CREST BUILDER HOLDINGS BERHAD

(573382-P)

Annual Report
2012

Contents

CORPORATE PROFILE

BRINGING A VISION TO REALITY

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 OF 11TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 11th annual general meeting will be held

Venue	Sime Darby Convention Centre 1A, Jalan Bukit Kiara 1 60000 Kuala Lumpur
Day, date and time	Tuesday, 25 June 2013 at 3.00 p.m.

AGENDA

Ordinary business

1. Laying of audited accounts

To receive and adopt the duly audited accounts consisting of the consolidated statement of comprehensive income, the consolidated statement of financial position, the reports of the Directors and auditors for the financial year ended 31 December 2012, 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 5% less 25% taxation per share in respect of the financial year ended 31.12.2012 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 Independent Non-Executive Director, Encik Mohd Khasan Bin Ahmad who retires in accordance with Article 80 of the Company's Articles of Association, be hereby approved. ***Resolution 4***

5. Appointment of auditors

THAT the appointment of Messrs Baker Tilly Monteiro Heng, Chartered Accountants, as the auditors in accordance with Article 57 of the Company's Articles of Association and pursuant to Section 172(2) of the Act for the ensuing financial year ending 31 December 2013 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 5***

Special business

6. Approval for payment of directors' fees

THAT the payment of RM180,000 as directors' fee for the year ended 31 December 2012 (2011 : RM250,000) in accordance with Article 88 of the Company's Articles of Association be hereby approved. ***Resolution 6***

NOTICE OF 11TH ANNUAL GENERAL MEETING (CONT'D)

7. 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 7***

8. 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 20 June 2012 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 4.3 of the Circular to Shareholders dated 3 June 2013 ("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 8***

(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.

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

Resolution 9

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/- 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 RM20,884,735/- and RM nil respectively as at 31 December 2012 based on the latest audited financial statements of CBHB for the financial year ended 31 December 2012;

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

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

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

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

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

(iv) upon completion of the purchase(s) of the CBHB Shares by the Company, the Directors of the Company be and are hereby authorised to retain the CBHB Shares so purchased as treasury shares, which may be distributed as dividends to shareholders, cancel and/or resold on Bursa Securities, in the manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force,

AND THAT the Directors of the Company be and hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the said Directors may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of CBHB Shares.

10. Continuing in Office as Independent Non-Executive Directors

10.1 **THAT**, approval be and is hereby given to Mr. Keong Choon Keat who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company — ***Resolution 10***

10.2 **THAT**, approval be and is hereby given to Encik Mohd. Khasan Bin Ahmad who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company — ***Resolution 11***

10.3 **THAT**, approval be and is hereby given to Mr. Kam Yong Kan who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company — ***Resolution 12***

NOTICE OF DIVIDEND ENTITLEMENT

Further NOTICE is hereby given that a first and final dividend of 5% less 25% taxation per share in respect of the financial year ended 31 December 2012 if approved by shareholders, will be paid on 1 August 2013 to depositors registered in the Record of Depositors at the close of business on 10 July 2013.

A depositor shall qualify for entitlement only in respect of:-

(a) share transferred into the depositor's securities account before 4:00 noon on 10 July 2013 in respect of ordinary transfers; and

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

By order of the Board

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

Dated : 3 June, 2013

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.*
6. *In respect to the deposited securities, only members whose name appear in the Record of Depositors on 18 June 2013 shall be eligible to attend the meeting or to appoint proxy to attend and/or vote on his behalf.*

STATEMENT ACCOMPANYING NOTICE OF 11TH ANNUAL GENERAL MEETING

1. ORDINARY BUSINESS – RESOLUTION 2

The Directors now recommend a first and final dividend of 5% or 5 sen (RM0.05) less 25% income tax per each ordinary share held in respect of the financial year ended 31 December 2012, giving rise to total net dividend for the financial year of 3.75 sen per ordinary share held.

2. ORDINARY BUSINESS – RESOLUTION 3 & 4

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 43, 44 & 138
Mohd Khasan Bin Ahmad	Page 12	Page 43, 44 & 138

Details of Directors' attendance at Board Meetings are set out in the Statement on Corporate Governance on Page 25 of the Annual Report.

3. SPECIAL BUSINESS – RESOLUTION 6

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.

4. SPECIAL BUSINESS – RESOLUTION 7

The Company had during its 10th Annual General Meeting held on 20 June 2012, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965. The Company had 25 June 2012 issued 11,300,000 Shares under the said mandate.

This Proposed Resolution No. 7 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.

STATEMENT ACCOMPANYING NOTICE OF 11TH ANNUAL GENERAL MEETING (CONT'D)

5. SPECIAL BUSINESS – RESOLUTION 8

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 3 June 2013.

6. SPECIAL BUSINESS – RESOLUTION 9

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 3 June 2013.

7. SPECIAL BUSINESS – RESOLUTION 10, 11 & 12

Pursuant to the Malaysian Code on Corporate Governance 2012, the Board of Directors has via the Nomination Committee assessed the Independence of Mr. Keong Choon Keat, Encik Mohd Khasan Bin Ahmad and Mr. Kam Yong Kan who each has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

(i) each of them fulfills the criteria of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
(ii) each of them is familiar with the Company's business operations as each has been with the Company for more than 9 years;
(iii) each of them has devoted sufficient time and attention to his responsibilities as an Independent Non-Executive Director of the Company; and
(iv) each of them has exercised due care during his tenure as an Independent Director of the Company and carried out his duty in the interest of the Company and shareholders.

The proposed Resolutions 10, 11 and 12, if passed, will enable Mr. Keong Choon Keat, Encik Mohd Khasan Bin Ahmad and Mr. Kam Yong Kan to continue in office as Independent Non-Executive Directors.

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

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
Email : 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

Baker Tilly Monteiro Heng
Baker Tilly MH Tower
Level 10, Tower 1
Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia
Tel : 03 - 2297 1000
Fax : 03 - 2282 9980

PRINCIPAL BANKERS

Hong Leong Bank Berhad
AmBank Berhad
CIMB Bank
MayBank Berhad
Bank Islam Malaysia Berhad

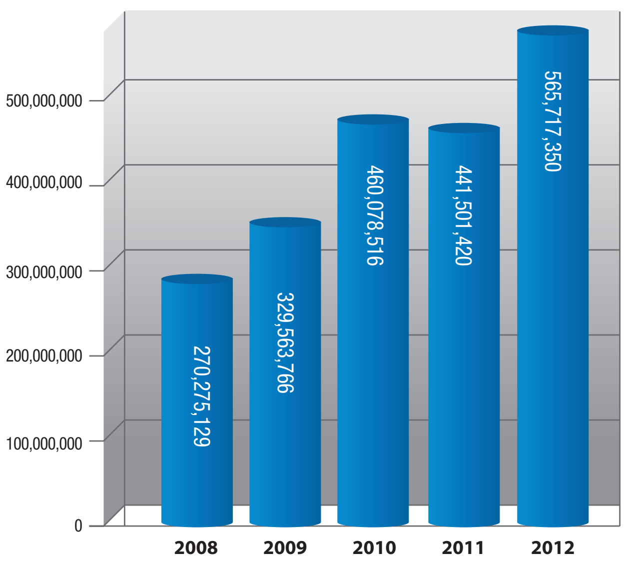
STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad - Main Market
Sector : Construction

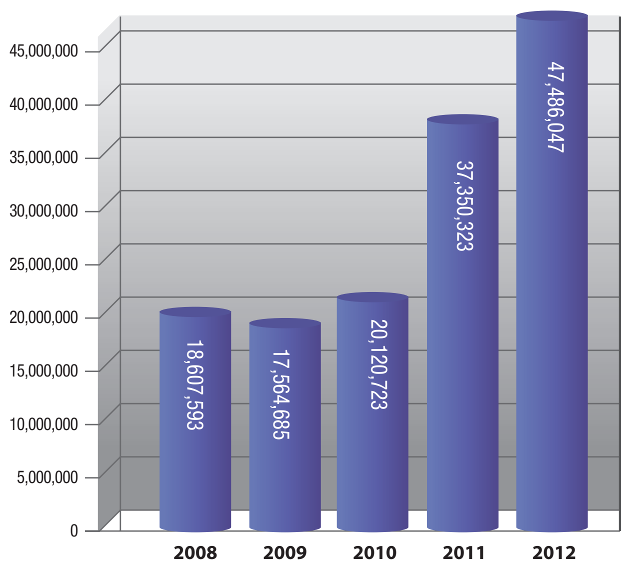
FINANCIAL HIGHLIGHTS

Financial Year End	2008 RM	2009 RM	2010 RM	2011 RM	2012 RM
Revenue	270,275,129	329,563,766	460,078,516	441,501,420	565,717,350
Profit Before Taxation	18,607,593	17,564,685	20,120,723	37,350,323	47,486,047
Profit After Taxation *[Pre-acquisition loss/(profit)]*	12,343,260	10,986,558	13,913,915	29,414,961	39,574,569
Profit Attributable to Shareholders *after deduction/(addition) of pre-acquisition profit/(loss)]*	12,343,260	10,986,558	13,938,701	30,423,570	39,929,590
Total Equity Attributable to Owners of the Company	222,541,616	230,781,043	240,823,111	267,531,117	315,974,933
Net Assets Per Share (sen)	1.79	1.86	1.94	2.16	2.30
Total Number of Shares	124,089,450	124,089,450	124,089,450	124,089,450	138,010,450
Basic Earnings per Share (sen)	9.95	8.85	11.23	24.56	30.65
Diluted Earnings per Share *(after full conversion of Warrants)*	9.95	8.85	11.23	24.56	30.65
Gross Dividend (%)	3.0	4.0	4.0	5.0	5.0

REVENUE (RM)

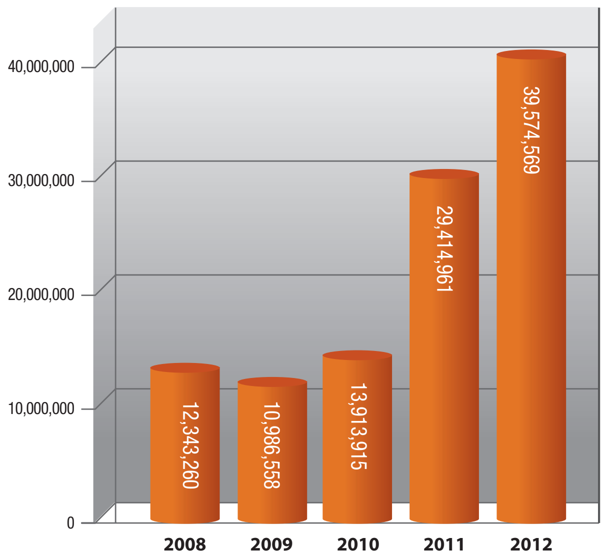


PROFIT BEFORE TAXATION (RM)

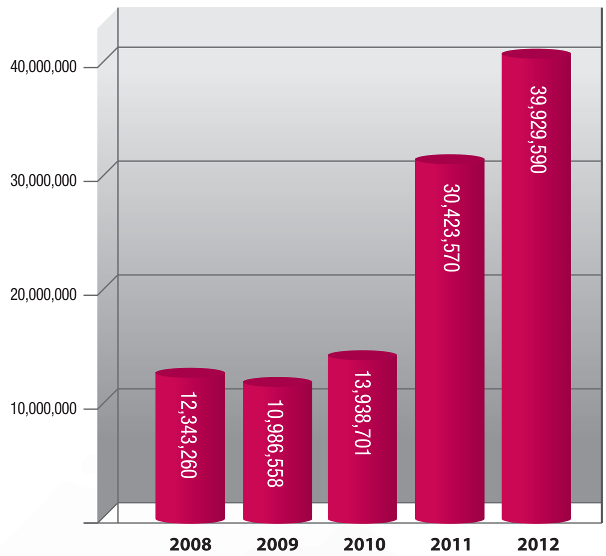


FINANCIAL HIGHLIGHTS (CONT'D)

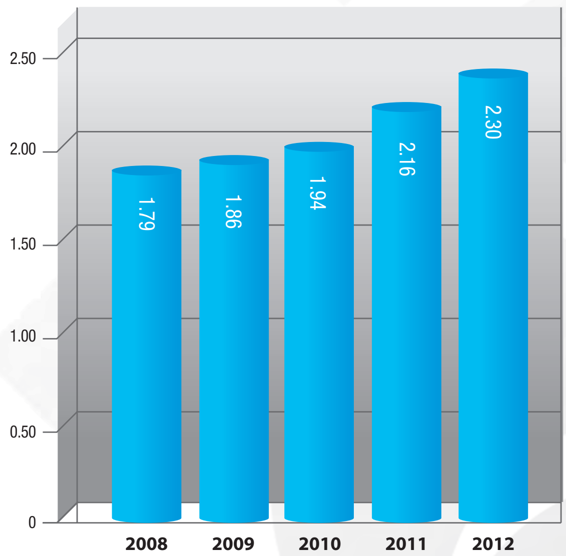
PROFIT AFTER TAXATION (RM)



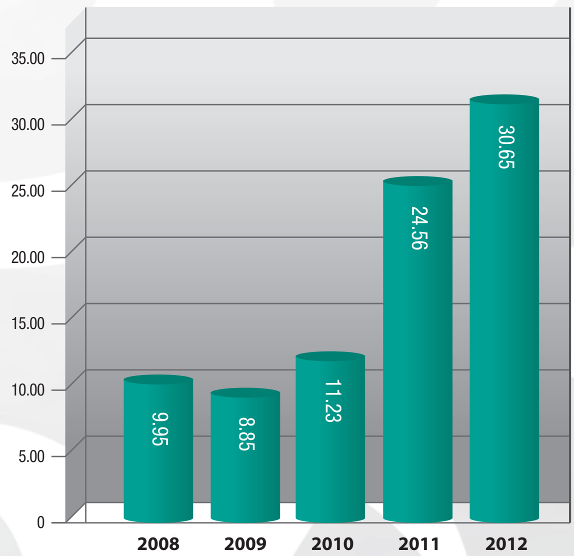
PROFIT ATTRIBUTABLE TO SHAREHOLDERS (RM)



NET ASSETS PER SHARE (SEN)



BASIC EARNINGS PER SHARE (SEN)



DIRECTOR'S PROFILE

TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH [Non-Executive Chairman], aged 57, 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 five (5) Board meetings held during the financial year ended 31 December 2012.

YONG SOON CHOW * [Managing Director], aged 61, was appointed to the Board on 26 February 2003. Mr Yong is the co-founder of Crest Builder Sdn Bhd and is the driving force behind the Group. Mr Yong started his career as an engineer with Jabatan Kerja Raya from 1977 to 1981. In year 1983, he formed Crest Builder Sdn Bhd and has successfully turned it into a profitable concern. Over the years, he has accumulated invaluable experience and in depth knowledge of civil engineering and construction industry in general from on the job training. He is responsible for the overall business operations and the implementation of policies and strategies of the Group. He attended all of the five (5) Board meetings held during the financial year ended 31 December 2012.

KOH HUA LAN (F) [Executive Director], aged 61, was appointed to the Board on 26 February 2003. Madam Koh is a co-founder of Crest Builder Sdn Bhd and she has more than 20 years of experience in financial and administration management. She is principally responsible for the administration, human resource and management support services of the Group. She attended all of the five (5) Board meetings held during the financial year ended 31 December 2012.

YONG SHANG MING [Executive Director], aged 30 was appointed to the Board on 31 January 2008. He graduated from City University, London with a Honours Degree in Civil Engineering. He joined the Group in June 2003 as the Special Assistant to the Group Managing Director. He is involved in the project procurement and implementation as well as the business development ventures of the Group. He is also involved in the project planning, development and marketing operations of the Group's property development projects. He attended all of the five (5) Board meetings held during the financial year ended 31 December 2012.

KEONG CHOON KEAT [Senior Independent Non-Executive Director], aged 68, 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 and Negeri Sembilan Oil Palms Berhad. He attended all of the five (5) Board meetings held during the financial year ended 31 December 2012.

MOHD KHASAN BIN AHMAD * [Independent Non-Executive Director], aged 52, 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 five (5) Board meetings held during the financial year ended 31 December 2012.

DIRECTOR'S PROFILE (CONT'D)

KAM YONG KAN [Independent Non-Executive Director], aged 54, was appointed to the Board on 26 February 2003 and also a member of the Audit Committee. He is an ex-fellow member of the Association of Chartered Certified Accountants, United Kingdom, an ex-member of 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 five (5) Board meetings held during the financial year ended 31 December 2012.

YONG TIOK KENG (F) [Executive Director, Alternate to Koh Hua Lan (f)], aged 34, 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 11 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 five (5) Board meetings held during the financial year ended 31 December 2012.

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 31.

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 138. 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 extent 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

Dear Shareholders,

On behalf of the Board of Directors of Crest Builder Holdings Berhad ("CBHB" or the "Company"), it is with great pleasure to present the Annual Report and Financial Statement of the Company for the financial year ended 31 December 2012. (FY2012)

FINANCIAL REVIEW FY2012

2012 had the Malaysian market swarmed with a serious of tough economic conditions as a result of the continued financial crisis in the West and fluctuating property speculations from investors due to domestic supply and demand. However, despite the macro economic uncertainties CBHB continues to deliver a strong financial year with a revenue of RM565.72 million, a top line increase of 28.14% as compared to RM441.50 million reported in our previous year. The Company reported an increase in Profit before Tax ('PBT') of 27.15% (RM47.49 million in FY2012 as compared to RM37.35 million in FY2011).

In terms of our segmental income for FY2012, our construction segment remains to be the leading contributor reporting a revenue of RM428.30 million, followed by our property segment with a revenue of RM52.74 million; representing an increase of 8.45% and 14.63%, respectively.

I believe that the Company's continued positive financial growth and resilience is a result of our management's mindful and strategically structured business plans and operations.

CORPORATE DEVELOPMENTS

Suffice to say, this year has been quite an eventful and fulfilling year for the Company. In our first quarter, we secured a sizable joint development project with Syarikat Prasarana Negara Bhd ("Prasarana") with a total Gross Development Value (GDV) of RM1.04 billion which marks the Company's first billion-ringgit property development project in the heart of Kuala Lumpur. This mixed-development project, comprising a retail mall, serviced residential suites, hotel and offices located at Dang Wangi LRT Station is expected to commence physical works in the second-half of FY2013 with a construction time-line of five (5) years. The Board is gratified with such a deal as we are not bogged down by huge land cost or initial huge capital requirements, as payments to Prasarana will be made by way of a combination of cash and payment in kind over the life of the project. In June, the Company's hard work continued to pay off when we secured our second billion-ringgit property development project with Malaysia Rubber Board ("MRB"). This joint development project with a GDV of RM1.3 billion and a land size of 2.2ha in Jalan Ampang is expected to start physical works in parallel with our Dang Wangi project during the second-half of FY2013.

Securing two billion-ringgit projects within a year for CBHB is evidence that the management is steering the Company in the right direction in building successful growth and it is adding to the Company's driving force to expand and diversify its business blueprint both in the construction and property development industries.

CHAIRMAN'S STATEMENT (CONT'D)

Adding a strong positive contribution to our books for FY2012 is our Tierra Crest property in Kelana Jaya, which we successfully signed and secured a nine-year (3+3+3 years) tenancy agreement with Unitar International University ("Unitar"), whereby the University will be occupying the two office towers as their headquarters. Unitar's occupancy over the next nine years will generate annual revenue of approximately RM6.0 million for CBHB. Tierra Crest is strategically located at the heart of Kelana Jaya with access to and from all surrounding major highways, thus providing a strong attraction for our three-level retail podium upon completion in 2013.

Last year, we had briefly highlighted our UNITAPAH Concession Project with the Ministry of Higher Education which sees CBHB developing a campus to undertake a capacity of 5,000 students. The progress of this project is on schedule for its targeted completion date of January 2014.

