CREST BUILDER HOLDINGS BERHAD
(573382-P)

annual report
2015

contents

BRINGING A **VISION** TO **REALITY**

CORPORATE PROFILE

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 the late Mr Yong Soon Chow. What started out as a small timer of less than 10 staffs has grown to a strong corporation of over 300 staffs under its stable. Over the past 30 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 and established track record in the sector – especially in the commercial, residential and institutional building construction. The Group counts top branded developers and international property players amongst its clientele.

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

The Group has also completed various developments, including the new UNITAR Campus at Tierra Crest, and a series of residential and commercial projects, Alam Idaman, Avenue Crest and Alam Sanjung in Shah Alam. The Group also manages a concession of the 5,000 student capacity UiTM Tapah campus which ends in 2023. Together with the conventional developments, the Group has also secured the privatization and the redevelopment Dang Wangi LRT station, Kelana Jaya LRT station as well as a Malaysian Rubber Board land along Jalan Ampang, Kuala Lumpur.

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 14TH
ANNUAL GENERAL MEETING

NOTICE is hereby given that the 14th annual general meeting will be held

Venue	Sime Darby Convention Centre 1A, Jalan Bukit Kiara 1 60000 Kuala Lumpur
Day, date and time	Monday, 30 May 2016 at 10.00 a.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 2015, 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 single tier dividend of 4.00 Sen per ordinary share in respect of the financial year ended 31 December 2015 be hereby approved. ***Resolution 2***

3. **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 3***

4. **Election of director**

   THAT re-election of the Independent Non-Executive Director, Mr Kam Yong Kan who retires in accordance with Article 80 of the Company’s Articles of Association, be hereby approved. ***Resolution 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 2016 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 RM198,000.00 as directors’ fee for the year ended 31 December 2015 (2014 : RM198,000.00) in accordance with Article 88 of the Company’s Articles of Association be hereby approved. ***Resolution 6***

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

   Resolution 7

   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.

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

   Resolution 8

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

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

   (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the CBHB Shares under the Proposed Share Buy-Back shall not exceed the retained profits and/or share premium account of the Company for the time being which stood at RM26,773,803.21 and RM4,269,146.38 respectively as at 31 December 2015 based on the latest audited financial statements of CBHB for the financial year ended 31 December 2015;

   (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.

9. Appointment of Director pursuant to Section 129(6) of the Act

THAT, approval be and is hereby granted for the appointment of Mr. Keong Choon Keat who had attained the age of over seventy, as Director and to hold office until the conclusion of the next annual general meeting, pursuant to Section 129(6) of the Act. ***Resolution 9***

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 single tier dividend 4.00 Sen per ordinary share in respect of the financial year ended 31 December 2015 if approved by shareholders, will be paid on 22 July 2016 to depositors registered in the Record of Depositors at the close of business on 30 June 2016.

A depositor shall qualify for entitlement only in respect of:

(a) share transferred into the depositor's securities account before 4:00 noon on 30 June 2016 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 : 29 April, 2016

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.*

1. *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.*

2. *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.*

3. *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 an officer or attorney duly authorised.*

4. *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.*

5. *In respect to the deposited securities, only members whose name appear in the Record of Depositors on 20 May 2016 shall be eligible to attend the meeting or to appoint proxy to attend and/or vote on his behalf.*

1. ORDINARY BUSINESS – RESOLUTION 2

The Directors now recommend a first and final single tier dividend of 4.00 Sen (RM0.04) per each ordinary share held in respect of the financial year ended 31 December 2015.

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
Mohd Khasan Bin Ahmad	Page 10	Page 142
Kam Yong Kan	Page 11	Page 142

Details of Directors' attendance at Board Meetings are set out in the Statement on Corporate Governance on Page 22 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 13th Annual General Meeting held on 24 June 2015, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965. The Company did not issue any shares pursuant to the said mandate.

This Proposed Resolution No. 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.

5. SPECIAL BUSINESS – RESOLUTION 8

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 29 April 2016.

6. SPECIAL BUSINESS – RESOLUTION 9

APPOINTMENT OF DIRECTOR PURSUANT TO SECTION 129(6) OF THE ACT

The office of a director of a public company or of a subsidiary of a public company shall become vacant at the conclusion of the annual general meeting commencing next after he attains the age of seventy years or if he has attained the age of seventy years before the commencement of this Act at the conclusion of the annual general meeting commencing next after the commencement of this Act. Notwithstanding anything in this section a person of or over the age of seventy years may by a resolution of which no shorter notice than that required to be given to the members of the company of an annual general meeting has been duly given, passed by a majority of not less than three-fourths of such members of the company as being entitled so to do vote in person or, where proxies are allowed, by proxy, at a general meeting of that company, be appointed or reappointed as a director of that company to hold office until the next annual general meeting of the company or be authorized to continue in office as a director until the next annual general meeting of the company.

The resolution if passed, will enable Mr Keong Choon Keat to continue office as Independent Non-Executive Director of the Company until the conclusion of the next annual general meeting.

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 fulfils 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 Shang Ming
Managing Director

Koh Hua Lan (f)
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 Shang Ming, 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
Kam Yong Kan
Yong Shang Ming

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
RHB Bank Berhad
Bank Islam Malaysia Berhad
CIMB Bank Berhad

STOCK EXCHANGE LISTING

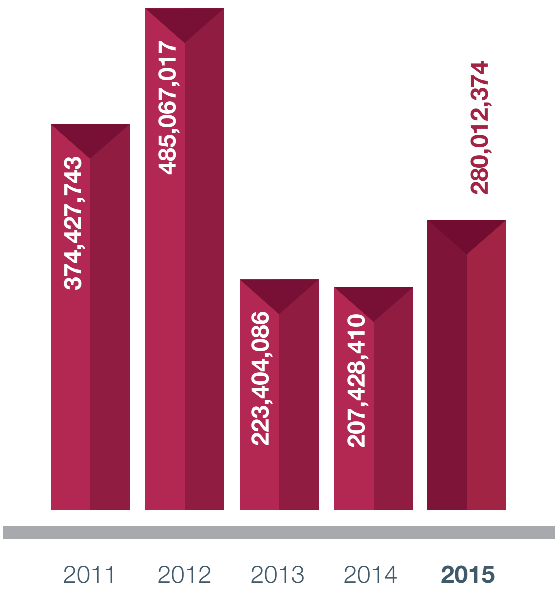
Bursa Malaysia Securities Berhad - Main Market
Sector : Construction

FINANCIAL HIGHLIGHTS

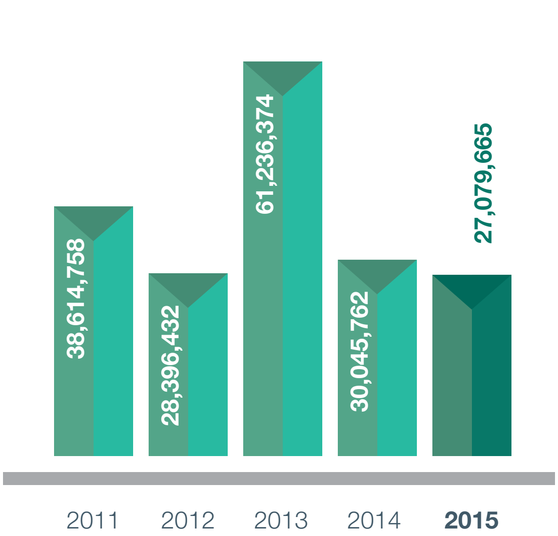
Financial Year End	2011 RM	2012 RM	2013 RM	2014 RM	2015 RM
Revenue	374,427,743	485,067,017	223,404,086	207,428,410	**280,012,374**
Profit Before Taxation	38,614,758	28,396,432	61,236,374	30,045,762	**27,079,665**
Profit After Taxation *Pre-acquisition loss / (profit)*	31,646,871	21,434,656	54,936,750	19,978,473	**11,998,183**
Profit attributable to Owners of the Company *[after deduction/(addition) of pre-acquisition profit/(loss)]*	32,655,480	21,789,677	48,766,759	20,756,458	**9,686,023**
Total Equity Attributable to Owners of the Company	269,763,027	300,066,930	365,769,210	385,176,664	**398,856,660**
Net Assets Per Share (RM)	2.17	2.17	2.27	2.33	**2.25**
Total Number of Shares	124,089,450	138,010,450	160,868,175	165,043,105	**176,921,657**
Basic Earnings per Share (sen)	26.32	16.72	32.60	12.79	**5.74**
Diluted Earnings per Share (sen) *(after full conversion of Warrants)*	26.32	16.72	30.99	11.78	**5.74**
Gross Dividend (%)	5.0	5.0	3.75*	3.75*	**4.00***

* *Single Tier Dividend*

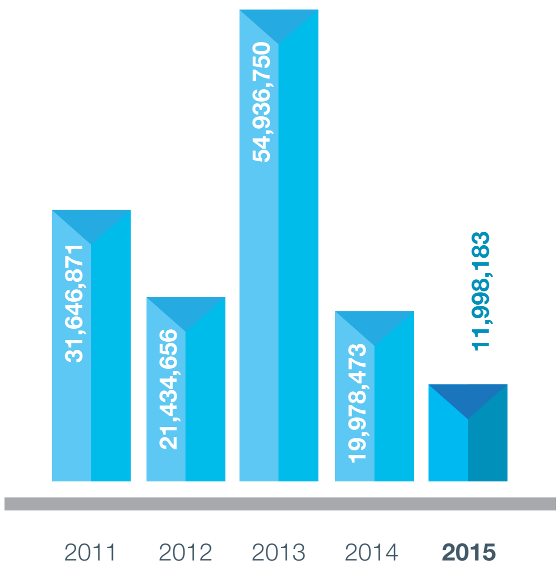
REVENUE (RM)



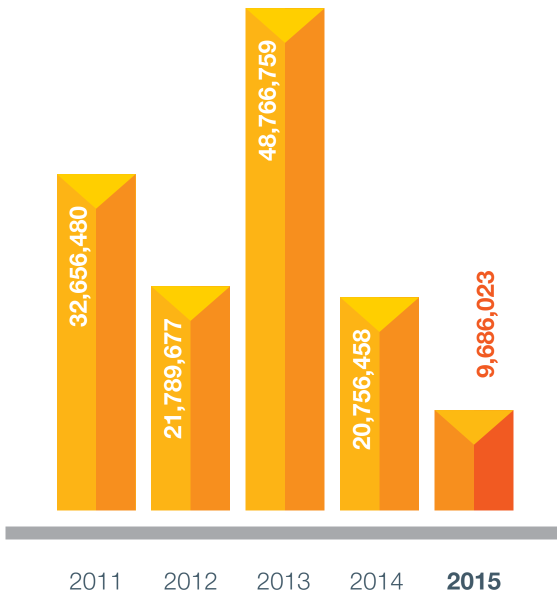
PROFIT BEFORE TAXATION (RM)



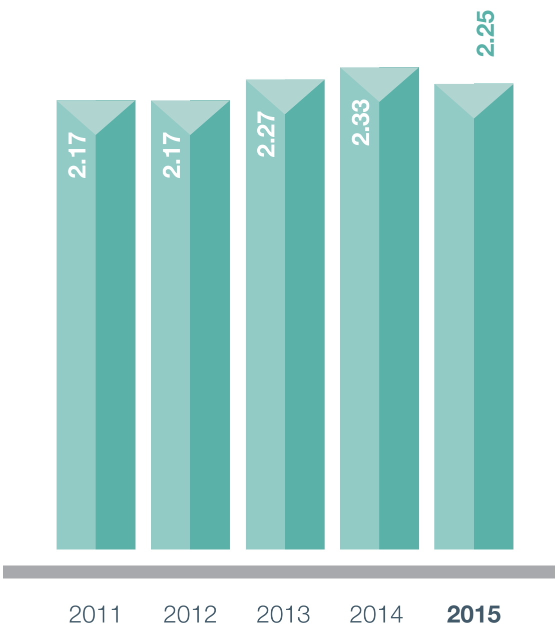
PROFIT AFTER TAXATION
(RM)



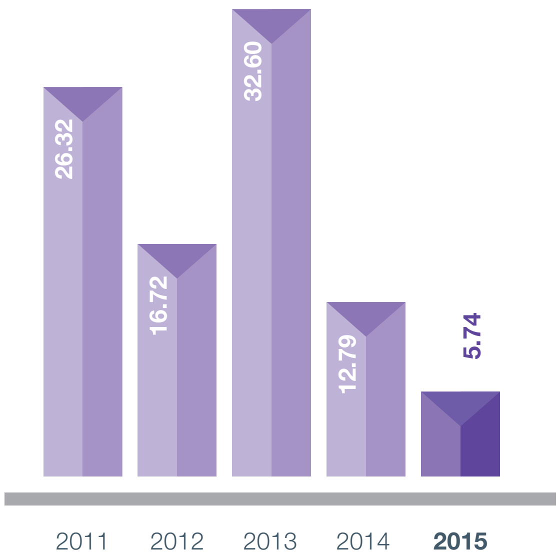
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RM)



NET ASSETS PER SHARE
(RM)



BASIC EARNINGS PER SHARE
(RM)



DIRECTOR'S PROFILE

TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH

Non-Executive Chairman
aged 60

Tengku Dato' Sulaiman Shah Bin Tengku Abdul Jalil Shah 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 30 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". 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 seven (7) Board meetings held during the financial year ended 31 December 2015.

YONG SHANG MING

Managing Director
aged 33

Yong Shang Ming 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 seven (7) Board meetings held during the financial year ended 31 December 2015.

KOH HUA LAN (F)

Executive Director
aged 64

Koh Hua Lan (f) 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 30 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 seven (7) Board meetings held during the financial year ended 31 December 2015.

