai	1,065,000	4.44
5	Takrif Jaya Sdn Bhd	890,000	3.71
6	Koh Chin Liang	642,500	2.68
7	Mak Ngia Ngia @ Mak Yoke Lum	376,000	1.57
8	Mak Ngia Ngia @ Mak Yoke Lum	346,400	1.44
9	Toh Eng Yee	300,000	1.25
10	Kee Hooi Seng	249,900	1.04
11	Lim Fok Chou	222,600	0.93
12	Capai Hasil Sdn Bhd	189,900	0.79
13	Lee Kum Pin	165,000	0.69
14	Chong Nyen Thien	149,000	0.62
15	Tong See Wong	145,000	0.60
16	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kwong Keng Wai	140,000	0.58
17	Liew Siew Chin	123,000	0.51
18	Cheok Ken Chai	118,000	0.49

THIRTY LARGEST WARRANTHOLDERS AS AT 10 MAY 2011 (continued)
(without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	No. of Warrants	%
19	Chai Ming Tau	118,000	0.49
20	Chew Chin Swee	116,900	0.49
21	Kong Hon Chin @ Kang Hun Chan	108,100	0.45
22	Mun Mee Fong	108,000	0.45
23	Cimsec Nominess (Tempatan) Sdn Bhd Pledged Securities Account For Looi Wai Chong	100,500	0.42
24	Yu Chok Tow	100,000	0.42
25	Hoe Geok Huah @ Ho Swee Neo	100,000	0.42
26	Ng Kok Loong	100,000	0.42
27	Kang Kin Ngai	100,000	0.42
28	Sim Choon Seng	100,000	0.42
29	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Siew Ming	100,000	0.42
30	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ooi Oon Seong	96,000	0.40
		18,769,716	**78.21**

Analysis Of Shareholdings

as at 10 May 2011

STATEMENT OF DIRECTORS' INTERESTS IN SHARES AND WARRANTS IN THE COMPANY

AS AT 10 MAY 2011

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%	12,080,808	9.74%
Koh Hua Lan	3,945,500	3.18%	–	–
Lee Sooi Teng	282,000	0.23%	12,000	0.01%
Yong Shang Ming	470,000	0.38%	–	–
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	–	–	–	–

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	1,400,000	5.83%	–	–
Lee Sooi Teng	–	–	–	–
Yong Shang Ming	–	–	–	–
Keong Choon Keat	–	–	–	–
Mohd Khasan bin Ahmad	–	–	–	–
Kam Yong Kan	–	–	–	–
Yong Tiok Keng	–	–	–	–

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 9th Annual General Meeting of the Company, to be held at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on wednesday, 22 June, 2011 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 2010.		
2.	To declare a final dividend of 4% less 25% tax for the financial year ended 31 December 2010.		
3.	To re-elect the Managing Director, Yong Soon Chow.		
4.	To re-elect the Executive Director, Yong Shang Ming		
5.	To re-elect the Independent Non-Executive Director, Kam Yong Kan		
6.	To appoint Messrs GEP Associates (AF1030), Chartered Accountants, as auditors for the ensuing financial year ending 31 December 2011 and authorise the fixing of their remuneration by directors.		
	Special business	**For**	**Against**
7.	To approve payment of directors' remunerations for the year ended 31 December 2010 in accordance with Article 88 of the Company's Articles of Association.		
8.	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		
9.	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		
10.	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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