During the last quarter of the year, CBHB had also completed a 10% placement which was fully taken up by various institutional investors. Simultaneously, a bonus issue of new warrants was also executed with a swap ratio of three (3) new warrants for every ten (10) existing ordinary shares.

DIVIDEND

The Board believes in building shareholder's interest and sharing our success by rewarding our shareholders while at the same time maintaining sufficient funds to invest in the Company's long term growth.

For FY2012, the Board has recommended a first and final gross dividend of 5.0 sen per share, less income tax of 25% at this Annual General Meeting.

MARKET OUTLOOK AND FUTURE PROSPECTS

Despite the global whirlwind effects from the on-going European Financial Crisis, Malaysia has maintained a healthy growth of 5.6% for 2012, placing Malaysia as one of the best regional performers. According to reports, Malaysia's resilient economy is characterised by credible growth, low inflation, full employment, rising investment from both foreign and domestic investors, healthy foreign reserves and strong foreign interest on the local bourse.

Positive growth and increasing market investments from 2012 are expected to spill over and continue for 2013. The positive outlook is supported by a number of national projects and initiatives such as The Economic Transformation Programme (ETP), the National Key Results Areas (NKRAs), the National Key Economic Areas (NKEAs) and so on. These national projects are leading to the higher investments and infrastructure development projects such as the MRT Project, hence increasing project opportunities for the industry.

One of Malaysia's Vision 2020 key initiatives is to drive Malaysia into a developed and high income nation by 2020. Thus with reference to recent records, the average household income has been on the rise with an annual increase of 7.2% p.a. over the last three years. With these statistics in sight, we believe that it will increase the property market and housing demands going forward.

MOVING FORWARD

As at the close of FY2012, the Group's order book stood at a healthy RM1.9 billion with an unbilled order book of RM1.26 billion. The Group is continuously bidding for projects to ensure that we maintain a strong financial stream in the long term. Thus with a tender book of approximately RM6.0 billion in the pipeline, the Group is anticipating in maintaining a steady growth for the Group's revenue stream.

With the Group's portfolio now reinforced with our two billion-ringgit projects, we believe that we have achieved in bringing CBHB to the next stage and we hope to continuously build our portfolio with such projects. Therefore, we are always committed to on-going advancement of our professional expertise and technical capabilities so that we are always in a strong position for project opportunities that arises and lined with a competitive edge.

APPRECIATION

On behalf of the Board of Directors, I wish to express our heart-felt appreciation to all our customers, vendors, suppliers, consultants, associates, bankers and business partners for their business, support, loyalty, advice, cooperation and trust. On behalf of the Board, I also wish to express our thanks and appreciation to our management and staff for their continued hard work and dedication to the Company.

To our valued Shareholders, the Board of Directors and I thank you for your continued support, confidence and trust in us. We will continue to work hard for the creation and preservation of shareholder value in the Group.

MANAGEMENT REVIEW

Crest Builder Holdings Berhad ("CBHB" or the "Group") is principally involved in general construction works and construction-related activities. The Group is a registered Class A Contractor with the Ministry of Entrepreneurial Development and a Category G7 with the Construction Industry Development Board. Securing these registrations has enabled the Group to tender and carry out all categories of both government and private construction contracts. We possess the necessary expertise and capability to cover various areas of construction-related services including property development, property management, M & E services, project management and car park management.

The **construction** business of the Group focuses on the infrastructure and building works of residential developments, healthcare amenities, infrastructure, leisure and education amenities, education facilities etc. with regards to our infrastructure works, we provide a comprehensive service that includes the design, construction, final completion and maintenance of roads, bridges and other basic facilities.

Our **property development** is comprehensively supported by our construction division in providing CBHB with an integrated operation benefit under one roof. Equipped with our own in-house expertise, we are involved in all aspects of the real estate business, from planning submission to the completion of interior furnishing of our own developments.

CBHB maiden property development project which launched in 2007 – 3 Two Square, Petaling Jaya – is a mixed development where the Group's headquarters are currently located. CBHB is the asset owner, and **property and car park management** of the 13-storey Corporate Tower and attached car park lots, for which the rental contributes an annual income of approximately RM8.85 million.

FINANCIAL PERFORMANCE

For the year ended 31 December 2012, the Group reported a 12-month revenue of RM565.72 million, giving a 28.14% increase as compared to the previous year of RM441.50 million. With regards to our profit for the period ('PAT'), RM39.57 million was reported for FY2012, translating to earnings per share of 30.65 sen, a 34.55% increase from the profit of RM29.41 million reported in FY2011.

The Group's business operations and financial activities are managed and reported separately in in three divisions which enables the implementation of a streamlined management structure.

Construction

The Group's founding division continues to be the leading contributor to CBHB's profit for FY2012, with a revenue of RM428.30 million, representing 75.71% of the Group's total revenue. FY2012 earnings before interest and taxation ("EBIT") reported a sum of RM30.55 million.

The increase in the division's profits for FY2012 was mainly due to progressive income that was recognised during the year for a few of our completed construction projects, namely Verticas Residensi, Menara Binjai, Sky Residence and UiTM Tapah II Branch Campus. ('Unitapah').

Property Development

For FY2012, the property development division recorded a revenue of RM52.74 million, showing an increase of 14.63% compared to its previous year of RM46.01 million and an EBIT of RM9.12 million.

There was a respective increase in our fourth quarter performance due to progressive profits recognised, such as the 25% sales of our new development project, Avenue Crest Office Suites. Avenue Crest is a 24-storey commercial building comprising 495 units of boutique office suites and SOFO suites located in Batu Tiga, Shah Alam. Also contributing to our profits for FY2012 is Phase 3 of our Batu Tiga residential development, Alam Idaman, which successfully saw 100% sales, translating to a total of 326 units sold.

Investment

For FY2012, the Group's investment division recorded a revenue of RM9.02 million and an EBIT of RM38.24 million. The investments' EBIT compared to our top line was hugely skewed as profits were due to the fair value gain from our investment properties, namely The Crest Corporate Tower and its attached car park lots, and a shop units located in Taman Megah, which amounted to RM19.62 million.

PROJECT DEVELOPMENTS

2012 was a fruitful year for the Group which saw a strong start to the first quarter when we secured a joint development project with Syarikat Prasarana Negara Bhd pertaining a total GDV value of RM1.04 billion. This mixed development project, located at Dang Wangi LRT Station at the heart of Kuala Lumpur, encompasses a retail mall, SOFO suites, offices, apartment units and a hotel. The mixed development project, code-named **"The Bank"**, is expected to start its physical works during the second half of 2013 with a targeted completion date of 2018.

The success of securing a project such as Dang Wangi continued when we procured our second major development project for the year with the Malaysia Rubber Board ('MRB'), with a total GDV of RM1.33 billion. This joint development, code-named **"The Galleria"**, is located on Jalan Ampang and sits on 2.2 ha of land in the centre of Kuala Lumpur. The proposed development will comprise a 28-storey apartment tower, SOHO towers, a 33-storey corporate tower and a 6-storey boutique retail mall. Physical works for The Galleria is expected to start on a corresponding timeline with the Dang Wangi project – during the second half of 2013 with an expected construction timeline of six years.

In terms of initial financial requirements and commitments for the abovementioned projects, CBHB is grateful and fortunate to have secured such projects whereby the Group is not constrained by substantial land costs nor initial capital requirements to support these projects. These favourable terms are made possible because CBHB's joint project partners are providing the respective land as equity and CBHB project capital requirements will be made by way of a combination of cash and payment in kind over the life of the project. The Galleria and The Bank are expected to provide positive contributions to the Group sometime in FY2014.

One of our key property development projects which has started to contribute to our income for FY2012 is **Tierra Crest** located in Kelana Jaya, which is the new UNITAR headquarters. We successfully secured a nine-years (3+3+3) tenancy agreement with UNITAR on 18 October 2012. UNITAR will be occupying the entirety of the two office towers, making up approximately 85% of the total lettable area of 280,000 square feet. Tierra Crest is strategically located in Kelana Jaya with direct access from all the major highways in the area such as the Federal Highway, LDP and Sprint, and is already surrounded by well-known universities such as KDU University, Sunway University, Taylors and UNITAR's existing campus. Tierra Crest is a 16-storey development constructed on a land area of approximately 1.82 acres, with two office towers and a 3-storey retail podium. This RM130-million project consists of only two units per floor in the office towers with a built-up area of approximately 8,000 square feet per unit, to which UNITAR are committing an annual rental of RM6.0 million. This thus contributes an additional recurring income stream for CBHB for the term of the tenancy contract period.

The Group is retaining and engaging the property management of the retail podium, which sets us on track and provides the management with the necessary experience going forward with the upcoming MRB and Dangi projects. With Kelana Jaya being granted the "CITY" status and considering the catchment population of approximately 250,000 within a 3-km radius, the management believes that its strategic location will strongly attract retailers and potential investors.

UiTM Tapah II Campus project, which was secured in 2010, is the Group's first concession project attached to a 23-years agreement with the Ministry of Education and Universti Teknologi Mara to build and maintain the campus facilities for the course of the concession period. The project, which carries a contract sum of RM292.71 million and a construction cost of RM284.89 million, will generate an annual cashflow of approximately RM45.25 million until the year 2034, being the end of the concession period. The fully completed campus, built on 75 acres of land will cater for a capacity of up to 5,000 students. UNITAPAH's 75 acres is sitting on only a small fraction of a total land mass of 1,200 acres, which has the capacity to accommodate up to 50,000 students. We therefore have reason to believe that there is strong potential for us to be engaged for further expansion in the development of this land.

Our portfolio of new property developments is one of our key strategic plans for enhancing and strengthening the Group's earnings by building a stable and recurring income platform that will enable us to ensure sustainable growth to move forward.

CORPORATE ACTIVITIES

On 30 October 2012, CBHB completed a 10% placement which was fully taken up by various institutional investors. This raised a total of RM11.3 million, a result that built the Group's confidence and supported investors' confidence in CBHB. Post the 10% placement, a bonus issue of new warrants was also executed with a swap ratio of three (3) new warrants for every ten (10) existing ordinary shares.

The Board of CBHB believes in sharing the fruits of its success with its shareholders while consciously maintaining structured investment requirements for the Group's long-term growth. Thus, in achieving this balance and in continuing to deliver and build our shareholders' interest for FY2012, the Board has recommended a first and final gross dividend of 5.0 sen per share, less income tax of 25% at this Annual General Meeting.

MOVING FORWARD

Floating with a healthy order book of RM1.9 billion and an unbilled order book of RM1.26 billion, we are confident that these projects will carry us forward for another 5 years. As a driven and growing business, the Group is continuously bidding for projects to ensure that we maintain a strong financial income stream and gearing for long term sustainable growth. We are currently bidding on a tender book of approximately RM6.0 billion, and with this, we are confident that we will be able to maintain a steady growth for FY2013, barring any unforeseen circumstances.

For FY2013, the Group will be kept on a busy schedule with the commencement of the MRB and Dang Wangi development projects and securing full occupation of the retail podium of Tierra Crest, to have it running at full capacity. This adds to the Group's revenue stream for FY2013. These projects will be the key drivers to our property development and investment division and in launching the Group on its next level of growth.

For our property development, we will focus on mature areas and pocket lands, mainly in the Klang Valley. Development projects within mature areas provide a ready population, advanced infrastructure, key access routes and other serving amenities and hence reduces marketing costs and the waiting period for the area capacity to develop. The management believes that focusing on pocket land developments that reduces initial financial requirements and development risks in the long term – as compared to the development of large townships per se – will provide a strong stable growth for the Group.

For the construction division, we will continue to focus on apartments, corporate offices and retail developments as the management foresees a growing demand in these markets going forward. With respect to the corporate offices, the market is driving the demand for more advanced, high-tech and Grade A offices. The working class and the younger, upcoming generation are driving the demand for the supply of new homes.

As the industry experiences continuous growth in building material and technology advancements, the Group also works continuously to ensure that we are equipped in all required aspects in order to maintain a competitive edge. In our industry, professional, technical and field expertise are a constant demand, and we therefore commit to providing on-going training and knowledge advancement for our team of experts and consultants.

INDUSTRY OUTLOOK AND FUTURE PROSPECTS

In spite of the various economic conditions and the on-going European Financial Crisis, Malaysia's economy has remained resilient to all the negative market effects and continued to deliver a positive growth of 5.6%. 2012's positive growth and increasing market investments are expected to continue for 2013 and the property market is expected to deliver further growth as compared to 2012. According to reports, resources, the property market correlates to economic growth. Malaysia's residential sector is also driven by high household formation stemming from Malaysia's relatively young population with rising incomes. As residential properties are mainly owner-occupied, there is a constant, growing demand for residential properties as Malaysia's young population continues to increase.

MANAGEMENT REVIEW (CONT'D)

Malaysia's property market is currently in the early stages of a promising growth spurt. Due to its strong economic climate and government initiatives, this growth not only encourages local investments but also attracts foreign investments. For example, the promising Iskandar development is currently attracting foreign investments, especially from Singapore as their own property market is becoming saturated. As more and more foreign investments enter, Malaysia's market demand and pricing will be boosted in the long term.

National initiatives and projects such as the ETP Programme, the NKEA, the Greater KL Programme etc. are resulting in the increased investments in infrastructure developments such as the Klang Valley MRT Project. Malaysia's ETP Programme is set to spend a surplus of RM100 billion over the next five to six years in developing and advancing the railway infrastructure – i.e. the MRT, LRT, Monorail, and Electrified Double Railway Project (EDTP) – and investing into new buildings in KL City through the Greater KL programme. As a result of the advancing railway systems, the development impact will spill over to its surrounding areas and other sectors, especially the property sector.

Driving Malaysia into a developed nation and a high-income nation by the year 2020 is one of the key aspects of the Government's Vision 2020. Thus, the development and advancement of its transit and Greater KL infrastructure is one of its main focuses in meeting this goal. Hence, as an advanced construction and property development company, with over 30 years of experience under our belt, we believe that we are in a strong position to benefit from the increasing project opportunities in the industry.

CORPORATE STRUCTURE

CREST BUILDER HOLDINGS BERHAD
(573382-P)
Investment Holding

- 100% **CREST BUILDER SDN BHD** 110330-K *Construction*
  - 100% **CRESTLAND DEVELOPMENT SDN BHD** 316852-A *Property Investment*
  - 51% **LANDASAN BAYU SDN BHD** 978758-T *Property Development*
- 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*
  - 51% **UNITAPAH SDN BHD** 846665-X *Concession holder*
  - 51% **INTAN SEKITAR SDN BHD** 985063-T *Property Development*
- 100% **DAMANSARA ONE SDN BHD** 669184-V *Property Development*

REPORT OF THE AUDIT COMMITTEE

COMPOSITION AND MEMBERS

The current Audit Committee comprises three (3) members of the Board who 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 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; 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 (CONT'D)

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 (2) of the members must be present and all 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 five (5) meetings in respect for financial year ended 31 December 2012. The attendance for the meetings were as follows:

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

SUMMARY OF ACTIVITIES

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

- The annual financial statements prior to submission to the Board of Directors for consideration and approval;
- The unaudited Quarterly Financial Results for four quarters in year 2012 for the release to the Bursa Malaysia Securities Berhad;
- The Recurrent Related Party Transactions and Related Party Transactions of the Company;
- The Statement of Corporate Governance and Internal Control Statement for disclosure in Annual Report year 2011;
- Review of the internal audit report for financial year 2011 & 2012 including internal controls; 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 By-laws.

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 2012.

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.

Measures and efforts have and shall be taken to ensure as far as practicable the adoption and implementation of the Principles and Recommendations set out in the Malaysian Code on Corporate Governance ("the Code") and in the Main Market Listing Requirements ("MMLR") of the Bursa Malaysia Securities Berhad ("Bursa Securities").

Set out below is a description of how the Group has applied the Principles of the Code and how the Board of Directors has complied with the Recommendations set out in the Code throughout the financial year ended 31 December 2012.

SECTION A - BOARD OF 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.

Duties and Responsibilities of the Board

The responsibilities of the Board of Directors of the Company are as follows:-

- Reviewing and adopting a strategic plan for the Company which will enhance the future growth of the Company;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- Identifying principal risks of the business and ensure the implementation of appropriate systems to manage these risks;
- Succession planning;
- Overseeing the development and implementation of shareholder communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Board Balance & Independence Of Directors

As at the date of this statement the Board has eight (8) members, comprising four (4) Non-Executive Directors and four (4) Executive Directors. Three (3) of the eight (8) Directors are Independent Non-Executive 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.

All the Independent Non-Executive Directors are independent of Management and are free from any business or other relationship that could materially interfere with the exercise of their independent judgment. They have the calibre to ensure that the strategies proposed by the Management are fully deliberated and examined in the long-term interest of the Group, as well as shareholders, employees and customers.

One of the recommendations of the Code states that the tenure of an independent director should not exceed a cumulative term of 9 years. However, the Nomination Committee and the Board have upon their annual assessment, concluded that each of the 3 Independent Non-Executive Directors, Mr Keong Choon Keat, Encik Mohd Khasan Bin Ahmad and Mr Kam Yong Kan continue to demonstrate conduct and behaviour that are essential indicators of independence, and that each of them continues to fulfill the definition of independence as set out in the MMLR. The length of their service on the Board does not in any way interfere with their exercise of independent judgement and ability to act in the best interest of Crest Builder Holdings Berhad.

Directors' Code of Conduct

The Directors observe a code of ethics in accordance with the code of conduct expected of Directors in the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

Board Meetings

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

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

Directors		Number of meetings attended
(i)	Tengku Dato' Sulaiman Shah Bin Tengku Abdul Jalil Shah	5/5
(ii)	Yong Soon Chow	5/5
(iii)	Koh Hua Lan	4/5
(v)	Yong Shang Ming	5/5
(vi)	Keong Choon Keat	5/5
(vii)	Mohd Khasan Bin Ahmad	5/5
(viii)	Kam Yong Kan	5/5
(ix)	Yong Tiok Keng (Alternate to Koh Hua Lan)	5/5

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 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 21. 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.

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.

Directors Training

All the Directors of the Company have attended the Mandatory Accredition Programme (MAP) prescribed by Bursa Securities for directors of public listed companies.

The Board encourages Directors to participate in ongoing education, as well as participation in accredited director education programmes.

During the financial year 2012, all Directors had attended various training programmes, conferences, seminars and workshops which they have individually or collectively considered as relevant and useful in contributing to the effective discharge of their duties as Directors. The Directors had attended/participated in one or more of the following training programmes/conferences/seminars/workshops in 2012:-

- Malaysia Code of Corporate Governance 2012
- Managing Talent & Succession For Business Continuity
- Corporate Financial Reporting Standards
- Responsibilities of Independent Director, Audit and Risk Committees
- Transfer Pricing Development in Malaysia
- Corporate integrity system Malaysia - CEO Dialogue
- CIDB Workshop on Green Pass Guidelines
- The Miracle Process Of Hot Dip Galvanising and The Honesty Of The Corrosion Protection
- NIOSH SEMINAR MS1722:2011 - Improving Occupational Safety & Health Management System Effectiveness
- Government Transformation Programme
- IBS and Mechanisation 2012
- Quality Control of Construction Materials in Construction Industry, Malaysia [Act 520 (Amendment 2011)]

The Directors are also kept informed of the various requirements and updates issued by regulatory authorities.

SECTION 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 2012 as follows:-

Salary Band	Executive Director (Number of Directors)	Non-Executive Director (Number of Directors)
Less than 50,000	–	4
200,001 to 250,000	2	–
250,000 to 300,000	1	–
850,000 to 900,000	1	–

Aggregate remuneration of Directors is categorized into appropriate components:

	Directors' Fees (RM)	Salaries and/or Other Emoluments (RM)	Total (RM)
Executive Directors	–	1,595,462	1,595,462
Non-Executive Directors	180,000	–	180,000
Total	**180,000**	**1,595,462**	**1,775,462**

SECTION 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.