KEONG CHOON KEAT

Senior Independent Non-Executive Director
aged 71

Keong Choon Keat 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, Fellow Member of the Institute of Chartered Accountants in England and Wales and a member of Malaysian Institute of Certified Public Accountants. 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 Chin Teck Plantations Berhad, Negri Sembilan Oil Palms Berhad and Liberty Insurance Berhad. He attended all of the seven (7) Board meetings held during the financial year ended 31 December 2015.

MOHD KHASAN BIN AHMAD

Independent Non-Executive Director
aged 55

Mohd Khasan Bin Ahmad * 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, Homeritz Corporation Berhad and Kinsteel Berhad He attended all of the seven (7) Board meetings held during the financial year ended 31 December 2015.

KAM YONG KAN

Independent Non-Executive Director
aged 57

Kam Yong Kan * 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 experiences 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 seven (7) Board meetings held during the financial year ended 31 December 2015.

YONG TIOK KENG (F)

Executive Director, Alternate to Koh Hua Lan
aged 37

Yong Tiok Keng (f) 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 15 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 seven (7) Board meetings held during the financial year ended 31 December 2015.

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 28.

Yong Shang Ming is the son to Koh Hua Lan. Yong Tiok Keng is the daughter to Koh Hua Lan. 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 142. By virtue of their interest in shares of the Company and under Section 6A of the Companies Act 1965, Koh Hua Lan, Yong Shang Ming and Yong Tiok Keng 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.*

Latitud 8, Kuala Lumpur

CHAIRMAN'S STATEMENT

As the Group Chairman of Crest Builder Holdings Berhad ("CBHB" or the "Group"), it gives me great pleasure to present to you the annual report and audited financial statements of the Group for the financial year ended 31 December 2015 ("FYE2015").

In spite of the challenging external economy, the Malaysian economy grew by 5.0%, which was largely driven by the private sector. Despite the concerns of higher cost of living resulting from the implementation of the Goods and Services Tax (GST), private consumption continued to expand. Public consumption also reported a sustained growth of 4.3%, reflecting the continued efforts of the Government to support Malaysia's economic growth.

The Group remained resilient against the economic storm and delivered a revenue of RM280.01 million and a profit after tax of RM12.00 million for the financial year ended 31 December 2015. I believe that the Group's solid fundamentals, rich industry expertise and firm industry position has provided CBHB with a stable foundation to sustain its growth momentum.

During the year of 2015, we had started work on our first Transit Oriented Development Project in Dang Wangi dubbed LATITUD8, which is a joint development with Prasarana Malaysia Berhad ("Prasarana"). This project by CBHB would also compliment and fit into Prasarana's vision and mission in advancing Malaysia's Transit Oriented Developments. Upon the completion of this project, we believe that it will elevate CBHB profile to the next level as a top industry player. CBHB has also secured another Transit Oriented Development project at Kelana Jaya as well as the redevelopment of the Malaysian Rubber Board land along Jalan Ampang, Kuala Lumpur.

MOVING FORWARD

Moving forward, CBHB will continue to execute our strategic plan to transform and grow our integrated business namely construction and property development in order to optimize our business and capabilities. Mindful of opportunities provided by the investments we have made and will continue to make, we will remain committed to build value in our business for our shareholders. The Group believes that excellence and value is driven by our focus in project execution and continuous advancements, both technical and knowledge.

For the year ahead, CBHB will continue to seek project opportunities as a continuous effort to replenish its construction order book, which stand at RM350 million as at 31 March 2016. We will continue to seek and capitalize on potential project opportunities arising from the Tenth Malaysia Plan and the upcoming Eleventh Malaysia Plan and advancing infrastructure development plans laid out by the Government.

Sky Lantern

APPRECIATION

On behalf of the Board of Directors, I would like to express sincere thanks to all our customers, vendors, suppliers, consultants, associates, bankers and business partners for your continued support, advice and trust in us. To our management and employees, your dedication, hard work and commitment to CBHB is greatly appreciated.

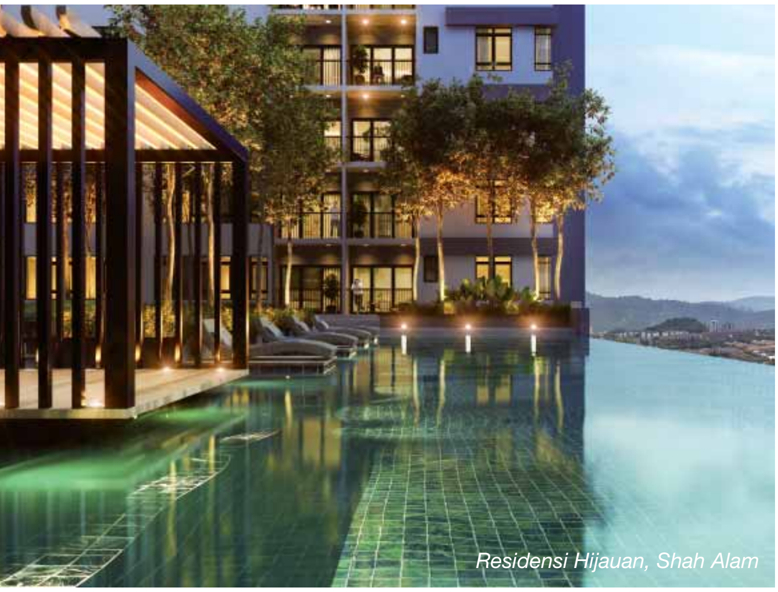
To our valued shareholders and my fellow Board of Directors, I thank you for your endless support, confidence and trust in us. We will continue to work hard and strive to deliver continued success and value for the Group.

A SPECIAL MESSAGE

Do allow me to take this opportunity to pay tribute to our former Managing Director and Founder Mr. Yong Soon Chow who sadly passed away on the 1 September 2015. Mr. Yong was a man of integrity and principle and had great passion for what he did. He was a true visionary and trailblazer in his own right leaving an indelible mark in the construction and property industry. Though a successful entrepreneur, Mr. Yong was a family man at heart: a dear loving husband, a father, a teacher and a best friend to his children, a friend and a mentor to all those who had the privilege of knowing him. I believe that his son Mr. Yong Shang Ming will be able to carry on with his father's vision for CBHB and continue to drive the business success onwards.

Latitud 8, Kuala Lumpur

MANAGEMENT REVIEW



Residensi Hijauan, Shah Alam

Crest Builder Holdings Berhad ("CBHB" or the "Group") has garnered over thirty years of industry expertise with its business focus in construction works, construction related activities and property development. The Group is a registered Class A Contractor with the Ministry of Entrepreneurial Development and a Category G7 with the Construction Industry Development Board. These registrations qualify CBHB to tender and carry out all categories of both government and private construction contracts. CBHB is armed with the necessary expertise and capability to serve a broad spectrum of construction industry including property development, property management, M&E services, concession arrangement and car park management.

The construction business of the Group largely focuses on the infrastructure and building works of residential developments, healthcare amenities, infrastructure, leisure amenities educational facilities and commercial developments. CBHB's infrastructure services and engineering covers all elements including design, construction, completion and maintenance of roads, bridges and other basic facilities.

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

Over the years, we have focused on building the expertise and capacity of our people to help us drive and achieve our growth objectives that has escalated our position as a premier player in the industry.

PERFORMANCE REVIEW AND PROJECT DEVELOPMENTS

For the financial year ended 31 December 2015, CBHB reported a twelve-month revenue of RM280.01 million as compared to its previous financial year ended 31 December 2014 (FYE2014) of RM207.43 million. CBHB reported a profit before tax ("PBT") of RM27.08million for FYE2015, translating to basic earnings per share of 5.74sen.The Group's PBT performance came in slightly lower by RM2.97 million as compared to FYE2014 PBT of RM30.05 million.

Construction

The Group's construction division's results for FYE2015 presented an adverse performance with a loss before tax of RM34.37 million. The division's losses was due to the impairment loss on receivables of RM33.83 million as well as lower margins that had to be accounted for during the financial year.

During the year, we had secured a construction project that was awarded by UDA Holdings Berhad on Jalan Sultan Ismail. The contract is in respect of the construction for the super-structure works of a 30 storey serviced apartments with 1 level podium and 8 levels of car park which started work in March 2015. Tied with a contract value of RM197.18 million the project is scheduled to be completed by September 2017.

Adding to the Group's current on-going construction projects, Menara Celcom @ PJ Sentral, and TTDI Ascencia the Group's total contract value in hand would be approximately RM350.00 million.

Property Development

For FYE2015, the Group's property development division reported a profit before tax of RM27.92 million as compared to RM31.34 million in FYE2014. CBHB's property development increase in profits against last year's performance was due to the completion of Alam Sanjung Serviced Apartment during the financial year under review.

On the positive side, CBHB's long awaited project in Dang Wangi with a gross development value of RM1.1 billion, now officially named Latitud8 has started construction work on site with the anticipated launch scheduled for the second half of 2016.

During FYE2015, the Group commenced construction on the final phase of our Shah Alam Development Project, Residensi Hijauan comprising of 646 units of medium cost apartments. Residensi Hijauan is scheduled to launch towards end of first half of 2016. The entire five-phase development sprawling across 26 acres, with a RM900 million gross development value is expected to be fully completed by the end of 2018.

Investment

CBHB's investment recorded a profit before tax of RM35.52 million as compared to RM30.07 million in FYE2014. The increase in profits was mainly due to the fair value gain of its investment properties amounting to RM21.50 million during the fourth financial quarter of FYE2015.

CORPORATE ACTIVITIES

On the 30 July 2015, a First and Final Single-Tier Dividend of 3.75 sen per ordinary share was paid out to our shareholders in respect of the financial year ended 31 December 2014.

On the 31 July 2015, CBHB acquired a new subsidiary in the name of Jalur Elit Sdn Bhd with an authorized share capital of RM100,000. The company Jalur Elit Sdn Bhd is not yet in operation.

On the 3 September 2015, Executive Director Mr. Yong Shang Ming was redesignated as the Group's Managing Director.

On the 17 November 2015, the Board announced the cancellation of the its Proposed Private Placement up to 10% due to unfavourable market conditions.

INDUSTRY PROSPECTS AND OUTLOOK

The property market dynamics is expected to remain status quo for 2016 overall, with many market players prepared to face similar challenges as per 2015. For CBHB, with construction started for Latitud8 and on-going preparation works for our MRB and Kelana Jaya Mix Development Projects – our property development activities will remain highly active until 2020.

In spite of the wary buyers market, the Malaysia House Price index is still showing moderate growth. This indicates that there are still a number of genuine buyers in the market, especially for affordable homes as a result of the tight lending requirements. As such, CBHB's Shah Alam development, which its good quota of affordable housing, has been attracting strong market demand for all its 5 phases.

On the construction front, our existing order book as at 31 December 2015 stood at RM350 million. The management is expecting to deliver better profit margins moving forward following the completion of the UiTM Tapah concession project and its refinancing exercise during FYE 2014. CBHB will continuously seek for project opportunities to replenish and maintain the growth momentum of our construction portfolio.

The Governments rolling initiatives under the Tenth Malaysia Plan and its investments in infrastructure developments across Malaysia will continue to spring opportunities for both the construction and property sectors. The Board is optimistic that CBHB will be able to sustain its profitability and healthy position moving forward.

Residensi Hijauan, Shah Alam

Residensi Hijauan, Shah Alam

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% **CB INFRASTRUCTURE SDN BHD** 659478-V *Construction*
- 100% **3 TWO SQUARE SDN BHD** 617273-X *Property Investment*
- 100% **VERTICAL SUCCESS SDN BHD** 691623-V *Property Investment*
- 100% **CB LAND SDN BHD** 658719-D *Property Development*
- 100% **NEPFIELD SDN BHD** 592256-M *Property Development*
- 100% **DAMANSARA ONE SDN BHD** 669184-V *Property Development*
- 100% **JALUR ELIT SDN BHD** 1086674-D *Property Development*
- 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*

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. Among the Independent Non-Executive Directors, Mohd Khasan Bin Ahmad and Keong Choon Keat 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 independent 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.

TERMS OF REFERENCE (Continued)

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.

TERM OF REFERENCE (Continued)

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 2015. 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 2015 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 2014;
- Review of the internal audit report for financial year 2014 & 2015 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 RM90,000 was paid to the outsourced internal auditors for the financial year ended 31 December 2015.

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 2015.

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 six (6) members, comprising four (4) Non-Executive Directors, two (2) Executive Directors and one (1) Alternate Director. Three (3) of the seven (7) Directors are Independent Non-Executive Directors. A brief profile of each Director is presented on pages 10 and 11 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.

SECTION A - BOARD OF DIRECTORS (Continued)

Board Balance & Independence Of Directors (Continued)

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 seven (7) 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	7/7
(ii)	Yong Soon Chow (demised on 1 September 2015)	5/5
(iii)	Koh Hua Lan	7/7
(v)	Yong Shang Ming	7/7
(vi)	Keong Choon Keat	7/7
(vii)	Mohd Khasan Bin Ahmad	7/7
(viii)	Kam Yong Kan	7/7
(ix)	Yong Tiok Keng (Alternate to Koh Hua Lan)	7/7

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.

SECTION A - BOARD OF DIRECTORS (Continued)

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 17. 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 periodically reviews the required mix of skills, experience and other qualities including core competencies which Non-Executive Directors should bring to the Board.