SECTION 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 attended a series of briefings on risk management which were facilitated by external consultants to raise the level of knowledge of risk management amongst managers to enhance their understanding of the risks which potentially affect the achievement of their respective operating unit's business objectives.

Information on the Group's internal control is presented in the Statement on Internal Control laid out on page 32 to page 33 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 page 21 to page 24 of this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

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

1. Utilisation of Proceeds

During the financial year ended 31 December 2012, there was a issuance and placement of 11,300,000 shares. The proceeds of the said placement are utilised as working capital for the Group.

2. Share Buy-Back

Details of the shares purchased during the financial year ended 31 December 2012 are set out below:

Month	No. of Shares Purchased	Highest Price Paid per Share (RM)	Lowest Price Paid per Share (RM)	Total Consideration (RM)
December	487,200	0.860	0.830	413,161.46
Total	**487,200**			**413,161.46**

All the shares purchased during the financial year ended 31 December 2012 were held as treasury shares. There is no resale of treasury shares made during the financial year

As at 31 December 2012, 724,500 shares were held as treasury shares.

3. Exercise of Options, Warrants or Convertible Securities

During the financial year ended 31 December 2012, 2,621,000 options were exercised in relation to the Employees Share Option Scheme.

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

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

5. Imposition of Sanctions/Penalties

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

6. Non-Audit Fees

Non-audit fees amounting to RM13,650/- were paid to the external auditors for the financial year ended 31 December 2012.

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 31.12.2012 (RM)
Farima Sdn Bhd (person connected to TDSS)	Crest Builder Sdn Bhd	Award of Contract (Construction and completion of building work)	9,646,878
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
Grandland Corporation Sdn Bhd (person connected to YSC & KHL)	Unitapah Sdn Bhd	Office rental	18,000

10. Revaluation Policy

The revaluation Policy on landed properties of the Company and its subsidiaries is disclosed in Note 2.3.3 to the Financial Statements.

11. Variation in Results

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

STATEMENT ON RISK MANAGEMENT AND 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.

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.

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 Audit Review Memorandum, 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.

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 9001:2008 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 22 May 2013.

CORPORATE SOCIAL RESPONSIBILITY

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.

The Group continue to lends support in terms of financial assistance to the following charitable bodies such as National Kidney Foundation of Malaysia, Pusat Penjagaan Kanak-Kanak Cacat Taman Megah, Malaysian Diabetes Association and Breast Cancer Welfare Association Malaysia

The Group have also been taking in students from various universities and colleges to undergo practical trainings. In year 2012, students from the following institutions completed their respected trainings with the Group:-

- Universiti Tunku Abdul Rahman (1 student)
- Universiti Tenaga Nasional (6 students)
- Universiti Tun Hussein Onn Malaysia (1 student)
- Universiti Teknologi Mara (3 students)
- Universiti Malaya (3 students)
- Universiti Putra Malaysia (2 students)
- SEGi University College (1 student)
- Curtin University, Sarawak (1 student)
- Sunway University (1 student)
- Nottingham University (2 students)
- University College London (1 student)
- University Pertahanan Nasional Malaysia (5 students)
- Kolej Kemahiran Tinggi MARA (1 student)
- Tunku Abdul Rahman College (3 students)
- Politeknik Sultan Azlan Shah, Behrang (2 students)
- Politeknik Ungku Omar, Ipoh (1 student)
- National Youth Skill Training Institut Kinarut,Sabah (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 Construction Techology, Construction Management, 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 has recently obtained 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. The Group is mindful of the direct impact our businesses have on environment. Various environmental best practices and preservation initiatives are continually being introduced and carried out at our project sites. Through the adoption of internationally recognized construction methodology and practices, the Group continues to operate in a responsible manner by optimizing our resources and reducing the generation of waste.

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 2012.

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 22 May 2013.

Financial Statements

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding company. The principal activities of the subsidiary companies are as disclosed in Note 6 to the financial statements.

There has been no significant change in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the financial year	39,574,569	6,022,057
Other comprehensive income, net of tax	–	–
Total comprehensive income for the financial year	39,574,569	6,022,057
Attributable to:-		
Owners of the Company	39,929,590	6,022,057
Non-controlling interests	(355,021)	–
	39,574,569	6,022,057

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final dividend of 5 sen per ordinary share less income tax at 25% amounting to RM5,068,190/- in respect of financial year ended 31 December 2011 on 3 August 2012.

At the forthcoming Annual General Meeting, a first and final dividend of 5 sen per ordinary share less income tax at 25% on 137,285,950 ordinary shares (the outstanding issued and paid-up share capital of the Company with voting rights as at 31 December 2012, pending any conversion of warrants, exercise of employee share option scheme and repurchase of shares by the Company subsequent to 31 December 2012) of RM1/- each amounting to RM5,148,223/- (3.75 sen net per ordinary share) in respect of the current financial year ended 31 December 2012 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 2013.

RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year have been disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the allowance for impairment losses on receivables, in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

(ii) any contingent liabilities in respect of the Group and of the Company that has arisen since the end of the financial year.

In the opinion of the directors, no contingent liabilities or other liabilities of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due other than as disclosed in Note 36 to the financial statements.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up ordinary share capital of the Company has been increased from RM124,089,450/- to RM138,010,450/- by way of the allotments as following:-

a) 2,621,000 new ordinary shares of RM1/- each for cash pursuant to the Employees' Share Option Scheme ("ESOS") of the Company at an exercise price of RM1/- per share; and

b) 11,300,000 new ordinary shares of RM1/- each for cash pursuant for the private placement exercise at a price of RM1/- per share.

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

The Company did not issue any debentures during the financial year.

WARRANTS 2003/2013

On 25 February 2003, the Company issued a renounceable rights issue of 24,000,000 warrants which entitled shareholders at an issue price of RM0.30 per warrant, on the basis of 1.008 Warrants 2003/2013 for every four (4) existing shares held on the entitlement date.

No Warrants 2003/2013 were converted during the financial year.

As at 31 December 2012, the total number of warrants which remain unconverted amounted to 23,999,050 units.

Details of the Warrants 2003/2013 are disclosed in Note 21(a) to the financial statements.

WARRANTS 2012/2015 ("WARRANTS B")

On 18 October 2012, the Company issued a bonus issue of 41,331,912 warrants which entitled shareholders on the basis of three (3) Warrants B for every ten (10) existing shares held on the entitlement date.

No Warrants B were converted during the financial year.

As at 31 December 2012, the total number of Warrants B which remains unconverted amounted to 41,331,912 units.

Details of the Warrants B are disclosed in Note 21(b) to the financial statements.

EMPLOYEE SHARE OPTION SCHEME

On 14 March 2007, approval was granted by the shareholders at the Extraordinary Meeting held for the establishment of the Crest Builder Holdings Berhad Employee Share Option Scheme ("CBHB – ESOS"). The CBHB – ESOS is governed by the By-laws approved by the shareholders at the Extraordinary General Meeting. The CBHB – 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.

On 16 April 2012, the Company announced the extension of CBHB – ESOS which is expiring on 18 April 2012 for another five (5) years until 18 April 2017. The extension is in accordance with the terms of the ESOS By-Laws.

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

On 19 April 2012, the ESOS Committee has made the decision to grant 4,827,000 additional Options under the existing CBHB – ESOS; at an exercise price of RM1/- each. The Options granted can be exercised at any time but not later than 18 April 2017.

The salient features of the ESOS are as follows:-

(a) the total number of shares to be offered shall not exceed in aggregate 15% of the issued and fully paid-up share capital of the Company at any point of offer during the duration of the CBHB – ESOS;

(b) eligible persons for the CBHB – 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 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; and

(f) the option granted may be exercised at any time within a period of five (5) years from 19 April 2007. On 16 April 2012, the option has further extended for another five (5) years upon the initial expiry date.

EMPLOYEE SHARE OPTION SCHEME (CONT'D)

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

	Number of share options	
	2012	**2011**
At 1 January	5,250,000	6,080,000
Granted	4,827,000	–
Exercised	(2,621,000)	–
Lapsed	(755,000)	(830,000)
At 31 December	6,701,000	5,250,000

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

		Number of share options				
Date of offer	**Option price**	**1.1.2012**	**Granted**	**Exercised**	**Lapsed**	**31.12.2012**
19.4.2007	RM1/-	3,635,000	–	(1,710,000)	(165,000)	1,760,000
19.4.2008	RM1/-	585,000	–	(475,000)	(110,000)	–
19.4.2009	RM1/-	1,030,000	–	–	(75,000)	955,000
19.4.2012	RM1/-	–	4,827,000	(436,000)	(405,000)	3,986,000

The Company has been granted exemption by the Companies Commissions of Malaysia from having to disclose the names of option holders who have been granted options to subscribe for less than 140,000 ordinary shares of RM1/- each, other than directors, as required by Section 169(11) of the Companies Act, 1965 in Malaysia.

Other than the directors whose interests are disclosed separately in the Directors' Interests, the names of options holders granted options to subscribe for 140,000 or more ordinary shares of RM1/- each as disclosed in Note 18 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
Yong Shang Ming
Keong Choon Keat
Mohd Khasan Bin Ahmad
Kam Yong Kan
Yong Tiok Keng

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those directors who held office at the end of the financial year in shares, options and warrants of the Company during the financial year ended 31 December 2012 are as follows:-

		Number of ordinary shares of RM1/- each			
		At 1.1.2012	**Bought**	**Sold**	**At 31.12.2012**
The Company					
Crest Builder Holdings Berhad					
Direct interests					
Yong Soon Chow		43,198,000	1,000,000	–	44,198,000
Koh Hua Lan		3,945,500	500,000	–	4,445,500
Yong Shang Ming		490,000	560,000	–	1,050,000
Yong Tiok Keng		–	500,000	–	500,000
Keong Choon Keat		20,000	230,000	–	250,000
Kam Yong Kan		30,000	70,000	–	100,000
Indirect interest					
Tengku Dato' Sulaiman Shah Bin Tengku Abdul Jalil Shah	(a)	6,807,939	–	–	6,807,939
Yong Soon Chow	(b)	12,100,808	1,560,000	(5,000,000)	8,660,808
Keong Choon Keat	(c)	30,000	110,000	–	140,000

	Number of options over ordinary shares of RM1/- each			
	At 1.1.2012	**Granted**	**Exercised**	**At 31.12.2012**
The Company				
Crest Builder Holdings Berhad				
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)	–
Yong Shang Ming	500,000	–	(500,000)	–
Yong Tiok Keng	75,000	425,000	(500,000)	–
Keong Choon Keat	100,000	–	(100,000)	–
Mohd Khasan Bin Ahmad	100,000	–	–	100,000
Kam Yong Kan	100,000	–	–	100,000

		Number of Warrants 2003/2013			
		At 1.1.2012	**Bought**	**Sold/ Exercised**	**At 31.12.2012**
The Company					
Crest Builder Holdings Berhad					
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

DIRECTORS' INTERESTS (CONT'D)

		Number of Warrants B			
		At 1.1.2012	**Bought**	**Sold/ Exercised**	**At 31.12.2012**
The Company					
Crest Builder Holdings Berhad					
Direct interest					
Yong Soon Chow		–	13,259,400	–	13,259,400
Koh Hua Lan		–	1,333,650	–	1,333,650
Yong Shang Ming		–	315,000	–	315,000
Yong Tiok Keng		–	150,000	–	150,000
Keong Choon Keat		–	412,500	–	412,500
Kam Yong Kan		–	9,000	–	9,000
Indirect interest					
Tengku Dato' Sulaiman Shah Bin Tengku Abdul Jalil Shah	(a)	–	2,042,381	–	2,042,381
Yong Soon Chow	(b)	–	2,598,242	–	2,598,242
Keong Choon Keat	(c)	–	42,000	–	42,000

(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 in Malaysia, 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 has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in Note 33 to 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 for as disclosed in Note 37 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.

SIGNIFICANT EVENTS

The significant events during the financial year are disclosed in Note 42 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

On behalf of the Board,

TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH
Director

YONG SOON CHOW
Director

Kuala Lumpur

Date: 26 April 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	Note	31.12.2012 RM	31.12.2011 RM (Restated)	1.1.2011 RM (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	4	13,127,941	17,987,367	57,697,861
Investment properties	5	166,918,152	118,479,395	107,339,377
Other investments	7	54,000	54,000	4,054,000
Goodwill	8	33,604,364	33,604,364	33,604,364
Land held for property development	9	–	10,977,481	12,917,357
Operating financial asset	10	264,546,124	50,474,775	–
Deferred tax assets	11	229,747	464,638	–
Trade receivables	12	27,887,703	24,194,771	47,460,911
Total non-current assets		506,368,031	256,236,791	263,073,870
Current assets				
Property development costs	13	56,993,016	38,778,384	33,328,348
Inventories	14	6,792,870	2,015,000	2,015,000
Trade and other receivables	12	207,139,518	139,371,232	110,662,950
Amount due from contract customers	15	117,779,501	176,318,965	167,262,909
Tax recoverable		1,335,401	1,385,857	2,166,630
Fixed deposits placed with licensed banks and short term investment with financial institution	17	19,479,918	13,121,810	2,846,173
Cash and bank balances		5,266,633	3,595,597	2,632,022
Total current assets		414,786,857	374,586,845	320,914,032
TOTAL ASSETS		921,154,888	630,823,636	583,987,902
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	18	138,010,450	124,089,450	124,089,450
Treasury shares	19	(594,230)	(181,069)	(181,069)
Reserves	20	178,558,713	143,622,736	116,914,730
Shareholders' funds		315,974,933	267,531,117	240,823,111
Non-controlling interests		(813,353)	(556,332)	452,277
Total equity		315,161,580	266,974,785	241,275,388

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 (CONT'D)

	Note	31.12.2012 RM	31.12.2011 RM (Restated)	1.1.2011 RM (Restated)
Non-current liabilities				
Term loans	22	265,069,159	154,834,188	112,785,552
Hire purchase payables	23	492,621	2,060,873	4,107,574
Deferred tax liabilities	11	304,855	633,742	361,486
Trade payables	24	26,075,256	21,109,722	17,539,952
Total non-current liabilities		291,941,891	178,638,525	134,794,564
Current liabilities				
Trade and other payables	24	240,933,282	116,894,872	144,991,297
Amount due to contract customers	15	1,592,078	5,386,935	4,152,816
Hire purchase payables	23	1,510,895	3,271,679	4,209,370
Other bank borrowings	25	69,282,687	58,340,800	54,497,936
Tax payable		732,475	1,316,040	66,531
Total current liabilities		314,051,417	185,210,326	207,917,950
TOTAL LIABILITIES		605,993,308	363,848,851	342,712,514
TOTAL EQUITY AND LIABILITIES		921,154,888	630,823,636	583,987,902

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM	2011 RM (Restated)
Revenue	26	565,717,350	441,501,420
Cost of sales	27	(509,640,709)	(395,218,182)
Gross profit		56,076,641	46,283,238
Other operating income		24,669,933	22,583,088
Administrative expenses		(14,600,315)	(17,488,049)
Profit from operations		66,146,259	51,378,277
Finance costs	28	(18,660,212)	(14,027,954)
Profit before taxation	29	47,486,047	37,350,323
Taxation	30	(7,911,478)	(7,935,362)
Profit after taxation		39,574,569	29,414,961
Other comprehensive income, net of taxation		–	–
Total comprehensive income for the financial year		39,574,569	29,414,961
Profit after taxation attributable to:-			
Owners of the Company		39,929,590	30,423,570
Non-controlling interests		(355,021)	(1,008,609)
		39,574,569	29,414,961
Total comprehensive income attributable to:-			
Owners of the Company		39,929,590	30,423,570
Non-controlling interests		(355,021)	(1,008,609)
		39,574,569	29,414,961
Earnings per share (sen)	31		
- basic		30.65	24.56
- diluted		30.65	24.56

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

		Attributable to Owners of the Parent							
		Non-distributable				Distributable			
	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
At 1 January 2011		124,089,450	4,073,619	295,525	(181,069)	112,545,586	240,823,111	452,277	241,275,388
Total comprehensive income for the financial year		–	–	–	–	30,423,570	30,423,570	(1,008,609)	29,414,961
Transaction with owners:-									
Dividends on ordinary shares	32	–	–	–	–	(3,715,564)	(3,715,564)	–	(3,715,564)
Total transaction with owners		–	–	–	–	(3,715,564)	(3,715,564)	–	(3,715,564)
At 31 December 2011		124,089,450	4,073,619	295,525	(181,069)	139,253,592	267,531,117	(556,332)	266,974,785
At 1 January 2012		124,089,450	4,073,619	295,525	(181,069)	139,253,592	267,531,117	(556,332)	266,974,785
Total comprehensive income for the financial year		–	–	–	–	39,929,590	39,929,590	(355,021)	39,574,569
Transactions with owners:-									
Acquisition of subsidiary companies	6	–	–	–	–	–	–	98,000	98,000
Dividends on ordinary shares	32	–	–	–	–	(5,068,190)	(5,068,190)	–	(5,068,190)
Exercise of employee share options	18	2,621,000	346,058	(346,058)	–	–	2,621,000	–	2,621,000
Issuance of ordinary shares	18	11,300,000	–	–	–	–	11,300,000	–	11,300,000
Options granted under ESOS	20	–	–	74,577	–	–	74,577	–	74,577
Shares buy back	19	–	–	–	(413,161)	–	(413,161)	–	(413,161)
		13,921,000	346,058	(271,481)	(413,161)	(5,068,190)	8,514,226	98,000	8,612,226
At 31 December 2012		138,010,450	4,419,677	24,044	(594,230)	174,114,992	315,974,933	(813,353)	315,161,580

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM	2011 RM (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:-			
Profit before taxation		47,486,047	37,350,323
Adjustments for:-			
Allowance for impairment loss on other investment		–	4,000,000
Change in fair value of investment properties		(20,020,000)	–
Depreciation of property, plant and equipment		3,814,739	4,670,771
Gain on disposal of inventories		–	(220,200)
Gain on disposal of property, plant and equipment		(1,318,274)	(18,970,901)
Interest expense		18,660,212	14,027,954
Interest income		(377,770)	(335,105)
Property development cost written off		–	274,806
Share options expenses	20	74,577	–
Short-term accumulating compensated absences		(26,750)	(40,123)
Operating profit before working capital changes		48,292,781	40,757,525
Changes in working capital:-			
Increase in operating financial asset		(214,071,349)	(50,474,775)
Property development costs		(7,237,150)	(5,724,842)
Inventories		(4,777,870)	-
Trade and other receivables		(73,319,964)	(4,408,101)
Accrued billings in respect of property development		1,956,747	(1,034,041)
Amount due from contract customers		58,539,465	(9,056,056)
Trade and other payables		134,954,417	(19,447,438)
Progress billings in respect of property development		(5,923,722)	(5,039,094)
Amount due to contract customers		(3,794,857)	1,234,119
Cash used in operations		(65,381,502)	(53,192,703)
Tax paid		(8,665,297)	(6,267,727)
Tax refunded		126,713	170,265
Net Operating Cash Flows		(73,920,086)	(59,290,165)
CASH FLOWS FROM INVESTING ACTIVITIES:-			
Decrease in development expenditure		–	1,939,876
Increase in investment properties		(28,418,758)	(11,140,018)
Interest received		377,770	335,105
Proceeds from disposal of property, plant and equipment		3,098,304	56,705,594
Proceeds from disposal of inventories		–	220,200
Purchase of property, plant and equipment	4	(735,343)	(1,360,970)
Purchase of treasury shares	20	(413,161)	–
Net Investing Cash Flows		(26,091,188)	46,699,787

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

	Note	2012 RM	2011 RM (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES:-			
Dividend paid		(5,068,190)	(3,715,564)
Interest paid		(18,660,212)	(14,027,954)
Fixed deposit pledged		(708)	(493)
Loan raised		144,836,778	89,662,918
Proceed from:-			
- exercise of employee share options	18	2,621,000	–
- issuance of ordinary shares	18	11,300,000	–
Repayments of term loans		(7,353,526)	(46,225,724)
Repayments of hire purchases payables		(3,329,036)	(4,318,392)
Repayments of other bank borrowing		(4,337,412)	–
Net Financing Cash Flows		120,008,694	21,374,791
NET CHANGE IN CASH AND CASH EQUIVALENTS		19,997,420	8,784,413
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		(4,816,759)	(13,601,172)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		15,180,661	(4,816,759)
ANALYSIS OF CASH AND CASH EQUIVALENTS:-			
Short term investment with financial institution	17	61,585	59,725
Fixed deposits placed with licensed banks	17	19,418,333	13,062,085
Cash and bank balances		5,266,633	3,595,597
		24,746,551	16,717,407
Bank overdraft		(9,542,534)	(21,511,518)
Fixed deposits pledged with licensed banks		(23,356)	(22,648)
		15,180,661	(4,816,759)

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	Note	2012 RM	2011 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	965	2,411
Investment in subsidiary companies	6	95,765,270	95,765,270
Other investments	7	–	–
Total non-current assets		95,766,235	95,767,681
Current assets			
Amount due from subsidiary companies	16	125,029,852	114,260,337
Tax recoverable		1,063,309	1,385,857
Fixed deposit placed with licensed banks	17	2,766,000	2,766,000
Cash and bank balances		552,587	69,719
Total current assets		129,411,748	118,481,913
TOTAL ASSETS		225,177,983	214,249,594
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	18	138,010,450	124,089,450
Treasury shares	19	(594,230)	(181,069)
Reserves	20	25,328,456	24,300,012
Total equity		162,744,676	148,208,393
Non-current liability			
Term loan	22	51,562,000	60,274,000
Current liabilities			
Other payables and accruals	24	1,736,833	1,510,295
Other bank borrowings	25	9,134,474	4,256,906
Total current liabilities		10,871,307	5,767,201
TOTAL LIABILITIES		62,433,307	66,041,201
TOTAL EQUITY AND LIABILITIES		225,177,983	214,249,594

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM	2011 RM
Revenue	26	15,060,409	26,473,661
Cost of sales		–	–
Gross profit		15,060,409	26,473,661
Administrative expenses		(1,313,430)	(4,702,731)
Profit from operations		13,746,979	21,770,930
Finance costs	28	(5,279,114)	(8,975,118)
Profit before taxation	29	8,467,865	12,795,812
Taxation	30	(2,445,808)	(4,299,418)
Profit after taxation		6,022,057	8,496,394
Other comprehensive income, net of taxation		–	–
Total comprehensive income for the financial year		6,022,057	8,496,394

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

		Attributable to Owners of the Parent					
		Non-Distributable				Distributable	
	Note	Share capital RM RM	Capital reserve RM	Share option reserve RM	Treasury shares RM	Retained earnings RM	Total equity RM
At 1 January 2011		124,089,450	4,073,619	295,525	(181,069)	15,150,038	143,427,563
Total comprehensive income for the financial year		–	–	–	–	8,496,394	8,496,394
Transaction with owners:-							
Dividends on ordinary shares	32	–	–	–	–	(3,715,564)	(3,715,564)
Total transaction with owners		–	–	–	–	(3,715,564)	(3,715,564)
At 31 December 2011		124,089,450	4,073,619	295,525	(181,069)	19,930,868	148,208,393
At 1 January 2012		124,089,450	4,073,619	295,525	(181,069)	19,930,868	148,208,393
Total comprehensive income for the financial year		–	–	–	–	6,022,057	6,022,057
Transactions with owners:-							
Dividends on ordinary shares	32	–	–	–	–	(5,068,190)	(5,068,190)
Exercise of employee share options	18	2,621,000	346,058	(346,058)	–	–	2,621,000
Issuance of ordinary shares	18	11,300,000	–	–	–	–	11,300,000
Options granted under ESOS	20	–	–	74,577	–	–	74,577
Shares buy back	19	–	–	–	(413,161)	–	(413,161)
Total transactions with owners		13,921,000	346,058	(271,481)	(413,161)	(5,068,190)	8,514,226
At 31 December 2012		138,010,450	4,419,677	24,044	(594,230)	20,884,735	162,744,676

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM	2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES:-			
Profit before taxation		8,467,865	12,795,812
Adjustments for:-			
Allowance for impairment loss on other investment		–	4,000,000
Depreciation of property, plant and equipment		1,446	1,446
Dividend income		(10,000,000)	(20,000,000)
Interest expense		5,279,114	8,975,118
Interest income		(5,060,409)	(6,473,661)
Share options expenses	20	74,577	–
Operating profit before working capital changes		(1,237,407)	(701,285)
Changes in working capital:-			
Receivables		–	157,732
Payables		226,538	(1,269,764)
Cash used in operations		(1,010,869)	(1,813,317)
Tax refunded		126,740	–
Net Operating Cash Flows		(884,129)	(1,813,317)
CASH FLOWS FROM INVESTING ACTIVITIES:-			
Decrease in amount due to subsidiary companies		–	(223,000)
Dividends received		7,750,000	15,000,000
Interest received		5,060,409	6,473,661
(Increase)/decrease in amount due from subsidiary companies		(10,769,515)	38,861,683
Purchase of treasury shares		(413,161)	–
Net Investing Cash Flows		1,627,733	60,112,344
CASH FLOWS FROM FINANCING ACTIVITIES:-			
Dividend paid	32	(5,068,190)	(3,715,564)
Interest paid		(5,279,114)	(8,975,118)
Repayments of term loans		(3,603,526)	(43,250,000)
Proceed from			
- exercise of employee share options	18	2,621,000	–
- issuance of ordinary shares	18	11,300,000	–
Net Financing Cash Flows		(29,830)	(55,940,682)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

	Note	2012 RM	2011 RM
NET CHANGE IN CASH AND CASH EQUIVALENTS		713,774	2,358,345
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		2,604,813	246,468
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		3,318,587	2,604,813

ANALYSIS OF CASH AND CASH EQUIVALENTS:-

Fixed deposits placed with licensed bank	2,766,000	2,766,000
Cash and bank balances	552,587	69,719
	3,318,587	2,835,719
Bank overdraft	–	(230,906)
	3,318,587	2,604,813

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is principally engaged as an investment holding company. The principal activities of the subsidiary companies are as disclosed in Note 6 to the financial statements.

There has been no significant change in the nature of these principal activities during the financial year.

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

The registered office of the Company is located at 14-2, Jalan 4A/27A, Section 2, Wangsa Maju, 53300 Kuala Lumpur.

The principal place of business of the Company is located at Penthouse, The Crest, 3 Two Square, 2, Jalan 19/1, 46300 Petaling Jaya, Selangor Darul Ehsan.

The financial statements are expressed in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 April 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 2.3 to the financial statements.

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgments in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgments are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs")

2.2.1 Adoption of Revised FRS, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int

The Group and the Company had adopted the following revised FRS, amendments/improvements to FRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:-

Revised FRS
FRS 124 Related Party Disclosures

Amendments/Improvements to FRSs
FRS 1 First-time Adoption of Financial Reporting Standards
FRS 7 Financial Instruments: Disclosures
FRS 112 Income Taxes

New IC Int
IC Int 19 Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Int
IC Int 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above revised FRS, amendments/improvements to FRSs, new IC Int and amendment to IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below:-

Revised FRS 124 Related Party Disclosures

The revised FRS 124 simplifies and clarifies the definition of related party and eliminates inconsistencies from the definition. The Revised FRS 124 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduced a partial exemption from disclosures for government-related entities. Prior to this, no disclosure of transactions is required in financial statements of state-controlled entities of transactions with other state-controlled entities. The additional disclosures are intended to draw attention to users that such related party transactions have occurred and to give an indication of their extent. It requires disclosure of related party transactions between government-related entities only if the transactions are individually or collectively significant.

Amendments to FRS 7 Financial Instruments: Disclosures

These amendments to FRS 7 requires disclosures for all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. The additional disclosures will help users of financial statements to evaluate the risk of exposures relating to transfer of financial assets and the effect of those risks on an entity's financial position.

Amendments to FRS 112 Income Taxes

This amendment to FRS 112 addresses the measurement approach for deferred tax assets and liabilities in respect of investment properties which are measured at fair value. The amendment introduces a rebuttable presumption that the investment property is recovered entirely through sale. In such cases, deferred tax assets or liabilities are provided at tax rates applicable when recovering the property entirely through sale. If this presumption is rebutted, deferred tax assets or liabilities are provided based on tax rates applicable when consuming substantially the economic benefits embodied in the property over a period of time (for example via rental income).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

2.2.1 Adoption of Revised FRS, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Cont'd)

New IC Int 19 Extinguishing Financial Liabilities with Equity Instruments

This Interpretation addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. It does not address the accounting by the creditor.

IC Int 19 will standardise practice among debtors applying FRSs to a debt for equity swap. This interpretation clarifies that the equity instruments issued shall be measured at their fair value. If the fair value cannot be reliably measured, the equity instruments shall be measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished, and the consideration paid, shall be recognised in profit or loss. When only part of the financial liability is extinguished and if part of the consideration paid does relate to a modification of the terms of the remaining part of the liability, the entity shall allocate the consideration paid between the part of the liability extinguished and the part of the liability that remains outstanding. A substantial modification of the terms of an existing financial liability or a part of it shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Amendments to IC Int 14 FRS119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The amendments to IC Int 14 apply in the limited circumstances when an entity is subject to minimum funding requirement and makes an early payment of contributions to cover those requirements. The amendments permit the entity to treat the benefit of such early payment as an asset.

2.2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early

The Group and the Company have not adopted the following new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and for the Company:-

		Effective for financial periods beginning on or after
New FRSs		
FRS 9	Financial Instruments	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosures of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
Revised FRSs		
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

2.2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early (Cont'd)

		Effective for financial periods beginning on or after
Amendments/Improvements to FRSs		
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2013
FRS 7	Financial Instruments: Disclosures	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013 and 1January 2014
FRS 11	Join Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013 and 1January 2014
FRS 101	Presentation of Financial Statements	1 July 2012 and 1 January 2013
FRS 116	Property, Plant and Equipment	1 January 2013
FRS 127	Separate Financial Statements	1 January 2014
FRS 132	Financial Instruments: Presentation	1 January 2013 and 1 January 2014
FRS 134	Interim Financial Reporting	1 January 2013
New IC Int		
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IC Int		
IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

A brief discussion on the above significant new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

FRS 9 Financial Instruments

FRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to the former FRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

2.2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early (Cont'd)

FRS 10 Consolidated Financial Statements and FRS 127 Separate Financial Statements (Revised)

FRS 10 replaces the consolidation part of the former FRS 127 Consolidated and Separate Financial Statements. The revised FRS 127 will deal only with accounting for investment in subsidiary companies, joint ventures and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with FRS 9.

FRS 10 brings about convergence between FRS 127 and IC Int 12 Consolidation-Special Purpose Entities, which interprets the requirements of FRS 10 in relation to special purpose entities. FRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

FRS 11 Joint Arrangements

FRS 11 supersedes the former FRS 131 Interests in Joint Ventures. Under FRS 11, an entity accounts for its interest in a jointly controlled entity based on the type of joint arrangement, as determined based on an assessment of its rights and obligations arising from the arrangement. There are two types of joint arrangement namely joint venture or joint operation as specified in this new standard. A joint venture recognises its interest in the joint venture as an investment and account for its using the equity method. The proportionate consolidation method is disallowed in such joint arrangement. A joint operator accounts for the assets, liabilities, revenue and expenses related to its interest directly.

FRS 12 Disclosures of Interests in Other Entities

FRS 12 is a single disclosure standard for interests in subsidiary companies, joint ventures, associated companies and unconsolidated structured entities. The disclosure requirements in this FRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows.

FRS 13 Fair Value Measurement

FRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

2.2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early (Cont'd)

FRS 128 Investments in Associates and Joint Ventures (Revised)

This revised FRS 128 incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associated companies, as the equity method was applicable for both investments in joint ventures and associated companies. However, the revised FRS 128 exempts the investor from applying equity accounting where the investment in the associated company or joint venture is held indirectly via venture capital organisations or mutual funds and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with FRS 9.

Amendments to FRS 10, FRS 12 and FRS 127 Investment Entities

These amendments introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The amendments require investment entities to measure particular subsidiaries at fair value through profit or loss in accordance with FRS 139 Financial Instruments: Recognition and Measurement instead of consolidating them. In addition, the amendments also introduce new disclosure requirements related to investment entities in FRS 12 Disclosure of Interests in Other Entities and FRS 127 Separate Financial Statements.

2.2.3 MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issue a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Int 15 *Agreements for the Construction of Real Estate* ("Transitioning Entities"). The Transitioning Entities are given an option to defer adoption of the MFRSs framework to financial periods beginning on or after 1 January 2014. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework to financial year beginning on 1 January 2014. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for the financial year ending 31 December 2014.

As at 31 December 2012, all FRSs issued under the existing FRSs framework are equivalent to the MFRSs issued under MFRSs framework except for differences in relation to the transitional provisions, the adoption of MFRS 141 *Agriculture and* IC Int 15 *Agreements for the Construction of Real Estate* as well as differences in effective dates contained in certain of the existing FRSs. As such, other than those as discussed below, the main effects arising from the transition to the MFRSs Framework has been discussed in Note 2.2.2. The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effect may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Cont'd)

2.2.3 MASB Approved Accounting Standards, MFRSs (Cont'd)

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs effective for annual periods beginning on or after 1 January 2014 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs. The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises. The Group does not expect any impact on the financial statements arising from the adoption of this standard.

IC Int 15 Agreements for the Construction of Real Estate

IC Int 15 establishes that the developer will have to evaluate whether control and significant risks and rewards of the ownership of work in progress, can be transferred to the buyer as construction progresses before revenue can be recognised. The Group does not expect any impact on the financial statements arising from the adoption of this standard.

2.3 Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:-

2.3.1 Basis of Consolidation

(i) Subsidiary Companies

A subsidiary company is an entity over which the Group has the ability to control the financial and operating policies so as to obtain benefits from its 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.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.1 Basis of Consolidation (Cont'd)

(ii) Business Combination

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the end of the reporting period. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting period as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

Acquisitions of subsidiary companies are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in the other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, and equity instruments issued, plus any cost directly attributable to the business combination.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary company's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.3.6. Any excess of the Group's share in the net fair value of the acquired subsidiary company's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquire are reassessed on acquisition date unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Transaction costs for acquisition between 1 January 2006 and 1 January 2011, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Transaction costs for acquisition on or after 1 January 2011 will no longer be capitalised as part of the cost of acquisition but will be expensed immediately.

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 such control ceases.

Upon the loss of control of a subsidiary company, the Group derecognises the assets and liabilities of the subsidiary company, any non-controlling interests and the other components of equity related to the subsidiary company. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary company, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.1 Basis of Consolidation (Cont'd)

(iii) Non-controlling Interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary company not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary company are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

2.3.2 Property, Plant and Equipment and Depreciation

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

Subsequent to recognition, property, plant and equipment, except for freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is stated at cost less 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 asset is ready for its intended use.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.2 Property, Plant and Equipment and Depreciation (Cont'd)

The residual values, useful life and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period 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.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these 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. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

2.3.3 Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Alternatively, the fair value of the investment properties are performed by using discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Gains or losses arising from changes in fair value of investment properties are recognised in profit or loss in the financial 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 under construction ("IPUC") are measured at fair value when fair value can be reliably determined. However, the fair value is not reliably determinable, IPUC are measured at cost less impairment, if any.

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 profit or loss in the financial year in which they arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.3.2 up to the date of change in use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.4 Leases

(i) As lessee

Finance lease, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the asset or, if lower, at the present value of the minimum leased payments. Any incidental direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, are charged as expenses in the periods in which they are incurred.

Leased rentals are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life or the leased term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. 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.

(ii) As lessor

Leases where the Group retains all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and operating lease are added to the carrying amount of the leased assets and recognised over the leased term on the same basis as rental income.

2.3.5 Other Investment

Other investments are stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3.15.

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

2.3.6 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.7 Impairment of Non-financial Assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, 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 the end of each reporting period 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 acquisition, allocated to each of the Group's CGUs, or group 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 profit or loss 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 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 asset in prior years. The reversal is recognised in profit or loss, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is treated as a revaluation increase.

2.3.8 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 assets and is stated at cost less any accumulated impairment losses. Cost includes cost of land and attributable development expenditures.

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

Land held for property development is reclassified to property development cost (current asset) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.9 Operating Financial Asset

The Group constructs or upgrade infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include infrastructure used in public-to-private service concession arrangement for its entire concession period.

The financial asset model is used when the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the interest income on that amount is calculated using the effective interest method.

Any asset carried under concession arrangement is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

2.3.10 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 expenses are recognised in the profit or loss 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 profit or loss 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 profit or loss is classified as progress billings in respect of property development costs.

2.3.11 Construction Contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.11 Construction Contracts (Cont'd)

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

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from contract customers. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to contract customers.

2.3.12 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.

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.

2.3.13 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 profit or loss.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income on the financial assets at fair value through profit or loss are recognised separately in the profit or loss as part of other losses or other income.

Financial asset at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current or non-current based on the settlement date.

As at the end of the reporting period, there were no financial assets classified under this category.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.13 Financial Assets (Cont'd)

(ii) 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. Gains and losses are recognised in profit or loss 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 period which are classified as non-current.

(iii) Held-to-maturity investment

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group 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 profit or loss 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 end of the reporting period which are classified as current.

As at the end of the reporting period, there were no financial assets classified under this category.

(iv) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial assets are derecognised. Interest income calculated using effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instruments are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting period.

A financial asset is derecognised where 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 profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.13 Financial Assets (Cont'd)

Regular way 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 market place concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.3.14 Cash and Cash Equivalents

Cash and cash equivalents comprise bank balances, cash on hand, demand deposits (other than deposits pledged with financial institutions), bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts which are repayable on demand that forms as integral part of the Group's cash management.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude deposits pledged to secure banking facilities.

2.3.15 Impairment of Financial Assets

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

(i) Trade and other 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 trade 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 the number of delayed payments in the past portfolio, the average credit period and observable changes in national or local or 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 interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade or other receivable 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 profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.15 Impairment of Financial Assets (Cont'd)

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity instruments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.3.16 Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition 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 are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

As at the end of the reporting period, there were no financial liabilities classified under this category.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.16 Financial Liabilities (Cont'd)

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade and other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Loans and borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

For other financial liabilities, gains and losses are recognised in profit or loss 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 recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.3.17 Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because of a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group as issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less cumulative amortisation.

2.3.18 Provisions for Liabilities

Provisions are recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2.3.19 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of their liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in liabilities in the period in which they are declared.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.20 Treasury shares

When shares of the Company, that have been cancelled, recognised as equity are reacquired, the amount of the consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When the treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.3.21 Revenue Recognition

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

(i) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.3.11.

Construction revenue in respect of service under the concession arrangements are recognised in accordance with FRS 111 Construction Contracts.

(ii) Property development

Revenue from sale of development properties is accounted for by the stage of completion method as described in Note 2.3.10.

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) Services

Revenue is recognised net of discount upon the rendering of services.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss. The notional interest income resulting from the accretion or unwinding its financial asset using effective interest method is recognised in the profit or loss.

(vi) Dividend income

Dividend income is recognised in profit or loss when the right to receive payment is established.

(vii) Car park income

Car park income is recognised for rental of car park spaces.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.21 Revenue Recognition (Cont'd)

(viii) Sale of land and completed unsold properties

Revenue from sale of land and completed unsold properties are measured at the fair value of the consideration receivable and are recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer.

(ix) Maintenance revenue

Revenue from maintenance works is recognised based on monthly fixed fee and recognised when earned over the term of the concession.