All the members of the Nomination Committee are Independent Non-Executive Directors. The members of the Nomination Committee and the details of their attendance are as follows:

Directors	Number of meetings attended
Kam Yong Kan (Chairman)	2/2
Keong Choon Keat	2/2
Mohd Khasan bin Ahmad	1/2

(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 and the details of their attendance are as follows:

Directors	Number of meetings attended
Yong Shang Ming (Chairman)	1/1
Keong Choon Keat	1/1
Mohd Khasan bin Ahmad	1/1

SECTION A - BOARD OF DIRECTORS (Continued)

Board Committees (Continued)

(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 and the details of their attendance are as follows:

Directors	Number of meetings attended
Keong Choon Keat (Chairman)	1/1
Mohd Khasan bin Ahmad	1/1
Yong Shang Ming	1/1

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.

SECTION A - BOARD OF DIRECTORS (Continued)

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 2015, 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 2015:

- Sustainability Reporting and Updates on Main Market Listing Requirement Training
- Financial Institutions Directors Education (FIDE) Programme conducted by Bank Negara Malaysia
- RAM-World Talk on the Malaysian Economy and Malaysia's Middle Income Class
- MBAM – 1st ASEAN Construction Summit 2015
- Malaysian Construction Summit
- IFAWPCA Convention Japan
- Environmental Safety and Health Awareness

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 (including Alternate Director) from the Group for the financial year ended 31 December 2015 as follows:

Salary Band	Executive Director (Number of Directors)	Non-Executive Director (Number of Directors)
Less than 100,000	–	4
300,001 to 400,000	2	–
400,000 to 500,000	1	–
1,100,000 to 1,200,000	1	–

SECTION B - DIRECTORS' REMUNERATION (Continued)

Aggregate remuneration of Directors is categorized into appropriate components:

	Directors' Fees (RM)	Salaries and/or Other Emoluments (RM)	Total (RM)
Executive Directors	–	2,496,270	2,496,270
Non-Executive Directors	198,000	–	198,000
Total	198,000	2,496,270	2,694,270

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.

SECTION D - ACCOUNTABILITY AND AUDIT (Continued)

Internal Control

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

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

Information on the Group's internal control is presented in the Statement on Risk Management and Internal Control laid out on page 29 of this Annual Report.

Relationship with Auditors

Through the Audit Committee, the Group has established a transparent and appropriate relationship with the Group's auditors, both external and internal, in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. In relation to the Financial Statement, the role of the Audit Committee in relation to the external auditors are contained in the Audit Committee Report set out on pages 17 to 20 of this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

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

1. Utilisation of Proceeds

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

2. Share Buy-Back

Details of the shares purchased during the financial year ended 31 December 2015 are set out below:

Month	No of Shares Purchased	Highest Price Paid per Share (RM)	Lowest Price Paid per Share (RM)	Total Consideration (RM)
August	868,400	0.995	0.950	850,632.12
September	410,500	1.020	0.970	404,583.46
October	448,800	1.040	0.970	445,765.53
November	220,800	1.010	0.975	219,574.08
December	472,500	1.030	0.995	481,297.35
Total	**2,421,000**			**2,401,852.54**

All the shares purchased during the financial year ended 31 December 2015 were held as treasury shares. There is no resale of treasury shares made during the financial year.

As at 31 December 2015, 3,558,000 shares were held as treasury shares.

ADDITIONAL COMPLIANCE INFORMATION (Continued)

3. Exercise of Options, Warrants or Convertible Securities

During the financial year ended 31 December 2015, there were no options exercised in relation to the Employees Share Option Scheme.

There was conversion of Warrants B during the financial year amounting to 11,878,552 warrants.

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 subsidiary companies 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 RM8,000.00 were paid to the external auditors for the financial year ended 31 December 2015.

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 subsidiary companies 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 31.12.2015 (RM)
Farima Sdn Bhd (person connected to TDSS)	Crest Builder Sdn Bhd	Award of Contract	nil

10. Revaluation Policy

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

11. Variation in Results

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

STATEMENT ON 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

The Board through the Audit Committee and Management Committee reviews and monitors, as an on-going process, the adequacy and integrity of the internal control.

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.

INTERNAL CONTROL (Continued)

As required by paragraph 15.23 of Bursa Securities Listing Requirements, the External Auditors have conducted a limited assurance engagement on this Statement on Risk Management and Internal Control. Their limited assurance engagement was performed in accordance with ISAE3000, *Assurance Engagement other than Audits or Review of Historical Financial Information* and Recommended Practice Guide ("RPG") 5, *Guidance for Auditors on the Review of Directors' Statement on Internal Control included in the Annual Report*.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is not prepared, in all material aspects, in accordance with disclosure required by paragraphs 41 and 42 of the Statement of Risk Management and Internal Controls: Guidance for Directors of Listed Issuers to be set out, nor is factually inaccurate. RPG 5 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control system.

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

REVIEW

The Board has received assurance from Managing Director and Head of Finance that the Group's risk management and internal control system are operating adequately and effectively.

For the financial year under review, the Board is satisfied with the adequacy and effectiveness of the risk management, and the review and monitoring of the internal control system gives reasonable assurance that the internal controls in place are adequate. Where exceptions were noted, they were not material in the context of this report and corrective actions have been taken.

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 19 April 2016.

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 contribution to the community particularly in helping the underprivileged and the less fortunate.

The Group continue to lend 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, Malaysia Association for the Blind, Breast Cancer Welfare Association Malaysia, Kiwanis Down Syndrome Foundation and Malaysian Diabetes Association.

The Group have also been taking in students from various universities and colleges to undergo practical trainings. In year 2015, students from the following institutions completed their respected trainings with the Group:-

- Kolej University Tunku Abdul Rahman (3 students)
- Kolej Kemahiran Tinggi Mara, Lubok Jong, Kelantan (3 students)
- Inti International University (2 students)
- University Teknologi Malaysia (2 students)
- University Teknologi Petronas (1 student)
- University Tunku Abdul Rahman (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 Technology, 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 adopted and adheres strictly to the guidelines on public safety and health at construction sites issued by the Department of Occupational Safety and Health. The Construction division are also MS ISO 14001:2004, BS OHSAS 18001:2007 and MS 1722 : Part 1 :2005 certified.

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 2015.

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 19 April 2016.

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 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding company. The principal activities of the subsidiary companies are as disclosed in Note 7 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	11,998,183	8,333,396
Attributable to:-		
Owners of the Company	9,686,023	8,333,396
Non-controlling interests	2,312,160	–
	11,998,183	8,333,396

DIVIDENDS

Since the end of the previous financial year, the Company paid a single tier first and final dividend of 3.75 sen per ordinary share amounting to RM6,370,317/- in respect of financial year ended 31 December 2014 on 31 July 2015.

At the forthcoming Annual General Meeting, a single tier first and final dividend of 4.00 sen per ordinary share on 173,363,657 ordinary shares (net of treasury shares and the outstanding issued and paid-up share capital of the Company with voting rights as at 31 December 2015, pending exercise of employee share option scheme and repurchase of shares by the Company subsequent to 31 December 2015) of RM1/- each amounting to RM6,934,546/- in respect of the current financial year ended 31 December 2015 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 2016.

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 on receivables, and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for impairment 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 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 other than disclosed in the notes to financial statements 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.

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 RM165,043,105/- to RM176,921,657/- by way of allotments of 11,878,552 new ordinary shares of RM1.00 each for cash pursuant to the conversion of Warrants B at an exercise price of RM1.00 per share.

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

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

TREASURY SHARES

As at 31 December 2015, the Group held 3,558,000 (2014: 1,137,000) of the Company's shares.

The directors of the Company are committed to enhance the value of the Company and its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

In the current financial year, the Company repurchased 2,421,000 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 RM0.99 per share including transaction costs.

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 or cancellation of these shares at a 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 2014 and 31 December 2015.

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.

11,878,552 Warrants B were converted into ordinary shares during the financial year.

Any Warrants B not exercised at the date of maturity will lapse and cease to be valid for any purpose. At 22 October 2015, 26,446,130 Warrants B were unexercised and have lapsed.

EMPLOYEE SHARE OPTION SCHEME

On 14 March 2007, approval was granted by the shareholders at the Extraordinary General 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 was in force for a period of five (5) years and expired on 18 April 2012.

On 16 April 2012, the Company announced the extension of CBHB – ESOS which would have expired 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 in the Company.

On 18 April 2014, the ESOS Committee has made the decision to grant 5,616,000 additional Options under the existing CBHB – ESOS at an exercise price of RM1.40 each. The Options granted can be exercised over three (3) years from the date of ESOS granted 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 has 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 (Continued)

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

	Number of share options 2015	2014
At 1 January	7,056,400	3,099,000
Granted	–	5,616,000
Exercised	–	(1,168,600)
Lapsed	(1,632,000)	(490,000)
At 31 December	5,424,400	7,056,400

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	1.1.2015	Granted	Exercised	Lapsed	31.12.2015
19.4.2007	RM1.00	468,000	–	–	(15,000)	453,000
19.4.2009	RM1.00	266,000	–	–	–	266,000
19.4.2012	RM1.00	883,000	–	–	(105,000)	778,000
18.4.2014	RM1.40	5,439,400	–	–	(1,512,000)	3,927,400
		7,056,400	–	–	(1,632,000)	5,424,400

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 equal to or less than 100,000 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 more than 100,000 ordinary shares of RM1/- each are disclosed in Note 19 to the financial statements.

There were no exercise of ESOS since the end of the previous financial year.

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 (deceased on 1 September 2015)
Koh Hua Lan
Yong Shang Ming
Keong Choon Keat
Mohd Khasan Bin Ahmad
Kam Yong Kan
Yong Tiok Keng (Alternate to Koh Hua Lan)

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 2015 are as follows:-

		Number of ordinary shares of RM1/- each			
		At 1.1.2015	Bought	Sold	At 31.12.2015
The Company					
Crest Builder Holdings Berhad					
Direct interests					
Yong Soon Chow		47,500,000	–	(47,500,000)	–
Koh Hua Lan		5,725,500	–	(5,725,500)	–
Yong Shang Ming		2,550,000	–	(2,550,000)	–
Yong Tiok Keng*		500,000	–	(500,000)	–
Keong Choon Keat		250,000	300,000	(432,000)	118,000
Kam Yong Kan		100,000	–	–	100,000
Indirect interests					
Tengku Dato' Sulaiman Shah Bin Tengku Abdul Jalil Shah	(a)	6,807,939	–	–	6,807,939
Yong Soon Chow#	(b)	11,470,808	61,970,808	(11,470,808)	61,970,808
Keong Choon Keat	(c)	80,000	–	(80,000)	–

	Number of options over ordinary shares of RM1/- each				
	At 1.1.2015	Granted	Exercised	Lapsed	At 31.12.2015
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*	500,000	–	–	–	500,000
Keong Choon Keat	100,000	–	–	–	100,000
Mohd Khasan Bin Ahmad	100,000	–	–	–	100,000
Kam Yong Kan	100,000	–	–	–	100,000

DIRECTORS' INTERESTS (Continued)

		Number of Warrants B					
		At 1.1.2015	Bought	Sold	Exercised	Expired	At 31.12.2015
The Company							
Crest Builder Holdings Berhad							
Direct interests							
Yong Soon Chow		6,759,400	–	(6,500,000)	–	(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		812,500	–	(205,000)	(300,000)	(307,500)	–
Indirect interests							
Tengku Dato' Sulaiman Shah Bin Tengku Abdul Jalil Shah	(a)	2,042,381	–	–	–	(2,042,381)	–
Yong Soon Chow	(b)	2,598,242	6,500,000	–	(6,409,192)	(2,689,050)	–
Keong Choon Keat	(c)	502,000	–	–	–	(502,000)	–

(a) Held by a company in which the Director has interest
(b) Held by spouse and dependent
(c) Held by spouse
** Alternate to Koh Hua Lan*
 # Administrators of the deceased estate has been appointed and is in the process of transferring the shares of the deceased in the company to the beneficiaries.

Other than as disclosed above, the other directors in office at the end of the financial year had no interest in the shares and options over ordinary shares 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 36 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 38 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 nor debentures of the Company or any other body corporate, other than those arising from the share options granted pursuant to the ESOS.

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 SHANG MING
Director

Kuala Lumpur

Date: 19 April 2016

CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 RM	2014 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	11,702,281	10,178,347
Investment properties	6	320,800,000	299,300,000
Golf club membership	8	54,000	54,000
Goodwill	9	33,608,137	33,604,364
Land held for property development	10	6,747,149	–
Operating financial asset	11	280,464,340	285,325,465
Deferred tax assets	12	11,898,784	13,620,783
Trade receivables	13	8,976,632	7,951,798
Total non-current assets		674,251,323	650,034,757
Current assets			
Property development costs	15	59,349,523	80,914,899
Inventories	16	81,985,213	21,411,230
Operating financial asset	11	45,098,914	45,058,362
Trade and other receivables	13	240,187,677	240,792,801
Amount due from contract customers	17	66,633,446	72,352,677
Tax recoverable		5,272,850	4,005,277
Fixed deposits placed with licensed banks and short term investment with financial institution	18	155,100,464	95,380,783
Cash and bank balances	18	10,990,032	62,992,891
Total current assets		664,618,119	622,908,920
TOTAL ASSETS		1,338,869,442	1,272,943,677

CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

[CONT'D]

	Note	2015 RM	2014 RM
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	19	176,921,657	165,043,105
Share premium	20	4,269,147	3,875,012
Treasury shares	21	(3,152,005)	(937,928)
Reserves	22	220,817,861	217,196,475
Shareholders' funds		398,856,660	385,176,664
Non-controlling interests		6,890,813	4,578,653
Total equity		405,747,473	389,755,317
Non-current liabilities			
Term loans	24	73,080,734	71,364,158
Sukuk Murabahah	25	445,426,711	471,206,212
Hire purchase payables	26	374,127	191,213
Deferred tax liabilities	12	11,002,376	7,229,377
Trade payables	27	11,946,889	10,192,065
Total non-current liabilities		541,830,837	560,183,025
Current liabilities			
Trade and other payables	27	232,892,540	198,568,381
Amount due to contract customers	17	1,096,304	404,809
Sukuk Murabahah	25	29,649,335	–
Hire purchase payables	26	344,436	266,644
Other bank borrowings	28	127,030,187	121,392,642
Tax payable		278,330	2,372,859
Total current liabilities		391,291,132	323,005,335
TOTAL LIABILITIES		933,121,969	883,188,360
TOTAL EQUITY AND LIABILITIES		1,338,869,442	1,272,943,677

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

CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 RM	2014 RM
Revenue	29	280,012,374	207,428,410
Cost of sales	30	(167,626,754)	(145,053,301)
Gross profit		112,385,620	62,375,109
Other operating income		27,083,260	31,525,346
Administrative expenses		(65,927,632)	(30,767,123)
Profit from operations		73,541,248	63,133,332
Finance costs	31	(46,461,583)	(33,087,570)
Profit before taxation	32	27,079,665	30,045,762
Taxation	33	(15,081,482)	(10,067,289)
Profit after taxation		11,998,183	19,978,473
Other comprehensive income, net of taxation		–	–
Total comprehensive income for the financial year		11,998,183	19,978,473
Profit after taxation attributable to:-			
Owners of the Company		9,686,023	20,756,458
Non-controlling interests		2,312,160	(777,985)
		11,998,183	19,978,473
Total comprehensive income attributable to:-			
Owners of the Company		9,686,023	20,756,458
Non-controlling interests		2,312,160	(777,985)
		11,998,183	19,978,473
Earnings per share (sen)	34		
- basic		5.74	12.79
- diluted		5.74	11.78

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

CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Attributable to Owners of the Company								
				Non-Distributable			Distributable			
	Note	Share capital RM	Treasury shares RM	Share premium RM	Capital reserves RM	Share option reserves RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 January 2014		160,868,175	(937,928)	3,735,372	394,135	1,308	201,708,148	365,769,210	5,356,638	371,125,848
Total comprehensive income for the financial year		–	–	–	–	–	20,756,458	20,756,458	(777,985)	19,978,473
Transactions with owners:-										
Dividends on ordinary shares	35	–	–	–	–	–	(6,138,409)	(6,138,409)	–	(6,138,409)
Exercise of Warrants B	19	3,006,330	–	–	–	–	–	3,006,330	–	3 ,006,330
Exercise of ESOS	19, 36	1,168,600	–	139,640	–	(7,354)	–	1,300,886	–	1 ,300,886
Options granted under ESOS	36	–	–	–	–	482,189	–	482,189	–	4 82,189
Total transactions with owners		4,174,930	–	139,640	–	474,835	(6,138,409)	(1,349,004)	–	(1,349,004)
At 31 December 2014		165,043,105	(937,928)	3,875,012	394,135	476,143	216,326,197	385,176,664	4,578,653	389,755,317

	Note	Share capital RM	Treasury shares RM	Share premium RM	Capital reserves RM	Share option reserves RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
		Attributable to Owners of the Company								
				Non-Distributable			Distributable			
At 1 January 2015		165,043,105	(937,928)	3,875,012	394,135	476,143	216,326,197	385,176,664	4,578,653	389,755,317
Total comprehensive income for the financial year		–	–	–	–	–	9,686,023	9,686,023	2,312,160	11,998,183
Transactions with owners:-										
Dividends on ordinary shares	35	–	–	–	–	–	(6,370,317)	(6,370,317)	–	(6,370,317)
Exercise of Warrants B	19	11,878,552	–	–	–	–	–	11,878,552	–	11,878,552
Reclassification of reserve account		–	–	394,135	(394,135)	–	–	–	–	–
Options granted under ESOS	36	–	–	–	–	699,815	–	699,815	–	699,815
ESOS lapsed		–	–	–	–	(199,475)	199,475	–	–	–
Repurchase of treasury shares	21	–	(2,214,077)	–	–	–	–	(2,214,077)	–	(2,214,077)
Total transaction with owners		11,878,552	(2,214,077)	394,135	(394,135)	500,340	(6,170,842)	3,993,973	–	3,993,973
At 31 December 2015		176,921,657	(3,152,005)	4,269,147	–	976,483	219,841,378	398,856,660	6,890,813	405,747,473

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

CONSOLIDATED
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES:-			
Profit before taxation		27,079,665	30,045,762
Adjustments for:-			
Allowance for impairment on trade and other receivables		33,833,813	160,075
Change in fair value of investment properties		(21,500,000)	(28,377,468)
Depreciation of property, plant and equipment		1,823,892	2,510,199
Effect of discounting of trade payables		(34,475)	–
Effect of unwinding of interest from the discounting of Sukuk Murabahah	31	3,869,834	–
Effect of accretion of interest from the discounting of trade payables		93,510	51,520
Effect of unwinding of interest from the discounting of trade receivables		–	(192,913)
Gain on disposal of property, plant and equipment		(752,683)	(262,739)
Interest expense		42,591,749	33,087,570
Interest income		(3,918,617)	(238,377)
Share options expenses	36	699,815	605,835
Operating profit before working capital changes		83,786,503	37,389,464
Changes in working capital:-			
Operating financial asset		4,820,573	19,194,250
Property development costs		14,818,227	9,553,191
Inventories		(60,573,983)	(15,730,896)
Trade and other receivables		(34,290,491)	(44,350,059)
Accrued billings in respect of property development		36,968	2,459,236
Amount due from contract customers		5,719,231	14,481,094
Trade and other payables		54,731,248	(13,747,345)
Progress billings in respect of property development		(18,715,073)	18,715,073
Amount due to contract customers		691,495	(468,392)
Cash generated from operations		51,024,698	27,495,616
Tax paid		(13,061,109)	(12,732,788)
Tax refunded		112,523	304,326
Net Operating Cash Flows		38,076,112	15,067,154

	Note	2015 RM	2014 RM
CASH FLOWS FROM INVESTING ACTIVITIES:-			
Increase in investment properties		–	(21,722,532)
Interest received		1,673,995	65,181
Proceeds from disposal of property, plant and equipment		1,487,642	610,500
Placement of short term investments		–	(70,000,000)
Proceeds from disposal of short term investments		13,000,000	–
Purchase of property, plant and equipment	5	(3,218,310)	(1,274,318)
Net Investing Cash Flows		12,943,327	(92,321,169)
CASH FLOWS FROM FINANCING ACTIVITIES:-			
Dividends paid	35	(6,370,317)	(6,138,409)
Interest paid		(42,591,749)	(33,087,570)
Fixed deposit pledged		(160,789)	(738)
Proceeds from:-			
- exercise of employee share options		–	1,177,240
- exercise of Warrants B	19	11,878,552	3,006,330
- issuance of sukuk murabahah		–	471,206,212
Purchase of treasury shares		(2,214,077)	–
Net repayments of term loans		(6,455,592)	(285,493,446)
Net repayments of hire purchases payables		(603,769)	(671,113)
Net drawdown of other bank borrowings		8,592,749	19,004,188
Net Financing Cash Flows		(37,924,992)	169,002,694
NET CHANGE IN CASH AND CASH EQUIVALENTS		13,094,447	91,748,679
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		68,734,291	(23,014,388)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		81,828,738	68,734,291
ANALYSIS OF CASH AND CASH EQUIVALENTS:-			
Fixed deposits placed with licensed banks	18	95,682,646	25,207,587
Cash and bank balances	18	10,990,032	62,992,891
		106,672,678	88,200,478
Bank overdrafts	28	(21,893,057)	(16,676,093)
Fixed deposits pledged with licensed banks	18	(2,950,883)	(2,790,094)
		81,828,738	68,734,291

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	2015 RM	2014 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	–	–
Investment in subsidiary companies	7	97,365,270	95,765,270
Amount due from subsidiary companies	14	16,078,393	–
Total non-current assets		113,443,663	95,765,270
Current assets			
Amount due from subsidiary companies	14	122,630,289	135,051,446
Prepayments		16,979	15,000
Tax recoverable		719,636	949,401
Fixed deposits placed with licensed bank and short term investment with financial institution	18	32,086,577	32,812,189
Cash and bank balances	18	124,962	102,923
Total current assets		155,578,443	168,930,959
TOTAL ASSETS		269,022,106	264,696,229
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	19	176,921,657	165,043,105
Share premium	20	4,269,147	3,875,012
Treasury shares	21	(3,152,005)	(937,928)
Reserves	22	27,750,286	25,481,527
Total equity		205,789,085	193,461,716
Non-current liability			
Term loan	24	25,426,000	34,138,000
Current liabilities			
Other payables and accruals	27	480,209	227,861
Amount due to subsidiary companies	14	27,810,723	26,581,194
Other bank borrowings	28	9,516,089	10,287,458
Total current liabilities		37,807,021	37,096,513
TOTAL LIABILITIES		63,233,021	71,234,513
TOTAL EQUITY AND LIABILITIES		269,022,106	264,696,229

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 RM	2014 RM
Revenue	29	15,488,086	14,817,380
Cost of sales		–	–
Gross profit		15,488,086	14,817,380
Administrative expenses		(3,698,675)	(1,555,679)
Profit from operations		11,789,411	13,261,701
Finance costs	31	(3,226,250)	(4,137,860)
Profit before taxation	32	8,563,161	9,123,841
Taxation	33	(229,765)	(797,147)
Profit after taxation		8,333,396	8,326,694
Other comprehensive income, net of taxation		–	–
Total comprehensive income for the financial year		8,333,396	8,326,694

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Attributable to Owners of the Company						
				Non-Distributable				
	Note	Share capital RM	Treasury shares RM	Share premium RM	Capital reserves RM	Share option reserves RM	Distributable Retained earnings RM	Total equity RM
At 1 January 2014		160,868,175	(937,928)	3,735,372	394,135	1,308	22,422,964	186,484,026
Total comprehensive income for the financial year		–	–	–	–	–	8,326,694	8,326,694
Transactions with owners:-								
Dividends on ordinary shares	35	–	–	–	–	–	(6,138,409)	(6,138,409)
Exercise of Warrants B	19	3,006,330	–	–	–	–	–	3,006,330
Exercise of ESOS	19, 36	1,168,600	–	139,640	–	(7,354)	–	1,300,886
Options granted under ESOS	36	–	–	–	–	482,189	–	482,189
Total transactions with owners		4,174,930	–	139,640	–	474,835	(6,138,409)	(1,349,004)
At 31 December 2014		165,043,105	(937,928)	3,875,012	394,135	476,143	24,611,249	193,461,716
Total comprehensive income for the financial year		–	–	–	–	–	8,333,396	8,333,396
Transactions with owners:-								
Dividends on ordinary shares	35	–	–	–	–	–	(6,370,317)	(6,370,317)
Exercise of Warrants B	19	11,878,552	–	–	–	–	–	11,878,552
Options granted under ESOS	36	–	–	–	–	699,815	–	699,815
ESOS lapsed		–	–	–	–	(199,475)	199,475	–
Reclassification of reserve account		–	–	394,135	(394,135)	–	–	–
Repurchase of treasury shares	21	–	(2,214,077)	–	–	–	–	(2,214,077)
Total transactions with owners		11,878,552	(2,214,077)	394,135	(394,135)	500,340	(6,170,842)	3,993,973
At 31 December 2015		176,921,657	(3,152,005)	4,269,147	–	976,483	26,773,803	205,789,085

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES:-			
Profit before taxation		8,563,161	9,123,841
Adjustments for:-			
Dividend income		(11,000,000)	(11,000,000)
Interest expense		3,226,250	4,137,860
Interest income		(4,488,086)	(3,817,380)
Effect of discounting of amount due from subsidiary companies		1,721,450	–
Share options expenses	36	699,815	605,835
Operating loss before working capital changes		(1,277,410)	(949,844)
Changes in working capital:-			
Receivables		(1,979)	(10,250)
Payables		252,348	(21,260)
Cash used in operations		(1,027,041)	(981,354)
Tax paid		–	(797,147)
Net Operating Cash Flows		(1,027,041)	(1,778,501)
CASH FLOWS FROM INVESTING ACTIVITIES:-			
Dividends received		11,000,000	11,000,000
Interest received		3,373,078	3,771,191
Placement of short term investment		–	(30,000,000)
Proceeds from disposal of short term investment		2,000,000	–
Decrease in amount due from subsidiary companies		(5,378,686)	–
Net Investing Cash Flows		10,994,392	(15,228,809)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015
[CONT'D]

	Note	2015 RM	2014 RM
CASH FLOWS FROM FINANCING ACTIVITIES:-			
Dividends paid	35	(6,370,317)	(6,138,409)
Fixed deposits held as security value		(159,380)	–
Interest paid		(3,226,250)	(4,137,860)
Subscription of additional shares issued by subsidiary companies		(1,599,998)	–
Acquisition of a subsidiary company		(2)	–
Repayments of term loans		(8,774,210)	(8,762,955)
Proceeds from:-			
- exercise of employee share options		–	1,177,240
- exercise of Warrants B	19	11,878,552	3,006,330
Purchase of treasury shares		(2,214,077)	–
Net increase in amount due to subsidiary companies		1,229,529	34,257,758
Net Financing Cash Flows		(9,236,153)	19,402,104
NET CHANGE IN CASH AND CASH EQUIVALENTS		731,198	2,394,794
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		(1,161,332)	(3,556,126)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		(430,134)	(1,161,332)

	Note	2015 RM	2014 RM
ANALYSIS OF CASH AND CASH EQUIVALENTS:-			
Fixed deposits placed with licensed bank	18	2,925,380	2,766,000
Cash and bank balances	18	124,962	102,923
		3,050,342	2,868,923
Bank overdraft	28	(555,096)	(1,264,255)
Fixed deposits pledged with licensed banks	18	(2,925,380)	(2,766,000)
		(430,134)	(1,161,332)

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 7 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, No. 2, Jalan 19/1, 46300 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 April 2016.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Adoption of amendments/improvements to FRSs

The Group and the Company have adopted the following amendments/improvements to FRSs that are mandatory for the current financial year:

Amendments/improvements to FRSs	
FRS 1	First-time Adoption of Financial Reporting Standards
FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 8	Operating Segments
FRS 13	Fair Value Measurement
FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits
FRS 124	Related Party Disclosures
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of the above amendments/improvements to FRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies.