2.3.22 Employee Benefits

(i) Short Term Employee 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 Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss as incurred.

(iii) Employee Share Option Scheme

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury share if the options are satisfied by reissuance of treasury shares.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.23 Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

The effective interest expense accrued arising from the loan obtained to finance the concession arrangement is recognised in profit or loss based on the effective interest method.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.3.24 Income Taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:-

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiary companies, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.24 Income Taxes (Cont'd)

(ii) Deferred tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised except:-

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiary companies, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.3.25 Earnings Per Share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares, which comprise convertible notes, bonus issue and share options granted to employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

2.3.26 Contingent Liabilities

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

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

2.3.27 Operating Segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which is the Group Executive Committee, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements Made in Applying Accounting Policies

There are no significant judgements made by the management in the application of accounting policies of the Company that have a significant effect on the financial statements.

3.2 Key Sources of Estimation Uncertainty

The key assumption concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as stated below:-

3.2.1 Depreciation of Property, Plant and Equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key Sources of Estimation Uncertainty (Cont'd)

3.2.2 Impairment of Goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating unit to which goodwill has been allocated. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

The carrying amount of goodwill at the end of the reporting period is RM33,604,364/- (2011: RM33,604,364/-). Details of the impairment assessment are disclosed in Note 8 to the financial statements.

3.2.3 Deferred Tax Assets

The Group's deferred tax assets are recognised for all unused tax losses, unutilised capital allowances and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future chargeable income together with future tax planning strategies.

Assumptions about generation of future chargeable income depend on Management's estimates of future profits. These depend on estimates of future revenue from the construction activities of the subsidiary company and hence the operating costs, capital expenditure and other capital management transactions on the subsidiary company. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainties, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position.

3.2.4 Construction Contracts and Property Development

The Group recognises construction contracts and property development revenue and expenses in profit or loss 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key Sources of Estimation Uncertainty (Cont'd)

3.2.5 Impairment of Loans and Receivables.

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loan and receivables at the end of the reporting period is disclosed in Note 40 to the financial statements.

3.2.6 Employee Share Options

The Group and the Company measure 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.

3.2.7 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.

3.2.8 Construction Revenue Recognition in relation to Concession Arrangement

In accordance with IC Interpretation 12 Service Concession Arrangements, revenue associated with construction work under the concession arrangements are recognised and measure in accordance with FRS 111 Construction Contracts using the percentage of completion method. Revenue generated from the construction work is measured at the fair value of the consideration received or receivable using the effective interest method. In order to determine the construction revenue to be recognised during the financial year, the directors of the Company is required to use judgement in determining the stage of completion, the estimated total construction costs, effective interest rates, as well as the recoverability of the construction contracts.

4. PROPERTY, PLANT AND EQUIPMENT

Group 2012	Freehold land RM	Buildings RM	Equipment, furniture and fittings RM	Light equipment RM	Motor vehicles RM	Plant and machinery RM	Building-in-progress RM	Total RM
Cost								
At 1 January 2012	3,049,653	2,852,518	4,654,997	6,572,454	9,347,476	21,216,812	648,000	48,341,910
Additions	–	–	190,193	4,750	–	–	540,400	735,343
Disposals	–	(774,720)	–	(822,800)	(567,802)	(2,580,848)	–	(4,746,170)
At 31 December 2012	3,049,653	2,077,798	4,845,190	5,754,404	8,779,674	18,635,964	1,188,400	44,331,083
Accumulated depreciation								
At 1 January 2012	–	371,513	3,831,889	5,584,218	6,662,233	13,904,690	–	30,354,543
Depreciation for the financial year	–	50,578	251,442	274,111	943,177	2,295,431	–	3,814,739
Disposals	–	(9,038)	–	(351,060)	(315,453)	(2,290,589)	–	(2,966,140)
At 31 December 2012	–	413,053	4,083,331	5,507,269	7,289,957	13,909,532	–	31,203,142
Net book value at 31 December 2012	3,049,653	1,664,745	761,859	247,135	1,489,717	4,726,432	1,188,400	13,127,941

Group 2011	Freehold land RM	Leasehold land RM	Buildings RM	Equipment, furniture and fittings RM	Light equipment RM	Motor vehicles RM	Plant and machinery RM	Building-in-progress RM	Total RM
Cost									
At 1 January 2011	3,049,653	38,307,451	1,295,978	4,527,433	6,432,654	8,688,309	21,717,812	1,394,432	85,413,722
Additions	–	–	–	187,564	139,800	887,498	670,000	810,108	2,694,970
Disposals	–	(38,307,451)	–	(60,000)	–	(228,331)	(1,171,000)	–	(39,766,782)
Reclassification	–	–	1,556,540	–	–	–	–	(1,556,540)	–
At 31 December 2011	3,049,653	–	2,852,518	4,654,997	6,572,454	9,347,476	21,216,812	648,000	48,341,910
Accumulated depreciation									
At 1 January 2011	–	505,375	345,594	3,641,618	4,961,028	5,852,097	12,410,149	–	27,715,861
Depreciation for the financial year	–	67,383	25,919	250,271	623,190	1,038,467	2,665,541	–	4,670,771
Disposals	–	(572,758)	–	(60,000)	–	(228,331)	(1,171,000)	–	(2,032,089)
Reclassification	–	–	–	–	–	–	–	–	–
At 31 December 2011	–	–	371,513	3,831,889	5,584,218	6,662,233	13,904,690	–	30,354,543
Net book value at 31 December 2011	3,049,653	–	2,481,005	823,108	988,236	2,685,243	7,312,122	648,000	17,987,367

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

Company 2012	Equipment, furniture and fittings RM
Cost	
At 1 January 2012	14,465
Additions/Disposals	–
At 31 December 2012	14,465
Accumulated depreciation	
At 1 January 2012	12,054
Depreciation for the financial year	1,446
Disposals	–
At 31 December 2012	13,500
Net book value at 31 December 2012	965
2011	
Cost	
At 1 January 2011	14,465
Additions/Disposals	–
At 31 December 2011	14,465
Accumulated depreciation	
At 1 January 2011	10,608
Depreciation for the financial year	1,446
Disposals	–
At 31 December 2011	12,054
Net book value at 31 December 2011	2,411

(a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM735,343/- (2011: RM2,694,970/-) of which RM Nil (2011: RM1,334,000/-) were acquired by means of hire purchase arrangements. Cash payments of RM735,343/- (2011: RM1,360,970/-) were used to acquire the property, plant and equipment.

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

(b) The net book value of property, plant and equipment acquired under hire purchase arrangements are as follows:-

	Group	
	2012 RM	**2011 RM**
Motor vehicles	1,209,835	1,953,233
Plant and machinery	4,459,350	6,456,367
	5,669,185	8,409,600

The leased assets are pledged as security for the hire purchase liabilities.

(c) The building-in-progress of the Group is in respect of 2 units condominiums under construction. The balance of capital commitment is disclosed on Note 35 to the financial statements.

5. INVESTMENT PROPERTIES

	Group	
	2012 RM	**2011 RM**
At 1 January	118,479,395	107,339,377
Additions from subsequent expenditure	28,418,757	11,140,018
Change in fair value recognised in profit or loss	20,020,000	–
At 31 December	166,918,152	118,479,395
Represented by:-		
Investment properties, at fair value	103,871,005	83,851,005
Investment property under construction, at cost	63,047,147	34,628,390
At 31 December	166,918,152	118,479,395

(a) Investment properties with an aggregate carrying value of RM100,571,005/- (2011: RM81,951,005/-) are held under lease terms and have unexpired lease period of more than 50 years.

(b) Except for investment property under construction, the investment properties are stated at fair value, which has been determined based on valuations at the end of the reporting period. Valuations are performed by accredited independent valuers with recent experience in the location and category of properties being valued.

(c) The investment property under construction which comprise of land and building is being valued at cost as the directors are of the opinion that the fair value of the investment property cannot be reliably and separately determined due to the nature and project risks involved in completing the investment property.

(d) All the investment properties of the Group are pledged for credit facilities granted to the Group as disclosed in Note 22 and Note 25 to the financial statements.

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2012 RM	Company 2011 RM
Unquoted shares - at cost	95,765,270	95,765,270

The details of the subsidiary companies, all of which are incorporated in Malaysia are as follows:-

Name of Company	2012 %	2011 %	Principal activity
Held by the Company			
3 Two Square Sdn. Bhd.	100	100	Property investment
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 Project Management Sdn. Bhd.*	100	100	Project management
Damansara One Sdn. Bhd.*	100	100	Property investment and property development
Nepfield Sdn. Bhd.*	100	100	Property investment and property development
Vertical Success Sdn. Bhd.	100	100	Property investment
Held through Crest Builder Sdn. Bhd.			
Crestland Development Sdn. Bhd.	100	100	Property investment
Landasan Bayu Sdn. Bhd. (Note 6(a))	51	–	Property investment and property development
Held through Crestland Builder International Sdn. Bhd.			
Unitapah Sdn. Bhd.	51	51	Concession holder
Intan Sekitar Sdn. Bhd. (Note 6(b))	51	–	Property investment and property development

* *The Auditor's Report of these subsidiaries contains an emphasis of matter paragraph in relation to the going concern consideration.*

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Acquisition of Subsidiary Companies

(a) On 16 May 2012, Crest Builder International Sdn. Bhd., a wholly owned subsidiary company of the Company acquired 51,000 ordinary shares of RM1/- each representing 51% of the issued and paid-up share capital of Landasan Bayu Sdn. Bhd. ("Landasan Bayu") for a cash consideration of RM51,000/-. Subsequently, Landasan Bayu was transferred to a related company, Crest Builder Sdn. Bhd. on 22 June 2012. As a result, Landasan Bayu became a direct subsidiary company of the Group;

(b) On 1 June 2012, Crest Builder International Sdn Bhd, a wholly owned subsidiary company of the Company acquired 51,000 ordinary shares of RM1/- each representing 51% of the issued and paid-up share capital of Intan Sekitar Sdn. Bhd. ("Intan Sekitar") for a cash consideration of RM51,000/-. As a result, Intan Sekitar became a direct subsidiary company of the Group.

The fair value of the identifiable assets and liabilities of the subsidiary companies as at the date of acquisition were:-

	Fair value RM	Carrying amount RM
Cash and bank balances	200,000	200,000
Other payables	–	–
Net identifiable assets	200,000	200,000

The effect of the acquisition on cash flows is as follows:-

	RM
Consideration settled in cash	102,000
Less: Cash and cash equivalent of subsidiary companies acquired	(102,000)
Net cash outflow on acquisition	–

Goodwill arising from acquisition of subsidiary companies:-

	RM
Fair value of net identifiable assets	200,000
Less: Non-controlling interest	(98,000)
Group's interest in fair value of net identifiable assets	102,000
Goodwill on acquisition	–
Cost of business combination	102,000

The acquired subsidiary companies have contributed the following results to the Group:-

	RM
Revenue	–
Loss after taxation	(11,802)

7. OTHER INVESTMENTS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
At cost				
Unquoted bonds, in Malaysia	4,000,000	8,500,000	4,000,000	8,500,000
Transferable club memberships	90,000	90,000	–	–
	4,090,000	8,590,000	4,000,000	8,500,000
Less: Written off	(4,036,000)	(4,500,000)	(4,000,000)	(4,500,000)
	54,000	4,090,000	–	4,000,000
Less:				
Accumulated impairment losses				
At 1 January	4,036,000	4,536,000	4,000,000	4,500,000
Addition	–	4,000,000	–	4,000,000
Written off	(4,036,000)	(4,500,000)	(4,000,000)	(4,500,000)
At 31 December	–	4,036,000	–	4,000,000
	54,000	54,000	–	–

8. GOODWILL

	Group	
	2012 RM	2011 RM
At 1 January/31 December	33,604,364	33,604,364

(a) Impairment test for goodwill

Goodwill is arising from business combination 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 1 January/31 December	33,550,094	32,988	21,282	33,604,364

8. GOODWILL (CONT'D)

(b) 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 the director for the next five (5) years. 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:-

	2012		2011	
	Discount rate	**Growth rate**	**Discount rate**	**Growth rate**
	%	**%**	**%**	**%**
Construction	5	10	8	10
Property development	11	10	8	10
Investment holding	10	10	–	–

The following describes each key assumption on which the director has based its cash flows projections for the purposes of impairment testing of goodwill:-

(i) Discount rate – based on the weighted average cost of capital of the Group
(ii) Growth rate – consistent with the long term average growth rate of the Group

(c) Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the construction and property development units, the directors believe 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.

9. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2012	**2011**
	RM	**RM**
Freehold lands, at cost		
At 1 January	9,071,612	11,188,239
Transfer to property development costs (Note 13)	(9,071,612)	(2,116,627)
At 31 December	–	9,071,612
Development costs		
At 1 January	1,905,869	1,729,118
Costs incurred during the financial year	1,287,267	176,751
Transfer to property development costs (Note 13)	(3,193,136)	–
At 31 December	–	1,905,869
At 31 December	–	10,977,481

Freehold land amounting to RM2,871,612/- (2011: RM2,871,612/-) is pledged for credit facilities to the Group as disclosed in Notes 22 and Note 25 to the financial statements.

10. OPERATING FINANCIAL ASSET

The Group had entered into a concession agreement with the Government of Malaysia and Universiti Teknologi Mara ("UiTM") on 4 May 2010 to design, develop, construct of the Facilities and Infrastructure and the maintenance works for a period of 23 years comprising 3 years of construction works and 20 years of maintenance works. Upon expiry of the concession period, the Group is required to handover the Facilities and Infrastructure at no cost to UiTM in a well maintained condition, fair wear and tear.

The operating financial asset represents the concession arrangement for UiTM project which carries interest rates of 9.50% to 10.25% per annum.

11. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2012 RM	**2011 RM**
Deferred tax assets		
At 1 January	464,638	–
Recognised in profit or loss	(234,891)	464,638
At 31 December	229,747	464,638
Deferred tax liabilities		
At 1 January	(633,742)	(361,486)
Recognised in profit or loss	328,887	(272,256)
At 31 December	(304,855)	(633,742)

The recognition of the deferred tax assets of the Group are dependent on future taxable profits in excess of profits arising from the reversal of existing taxable temporary differences. The evidence used to support this recognition is the directors' budget, which shows that it is probable that certain portion of the deferred tax assets would be realised in future years.

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

Group	**At 1 January 2011 RM**	**Recognised in the profit or loss RM**	**At 31 December 2011 RM**	**Recognised in the profit or loss RM**	**At 31 December 2012 RM**
Deferred tax assets					
Finance cost	–	464,638	464,638	(464,638)	–
Unabsorbed capital allowances	–	190	190	20,732	20,922
Unutilised tax losses	–	–	–	2,484,825	2,484,825
	–	464,828	464,828	2,040,919	2,505,747

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

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows (Continued):-

Group	At 1 January 2011 RM	Recognised in the profit or loss RM	At 31 December 2011 RM	Recognised in the profit or loss RM	At 31 December 2012 RM
Deferred tax liabilities					
Property, plant and equipment	361,486	272,446	633,932	(319,269)	314,663
Finance income	–	–	–	2,217,941	2,217,941
Costruction income	–	–	–	48,251	48,251
	361,486	272,446	633,932	1,946,923	2,580,855
	(361,486)	192,382	(169,104)	93,996	(75,108)

Presented after appropriate offsetting:-

	Group 2012 RM	2011 RM
Deferred tax assets	229,747	464,828
Deferred tax liabilities	(304,855)	(633,932)
At 31 December	(75,108)	(169,104)

12. TRADE AND OTHER RECEIVABLES

	Group 2012 RM	2011 RM (Restated)
Non-current		
Trade receivables		
Retentions sums	27,887,703	24,194,771
Current		
Trade receivables		
Trade receivables	123,704,719	65,546,959
Accrued billings in respect of property development	36,968	1,993,715
Retentions sums	53,513,581	58,411,859
	177,255,268	125,952,533
Less: Allowance for impairment	(1,997,475)	(1,997,475)
Trade receivables, net (Note 12(a))	175,257,793	123,955,058

12. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group 2012 RM	Group 2011 RM (Restated)
Other receivables		
Other receivables	2,184,251	2,075,265
Less: Allowance for impairment	(487,821)	(487,821)
Other receivables, net	1,696,430	1,587,444
Advances made to trade payables	23,700,698	9,445,024
Deposits	2,371,246	2,260,657
Prepayments	4,113,351	2,123,049
Total other receivables, net (Note 12(b))	31,881,725	15,416,174
Total trade and other receivables	235,027,221	163,566,003

(a) Trade receivables

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

Included in trade receivables of the Group is an amount of RM21,663,087/- (2011: RM20,456,739/-) due from a company which a director has interest.

<u>Ageing analysis of trade receivables</u>

The ageing analysis of the Group's trade receivables (excluded accrued billings) are as follows:-

	Group 2012 RM	Group 2011 RM
Neither past due nor impaired	123,568,769	97,870,305
Past due but not impaired		
1 to 30 days past due but not impaired	5,960,012	5,469,537
31 to 60 days past due but not impaired	18,046,727	3,654,186
61 to 90 days past due but not impaired	7,512,298	1,184,794
91 to 120 days past due but not impaired	48,020,722	37,977,292
	79,539,759	48,285,809
Impaired	1,997,475	1,997,475
	205,106,003	148,153,589

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are credit worthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM79,539,759/- (2011: RM48,285,809/-) that are past due at the end of the reporting period but not impaired because there have been no significant changes in credit quality of the debtors and the amounts are still considered recoverable. The Group does not hold any collateral or credit enhancements over these balances.

Trade receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period are as follows:-

	Group	
	2012 **RM**	**2011** **RM**
Individually impaired		
Trade receivables	1,997,475	1,997,475
Less: Allowance for impairment	(1,997,475)	(1,997,475)
	–	–

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables

Included in other receivables of the Group are amounts of RM588,000/- (2011: RM490,000/-) due from non-controlling shareholders which are unsecured, interest free and repayable on demand.

Other receivables that are impaired

At the end of the reporting period, the Group has provided an allowance of RM487,821/- (2011: RM487,821/-) for impairment of the other receivables. These other receivables are in significant financial difficulties and have defaulted on payments. These other receivables are not secured by any collateral or credit enhancements.

13. PROPERTY DEVELOPMENT COSTS

	Group 2012 RM	2011 RM
Freehold lands, at cost		
At 1 January	19,483,370	17,366,743
Transfer from land held for property development (Note 9)	9,071,612	2,116,627
Less: Reversal of completed project	(4,046,897)	–
At 31 December	24,508,085	19,483,370
Development costs		
At 1 January	115,006,486	74,869,853
Costs incurred during the financial year	51,315,565	40,136,633
Transfer from land held for property development (Note 9)	3,193,136	–
Less: Reversal of completed project	(72,165,213)	–
At 31 December	97,349,974	115,006,486
Property development costs at 31 December	121,858,059	134,489,856
Accumulated costs recognised in profit or loss		
At 1 January	(95,711,472)	(58,908,248)
Recognised during the financial year	(40,587,811)	(36,528,418)
Write off	–	(274,806)
Reversal of completed project	76,212,110	–
At 31 December	(60,087,173)	(95,711,472)
Transfer of unsold completed properties to inventories	(4,777,870)	–
Net carrying amount as at 31 December	56,993,016	38,778,384

Included in development costs incurred during the financial year is interest expense capitalised of RM1,225,962/- (2011: RM885,982/-).

The freehold land is pledged as security for credit facilities for the Group as disclosed in Note 22 and Note 25 to the financial statements.

14. INVENTORIES

	Group 2012 RM	2011 RM
At cost		
Completed development properties	6,792,870	2,015,000

15. AMOUNT DUE FROM/TO CONTRACT CUSTOMERS

	Group	
	2012	**2011**
	RM	**RM (Restated)**
Aggregate construction contract costs incurred to-date	1,925,876,371	1,427,107,991
Add: Attributable profits	250,267,730	210,188,133
	2,176,144,101	1,637,296,124
Less: Progress billings	(2,059,956,678)	(1,466,364,094)
	116,187,423	170,932,030
Represented by gross amounts:-		
- due from contract customers	117,779,501	176,318,965
- due to contract customers	(1,592,078)	(5,386,935)
	116,187,423	170,932,030
Advances received on contracts, within progress billings	9,570,873	11,708,293

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

	Group	
	2012	**2011**
	RM	**RM**
Hire of plant and machineries	4,349,038	4,868,239
Depreciation of property, plant and equipment	2,535,237	3,213,973
Rental of premises	398,704	437,750

16. AMOUNT DUE FROM SUBSIDIARY COMPANIES

The amount due from subsidiary companies are unsecured, interest free except for an amount of RM55,376,344/- (2011: RM62,745,478/-) which bears an effective interest rate of 8.1% (2011: 7.8%) per annum and repayable on demand.

17. FIXED DEPOSITS PLACED WITH LICENSED BANKS AND SHORT TERM INVESTMENT WITH FINANCIAL INSTITUION

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Fixed deposits placed with licensed banks	19,418,333	13,062,085	2,766,000	2,766,000
Short term investment with financial institution	61,585	59,725	–	–
	19,479,918	13,121,810	2,766,000	2,766,000

The fixed deposits placed with licensed banks of the Group and of the Company earn interest rates of 1.26% to 2.85% (2011: 1.26% to 2.85%) and 1.75% (2011: 1.75%) per annum respectively.

Included in fixed deposits of the Group amounting to RM23,356/- (2011: RM22,648/-), which is pledged for the purpose of bank guarantees for performance bonds issued in favour of third parties in respect of projects undertaken by a subsidiary company.

The short term investment of the Group is in respect of investment in unquoted trust fund and earns interest at effective interest rate of 2.94% (2011: 2.94%) per annum.

18. SHARE CAPITAL

	Group and Company			
	2012		2011	
	Number of Shares Unit	RM	Number of Shares Unit	RM
Ordinary shares of RM1/- each				
Authorised:-				
At the beginning/end of the financial year	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid:-				
At 1 January	124,089,450	124,089,450	124,089,450	124,089,450
Issuance of shares:-				
- arising from private placement	11,300,000	11,300,000	–	–
- exercise of ESOS	2,621,000	2,621,000	–	–
At 31 December	138,010,450	138,010,450	124,089,450	124,089,450

18. SHARE CAPITAL (CONT'D)

CBHB – ESOS

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

	Number of share options	
	2012 RM	**2011 RM**
At 1 January	5,250,000	6,080,000
Granted	4,827,000	–
Exercised	(2,621,000)	–
Lapsed	(755,000)	(830,000)
At 31 December	6,701,000	5,250,000

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

		Number of share options				
Date of offer	**Option price**	**1.1.2012**	**Granted**	**Exercised**	**Lapsed**	**31.12.2012**
19.4.2007	RM1/-	3,635,000	–	(1,710,000)	(165,000)	1,760,000
19.4.2008	RM1/-	585,000	–	(475,000)	(110,000)	–
19.4.2009	RM1/-	1,030,000	–	–	(75,000)	955,000
19.4.2012	RM1/-	–	4,827,000	(436,000)	(405,000)	3,986,000

The ESOS, which is expiring on 18 April 2012 has been granted with the extension for another five (5) years until 18 April 2017.

As at 19 April 2012, the ESOS Committee has made the decision to grant 4,827,000 new Options under the existing ESOS scheme at an exercise price of RM1/- each. The new granted Options can be exercised at any time but not later than 18 April 2017.

The weighted average share price at the date of the options exercised during the financial year was RM1.05.

The exercise prices for options outstanding at the end of the financial year was RM1/- (2011: RM1/-).

Fair value of share options granted during the financial year are as follows:-

The fair value of share options granted during the financial 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 2012
Fair value of share options granted (RM)	0.103
Share price (RM)	0.780
Exercised price (RM)	1.000
Expected volatility (%)	36.00%
Expected life (years)	5
Risk free rate (%)	3.00%
Expected dividend yield (%)	6.41%

18. SHARE CAPITAL (CONT'D)

CBHB – ESOS (Cont'd)

The expected life of 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.

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 140,000 share options in the Company pursuant to the CBHB – ESOS are as follows:-

	Number of options over ordinary shares of RM1/- each				
	01.01.2012	**Granted**	**Exercised**	**Lapsed**	**31.12.2012**
Goh Sin Huat	75,000	75,000	(10,000)	–	140,000
Ho Wan Chan	100,000	200,000	–	–	300,000
Keh Pei Tian	40,000	460,000	–	–	500,000
Khoo Kheng Kiat	150,000	350,000	–	–	500,000
Lim Swee Peng	50,000	100,000	–	–	150,000
Teh Hock Hua	190,000	310,000	–	–	500,000
Wan Heng Lin	75,000	75,000	–	–	150,000
Yong Tat Yean	–	150,000	–	–	150,000

19. TREASURY SHARES

	Group and Company	
	2012	**2011**
	RM	**RM**
At 1 January	181,069	181,069
Shares repurchased during the financial year	413,161	–
At 31 December	594,230	181,069

As at 31 December 2012, the number of outstanding shares in issue after deducting the treasury shares is 137,285,950 (2011: 123,852,150).

During the financial year, the Company purchased 487,200 of its issued ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The average price paid for the shares repurchased was approximately RM0.85 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 2012 and 2011.

20. RESERVES

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Non-distributable				
Capital reserve				
At 1 January	4,073,619	4,073,619	4,073,619	4,073,619
Exercise of employee share options	346,058	–	346,058	–
At 31 December	4,419,677	4,073,619	4,419,677	4,073,619
Share option reserve				
At 1 January	295,525	295,525	295,525	295,525
Options granted under ESOS	74,577	–	74,577	–
Exercise of employee share options	(346,058)	–	(346,058)	–
At 31 December	24,044	295,525	24,044	295,525
	4,443,721	4,369,144	4,443,721	4,369,144
Distributable				
Retained earnings	174,114,992	139,253,592	20,884,735	19,930,868
Total reserves	178,558,713	143,622,736	25,328,456	24,300,012

(a) Capital reserve

Capital reserve of the Group and of the Company arose from issuance of warrants as disclosed in Note 21(a) to the financial statements and transfer within reserve for CBHB – ESOS exercised as disclosed in Note 18 to the financial statements.

(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 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 irrecoverable 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 irrecoverable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilised the credit in Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007.

Subject to agreement with the Inland Revenue Board, the Company has:-

(i) Sufficient tax credit of RM1,245,332/- under Section 108(5) of the Income Tax Act, 1967 to frank the payment of dividends out of its retained earnings; and
(ii) The balance of RM200,064/- (2011: RM200,064/-) in the tax exempt account to declare tax exempt dividends.

21. WARRANTS

(a) WARRANTS 2003/2013

The Warrants 2003/2013 represents 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 principal objective of the issuance of Warrants 2003/2013 is to generate cash proceeds of RM7,200,000/-, of which RM7,000,000/- was issuance as cash payment to MGR Corporation Berhad's creditors.

The Warrants 2003/2013 are convertible into fully paid-up ordinary shares of RM1/- each in the Company at any time on or before 29 May 2013 at the rate of RM1/- 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 2012, 23,999,050 (2011: 23,999,050) warrants remain unconverted.

(b) WARRANTS 2012/2015 ("WARRANTS B")

The Warrants B represents a bonus issue of 41,331,912 warrants to the entitled shareholders on the basis of three (3) warrants for every ten (10) existing shares held on the entitlement date.

The principal objective of the issuance of Warrants B is to reward existing shareholders of the Company.

The Warrants are convertible into fully paid-up ordinary shares of RM1/- each in the Company at any time on or before 29 October 2015 at the rate of RM1/- 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 2012, 41,331,912 warrants remain unconverted.

22. TERM LOANS

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Current (Note 25)				
- not later than one year	39,422,283	12,356,000	9,134,474	4,026,000
Non-current				
- later than one year but not later than two years	28,535,643	29,660,843	8,712,000	8,712,000
- later than two years but not later than five years	103,673,130	74,756,097	26,136,000	26,136,000
- more than five years	132,860,386	50,417,248	16,714,000	25,426,000
	265,069,159	154,834,188	51,562,000	60,274,000
	304,491,442	167,190,188	60,696,474	64,300,000

22. TERM LOANS (CONT'D)

The term loans of the Group and of the Company are denominated in Ringgit Malaysia.

The interest rates of term loans of the Group and of the Company are ranging from 5.85% to 10.25% (2011: 5.50% to 9.27%) and 8.10% (2011: 8.10%) per annum respectively.

The secured term loans, together with the other bank borrowings of the Group and of the Company as disclosed in Note 25 to the financial statements to the Group and to the Company are secured by way of:-

(a) loan agreement, third party first legal charge over the leasehold land and building, third party Deed of Assignment of rental proceeds and Debt Service Reserve Account of the investment property of the Group as disclosed in Note 5 to the financial statements;

(b) legal charged and assignment of all rights, title, interest, benefits, performance bonds, guarantees, security deposits, all liquidated damages payable to certain subsidiary companies, present and future rights in respect of the designated account and all policies of insurances/takaful as well as over the subsidiary company's revenue and profit reserve accounts, first party, fixed and floating legal charge on the present and future assets, undertakings and all other properties of certain subsidiary companies.

(c) third party and first legal charge over a development land captured in property development costs of the Group as disclosed in and Note 13 to the financial statements;

(d) first party first legal charge over the freehold land and a limited debenture by way of fixed and floating charge over the investment property under construction of the Group as disclosed in Note 5 to the financial statements;

(e) assignment by way of charge over all the rents and other monies payables, interest, title, rights remedies and benefits under the tenancies executed and/or to be executed as well as to all insurance and first legal charge over the rental/car park proceeds account to be opened and maintained by the subsidiary company on the investment property under construction as disclosed in Note 5 to the financial statements; and

(f) corporate guarantee issued by the Company, certain subsidiary companies and the non-controlling shareholders.

23. HIRE PURCHASE PAYABLES

	Group 2012 RM	Group 2011 RM
Minimum hire purchase payables:-		
- not later than one year	1,651,454	3,547,635
- later than one year but not later than five years	551,972	2,272,598
	2,203,426	5,820,233
Less:		
Future finance charges	(199,910)	(487,681)
Present value of hire purchase payables	2,003,516	5,332,552
Represented by:-		
Current		
- not later than one year	1,510,895	3,271,679
Non-current		
- later than one year but not later than five years	492,621	2,060,873
	2,003,516	5,332,552

Hire purchase facilities bear interest rates ranging from 2.45% to 3.60% (2011: 2.45% to 3.60%) per annum.

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2012 RM	2011 RM (Restated)	2012 RM	2011 RM
Non-current				
Trade payables				
Retention sums	26,075,256	21,109,722	–	–
Current				
Trade payables				
Trade payables	181,142,963	69,572,208	–	–
Progress billings in respect of property development	2,103,193	8,026,915	–	–
Retention sums	27,307,192	19,143,450	–	–
Total trade payables	210,553,348	96,742,573	–	–
Other payables				
Other payables	12,316,157	8,333,768	1,532,833	1,229,795
Deposits received	2,618,006	1,911,152	–	–
Accruals	15,445,771	9,907,379	204,000	280,500
Total other payables	30,379,934	20,152,299	1,736,833	1,510,295
Total trade and other payables	267,008,538	138,004,594	1,736,833	1,510,295

24. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables

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

(b) Other payables

Included in accruals of the Group are:-

(i) an amount of RM7,013,030/- (2011: Nil) which represents accruals in respect of development costs for a development project closed off during the current financial year; and

(ii) an amount of RM4,359,258/- (2011: RM4,460,879) which represents accruals in respect of construction costs on an investment property.

25. OTHER BANK BORROWINGS

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Secured				
Bankers' acceptances	20,317,870	24,473,282	–	–
Term loans (Note 22)	39,422,283	12,356,000	9,134,474	4,026,000
	59,740,153	36,829,282	9,134,474	4,026,000
Secured				
Bank overdrafts	9,542,534	21,511,518	–	230,906
	69,282,687	58,340,800	9,134,474	4,256,906

The bank borrowings of the Group and of the Company are denominated in Ringgit Malaysia and bear interest rates ranging from 3.24% to 10.25% (2011: 3.47% to 9.27%) and 8.10% (2011: 8.10%) per annum for the Group and for the Company respectively.

The securities for the other bank borrowings are disclosed in Note 22 to the financial statements.

26. REVENUE

	Group		Company	
	2012 RM	**2011 RM (Restated)**	**2012 RM**	**2011 RM**
Construction revenue	503,954,921	386,988,694	–	–
Sales of development/ completed properties	52,738,697	46,012,968	–	–
Rental income from investment properties	5,014,285	5,122,940	–	–
Car park income	3,904,835	3,328,336	–	–
Interest income	104,612	48,482	5,060,409	6,473,661
Dividend income	–	–	10,000,000	20,000,000
	565,717,350	441,501,420	15,060,409	26,473,661

27. COST OF SALES

	Group 2012 RM	Group 2011 RM (Restated)
Costs of construction contracts	465,758,627	356,735,458
Costs of development/completed properties sold	40,587,811	35,487,573
Costs of maintenance of investment properties	3,294,271	2,995,151
	509,640,709	395,218,182

28. FINANCE COSTS

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Bank overdraft interest	1,310,081	922,858	156,061	165,072
Bankers' acceptance interest	1,076,720	1,327,702	–	–
Hire purchase interest	266,941	369,253	–	–
Term loan interest	16,006,470	11,408,141	5,123,053	8,810,046
	18,660,212	14,027,954	5,279,114	8,975,118

29. PROFIT BEFORE TAXATION

Profit before taxation is arrived:-

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
After charging:-				
Allowance for impairment on other investment	–	4,000,000	–	4,000,000
Auditors' remuneration				
- statutory audit				
- current year	147,000	135,800	24,000	20,000
- prior year	6,400	–	–	–
- non-statutory	13,650	8,800	11,750	8,800
Depreciation of property, plant and equipment	3,814,739	4,670,771	1,446	1,446
Direct operating expenses on income generating investment properties	218,352	215,754	–	–
Employee benefits expenses (Note 33)	15,091,767	14,336,438	180,000	250,000
Hire of plant and machineries	4,349,038	4,906,629	–	–
Property development cost written off	–	274,806	–	–
Rental expense	496,704	514,550	–	–

29. PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
And crediting:-				
Change in fair value of investment properties	20,020,000	–	–	–
Gain on disposal of property, plant and equipment	1,318,274	18,970,901	–	–
Gain on disposal of inventories	–	220,200	–	–
Interest income	377,770	286,623	–	–
Rental income from investment properties	33,960	62,760	–	–

30. TAXATION

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Income tax				
- current year	7,591,709	7,820,368	2,250,000	4,299,418
- prior year	413,765	307,376	195,808	–
	8,005,474	8,127,744	2,445,808	4,299,418
Deferred tax				
- relating to origination and reversal of temporary differences	(93,996)	(192,382)	–	–
	7,911,478	7,935,362	2,445,808	4,299,418

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 are as follows:-

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Profit before taxation	47,486,047	37,350,323	8,467,865	12,795,812
Tax at applicable statutory tax rate of 25%	11,871,512	9,337,580	2,116,966	3,198,953
Tax effects arising from:-				
- non-taxable income	(5,005,000)	(4,468,327)	(250,000)	–
- non-deductible expenses	714,359	2,518,277	383,034	1,100,465
- deferred tax asset not recognised	–	157,950	–	–
- under accrual in prior year	330,607	389,882	195,808	–
	7,911,478	7,935,362	2,445,808	4,299,418

31. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Group	
	2012 **RM**	**2011** **RM**
Net profit attributable to owners of the parent	39,929,590	30,423,570
Number of shares in issue as of 1 January	124,089,450	124,089,450
Effects of:-		
- shares buy back	(256,519)	(237,300)
- private placement	5,851,233	–
- exercise of ESOS	605,178	–
Weighted average number of ordinary shares in issue	130,289,342	123,852,150
Basic earnings per share (sen)	30.65	24.56

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit for the financial 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	
	2012 **RM**	**2011** **RM**
Profit attributable to owners of the parent (RM)	39,929,590	30,423,570
Weighted average number of ordinary shares in issue	130,289,342	123,852,150
Adjustment for ESOS	*	*
Adjustment for assumed conversion of warrants	*	*
Adjusted weighted average number of ordinary shares in issue and issuable	130,289,342	123,852,150
Diluted earnings per share (sen)	30.65	24.56

* Not taken into account in the computation of diluted earnings per share as the effect arising from assumed conversion of employee share option scheme and warrants is anti-dilutive.

32. DIVIDENDS ON ORDINARY SHARES

	Group and Company	
	2012 **RM**	**2011** **RM**
First and final dividend of 5 sen less income tax at 25% in respect of financial year ended 31 December 2011	5,068,190	–
First and final dividend of 4 sen less income tax at 25% in respect of financial year ended 31 December 2010	–	3,715,564
	5,068,190	3,715,564

At the forthcoming Annual General Meeting, a first and final dividend of 5 sen gross per ordinary share less income tax at 25% on 137,285,950 ordinary shares (the outstanding issued and paid-up share capital of the Company with voting rights as at 31 December 2012, pending any conversion of warrants, exercise of employee share option scheme and repurchase of shares by the Company subsequent to 31 December 2012) of RM1/- each amounting to RM5,148,223/- (3.75 sen net per ordinary share) in respect of the current financial year ended 31 December 2012 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 2013.

33. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2012 **RM**	**2011** **RM**	**2012** **RM**	**2011** **RM**
Salaries, bonus, overtime and allowances	13,153,011	12,601,341	180,000	250,000
Defined contribution plan ("EPF")	1,582,302	1,409,287	–	–
Other staff related expenses	356,454	325,810	–	–
	15,091,767	14,336,438	180,000	250,000

Included in employee benefits expenses are Directors' remuneration as follows:-

	Group		Company	
	2012 **RM**	**2011** **RM**	**2012** **RM**	**2011** **RM**
Executive Directors				
- Salaries and other emoluments (including estimated monetary value of benefits-in-kind)	1,595,462	1,509,937	–	–
- Fees	–	80,000	–	80,000
	1,595,462	1,589,937	–	80,000
Non-Executive Directors				
- Fees	180,000	170,000	180,000	170,000
Total Directors' remuneration	1,775,462	1,759,937	180,000	250,000

33. EMPLOYEE BENEFITS EXPENSES (CONT'D)

The number of Directors of the Group whose total remuneration are analysed into bands of RM100,000/- is as follows:-

	Number of Directors	
	2012 RM	2011 RM
Executive Directors		
Less than RM100,000/-	–	–
RM100,001/- to RM200,000/-	–	2
RM200,001/- to RM300,000/-	3	1
RM300,001/- to RM400,000/-	–	1
RM400,001/- to RM500,000/-	–	–
RM500,001/- to RM600,000/-	–	1
RM600,001/- to RM700,000/-	–	–
RM700,001/- to RM800,000/-	–	–
RM800,001/- to RM900,000/-	1	–
	4	5
Non-Executive Directors		
Less than RM100,000/-	4	4
Total	8	9

34. 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.

(b) The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its investment properties portfolio. Theses leases have remaining non-cancellable lease terms of between one to three years.