2. BASIS OF PREPARATION (Continued)

2.3 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new FRS and amendments/improvements to FRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New FRS		
FRS 9	Financial Instruments	1 January 2018
Amendments/Improvements to FRSs		
FRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
FRS 7	Financial Instruments: Disclosures	1 January 2016
FRS 10	Consolidated Financial Statements	Deferred/ 1 January 2016
FRS 11	Joint Arrangements	1 January 2016
FRS 12	Disclosure of Interest in Other Entities	1 January 2016
FRS 101	Presentation of Financial Statements	1 January 2016
FRS 116	Property, Plant and Equipment	1 January 2016
FRS 119	Employee Benefits	1 January 2016
FRS 127	Separate Financial Statements	1 January 2016
FRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2016
FRS 138	Intangible Assets	1 January 2016

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

FRS 9 Financial Instruments

Key requirements of FRS 9:-

- FRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

- In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.

2. BASIS OF PREPARATION (Continued)

2.3 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective (Continued)

FRS 9 Financial Instruments (Continued)

- FRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

- FRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

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

Amendments to FRS 5 introduce specific guidance on when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution is discontinued.

Amendments to FRS 7 Financial Instruments: Disclosures

Amendments to FRS 7 provide additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of FRS 7.

The amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to FRS 7) to condensed interim financial statements.

Amendments to FRS 11 Joint Arrangements

Amendments to FRS 11 clarify that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in FRS 3, it shall apply the relevant principles on business combinations accounting in FRS 3, and other FRSs, that do not conflict with FRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/liabilities and recognition of acquisition-related costs as expenses. The amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

Amendments to FRS 101 Presentation of Financial Statements

Amendments to FRS 101 improve the effectiveness of disclosures. The amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

2. BASIS OF PREPARATION (Continued)

2.3 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective (Continued)

Amendments to FRS 116 Property, Plant and Equipment

Amendments to FRS 116 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to FRS 119 Employee Benefits

Amendments to FRS 119 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendments to FRS 127 Separate Financial Statements

Amendments to FRS 127 allow a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendments to FRS 138 Intangible Assets

Amendments to FRS 138 introduce a rebuttable presumption that the revenue-based amortisation method is inappropriate. This presumption can be overcome only in the following limited circumstances:

- when the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or

- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to FRS 10 Consolidated Financial Statements and FRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in FRS 10 and those in FRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in FRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosures of Interests in Other Entities and FRS 128 Investments in Associates and Joint Ventures

These amendments address the following issues that have arisen in the application of the consolidation exception for investment entities:

- Exemption from presenting consolidated financial statements: the amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

2. BASIS OF PREPARATION (Continued)

2.3 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective (Continued)

- Consolidation of intermediate investment entities: the amendments clarify that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

- Policy choice for equity accounting for investments in associates and joint ventures: the amendments allow a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

2.4 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 issued 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 the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1 January 2018. Transitioning Entities also include 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. As such, the Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for financial year ended 31 December 2018. The main effects arising from the transition to the MFRSs Framework are discussed below.

The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effects 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.

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 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.

2. BASIS OF PREPARATION (Continued)

2.4 MASB Approved Accounting Standards, MFRSs (Continued)

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

(i) identify the contracts with a customer;
(ii) identify the performance obligation in the contract;
(iii) determine the transaction price;
(iv) allocate the transaction price to the performance obligations in the contract;
(v) recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group is currently assessing the impact of the adoption of this standard.

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.

Amendments to MFRS 116 Property, Plant and Equipment and Amendments to MFRS 141 Agriculture

With the amendments, bearer plants would come under the scope of MFRS 116 and would be accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Nevertheless, the produce growing on the bearer plant would remain within the scope of MFRS 141. This is because the growth of the produce directly increases the expected revenue from the sale of the produce. Moreover, fair value measurement of the growing produce provides useful information to users of financial statements about future cash flows that an entity will actually realise as the produce will ultimately be detached from the bearer plants and sold separately.

The Group does not expect any impact on the financial statements arising from the adoption of this standard.

2. BASIS OF PREPARATION (Continued)

2.5 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.6 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.7 Use of estimates and judgement

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 reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4 to the financial statements.

3. SUMMARY OF 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:-

3.1 Basis of Consolidation

(i) Subsidiary Companies

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date the control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiary companies are measured in the Company's statement of financial position at costs less any impairment losses, unless the investment is classified as held for sale or distribution. The costs of investment include transaction costs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Basis of Consolidation (Continued)

(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.

Acquisition 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 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 acquirer 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Basis of Consolidation (Continued)

(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.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

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 lives 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%

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Property, Plant and Equipment and Depreciation (Continued)

The residual values, useful lives 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.

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 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 3.2 up to the date of change in use.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 lives 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 lives 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.

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 3.15.

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

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, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 lives, the recoverable amount is estimated at the end of each reporting period.

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 group of units.

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

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. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.7. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 advance billings in respect of property development costs.

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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Construction Contracts (Continued)

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.

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 Financial Assets (Continued)

(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 financial assets 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 financial asset has expired or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 Financial Assets (Continued)

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.

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 Impairment of Financial Assets (Continued)

(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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.16 Financial Liabilities (Continued)

(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.

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.

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.

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 its 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 recognised 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.

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 3.11.

Construction revenue in respect of service under the concession arrangements are recognised in accordance with FRS111 Construction Contracts.

(ii) Property development

Revenue from sale of development properties is accounted for by the stage of completion method as described in Note 3.10.

Revenue relating to sale 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) Finance income

Finance 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 Revenue Recognition (Continued)

(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.

(x) Interest income

Interest income is recognised as it accrues on time proportion basis.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.23 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualified assets are recognised in profit or loss using the effective interest rate method.

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.

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.

3.24 Income Tax

(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 investment 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.24 Income Tax (Continued)

(ii) Deferred tax (Continued)

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 investment 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 assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting date.

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

3.28 Fair Value Measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would be use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for the identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following:-

4.1 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.

4.2 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 RM33,608,137/- (2014: RM33,604,364/-). Details of the impairment assessment are disclosed in Note 9 to the financial statements.

4.3 Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4.4 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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

4.5 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.

4.6 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. The directors are 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 19 to the financial statements.

4.7 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.

4.8 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 measured 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 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.

4.9 Revaluation of Investment Properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. Significant judgement is required in determining fair value which may be derived based on different valuation method. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The Group engaged independent valuation specialists to determine fair value as at 31 December 2015.

4.10 Impairment of Investment in Subsidiary Companies and Recoverability of Amount Owing by Subsidiary Companies

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

5. PROPERTY, PLANT AND EQUIPMENT

Group 2015	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 2015	3,049,653	3,957,798	6,217,800	5,754,404	5,352,133	18,180,964	–	42,512,752
Additions	–	–	559,042	–	864,475	–	2,659,268	4,082,785
Disposals	–	(781,820)	–	–	(1,542,100)	–	–	(2,323,920)
At 31 December 2015	3,049,653	3,175,978	6,776,842	5,754,404	4,674,508	18,180,964	2,659,268	44,271,617
Accumulated depreciation								
At 1 January 2015	–	533,733	4,637,926	5,631,729	4,245,344	17,285,673	–	32,334,405
Depreciation for the financial year	–	63,519	450,908	23,830	446,014	839,621	–	1,823,892
Disposals	–	(46,861)	–	–	(1,542,100)	–	–	(1,588,961)
At 31 December 2015	–	550,391	5,088,834	5,655,559	3,149,258	18,125,294	–	32,569,336
Carrying amount at 31 December 2015	3,049,653	2,625,587	1,688,008	98,845	1,525,250	55,670	2,659,268	11,702,281

5. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group 2014	Freehold land RM	Buildings RM	Equipment, furniture and fittings RM	Light equipment RM	Motor vehicles RM	Plant and machinery RM	Total RM
Cost							
At 1 January 2014	3,049,653	3,957,798	5,345,992	5,754,404	6,713,052	18,385,964	43,206,863
Additions	–	–	871,808	–	682,510	–	1,554,318
Disposals	–	–	–	–	(2,043,429)	(205,000)	(2,248,429)
At 31 December 2014	3,049,653	3,957,798	6,217,800	5,754,404	5,352,133	18,180,964	42,512,752
Accumulated depreciation							
At 1 January 2014	–	454,593	4,347,258	5,593,174	5,533,966	15,795,883	31,724,874
Depreciation for the financial year	–	79,140	290,668	38,555	407,046	1,694,790	2,510,199
Disposals	–	–	–	–	(1,695,668)	(205,000)	(1,900,668)
At 31 December 2014	–	533,733	4,637,926	5,631,729	4,245,344	17,285,673	32,334,405
Carrying amount at 31 December 2014	3,049,653	3,424,065	1,579,874	122,675	1,106,789	895,291	10,178,347

5. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company	**Equipment, furniture and fittings**
2015	**RM**
Cost	
At 1 January/31 December	14,465
Accumulated depreciation	
At 1 January/31 December	14,465
Carrying amount at 31 December 2015	–
2014	
Cost	
At 1 January/31 December	14,465
Accumulated depreciation	
At 1 January/31 December	14,465
Carrying amount at 31 December 2014	-

(a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM4,082,785/- (2014: RM1,554,318/-) of which RM864,475/- (2014: RM280,000/-) were acquired by means of hire purchase arrangements. Cash payments of RM3,218,310/- (2014: RM1,274,318/-) were used to acquire the property, plant and equipment.

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

	Group	
	2015	**2014**
	RM	RM
Motor vehicles	1,290,248	774,597

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

6. INVESTMENT PROPERTIES

	Group 2015 RM	2014 RM
At fair value		
At 1 January	299,300,000	249,200,000
Transfer from property development costs	–	21,722,532
Change in fair value recognised in profit or loss	21,500,000	28,377,468
At 31 December	320,800,000	299,300,000

(a) Included in the above are:

	Group 2015 RM	2014 RM
At fair value		
Freehold land and building	192,800,000	174,800,000
Leasehold land and building with unexpired lease period of more than 50 years	128,000,000	124,500,000
At 31 December	320,800,000	299,300,000

(b) The following are recognised in profit or loss in respect of investment properties:

	Group 2015 RM	2014 RM
Rental income from investment properties	16,526,969	16,189,228
Direct operating expenses on income generating investment properties	(6,745,816)	(6,353,376)

(c) Investment properties of the Group with fair value of RM291,348,888/- are pledged for credit facilities granted to the Group as disclosed in Note 24 and Note 28 to the financial statements.

(d) 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 valuers as at 31 December 2015 and 2014. The fair value of the properties has been determined using the comparison approach and investment approach depending on the nature of the property.

6. INVESTMENT PROPERTIES (Continued)

(e) Fair value of investment properties are categorised as follows:-

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2015				
Group				
Office, retails and shoplot	–	4,800,000	316,000,000	320,800,000
2014				
Group				
Office, retails and shoplot	–	4,800,000	294,500,000	299,300,000

Level 2 fair value

Level 2 fair values of buildings have been derived using the sales comparison approach. Transaction of comparable buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable buildings.

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant inputs used in the valuation models.

Property category	Valuation technique	Significant unobservable inputs	By the accredited valuers
Mixed development of office, retails and carpark	Investment method and Comparison method	- Estimated average rental rate per square foot per month - Estimated price per parking bay - Estimated outgoings per square foot per month - Term yield	RM1.08 to RM20 RM25,000/- to RM50,000/- RM0.75 to RM1.50 6.0% - 6.5%
Shoplot	Comparison method	The comparison method entails analysing recent transactions of similar property in and around the locality for comparison purposes with adjustments made for differences in location, visibility, size, tenure, etc.	Price per square foot ranging from RM693/- to RM1,397/-

The estimated fair value would increase/(decrease) if:-

- Estimated average rental rate per square foot per month were higher/(lower)
- Estimated price per parking bay were higher/(lower)
- Estimated outgoings per square foot per month lower/(higher)
- Term yield rate lower/(higher)

6. INVESTMENT PROPERTIES (Continued)

Valuation processes applied by the Group for Level 3 fair value

The fair value of investment properties is determined by external independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation company provides the fair value of the Group's investment property portfolio annually. Changes in Level 3 values are analysed by the management annually after obtaining valuation report from the independent property valuers.

Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties in their current use.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between Level 1 and Level 2

There is no transfer between Level 1 and 2 fair values during the financial year ended 31 December 2015 or 31 December 2014.

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2015 RM	**2014 RM**
Unquoted shares - at cost	97,365,270	95,765,270

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

Name of company	Effective ownership interest and voting interest 2015 %	2014 %	Principal activities
Direct subsidiary companies			
3 Two Square Sdn. Bhd.	100	100	Property investment and property development
CB Land Sdn. Bhd.	100	100	Property investment and property development
CBTech (M) Sdn. Bhd. (Note 7(a))	100	100	Mechanical and electrical engineering services

7. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

Name of company	Effective ownership interest and voting interest 2015 %	2014 %	Principal activities
Direct subsidiary companies (Continued)			
Crest Builder International Sdn. Bhd.	100	100	Investment holding
Crest Builder Sdn. Bhd.	100	100	Construction
CB Infrastructure Sdn. Bhd. *(formerly known as Crestland Project Management Sdn. Bhd.)* (Note 7(b))	100	100	Construction
Jalur Elit Sdn. Bhd. (Note 7(c))	100	–	Property investment and property development
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 and property development
Held through Crest Builder Sdn. Bhd.			
Crestland Development Sdn. Bhd.	100	100	Property investment and property development
Landasan Bayu Sdn. Bhd.	51	51	Property investment and property development
Held through Crest Builder International Sdn. Bhd.			
Unitapah Sdn. Bhd.	51	51	Concession holder
Intan Sekitar Sdn. Bhd.	51	51	Property investment and property development

During the financial year, the Company increased its equity interest in:

(a) CBTech (M) Sdn. Bhd. from RM400,000/- to RM1,000,000/- by issuance of RM600,000/- ordinary shares of RM1 each; and

(b) CB Infrastructure Sdn. Bhd. from RM2/- to RM1,000,000/- by issuance of RM999,998/- ordinary shares of RM1 each.

7. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

(c) Acquisition of a subsidiary company

(i) On 31 July 2015, the Company acquired 2 ordinary shares of RM1/- each, representing 100% of the total issued and paid-up share capital of Jalur Elit Sdn Bhd ("JESB") for cash consideration of RM2/-. As a result, JESB became a wholly-owned subsidiary company of the Group.

The fair value of identifiable asset and liability of JESB at the date of acquisition are:

	JESB RM
Asset	
Cash in hand	2
Liability	
Other payables and accruals	(3,773)
Net identifiable liabilities acquired	(3,771)
Goodwill on consolidation (Note 9)	3,773
Purchase consideration for the acquisition	2

The effect of the acquisition on cash flow is as follows:

	2015 RM
Total cost of the business combination	2
Less: Cash and cash equivalent of a subsidiary company acquired	(2)
Net cash outflow on acquisition	–

(ii) The acquired subsidiary company has contributed the following results to the Group:-

	2015 RM
Revenue	–
Loss before taxation	(1,765)

(iii) If the acquisition had occurred on 1 January 2015, the consolidation results for the financial year ended 31 December 2015 would have been as follows:

	2015 RM
Revenue	–
Loss before taxation	(5,538)

7. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

(d) Non-controlling Interests in Subsidiary Companies

The Group's subsidiary companies that have material non-controlling interests ("NCI") are as follows:-

		2015	
	Unitapah Sdn. Bhd.	**Other individually immaterial subsidiary companies**	**Total**
	49%		**RM**
NCI percentage of ownership interest and voting interest			
Carrying amount of NCI (RM)	6,872,329	18,484	6,890,813
Profit/(loss) allocated to NCI (RM)	2,371,348	(59,188)	2,312,160

Summarised financial information before intra-group elimination:-

	Unitapah Sdn. Bhd. RM
As at 31 December 2015	
Non-current assets	280,465,232
Current assets	271,733,573
Non-current liabilities	(495,543,210)
Current liabilities	(39,125,434)
Net assets	17,530,161
Financial year ended 31 December 2015	
Revenue	48,221,518
Profit for the financial year	4,839,487
Total comprehensive income	4,839,487
Cash flows from operating activities	47,873,868
Cash flows from investing activities	1,838,917
Cash flows from financing activities	(30,199,257)
Net increase in cash and cash equivalents	19,513,528
Dividends paid to NCI	–

7. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

(d) Non-controlling Interests in Subsidiary Companies (Continued)

	Unitapah Sdn. Bhd.	2014 Other individually immaterial subsidiary companies	Total RM
NCI percentage of ownership interest and voting interest	49%		
Carrying amount of NCI (RM)	4,500,981	77,672	4,578,653
Loss allocated to NCI (RM)	(770,597)	(7,388)	(777,985)

Summarised financial information before intra-group elimination:-

	Unitapah Sdn. Bhd. RM
As at 31 December 2014	
Non-current assets	285,334,080
Current assets	250,830,476
Non-current liabilities	(519,218,834)
Current liabilities	(3,760,048)
Net assets	13,185,674
Financial year ended 31 December 2014	
Revenue	69,094,310
Loss for the financial year	(1,572,648)
Total comprehensive loss	(1,572,648)
Cash flows from operating activities	(20,104,656)
Cash flows from investing activities	390,606
Cash flows from financing activities	99,516,424
Net increase in cash and cash equivalents	79,802,374
Dividends paid to NCI	–

8. GOLF CLUB MEMBERSHIP

	Group 2015 RM	Group 2014 RM
At cost		
At 1 January/31 December	54,000	54,000

Golf club membership of the Group which were designated as available-for-sale financial assets are stated at cost as their fair values cannot reliably measured using valuation techniques.

9. GOODWILL

	Group 2015 RM	Group 2014 RM
At 1 January	33,604,364	33,604,364
Acquisition of a subsidiary company (Note 7)	3,773	–
At 31 December	33,608,137	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
2015	33,550,094	32,988	25,055	33,608,137
2014	33,550,094	32,988	21,282	33,604,364

9. GOODWILL (CONTINUED)

(b) Key assumptions used in value in use calculations

The goodwill allocated to investment holding and property development segments are not significant in comparison with the Group's total carrying amount of goodwill.

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 three years. The key assumptions used for value in use calculations are:-

	2015		2014	
	Discount rate	**Gross profit margin**	**Discount rate**	**Gross profit margin**
	%	**%**	**%**	**%**
Construction	12	16	7	10 to 17.4

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

(i) Discount rate – based on the weighted average cost of capital of the CGU
(ii) Gross profit margin – consistent with the average gross profit margin rate of the CGU

(c) Sensitivity to changes in assumptions

With regard to the assessment of value in use of the construction unit, 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.

10. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2015 RM	**2014 RM**
Freehold lands at cost		
At 1 January	–	–
Transfer from property development costs (Note 15)	6,200,000	–
At 31 December	6,200,000	–
Development costs		
At 1 January	–	–
Transfer from property development costs (Note 15)	547,149	–
At 31 December	547,149	–
Carrying amount as at 31 December	6,747,149	–

11. 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.

	Group	
	2015 RM	**2014 RM**
Non-current	280,464,340	285,325,465
Current	45,098,914	45,058,362
	325,563,254	330,383,827

The operating financial asset represents the concession arrangement for UiTM project which carries interest rates of 11.85% (2014: 11.85%) per annum.

12. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2015 RM	**2014 RM**
Deferred tax assets		
At 1 January	13,620,783	9,902,986
Recognised in profit or loss	(1,721,999)	3,717,797
At 31 December	11,898,784	13,620,783
Deferred tax liabilities		
At 1 January	(7,229,377)	(4,057,156)
Recognised in profit or loss	(3,772,999)	(3,172,221)
At 31 December	(11,002,376)	(7,229,377)

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 the deferred tax assets would be realised in future years.

12. DEFERRED TAX ASSETS/(LIABILITIES) (Continued)

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

Group	At 1 January 2014 RM	Recognised in the profit or loss RM	At 31 December 2014 RM	Recognised in the profit or loss RM	At 31 December 2015 RM
Deferred tax assets					
Allowance for impairment	–	–	–	46,269	46,269
Property development	9,902,987	3,563,300	13,466,287	(4,483,812)	8,982,475
Unabsorbed capital allowances	28,281	18,034	46,315	12,575,404	12,621,719
Unutilised tax losses	–	1,717,143	1,717,143	2,375,150	4,092,293
	9,931,268	5,298,477	15,229,745	10,513,011	25,742,756
Deferred tax liabilities					
Property, plant and equipment	293,667	(325,778)	(32,111)	(295,582)	(327,693)
Investment properties	–	4,998,645	4,998,645	1,075,000	6,073,645
Operating financial asset	3,791,771	80,034	3,871,805	15,228,591	19,100,396
	4,085,438	4,752,901	8,838,339	16,008,009	24,846,348
	5,845,830	545,576	6,391,406	(5,494,998)	896,408

Presented after appropriate offsetting:-

	Group 2015 RM	2014 RM
Deferred tax assets	11,898,784	13,620,783
Deferred tax liabilities	(11,002,376)	(7,229,377)
At 31 December	896,408	6,391,406

13. TRADE AND OTHER RECEIVABLES

	Group 2015 RM	Group 2014 RM
Non-current		
Trade receivables		
Retentions sums	8,976,632	7,951,798
Current		
Trade receivables		
Trade receivables	179,562,438	154,255,211
Accrued billings in respect of property development	–	36,968
Retentions sums	33,390,040	34,270,180
	212,952,478	188,562,359
Less: Allowance for impairment	(31,681,223)	(2,157,550)
Trade receivables, net (Note 13(a))	181,271,255	186,404,809
Other receivables		
Other receivables	57,588,156	46,073,315
Less: Allowance for impairment	(4,797,961)	(487,821)
Other receivables, net	52,790,195	45,585,494
Advances made to trade payables	3,801,387	6,465,713
Deposits	2,097,079	2,079,159
Prepayments	227,761	257,626
Total other receivables, net (Note 13(b))	58,916,422	54,387,992
	240,187,677	240,792,801
Total trade and other receivables	249,164,309	248,744,599

(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 RM23,014,979/- (2014: RM23,819,551/-) due from a company in which a director has interest.

13. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables (Continued)

Ageing analysis of trade receivables

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

	Group 2015 RM	Group 2014 RM
Neither past due nor impaired	34,833,012	93,525,342
Past due but not impaired		
1 to 30 days past due but not impaired	11,025,941	11,156,125
31 to 60 days past due but not impaired	2,007,733	10,920,607
61 to 90 days past due but not impaired	9,915,188	4,606,783
91 to 120 days past due but not impaired	132,466,013	74,110,782
	155,414,875	100,794,297
Impaired	31,681,223	2,157,550
	221,929,110	196,477,189

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 RM155,414,875/- (2014: RM100,794,297/-) 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 2015 RM	Group 2014 RM
Individually impaired		
Trade receivables	31,681,223	2,157,550
Less: Allowance for impairment	(31,681,223)	(2,157,550)
	–	–

13. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables (Continued)

The movement in allowance for impairment is as follows:-

	Group	
	2015 RM	2014 RM
At 1 January	2,157,550	1,997,475
Additions	29,523,673	1 60,075
At 31 December	31,681,223	2,157,550

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 or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Included in allowance for impairment on trade receivables of the Group is an amount of RM23,014,979/- due from a company in which a director has interest. The Group had enter into an agreement with this company to make repayment in next six years.

Included in the trade receivables of the Group are amount of RM27,502,516/- due from customers for contracts under dispute. The details are as follows:

(i) A subsidiary company of the Company, Crest Builder Sdn. Bhd. ("CBSB") is a claimant in an arbitration case against an employer in respect of a construction project. CBSB is claiming RM51,398,443/- for workdone, variation work, retentions money and prolongation costs. The employer filed a defence counterclaim which includes claims of RM65,109,486/- for damages for delay and cost of rectification of defective works.

No allowance and provision has been made in the financial statements of the Group as the directors have been advised by its solicitor that the CBSB has reasonable prospect of success in resisting the employer's claim and success in this claim.

(ii) A dispute arose between the parties wherein CBSB was employed by an employer as the main contractor to complete a project. Due to, amongst others, the failure by the employer to make timely payment to CBSB, CBSB contended that the employer had repudiated the contract and thereby, terminating the contract by accepting the repudiation in September 2011. Subsequently, the employer issued a Notice of Reference of Arbitration on 8 May 2012 to refer the disputes to arbitration.

A preliminary meeting was held on 14 September 2015 where parties were directed to file their respective pleadings, documents and witness statements by agreed datelines. The employer is claiming against CBSB the total sum of RM94,685,625/- comprising of liquidated damages of RM6,580,000/-. CBSB contested all of the employer's claims and in turn counterclaims against the employer for the sum of RM31,084,048/- and interest thereon and costs. The scheduled hearing dates are from 31 October 2016 to 13 January 2017.

No allowance and provision has been made in the financial statements of the Group as the directors have been advised by its solicitor that the CBSB has reasonable prospect of success in resisting the employer's claim and success in this claim.

13. TRADE AND OTHER RECEIVABLES (Continued)

(b) Other receivables

Included in other receivables of the Group are amounts of RM44,149,000/- (2014: RM44,149,000/-) due from a non-controlling shareholder which are unsecured, interest free and repayable on demand.

Included in other receivables of the Group is an amount of RM2,422,824/- (2014: RM Nil) due from a company in which a director has interest.

Other receivables that are impaired

At the end of the reporting period, the Group has provided an allowance of RM4,797,961/- (2014: RM487,821/-) for impairment of the other receivables. These other receivables are in significant financial difficulties or have defaulted on payments. These other receivables are not secured by any collateral or credit enhancements.

The movement in allowance for impairment is as follows:-

	Group	
	2015	**2014**
	RM	**RM**
At 1 January	487,821	487,821
Additions	4,310,140	–
At 31 December	4,797,961	487,821

Included in total allowance for impairment on other receivables of the Group is an amount of RM2,422,824/- due from a company in which a director has interest. The Group had enter into an agreement with this company to make repayment in next six years.

14. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

The amount due from subsidiary companies are unsecured, interest free except for an amount of RM34,054,699/- (2014: RM42,721,558/-) which bears an effective interest rate of 8.35% (2014: 8.10%) per annum and repayable on demand.

Included in the amount due from subsidiary companies are amount of RM16,078,393/- are not expected to be settled within next twelve months.

The amount due to subsidiary companies are unsecured, interest free and repayable on demand.