The future minimum lease payments receivable under non-cancellable operating lease contracted for as at the end of the reporting period but not recognised as receivables are as follows:-

	Group	
	2012 RM	2011 RM
Not later than one year	7,472,754	4,851,906
Later than one year and not later than five years	25,531,879	4,020,634
More than five years	25,626,031	–
	58,630,664	8,872,540

35. CAPITAL COMMITMENT

	Group	
	2012 **RM**	**2011** **RM**
Capital expenditure		
Approved and contracted for:-		
- Building-in-progress	691,600	1,232,000
Approved but not contracted for:-		
- Investment property under construction	37,927,006	66,677,973

36. CONTINGENT LIABILITIES

	Group		Company	
	2012 **RM**	**2011** **RM**	**2012** **RM**	**2011** **RM**
Guarantees given to financial institution in respect of facilities granted to subsidiary companies	–	–	414,450,000	361,450,000
Guarantees issued in favour of third parties	39,209,341	40,181,738	–	–

37. RELATED PARTY TRANSACTIONS

(a) Identification of Related Parties

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 operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

In general, related parties of the Group include:-
(i) Subsidiary companies;
(ii) A company in which directors of the Company have interest;
(iii) A corporate shareholder of a subsidiary company; and
(iv) Key management personnel, comprise persons (including the directors of the Company) who have the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

37. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Significant related party transactions and balances

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:-

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Transactions with:-				
Subsidiaries				
Dividends received/receivable	–	–	10,000,000	20,000,000
Interest income received/receivable	–	–	4,955,797	6,473,661
Companies in which Directors of the Company have interest				
Contract revenue received/receivable	9,646,878	9,163,166	–	–
Rental received/receivable	24,000	36,000	–	–
Rental paid	(96,000)	(96,000)	–	–

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 12(a), Note 16 and Note 24(b) to the financial statements.

(c) Key management personnel remuneration

The remuneration of the key management personnel during the financial year is as follows:-

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Directors of the Company and subsdiary companies				
Short-term employment benefits (including estimated benefits-in-kind)	2,098,670	1,668,878	–	80,000
Post employement benefits	91,708	76,878	–	–
	2,190,378	1,745,756	–	80,000

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

	Group and Company	
	2012 RM	**2011 RM**
At 1st January	2,725,000	2,725,000
Granted	1,275,000	–
Exercised	(2,500,000)	–
Lapsed	(500,000)	–
At 31st December	1,000,000	2,725,000

38. SEGMENT REPORTING

The information reported to the Group Executive Committee, as the Group's chief operating decision maker, in making decisions to allocate resources to segments and to assess their performance is based on the nature of the industry (business segments) of the Group.

Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transactions between reportable segments are measured on the basis that is similar to those external customers.

Segment statements of comprehensive income are profit earned or loss incurred by each segment without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from previous financial year in the measurement methods used to determine reported segment statements of comprehensive income.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

Business segments

For management purposes, the Group is organised into business units based on their products and services provided. The Group is organised into three (3) main business segments as follows:-

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

(ii) Investment holding – investment in shares, properties and other investment 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 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.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Geographical segments

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

38. SEGMENT REPORTING (CONT'D)

2012	Construction RM	Investment holding RM	Property development RM	Eliminations RM	Group RM
Revenue					
External customer	428,299,507	9,023,732	52,738,697	75,655,414	565,717,350
Inter-segment revenue	220,199,324	14,955,797	–	(235,155,121)	–
Total revenue	648,498,831	23,979,529	52,738,697	(159,499,707)	565,717,350
Results					
Segment results	33,470,013	18,864,950	9,153,798	(11,860,310)	49,628,451
Depreciation of property, plant and equipment	(3,627,728)	(144,396)	(42,615)	–	(3,814,739)
Changes in fair value of investment properties	400,000	19,620,000	–	–	20,020,000
Short term accumulating compensated absences	(56,507)	(3,025)	(5,691)	–	(65,223)
Finance costs	(15,454,359)	(5,755,928)	(852)	2,550,927	(18,660,212)
Interest income	361,701	2,568	13,501	–	377,770
Tax expense	(4,135,965)	(3,705,055)	(2,320,458)	2,250,000	(7,911,478)
Consolidated profit after taxation					39,574,569
Capital expenditures:-					
Addition to property, plant and equipment	713,083	9,670	12,590	–	735,343
Addition to investment properties	–	28,750,967	–	(332,210)	28,418,757
Addition to land held for property development	–	–	1,565,288	(278,021)	1,287,267
Addition to property development costs	–	–	53,110,206	(1,794,641)	51,315,565
	713,083	28,760,637	54,688,084	(2,404,872)	81,756,932

38. SEGMENT REPORTING (CONT'D)

2012	Construction RM	Investment holding RM	Property development RM	Eliminations RM	Group RM
Assets					
Segment assets	639,959,061	401,911,584	101,357,695	(257,296,964)	885,931,376
Other investments	54,000	4,000,000	–	(4,000,000)	54,000
Goodwill	30,799,809	2,423,677	380,878	–	33,604,364
Deferred tax assets	229,747	–	–	–	229,747
Tax recoverable	271,277	1,064,124	–	–	1,335,401
Total assets	671,313,894	409,399,385	101,738,573	(261,296,964)	921,154,888
Liabilities					
Segment liabilities	321,765,997	60,932,384	59,020,525	(173,118,290)	268,600,616
Borrowings	223,510,186	93,365,088	19,480,088	–	336,355,362
Deferred tax liabilities	225,233	77,180	2,442	–	304,855
Tax payable	77,246	102,853	552,376	–	732,475
Total liabilities	545,578,662	154,477,505	79,055,431	(173,118,290)	605,993,308

38. SEGMENT REPORTING (CONT'D)

2011	Construction RM	Investment holding RM	Property development RM	Eliminations RM	Group RM
Revenue					
External customer	394,921,809	8,499,758	46,012,968	(7,933,115)	441,501,420
Inter-segment revenue	57,488,126	26,425,179	–	(83,913,305)	–
Total revenue	452,409,935	34,924,937	46,012,968	(91,846,420)	441,501,420
Results					
Segment results	46,226,251	26,761,327	8,119,058	(25,384,334)	55,722,302
Depreciation of property, plant and equipment	(4,479,197)	(144,811)	(46,763)	–	(4,670,771)
Short term accumulating compensated absences	38,122	2,001	–	–	40,123
Finance costs	(8,313,916)	(9,373,891)	(2,800)	3,662,653	(14,027,954)
Interest income	258,391	1,707	26,525	–	286,623
Tax expense	(5,266,092)	(5,517,215)	(2,152,055)	5,000,000	(7,935,362)
Consolidated profit after taxation					29,414,961
Capital expenditures:-					
Addition to property, plant and equipment	2,582,243	97,680	15,047	–	2,694,970
Addition to land held for property development	–	–	1,108,646	(931,895)	176,751
Addition to property development costs	–	–	40,742,892	(606,259)	40,136,633

38. SEGMENT REPORTING (CONT'D)

2011	Construction RM	Investment holding RM	Property development RM	Eliminations RM	Group RM
Assets					
Segment assets	419,062,878	324,540,545	119,933,754	(268,222,400)	595,314,777
Other investments	54,000	4,000,000	–	(4,000,000)	54,000
Goodwill	33,550,094	32,988	21,282	–	33,604,364
Deferred tax assets	464,638	–	–	–	464,638
Tax recoverable	–	1,385,857	–	–	1,385,857
Total assets	453,131,610	329,959,390	119,955,036	(272,222,400)	630,823,636
Liabilities					
Segment liabilities	203,875,649	47,643,332	75,327,660	(183,455,112)	143,391,529
Borrowings	126,449,541	64,530,906	27,527,093	–	218,507,540
Deferred tax liabilities	546,939	75,194	11,609	–	633,742
Tax payable	881,406	105,125	329,509	–	1,316,040
Total liabilities	331,753,535	112,354,557	103,195,871	(183,455,112)	363,848,851

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company seek to manage effectively the various risks namely credit risk, liquidity risk and interest rate risk, to which the Group and the Company are exposed to in their daily operations.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below:-

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's exposure to credit risk primarily arises from its trade and other receivables while the Company's exposure to credit risk primarily arises from amount due from subsidiary companies. The maximum risk associated with recognised financial assets is the carrying amounts as presented in the consolidated statement of financial position and statement of financial position respectively.

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

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments whilst the Company has significant exposure and major concentration of credit risk relating to amount due from subsidiary companies.

The Group and the Company manage their 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 and the Company maintain sufficient levels of cash to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities of a reasonable level to their overall debt position.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit Risk (Cont'd)

(i) Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired are disclosed in Note 12 to the financial statements. Fixed deposits placed with licensed banks are placed with reputable licensed financial institutions.

(ii) Financial assets that are past due but not impaired

Information regarding trade receivables that are past due but not impaired is disclosed in Note 12 to the financial statements.

(iii) Inter-company balances

The Company provides advances to subsidiary companies. The maximum exposure to credit risk is represented by its carrying amounts as disclosed in Note 16 in the statement of financial position as at the end of the financial year.

As at the end of the reporting period, there was no indication that the advances to subsidiary companies are not recoverable. The Company does not specifically monitor the ageing of the advances to subsidiary companies.

(iv) Financial guarantees

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to subsidiary companies and bank guarantees in favour of third partiess.

As at the end of the reporting period, the fair value of the financial guarantees is negligible as the probability of the financial guarantees being called upon is remote due to the outstanding borrowings in the subsidiary companies are adequately secured by assets as disclosed in Note 5, Note 9 and Note 13 respectively. Should the subsidiary companies default any loan repayments, the proceeds from the realisation of these assets together with the corporate guarantee by the Company will be able to satisfy the outstanding debts. At the end of the reporting period, it was not probable that the counterparty to the financial guarantee contract will claim under the contract. Consequently, the fair value for the corporate guarantee is RM Nil.

(b) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by facilities.

The Group and the Company manage its operating cash flows by maintaining sufficient level of cash to meet its working capital requirements and availability of funding through an adequate amount of credit facilities.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity Risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM	Over five years RM
2012					
Financial liabilities					
Trade and other payables	267,008,538	267,008,538	240,933,282	26,075,256	–
Hire purchase payables	2,003,516	2,203,426	1,651,477	551,949	–
Other bank borrowings	29,860,404	29,860,404	29,860,404	–	–
Term loans	304,491,442	472,822,885	39,442,283	179,317,266	254,063,336
	603,363,900	771,895,253	311,887,446	205,944,471	254,063,336
2011					
Financial liabilities					
Trade and other payables	138,004,594	138,004,594	116,894,872	21,109,722	–
Hire purchase payables	5,332,552	5,820,233	3,616,807	2,203,426	–
Other bank borrowings	45,984,800	45,984,800	45,984,800	–	–
Term loans	167,190,188	219,832,874	12,356,000	105,741,090	101,735,784
	356,512,134	409,642,501	178,852,479	129,054,238	101,735,784

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity Risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

Company	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM	Over five years RM
2012					
Financial liabilities					
Other payables and accruals	1,736,833	1,736,833	1,736,833	–	–
Term loan	60,696,474	60,696,474	9,134,474	34,848,000	16,714,000
Bank overdraft	–	–	–	–	–
	62,433,307	62,433,307	10,871,307	34,848,000	16,714,000
2011					
Financial liabilities					
Other payables and accruals	1,510,295	1,510,295	1,510,295	–	–
Term loan	64,300,000	64,300,000	4,026,000	34,848,000	25,426,000
Bank overdraft	230,906	230,906	230,906	–	–
	66,041,201	66,041,201	5,767,201	34,848,000	25,426,000

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's primary interest rate risk relate to interest-bearing financial instruments which include hire purchase payables, bank overdrafts, other bank borrowings and term loans. The investments in financial assets are mainly short-term in nature and have been mostly placed in fixed deposits which yield better returns than cash at bank.

The Group and the Company manage their interest rate exposure by maintaining a prudent mix of fixed and floating rates borrowings. The Group and the Company actively review their debt portfolio, taking into account the investment holding period and nature of their 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. As at 31 December 2012, the Group and the Company have not entered into any hedging instruments arrangement to minimise their exposure to interest rate volatility.

Sensitivity analysis for interest rate risk

If the interest rate had been 50 basis point higher/lower and all other variables held constant, the Group's profit and the Company's profit for the financial year ended 31 December 2012 would decrease/increase by RM1,574,360/- and RM243,980/- respectively as a result of exposure to floating rate borrowings.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest Rate Risk (Cont'd)

At the end of the reporting period, the interest rate profile of the interest-bearing financial instruments is as follows:-

Group	Effective Interest Rate %	Within 1 Year RM	1 - 5 Years RM	> 5 Years RM	Total RM
2012					
Financial asset					
Fixed deposits placed with licensed banks	1.26 - 2.85	19,479,918	–	–	19,479,918
Financial liabilities					
Hire purchase payables	2.45 - 3.60	1,510,895	492,621	–	2,003,516
Term loans	5.85 - 10.25	39,422,283	132,208,773	132,860,386	304,491,442
Other bank borrowings	3.24 - 8.00	29,860,404	–	–	29,860,404
2011					
Financial asset					
Fixed deposits placed with licensed banks	1.26 - 2.85	13,121,810	–	–	13,121,810
Financial liabilities					
Hire purchase payables	2.45 - 3.60	3,271,679	2,060,873	–	5,332,552
Term loans	5.50 - 9.27	12,356,000	104,416,940	50,417,248	167,190,188
Other bank borrowings	3.27 - 8.00	45,984,800	–	–	45,984,800

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest Rate Risk (Cont'd)

Company	Effective Interest Rate %	Within 1 Year RM	1 - 5 Years RM	> 5 Years RM	Total RM
2012					
Financial asset					
Fixed deposits placed with licensed bank	1.75	2,766,000	–	–	2,766,000
Financial liability					
Term loan	8.10	9,134,474	34,848,000	16,714,000	60,696,474
2011					
Financial asset					
Fixed deposits placed with licensed bank	1.75	2,766,000	–	–	2,766,000
Financial liabilities					
Term loan	8.10	4,026,000	34,848,000	25,426,000	64,300,000
Bank overdraft	8.25	230,906	–	–	230,906

40. FINANCIAL INSTRUMENTS

(a) Classification of Financial Instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2.3 to the financial statements describe how classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis.

Group	Loans and receivables RM	Available for sales RM	Financial liabilities at amortised cost RM	Total RM
2012				
Financial assets				
Other investment	–	54,000	–	54,000
Operating financial asset	264,546,124	–	–	264,546,124
Trade and other receivables*	230,913,870	–	–	230,913,870
Fixed deposits placed with licensed banks and short term investment with financial institution	19,418,333	61,585	–	19,479,918
Cash and bank balances	5,266,633	–	–	5,266,633
Total carrying amount	520,144,960	115,585	–	520,260,545
Financial liabilities				
Trade and other payables	–	–	267,008,538	267,008,538
Hire purchase payables	–	–	2,003,516	2,003,516
Other bank borrowings	–	–	29,860,404	29,860,404
Term loans	–	–	304,491,442	304,491,442
Total carrying amount	–	–	603,363,900	603,363,900
2011				
Financial assets				
Other investment	–	54,000	–	54,000
Operating financial asset	50,474,775	–	–	50,474,775
Trade and other receivables*	161,442,954	–	–	161,442,954
Fixed deposits placed with licensed banks and short term investment with financial institution	13,062,085	59,725	–	13,121,810
Cash and bank balances	3,595,597	–	–	3,595,597
Total carrying amount	228,575,411	113,725	–	228,689,136
Financial liabilities				
Trade and other payables	–	–	138,004,594	138,004,594
Hire purchase payables	–	–	5,332,552	5,332,552
Other bank borrowings	–	–	45,984,800	45,984,800
Term loans	–	–	167,190,188	167,190,188
Total carrying amount	–	–	356,512,134	356,512,134

* exclude prepayment

40. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of Financial Instruments (Cont'd)

Company	Loans and receivables RM	Available for sales RM	Financial liabilities at amortised cost RM	Total RM
2012				
Financial assets				
Amount due from subsidiary companies	125,029,852	–	–	125,029,852
Fixed deposits placed with licensed banks	2,766,000	–	–	2,766,000
Cash and bank balances	552,587	–	–	552,587
Total carrying amount	128,348,439	–	–	128,348,439
Financial liabilities				
Other payables, and accruals	–	–	1,736,833	1,736,833
Term loan	–	–	60,696,474	60,696,474
Bank overdraft	–	–	–	–
Total carrying amount	–	–	62,433,307	62,433,307
2011				
Financial assets				
Amount due from subsidiary companies	114,260,337	–	–	114,260,337
Fixed deposits placed with licensed banks	2,766,000	–	–	2,766,000
Cash and bank balances	69,719	–	–	69,719
Total carrying amount	117,096,056	–	–	117,096,056
Financial liabilities				
Other payables, and accruals	–	–	1,510,295	1,510,295
Term loan	–	–	64,300,000	64,300,000
Bank overdraft	–	–	230,906	230,906
Total carrying amount	–	–	66,041,201	66,041,201

* exclude prepayment

40. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair values of Financial Instruments

The methods and assumptions used to estimate fair value of the following classes of financial assets and financial liabilities of the Group and of the Company are as follows:-

(i) Cash and cash equivalents, trade and other receivables, deposits and prepayment, trade and other payables, deposits received and accruals, other bank borrowings, amount due from/(to) subsidiary companies, amount due from/(to) contract customers.

The carrying amounts approximate fair values due to the relatively short term maturities of these financial assets and financial liabilities.

(ii) Transferable contribution rights

The carrying amount approximates fair value.

(iii) Floating rates term loans

The carrying amount of floating rates term loans approximates their fair values as the loans will be repriced to market interest rate on or near the end of the reporting period.

(iv) Hire purchase payables

The fair value is estimated using discounted cash flow analysis, based on current lending rates for similar types of borrowing arrangements.

(c) Fair Values Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable:-

(i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at the end of the reporting period, the analysis of the fair value hierarchy of the Group is as follows:-

Financial assets	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
Group				
2012				
Available-for-sale financial assets				
- unquoted short term investment	–	61,585	–	61,585
2011				
Available-for-sale financial assets				
- unquoted short term investment	–	59,725	–	59,725

During the financial year ended 31 December 2012 and 2011, there was no transfer between the fair value measurement hierarchy.

41. CAPITAL MANAGEMENT

The Group and the Company manage their capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Company and its subsidiary companies may adjust the dividend payment to the shareholders, return capital to shareholders or issue new shares.

The Group and the Company are not subject to any externally imposed capital requirements.

The Group and the Company monitor capital using a gearing ratio, which is net debts divided by total capital plus net debts. Net debts comprise hire purchase payables, bank overdrafts, other bank borrowing and term loans less cash and bank balances whilst total capital is the shareholders' funds of the Group and of the Company.

The gearing ratio for the Group and for the Company as at 31 December 2012 and 2011 are as follows:-

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Borrowings				
Hire purchase payables	2,003,516	5,332,552	–	–
Bank overdrafts	9,542,534	21,511,518	–	230,906
Term loans	304,491,442	167,190,188	60,696,474	64,300,000
Other bank borrowing	20,317,870	24,473,282	–	–
	336,355,362	218,507,540	60,696,474	64,530,906
Less:				
Cash and bank balances	(5,266,633)	(3,595,597)	(552,587)	(69,719)
Net debts	331,088,729	214,911,943	60,143,887	64,461,187
Equity	315,161,580	266,974,785	162,744,676	148,208,393
Total equity plus net debts	646,250,309	481,886,728	222,888,563	212,669,580
Debt-to-equity ratio	0.51	0.45	0.27	0.30

The Group is also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

42. SIGNIFICANT EVENTS

(a) On 16 May 2012, Crest Builder International Sdn. Bhd., a wholly owned subsidiary company of the Company acquired 51,000 ordinary shares of RM1/- each representing 51% of the issued and paid-up share capital of Landasan Bayu Sdn. Bhd. ("Landasan Bayu") for a cash consideration of RM51,000/-. Subsequently, Landasan Bayu was transferred to a related company, Crest Builder Sdn. Bhd. on 22 June 2012. As a result, Landasan Bayu became a direct subsidiary company of the Group;

(b) On 1 June 2012, Crest Builder International Sdn. Bhd., a wholly owned subsidiary company of the Company acquired 51,000 ordinary shares of RM1/- each representing 51% of the issued and paid-up share capital of Intan Sekitar Sdn. Bhd. ("Intan Sekitar") for a cash consideration of RM51,000/-. As a result, Intan Sekitar became a direct subsidiary company of the Group; and

(c) On 18 October 2012, Vertical Success Sdn. Bhd., a wholly owned subsidiary company of the Company had signed a memorandum of understanding with UNITAR in relation to the Tenancy at Tierra Crest.