15. PROPERTY DEVELOPMENT COSTS

	Group	
	2015	**2014**
	RM	**RM**
Freehold lands, at cost		
At 1 January	22,369,972	24,508,085
Less: Reversal of completed project	(1,585,076)	(717,265)
Unsold units transfer to inventories	(1,286,535)	(548,050)
Transfer to investment properties	–	(872,798)
Transfer to land held for development (Note 10)	(6,200,000)	–
At 31 December	13,298,361	22,369,972
Development costs		
At 1 January	131,960,573	148,933,536
Costs incurred during the financial year	125,424,329	56,000,753
Less: Reversal of completed project	(87,639,075)	(32,590,743)
Unsold units transfer to inventories	(63,289,976)	(19,533,239)
Transfer to investment properties	–	(20,849,734)
Transfer to land held for development (Note 10)	(547,149)	–
At 31 December	105,908,702	131,960,573
Property development costs at 31 December	119,207,063	154,330,545
Accumulated costs recognised in profit or loss		
At 1 January	(73,415,646)	(82,973,531)
Recognised during the financial year	(75,666,045)	(17,686,950)
Reversal of completed project	89,224,151	27,244,835
At 31 December	(59,857,540)	(73,415,646)
Net carrying amount as at 31 December	59,349,523	80,914,899

Included in the development costs incurred during the financial year is interest and rental expense capitalised of RM1,159,658/- and RM Nil (2014: RM1,910,538/- and RM36,000/-) respectively.

16. INVENTORIES

	Group	
	2015	**2014**
	RM	**RM**
Completed development properties		
- at cost	1,765,000	2,015,000
- at net realisable value	80,220,213	19,396,230
	81,985,213	21,411,230

The cost of inventories of the Group recognised as an expenses in prior year in respect of write down of inventories to net realisable value was RM304,722/-.

The Group's cost of inventories recognised as an expense during the year in the Group amounted to RM4,002,528/- (2014: RM4,350,393/-).

17. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

	Group 2015 RM	Group 2014 RM
Aggregate construction contract costs incurred to-date	1,187,247,908	1,661,166,332
Add: Attributable profits	143,530,316	65,783,471
	1,330,778,224	1,726,949,803
Less: Progress billings	(1,265,241,082)	(1,655,001,935)
	65,537,142	71,947,868
Represented by gross amounts:-		
- due from contract customers	66,633,446	72,352,677
- due to contract customers	(1,096,304)	(404,809)
	65,537,142	71,947,868
Advances received on contracts, within progress billings	9,570,873	9,570,873

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

	Group 2015 RM	Group 2014 RM
Hire of plant and machineries	686,438	256,485
Depreciation of property, plant and equipment	253,737	855,661
Rental of premises	17,673	222,160

Included in the amount due from contract customers of the Group are amount of RM28,599,071/-, which the contracts are under dispute as disclosed in Note 13 (a)(i) and Note 13(a)(ii) to the financial statements.

18. CASH AND FIXED DEPOSITS PLACED WITH LICENSED BANKS AND SHORT TERM INVESTMENT WITH FINANCIAL INSTITUTION

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Fixed deposits placed with licensed banks	95,682,646	25,207,587	2,925,380	2,766,000
Short term investment with financial institution	59,417,818	70,173,196	29,161,197	30,046,189
Cash and bank balances	10,990,032	62,992,891	124,962	102,923
	166,090,496	158,373,674	32,211,539	32,915,112

18. CASH AND FIXED DEPOSITS PLACED WITH LICENSED BANKS AND SHORT TERM INVESTMENT WITH FINANCIAL INSTITUTION (Continued)

Fixed deposits placed with licensed banks

The fixed deposits placed with licensed banks of the Group and of the Company earn interest rates ranging from 1.73% to 3.25% (2014: 1.75% to 3.76%) and 1.73% to 2.72% (2014: 1.75%) per annum respectively.

Included in fixed deposits of the Group amounting to RM25,503/- (2014: RM24,094/-), which is pledged for the purpose as a guarantees for performance bonds issued in favour of third parties in respect of projects undertaken by a subsidiary company.

Included in fixed deposits of the Group and of the Company amounting to RM2,925,380/- (2014: RM2,766,000/-), which is pledged for the purpose as a debt service reserve for term loan of the Company.

Included in fixed deposits of the Group amounting to RM92,731,763/- (2014: RM22,417,493/-), which is operated by a security trustee of a subsidiary company and restricted from use in other operations.

Short term investment with financial institution

The short term investment of the Group and of the Company are in respect of investment in unquoted trust fund and earns interest at effective interest rate ranging from 3.22% to 4.16% (2014: 3.35% to 3.51%) and 3.22% to 4.16% (2014: 3.51%) per annum respectively.

Cash and bank balances

Included in cash and bank balances of the Group amounting to RM2,306,016/- (2014: RM55,782,231/-), which is operated by a security trustee of a subsidiary company and restricted from use in other operations.

19. SHARE CAPITAL

	Group and Company			
	2015		2014	
	Number of Shares Unit	RM	Number of Shares Unit	RM
Ordinary shares of RM1/- each				
Authorised:-				
At 1 January/ 31 December	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid:-				
At 1 January	165,043,105	165,043,105	160,868,175	160,868,175
Issuance of shares:-				
- exercise of ESOS	–	–	1,168,600	1,168,600
- exercise of Warrants B	11,878,552	11,878,552	3,006,330	3,006,330
At 31 December	176,921,657	176,921,657	165,043,105	165,043,105

19. SHARE CAPITAL (Continued)

CBHB – ESOS

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

	Number of share options 2015	2014
At 1 January	7,056,400	3,099,000
Granted	–	5,616,000
Exercised	–	(1,168,600)
Lapsed	(1,632,000)	(490,000)
At 31 December	5,424,400	7,056,400

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:-

Date of offer	Option price	Number of share options 1.1.2015	Granted	Exercised	Lapsed	31.12.2015
19.4.2007	RM1.00	468,000	–	–	(15,000)	453,000
19.4.2009	RM1.00	266,000	–	–	–	266,000
19.4.2012	RM1.00	883,000	–	–	(105,000)	778,000
18.4.2014	RM1.40	5,439,400	–	–	(1,512,000)	3,927,400
		7,056,400	–	–	(1,632,000)	5,424,400

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

On 18 April 2014, the ESOS Committee has made the decision to grant 5,616,000 additional Options under the existing CBHB – ESOS at an exercise price of RM1.40 each. The Options granted can be exercised over three (3) years from the date of ESOS granted but not later than 18 April 2017.

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

The fair value of share options granted was estimated using the Binomial Option Pricing 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 2014
Fair value of share granted (RM)	0.4179
Share price (RM)	1.550
Exercised price (RM)	1.400
Expected volatility (%)	35.41%
Expected lives (years)	3
Risk free rate (%)	3.40%
Expected dividend yield (%)	3.23%

19. SHARE CAPITAL (Continued)

CBHB – ESOS (Continued)

The expected lives 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.

The fair value has been determined based on valuations performed by accredited valuers at the end of the reporting period.

Other than the directors whose interests are disclosed separately in the Directors' Report, the eligible employees of the Group whose share options entitlements are more than 100,000 share options in the Company pursuant to the CBHB – ESOS are as follows:-

	Number of options over ordinary shares of RM1/- each				
	1.1.2015	**Granted**	**Exercised**	**Lapsed**	**31.12.2015**
Goh Sin Huat	115,000	–	–	–	115,000
Khoo Kheng Kiat	400,000	–	–	–	400,000
Lim Swee Peng	115,000	–	–	–	115,000
Teh Hock Hua	500,000	–	–	–	500,000
Yong Tiok Chin	200,000	–	–	–	200,000

There were no exercise of ESOS since the end of the previous financial year.

20. SHARE PREMIUM

Share premium of the Group and of the Company arose from exercise of Warrants 2003/2013 and ESOS.

21. TREASURY SHARES

As at 31 December 2015, the Group held 3,558,000 (2014: 1,137,000) of the Company's shares.

The directors of the Company are committed to enhance the value of the Company and its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

In the current financial year, the Company repurchased 2,421,000 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 RM0.99 per share including transaction costs.

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 or cancellation of these shares at a 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 2014 and 31 December 2015.

22. RESERVES

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Non-distributable					
Capital reserves	(a)	–	394,135	–	394,135
Share option reserves	(b)	976,483	476,143	976,483	476,143
		976,483	870,278	976,483	870,278
Distributable					
Retained earnings	(c)	219,841,378	216,326,197	26,773,803	24,611,249
Total reserves		220,817,861	217,196,475	27,750,286	25,481,527

(a) Capital reserves

Capital reserves of the Group and of the Company arose from issuance of Warrants 2003/2013 in prior years.

(b) Share option reserves

The share option reserves 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

The entire retained earnings of the Company as at 31 December 2015 may be distributed as dividend under the single tier system.

23. WARRANTS

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.

11,878,552 Warrants B were converted into ordinary shares during the financial year.

Any Warrants B not exercised at the date of maturity will lapse and cease to be valid for any purpose. At 22 October 2015, 26,446,130 Warrants B were unexercised and have lapsed.

24. TERM LOANS

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Current (Note 28)				
- not later than one year	18,758,334	26,930,502	8,960,993	9,023,203
Non-current				
- later than one year but not later than two years	24,283,424	16,283,424	8,712,000	8,712,000
- later than two years but not later than five years	48,166,326	48,140,272	16,714,000	25,426,000
- more than five years	630,984	6,940,462	–	–
	73,080,734	71,364,158	25,426,000	34,138,000
	91,839,068	98,294,660	34,386,993	43,161,203

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

Term loan 1 of the Company of RM34,386,993/- (2014: RM43,161,203/-) bears interest of 8.35% (2014: 8.35%) per annum and is repayable by monthly instalments of RM726,000/- over ten years commencing from the day of first drawdown and is secured as follows:

(a) loan agreement and third party Deed of Assignment of a leasehold investment property of the Group as disclosed in Note 6 to the financial statements;

(b) corporate guarantee by a subsidiary company, Crest Builder Sdn. Bhd.;

(c) third party Deed of Assignment of rental proceeds from the Property; and

(d) charge over the monies in the Debt Services Reserve Account as disclosed in Note 18 to the financial statements.

Term loan 2 of a subsidiary company of RM20,000,000/- (2014: RM Nil) bears interest ranging from 6.05% to 6.15% (2014: Nil) per annum and is repayable by quarterly instalments of RM2,000,000/- over two and a half years commencing from 18 months after the first disbursement and is secured as follows:

(a) legal charge under the National Land Code over the Project Land and six retail units at Avenue Crest;

(b) charge and Assignment over residual proceeds of the accounts set up pursuant to the Housing Development Account under Alam Sanjung Project;

(c) assignment of all right, title and benefits of the Company under the construction contract, insurance policies and performance bonds and assignment over proceeds and/or collections from the car park;

(d) corporate guarantee by the Company; and

(e) legal charge and assignment over the Designated Accounts.

24. TERM LOANS (Continued)

Term loan 3 of a subsidiary company of RM37,452,075/- (2014: RM45,053,457/-) bears interest of 6.52% (2014: 7.85%) per annum and is repayable by monthly instalments of RM630,952/- over seven years commencing from the day of first drawdown and is secured as follows:

(a) first party legal charge over investment property as disclosed in Note 6 to the financial statement;

(b) assignment by way of charge over all the interest, title, rights and benefits to all insurance on the investment property;

(c) assignment by way of charge over all rents and other monies payables and all the subsidiary company's rights, remedies and benefits under the tenancies executed and/or to be executed in respect of the investment property;

(d) a limited debenture by way of fixed and floating charge over the investment property;

(e) a first legal charge over the rental/car park proceeds account to be opened and maintained by the subsidiary company; and

(f) corporate guarantee by the Company.

Term loan 4 of a subsidiary company of RM Nil (2014: RM10,080,000/-) bears interest ranging from 5.95% to 6.17% (2014: 5.95% to 6.17%) per annum and is repayable by monthly instalments of RM830,000/- over 3 years commencing from the day of first drawdown and is secured as follows:

(a) facilities agreement;

(b) third party and first legal charge over a development land captured in property development costs of a fellow subsidiary company; and

(c) corporate guarantee by the Company.

The term loan of this subsidiary company is fully paid during current financial year.

25. SUKUK MURABAHAH

On 12 December 2014, Unitapah Sdn. Bhd. issued a SUKUK facility based on the Shariah principles of Murabahah via a Tawarruq arrangement ("SUKUK Murabahah") of RM510 million in nominal value. The tenure of the SUKUK ranges from 1 to 19.5 years with profit rates of 4.66% to 6.47%.

	Group	
	2015	**2014**
	RM	**RM**
Current		
- not later than one year	29,649,335	–
Non-current		
- later than one year but not later than two years	29,387,931	29,507,440
- later than two years but not later than five years	96,040,114	101,232,054
- more than five years	319,998,666	340,466,718
	445,426,711	471,206,212
	475,076,046	471,206,212

25. SUKUK MURABAHAH (Continued)

The SUKUK Murabahah is secured by the following:-

(i) Debenture evidencing a fixed and floating charge over the Company's present and future assets;

(ii) First ranking charge and assignment of the Designated Accounts and the credit balances therein; and

(iii) First ranking assignment of takaful policies, if any, in relation to the Concession Agreement with the Security Trustee designated as loss payee/mortgagee.

26. HIRE PURCHASE PAYABLES

Hire purchase facilities bear interest rates ranging from 2.38% to 2.60% (2014: 2.38% to 3.60%) per annum.