43. PRIOR YEAR ADJUSTMENTS

(a) Prior year adjustments

As disclosed in Note 10 to the financial statements, the subsidiary company, Unitapah Sdn. Bhd. ("Unitapah") had entered into a concession agreement with the Government of Malaysia and Universiti Teknologi Mara ("UiTM") on 4 May 2010. The construction and maintenance of the facilities and infrastructure fall within the scope of IC Interpretation 12 – Service Concession Arrangements. The construction work of the facilities had subsequently subcontracted to another wholly-owned subsidiary of the Company, Crest Builder Sdn. Bhd. ("CBSB"). During the financial year, the management noted the following accounting errors in the financial statements for the financial year ended 31 December 2011:-

i. the amount due from UiTM was erroneously classified as amount due from contract customer in the consolidated statement of financial position for the financial year ended 2011;

ii. the intragroup transactions between Unitapah and CBSB were not eliminated due to the indirect nature of the transactions and the relevant accounting interpretation to be applied to the said transactions were omitted in the consolidated statement of comprehensive income for the financial year ended 2011; and

iii certain comparative figures have been reclassified in order to conform with the presentation in the current financial year.

Accordingly, the financial statement for the financial year ended 31 December 2011 has been restated to correct the errors. The effects of the adjustments are disclosed in Note 43(b) to the financial statements.

43. PRIOR YEAR ADJUSTMENTS (CONT'D)

(b) Comparative figures

The following comparative figures have been restated to incorporate the prior year adjustments:-

Group	Note	As previously stated 2011 RM	Reclassification RM	As restated 2011 RM
Consolidated Statement of Financial Position				
Non-current assets				
Operating financial asset	43(a)(i)	–	50,474,775	50,474,775
Trade receivables	43(a)(iii)	–	24,194,771	24,194,771
Current assets				
Trade receivables	43(a)(iii)	161,572,288	(22,201,056)	139,371,232
Amount due from contract customers	43(a)(i) and 43(a)(iii)	228,787,455	(52,468,490)	176,318,965
Non-current liability				
Trade payables	43(a)(iii)	–	21,109,722	21,109,722
Current liabilities				
Trade and other payables	43(a)(iii)	129,977,679	(13,082,807)	116,894,872
Amount due to contract customers	43(a)(iii)	13,413,850	(8,026,915)	5,386,935
Consolidated Statement of Comprehensive Income				
Revenue	43(a)(ii)	499,849,332	(58,347,912)	441,501,420
Cost of sales	43(a)(ii)	(453,566,094)	58,347,912	(395,218,182)
Consolidated Statement of Cash Flows				
Operating activities				
Operating financial asset	43(a)(i)	–	(50,474,775)	(50,474,775)
Accrued billings in respect of property development	43(a)(iii)	–	(1,034,041)	(1,034,041)
Amount due from contract customers	43(a)(i) and 43(a)(iii)	(61,524,546)	52,468,490	(9,056,056)
Progress billings in respect of property development	43(a)(iii)	–	(5,039,094)	(5,039,094)
Amount due to contract customers	43(a)(iii)	(2,845,301)	4,079,420	1,234,119

43. PRIOR YEAR ADJUSTMENTS (CONT'D)

(b) Comparative figures (Cont'd)

Company	Note	As previously stated 2011 RM	Reclassification RM	As restated 2011 RM
Statement of Cash Flows				
Investing activities				
Decrease in amount due from subsidiary companies	43(a)(iii)	–	38,861,683	38,861,683
Decrease in amount due to subsidiary companies	43(a)(iii)	–	(223,000)	(223,000)
Financing activities				
Decrease in amount due from subsidiary companies	43(a)(iii)	38,861,683	(38,861,683)	–
Decrease in amount due to subsidiary companies	43(a)(iii)	(223,000)	223,000	–

(c) The comparative figures of the Group and of the Company have been audited by another firm of chartered accountants other than Messrs Baker Tilly Monteiro Heng.

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS 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 retained 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 guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits or losses of the Group and of the Company as at 31 December are as follows:-

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Total retained profits:				
- realised	114,285,747	101,297,052	20,884,735	19,930,868
- unrealised	58,783,607	38,669,612	–	–
	173,069,354	139,966,664	20,884,735	19,930,868
Less:				
Consolidation adjustments	1,045,638	(713,072)	–	–
Total retained earnings	174,114,992	139,253,592	20,884,735	19,930,868

The determination of realised and unrealised profits or losses 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.

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

STATEMENT BY DIRECTORS

We, **TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH** and **YONG SOON CHOW**, being two of the directors of **CREST BUILDER HOLDINGS BERHAD**, state that, in the opinion of the directors, the financial statements set out on pages 46 to 126 are drawn up in accordance with the 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 at 31 December 2012 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 127 have been prepared in accordance with 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 the Malaysian Institute of Accountants.

On behalf of the Board,

TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH
Director

YONG SOON CHOW
Director

Kuala Lumpur

Date: 26 April 2013

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 to the best of my knowledge and belief, the financial statements set out on pages 46 to 126 and the supplementary information set out on page 127 are 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, l960.

GOH SIN HUAT
Officer

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 26 April 2013.

Before me,

Arshad Abdullah
Commissioner for Oaths (W 550)
Kuala Lumpur

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CREST BUILDER HOLDINGS BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Crest Builder Holdings Berhad, which comprise the statements of financial position as at 31 December 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 46 to 126.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company'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 Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2012 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

(b) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in a 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 financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on page 127 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 the 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

(a) The financial statements of the Group and of the Company for the financial year ended 31 December 2011 were audited by another firm of chartered accountants whose report dated 25 April 2012 expressed an unmodified opinion on those financial statements.

(b) 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 contents of this report.

BAKER TILLY MONTEIRO HENG
No. AF 0117
Chartered Accountants

HENG JI KENG
No. 578/05/14 (J/PH)
Chartered Accountant

Kuala Lumpur

Date: 26 April 2013

LIST OF TOP TEN PROPERTIES BY VALUE

Location	Tenure	Approx. Area / Built-up	Description	Year of Expiry	Net Book Value @ 31.12.12 (RM)	Approx. age of building (years)	Date of Valuation / Acquisition
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	108,000,000	6	2012
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 0243082, Lot No. 0000232, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan	Freehold	1.83 acres	Commercial Land	–	7,409,705	–	2006
GM 1059 Lot No.1863 Mukim Batu, Daerah Kuala Lumpur	Freehold	2.93 acres	Cultivation Land	–	6,200,000	–	2004
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	–	3,490,501	16	2002
H.S. (D) 46981, Lot No. 11073, Mukim Sg. Buloh, Daerah Petaling, Negeri Selangor.	Freehold	9,612 sq ft	3 storey shop office/office	–	3,300,000	12	2012
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
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	12	2007
P.N 19970 (Old title H.S. (D) 44166) P.T. No. 16311, Mukim Setapak, Daerah Wilayah Persekutuan, Negeri Wilayah Persekutuan	Leasehold	4,200 sq ft	3-storey shop office/office	2075	900,000	26	2012

ANALYSIS OF SHAREHOLDINGS

AS AT 13 MAY 2013

Authorised Share Capital	:	RM500,000,000.00 divided into 500,000,000 ordinary shares of RM1.00 each
Issued and Paid-up Capital	:	RM138,010,450.00
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting rights	:	One vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 13 MAY 2013

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	2,334	33.43	114,742	0.08
100 to 1,000	2,389	34.22	901,987	0.65
1,001 to 10,000	1,537	22.01	7,633,067	5.53
10,001 to 100,000	609	8.72	19,924,750	14.44
100,001 to less than 5% of issued shares	112	1.60	65,237,904	47.27
5% and above of issued shares	1	0.01	44,198,000	32.03
Total	**6,982**	**100.00**	**138,010,450**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 13 MAY 2013

(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	44,198,000	32.03%	8,660,808	6.28%

THIRTY LARGEST SHAREHOLDERS AS AT 13 MAY 2013

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

No.	Name of Shareholders	No. of Shares	%
1	Yong Soon Chow	44,198,000	32.03
2	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pertiwi Positif Sdn Bhd	5,000,000	3.62
3	Koh Hua Lan	4,445,500	3.22
4	HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (Norges BK)	3,862,300	2.80
5	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chua Sai Men	3,494,000	2.53
6	Amanahraya Trustees Berhad Public Smallcap Fund	3,264,200	2.37
7	Yong Tiok Chin	2,658,308	1.93
8	Beh Eng Par	2,469,700	1.79
9	Maybank Nominees (Asing) Sdn Bhd Pledged Securities Account For San Tuan Sam	2,293,600	1.66

ANALYSIS OF SHAREHOLDINGS (CONT'D)

THIRTY LARGEST SHAREHOLDERS AS AT 13 MAY 2013 (CONT'D)
(without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	No. of Shares	%
10	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Han Weng	2,150,000	1.56
11	Pertiwi Positif Sdn Bhd	1,807,939	1.31
12	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Non Par 1)	1,500,000	1.09
13	Lembaga Tabung Haji	1,451,800	1.05
14	Amanahraya Trustees Berhad Public Ittikal Sequel Fund	1,408,200	1.02
15	Cimsec Nominees (Tempatan) Sdn Bhd CIMB For General Technology Sdn Bhd	1,211,000	0.88
16	Kenanga Nominees (Asing) Sdn Bhd Pledged Securities Account For Tan Chan Chai	1,200,000	0.87
17	Crest Builder Holdings Berhad Share Buy-Back Account	1,137,000	0.82
18	Yong Shang Ming	1,050,000	0.76
19	Beh Eng Siew	930,000	0.67
20	Amanahraya Trustees Berhad Public Strategic Smallcap fund	859,400	0.62
21	Kong Tiam	830,000	0.60
22	Lim Khuan Eng	667,000	0.48
23	Capai Hasil Sdn Bhd	650,636	0.47
24	Public Nominees (Tempatan) Sdn Bhd Pledged Securities A/C For Chow Soong Ming	595,400	0.43
25	Ng Ming Kai	550,000	0.40
26	Yap Hock Lee	525,100	0.38
27	Lim Chin Sean	510,000	0.37
28	Tan Peck Kee	500,000	0.36
29	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Fong SiLing (CEB)	500,000	0.36
30	Yong Tiok Keng	500,000	0.36
		92,219,083	**66.82**

ANALYSIS OF SHAREHOLDINGS (CONT'D)

ANALYSIS BY SIZE OF WARRANTHOLDINGS (WARRANTS 2003/2013) AS AT 13 MAY 2013

Size of Holdings	No. of Warrant Holders	%	No. of Warrants	%
Less than 100	69	13.40	2,660	0.01
100 to 1,000	220	42.72	171,074	0.71
1,001 to 10,000	126	24.47	718,100	2.99
10,001 to 100,000	80	15.53	2,853,600	11.89
100,001 to less than 5% of issued warrants	15	2.91	6,518,300	27.16
5% and above of issued warrants	5	0.97	13,735,316	57.23
Total	**515**	**100.00**	**23,999,050**	**100.00**

THIRTY LARGEST WARRANTHOLDERS AS AT 13 MAY 2013

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

No.	Name of Shareholders	No. of Warrants	%
1	Yong Soon Chow	6,499,916	27.08
2	Pertiwi Positif Sdn Bhd	3,000,000	12.50
3	Yong Shang Ming	1,500,000	6.25
4	Koh Hua Lan	1,400,000	5.83
5	Maybank Nominees (Tempatan) Sdn Bhd Lim Siew Inn	1,335,400	5.56
6	Ng Ming Kai	1,130,000	4.71
7	Koh Chin Liang	970,800	4.05
8	Lim Khuan Eng	914,000	3.81
9	Takrif Jaya Sdn Bhd	720,000	3.00
10	Maiden Abdul Kadir Bin Mohd Ali	609,500	2.54
11	Tan Chan Chai	600,000	2.50
12	Wong Siew Chan	443,300	1.85
13	Mak Ngia Ngia @ Mak Yoke Lum	216,000	0.90
14	Capai Hasil Sdn Bhd	189,900	0.79
15	Chong Nyen Thien	149,000	0.62
16	Lim Fok Chou	139,600	0.58
17	Maybank Nominees (Tempatan) Sdn Bhd Koh Chin Liang	116,000	0.48

ANALYSIS OF SHAREHOLDINGS (CONT'D)

THIRTY LARGEST WARRANTHOLDERS AS AT 13 MAY 2013 (CONT'D)
(without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	No. of Warrants	%
18	Liew Siew Chin	110,700	0.46
19	Khoo Sing Kim	109,000	0.45
20	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Looi Wai Chong	100,500	0.42
21	Tan Peck Kee	100,000	0.42
22	Ng Kok Loong	100,000	0.42
23	Kang Kin Ngai	100,000	0.42
24	Sim Choon Seng	100,000	0.42
25	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chong Funn Sen	100,000	0.42
26	Ajay Kumar A/L Pravin Kumar	100,000	0.42
27	Chew Chin Swee	96,900	0.40
28	Hue Yuen Keong	93,500	0.39
29	Ng Chong Puan	90,000	0.38
30	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Voon Sze Lin (CCTS)	69,100	0.29
		21,203,116	**88.35**

ANALYSIS OF SHAREHOLDINGS (CONT'D)

ANALYSIS BY SIZE OF WARRANTHOLDINGS (WARRANTS 2012/2015) AS AT 13 MAY 2013

Size of Holdings	No. of Warrant Holders	%	No. of Warrants	%
Less than 100	4,002	60.90	108,496	0.26
100 to 1,000	1,370	20.85	585,988	1.42
1,001 to 10,000	944	14.37	3,100,404	7.50
10,001 to 100,000	209	3.18	5,902,431	14.28
100,001 to less than 5% of issued warrants	41	0.62	13,004,543	31.46
5% and above of issued warrants	5	0.08	18,630,050	45.07
Total	**6,571**	**100.00**	**41,331,912**	**100.00**

THIRTY LARGEST WARRANTHOLDERS AS AT 13 MAY 2013

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

No.	Name of Shareholders	No. of Warrants	%
1	Yong Soon Chow	13,259,400	32.08
2	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pertiwi Positif Sdn Bhd	1,500,000	3.63
3	Koh Hua Lan	1,333,650	3.23
4	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ang Piang Kok	1,299,300	3.14
5	Koon Woh	1,237,700	2.99
6	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chua Sai Men	1,118,600	2.71
7	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Takrif Jaya Sdn Bhd	958,960	2.32
8	Amanahraya Trustees Berhad Public Smallcap Fund	900,000	2.18
9	Capai Hasil Sdn Bhd	848,530	2.05
10	Keong Choon Keat	812,500	1.97
11	Yong Tiok Chin	797,492	1.93
12	Pertiwi Positif Sdn Bhd	542,381	1.31
13	Ho Kam Fah	442,000	1.07
14	Lembaga Tabung Haji	435,540	1.05
15	Lim Khuan Eng	390,000	0.94

ANALYSIS OF SHAREHOLDINGS (CONT'D)

THIRTY LARGEST WARRANTHOLDERS AS AT 13 MAY 2013 (CONT'D)
(without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	No. of Warrants	%
16	Cimsec Nominees (Tempatan) Sdn Bhd CIMB For General Technology Sdn Bhd	329,370	0.80
17	Yong Shang Ming	321,000	0.78
18	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Seow Kah Heng (M03)	320,000	0.77
19	Chong Kow	320,000	0.77
20	Chong Kah An	292,500	0.71
21	Maybank Nominees (Asing) Sdn Bhd Pledged Securities Account For San Tuan Sam	290,250	0.70
22	Beh Eng Par	257,910	0.62
23	Tan Peck Kee	250,000	0.60
24	Sha Lai Sing	249,500	0.60
25	Kong Tiam	249,000	0.60
26	Amanahraya Trustees Berhad Public Ittikal Sequel Fund	221,460	0.54
27	Keh Suk Lan	200,000	0.48
28	Ng Ming Kai	165,000	0.40
29	Mak Ngia Ngia @ Mak Yoke Lum	160,000	0.39
30	Koh Chin Liang	150,200	0.36
		29,652,243	**71.74**

ANALYSIS OF SHAREHOLDINGS (CONT'D)

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

AS AT 13 MAY 2013

DIRECTORS' SHAREHOLDINGS

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

	Direct Interest		Indirect Interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah	–	–	6,807,939	4.93%
Yong Soon Chow	44,198,000	32.03%	8,660,808	6.28%
Koh Hua Lan	4,445,500	3.22%	–	–
Yong Shang Ming	1,050,000	0.76%	–	–
Keong Choon Keat	250,000	0.18%	80,000	0.06%
Mohd Khasan bin Ahmad	–	–	–	–
Kam Yong Kan	100,000	0.07%	–	–
Yong Tiok Keng	500,000	0.36%	–	–

DIRECTORS' WARRANTHOLDINGS - WARRANTS 2003/2013

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

	Direct Interest		Indirect Interest	
Name	**No. of Warrants**	**%**	**No. of Warrants**	**%**
Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah	–	–	3,000,000	12.50%
Yong Soon Chow	6,499,916	27.08%	2,900,000	12.08%
Koh Hua Lan	1,400,000	5.83%	–	–
Yong Shang Ming	1,500,000	6.25%	–	–
Keong Choon Keat	–	–	442,000	1.84%
Mohd Khasan bin Ahmad	–	–	–	–
Kam Yong Kan	–	–	–	–
Yong Tiok Keng	–	–	–	–

DIRECTORS' WARRANTHOLDINGS - WARRANTS 2012/2015

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

	Direct Interest		Indirect Interest	
Name	**No. of Warrants**	**%**	**No. of Warrants**	**%**
Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah	–	–	2,042,381	4.94%
Yong Soon Chow	13,259,400	32.08%	2,602,142	6.30%
Koh Hua Lan	1,333,650	3.23%	–	–
Yong Shang Ming	321,000	0.78%	–	–
Keong Choon Keat	812,500	1.97%	442,000	1.07%
Mohd Khasan bin Ahmad	–	–	–	–
Kam Yong Kan	9,000	0.02%	–	–
Yong Tiok Keng	150,000	0.36%	–	–

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 11th Annual General Meeting of the Company, to be held at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 25 June, 2013 at 3:00 p.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 2012.		
2.	To declare a final dividend of 5% less 25% tax for the financial year ended 31 December 2012.		
3.	To re-elect the Managing Director, Yong Soon Chow.		
4.	To re-elect the Independent Non-Executive Director, Mohd Khasan Bin Ahmad.		
5.	To appoint Messrs Baker Tilly Monteiro Heng, Chartered Accountants, as auditors for the ensuing financial year ending 31 December 2013 and authorise the fixing of their remuneration by directors.		
Special business		**For**	**Against**
6.	To approve payment of directors' remunerations for the year ended 31 December 2012 in accordance with Article 88 of the Company's Articles of Association.		
7.	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		
8.	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		
9.	To approve the mandate for share buy-back		
10.	To re-elect Mr. Keong Choon Keat as Independent Director		
11.	To re-elect En.Mohd Khasan Bin Ahmad as Independent Director		
12.	To re-elect Mr. Kam Yong Kan as Independent Director		

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.*
6. *In respect to the deposited securities, only members whose name appear in the Record of Depository on 18 June 2013 shall be eligible to attend the meeting or to appoint proxy to attend and/or vote on his behalf.*

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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Address

Penthouse, The Crest
3 Two Square
No. 2, Jalan 19/1
46300 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Contact

Tel : 603 7841 6000
Fax : 603 7841 6088

www.crestbuilder.com.my

Email : corporate@crestbuilder.com.my