	Group	
	2015	**2014**
	RM	**RM**
Minimum hire purchase payables:-		
- not later than one year	369,993	283,414
- later than one year but not later than five years	385,198	198,930
	755,191	482,344
Less:		
Future finance charges	(36,628)	(24,487)
Present value of hire purchase payables	718,563	457,857
Represented by:-		
Current		
- not later than one year	344,436	266,644
Non-current		
- later than one year but not later than five years	374,127	191,213
	718,563	457,857

27. TRADE AND OTHER PAYABLES

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Non-current				
Trade payables				
Retention sums	7,479,595	8,220,853	–	–
Maintenance reserve fund	4,467,294	1,971,212	–	–
	11,946,889	10,192,065	–	–
Current				
Trade payables				
Trade payables	143,640,881	108,254,738	–	–
Progress billings in respect of property development	–	18,715,073	–	–
Retention sums	40,912,920	45,805,101	–	–
Total trade payables	184,553,801	172,774,912	–	–
Other payables				
Other payables	6,077,096	11,095,785	252,409	3,861
Deposits received	3,973,766	5,382,396	–	–
Accruals	38,287,877	9,315,288	227,800	224,000
Total other payables	48,338,739	25,793,469	480,209	227,861
	232,892,540	198,568,381	480,209	227,861
Total trade and other payables	244,839,429	208,760,446	480,209	227,861

(a) Trade payables

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

(b) Other payables

Included in accruals of the Group are:-

(i) an amount of RM29,118,910/- (2014: RM1,688,458/-) which represents accruals in respect of development costs for a development project during the current financial year; and

(ii) an amount of RM4,359,258/- (2014: RM4,359,258/-) which represents accruals in respect of construction costs on investment properties.

28. OTHER BANK BORROWINGS

	Group		Company	
	2015 **RM**	**2014** **RM**	**2015** **RM**	**2014** **RM**
Current				
Secured				
Bankers' acceptances	11,748,656	10,243,700	–	–
Term loans (Note 24)	18,758,334	26,930,502	8,960,993	9,023,203
Revolving credit	74,630,140	67,542,347	–	–
Bank overdrafts	21,893,057	16,676,093	555,096	1,264,255
	127,030,187	121,392,642	9,516,089	10,287,458

The other bank borrowings of the Group and of the Company are denominated in Ringgit Malaysia and bear interest rates ranging from 4.05% to 8.60% (2014: 3.88% to 8.60%) and 8.35% (2014: 8.35%) per annum for the Group and for the Company respectively.

The other bank borrowings of the Group and of the Company other than term loans are secured by:-

(a) Facility agreement together with interest, commission and all other charges thereon;

(b) Second ranking legal charge under the National Land Code over the Security Land;

(c) A first party second fixed charge over investment properties as disclosed in Note 6 to the financial statements;

(d) Supplement Agreement to extend the Assignment of Rental Proceeds executed between borrower and bank;

(e) Second legal charge over the designated escrow account;

(f) Corporate guarantee provided by the Company; and

(g) Any other securities as may be advised by the bank's solicitors.

29. REVENUE

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Construction revenue	106,016,694	39,396,831	–	–
Sales of development/ completed properties	107,920,534	92,886,485	–	–
Rental income from investment properties	16,526,969	16,189,228	–	–
Interest income	1,326,659	96,982	4,488,086	3,817,380
Dividend income	–	–	11,000,000	11,000,000
Finance income	38,896,073	50,188,365	–	–
Maintenance income	9,325,445	8,670,519	–	–
	280,012,374	207,428,410	15,488,086	14,817,380

30. COST OF SALES

	Group 2015 RM	Group 2014 RM
Costs of construction contracts	58,902,049	62,448,568
Costs of development/completed properties sold	93,637,991	68,447,890
Costs of maintenance of investment properties	6,745,816	6,353,376
Costs of maintenance of facilities and infrastructure	8,340,898	7,803,467
	167,626,754	145,053,301

31. FINANCE COSTS

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Bank overdrafts interest	2,271,784	2,178,791	206,163	206,709
Bankers' acceptance interest	549,496	673,654	–	–
Effect of unwinding of interest from the discounting of Sukuk Murabahah	3,869,834	–	–	–
Hire purchase interest	40,471	60,186	–	–
Revolving credit interest	3,098,208	2,357,810	–	–
Sukuk Murabahah interest	30,223,850	–	–	–
Term loans interest	6,407,940	27,817,129	3,020,087	3,931,151
	46,461,583	33,087,570	3,226,250	4,137,860

32. PROFIT BEFORE TAXATION

Profit before taxation is arrived:-

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
After charging:-				
Allowance for impairment loss on:				
- trade receivables	29,523,673	160,075	–	–
- other receivables	4,310,140	–	–	–
Auditors' remuneration				
- statutory audit				
- current year	157,900	147,000	20,000	18,000
- prior year	14,200	10,400	2,000	1,000
- non–statutory audit	8,000	8,000	8,000	8,000
Depreciation of property, plant and equipment (Note 5)	1,823,892	2,510,199	–	–
Effect of unwinding of interest from the discounting of amount due by subsidiary companies	–	–	1,721,450	–
Effect of unwinding of interest from the discounting of trade payables	93,510	51,520	–	–
Employee benefits expenses (Note 36)	18,064,479	17,417,932	897,815	803,835
Hire of plant and machineries	686,438	256,485	–	–
Rental expense	101,933	318,710	–	–
And crediting:-				
Change in fair value of investment properties (Note 6)	21,500,000	28,377,468	–	–
Effect of discounting of interest of trade payables	34,475	–	–	–
Effect of accretion of interest from the discounting of trade receivables	–	192,913	–	–
Gain on disposal of property, plant and equipment	752,683	262,739	–	–
Interest income	3,918,617	238,377	–	–

33. TAXATION

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Income tax				
- current year	9,453,246	9,412,251	229,765	–
- prior years	133,238	1,200,614	–	797,147
	9,586,484	10,612,865	229,765	797,147
Deferred tax				
- current year	5,614,807	(287,312)	–	–
- prior years	(119,809)	(258,264)	–	–
	5,494,998	(545,576)	–	–
	15,081,482	10,067,289	229,765	797,147

The income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated taxable profit for the financial year. The statutory tax rate will be reduced to 24% from the current year's rate of 25% with effect from year of assessment 2016.

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 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Profit before taxation	27,079,665	30,045,762	8,563,161	9,123,841
Tax at applicable statutory tax rate of 25%	6,769,916	7,511,441	2,140,790	2,280,960
Tax effects arising from:-				
- non-taxable income	(4,740,444)	(4,835,037)	(2,750,000)	(2,750,000)
- non-deductible expenses	13,021,549	1,527,330	838,975	469,040
- under accrual in prior years	13,429	942,350	–	797,147
- Adjustment for differences in rate of Real Property Gain Tax	–	4,998,645	–	–
- different tax rate	17,032	(77,440)	–	–
	15,081,482	10,067,289	229,765	797,147

34. 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, adjusted for treasury shares held.

	Group 2015 RM	Group 2014 RM
Net profit attributable to owners of the company (RM)	9,686,023	20,756,458
Number of shares in issue as of 1 January	163,906,105	159,731,175
Effects of:-		
- repurchase of treasury shares	(520,743)	–
- exercise of ESOS	–	762,118
- exercise of Warrants B	5,222,021	1,784,865
Weighted average number of ordinary shares in issue	168,607,383	162,278,158
Basic earnings per share (sen)	5.74	12.79

(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 treasury shares held, 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, adjusted for treasury shares held and 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 2015 RM	Group 2014 RM
Net profit attributable to owners of the company (RM)	9,686,023	20,756,458
Weighted average number of ordinary shares in issue	168,607,383	162,278,158
Adjustment for ESOS	136,091	1,209,561
Adjustment for assumed conversion of warrants	–	12,689,741
Adjusted weighted average number of ordinary shares in issue and issuable	168,743,474	176,177,460
Diluted earnings per share (sen)	5.74	11.78

35. DIVIDENDS ON ORDINARY SHARES

	Group and Copmany 2015 RM	2014 RM
First and final 3.75 sen single tier dividend in respect of financial year ended 31 December 2014	6,370,317	–
First and final 3.75 sen single tier dividend in respect of financial year ended 31 December 2013	–	6,138,409
	6,370,317	6,138,409

At the forthcoming Annual General Meeting, a single tier first and final dividend of 4.00 sen per ordinary share on 173,363,657 ordinary shares (net of treasury shares and the outstanding issued and paid-up share capital of the Company with voting rights as at 31 December 2015, pending any conversion of warrants, exercise of employee share option scheme and repurchase of shares by the Company subsequent to 31 December 2015) of RM1/- each amounting to RM6,934,546/- in respect of the current financial year ended 31 December 2015 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 2016.

36. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Salaries, bonus, overtime and allowances	15,006,392	14,592,336	198,000	198,000
Defined contribution plan ("EPF")	1,741,530	1,705,452	–	–
Share options expenses	699,815	605,835	699,815	605,835
Other staff related expenses	616,742	514,309	–	–
	18,064,479	17,417,932	897,815	803,835

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive Directors (including alternate director)				
- Salaries and other emoluments (including estimated monetary value of benefits-in-kind)	2,496,270	2,196,461	–	–
	2,496,270	2,196,461	–	–
Non-Executive Directors				
- Fees	198,000	198,000	198,000	198,000
Total Directors' remuneration	2,694,270	2,394,461	198,000	198,000

36. EMPLOYEE BENEFITS EXPENSES (Continued)

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

	Number of Directors	
	2015	2014
Executive Directors (including alternate director)		
Less than RM100,000/-	–	–
RM300,001/- to RM400,000/-	2	2
RM400,001/- to RM500,000/-	1	1
RM1,000,001/- to RM1,100,000/-	–	–
RM1,100,001/- to RM1,200,000/-	1	1
	4	4
Non-Executive Directors		
Less than RM100,000/-	4	4
Total	8	8

37. 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 had termination of those agreements.

	Group	
	2015 RM	2014 RM
Not later than one year	–	36,000
Later than one year and not later than five years	–	72,000
	–	108,000

(b) The Group as lessor

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

37. OPERATING LEASE ARRANGEMENTS (Continued)

(b) The Group as lessor (Continued)

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	
	2015 RM	2014 RM
Not later than one year	11,729,296	11,326,125
Later than one year and not later than five years	35,291,979	36,271,511
More than five years	13,794,834	19,049,198
	60,816,109	66,646,834

A few operating lease arrangement are bearing an option to renew for the next one to three years after the contract period.

38. 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.

(b) Significant related party transactions

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Transactions with:-				
Subsidiary companies				
Dividends received/receivable	–	–	11,000,000	11,000,000
Interest income received/receivable	–	–	3,161,427	3,720,398

38. RELATED PARTY TRANSACTIONS (Continued)

(b) Significant related party transactions (Continued)

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Transaction with:-				
Companies in which Directors of the Company have interest				
Allowance for impairment				
- trade receivables	23,014,979	–	–	–
- other receivables	2,422,824	–	–	–
Rental received/receivable	24,000	24,000	–	–
Rental paid/payable	(25,500)	(96,550)	–	–
Transactions with:-				
directors				
Conversion of warrants	–	–	6,709,192	3,000,000

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 13(a), Note 14 and Note 27 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	
	2015 RM	2014 RM	2015 RM	2014 RM
Directors of the Company and subsidiary companies				
Short-term employment benefits (including estimated benefits in-kind)	2,977,289	2,640,957	–	–
Post employment benefits	145,032	114,456	–	–
	3,122,321	2,755,413	–	–

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

	Group and Company	
	2015 RM	2014 RM
At 1 January	3,000,000	400,000
Granted	–	2,700,000
Exercised	–	(100,000)
Lapsed	(1,000,000)	–
At 31 December	2,000,000	3,000,000

39. 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.

Segment statements of comprehensive income are profit earned or loss incurred by each segment with allocation of central administrative costs, non-operating investment revenue, finance cost, tax expense and other non-cash expenses. There are no significant changes from previous financial year in the measurement methods used to determine reported segment statements of comprehensive income.

There are varying levels of integration among Investment holding segment with Construction segment and Property development segments. This integration includes rental of properties, corporate support and provision of construction, mechanical and electrical engineering service. Inter-segment pricing is determined on a negotiated basis.

All the Group's assets are allocated to reportable segments.

All the Group's liabilities are allocated to reportable segments.

Business segments

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

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

(ii) Concession arrangement – Construction and maintenance of facilities and infrastructure;

(iii) Investment holding – investment in shares, properties and other investment activities; and

(iv) Property development – development of residential and commercial properties.

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.

Geographical segments

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

39. SEGMENT REPORTING (Continued)

	Construction RM	Concession arrangement RM	Investment holding RM	Property development RM	Adjustments and Eliminations RM	Note	Group RM
2015							
Revenue							
External customer	106,050,655	48,221,518	17,530,649	108,209,552	–		280,012,374
Inter-segment revenue	58,884,259	–	14,783,291	–	(73,667,550)	(a)	–
Total revenue	164,934,914	48,221,518	32,313,940	108,209,552	(73,667,550)		280,012,374
Results							
Segment results	(2,592,097)	38,992,387	23,489,381	28,671,125	(3,327,962)	(b)	85,232,834
Allowance for impairment loss on trade and other receivables	(33,833,813)	–	–	–	–		(33,833,813)
Changes in fair value of investment properties	–	–	21,500,000	–	–		21,500,000
Depreciation of property, plant and equipment	(1,439,023)	(7,722)	(150,126)	(227,021)	–		(1,823,892)
Finance costs	(4,544,164)	(34,093,684)	(8,623,032)	(547,346)	1,346,643	(b)	(46,461,583)
Gain on disposal of property, plant and equipment	(720,041)	–	–	(32,642)	–		(752,683)
Share options expenses	–	–	(699,815)	–	–		(699,815)
Interest income	1,127,329	2,736,511	3,882	50,895	–		3,918,617
Tax expense	2,024,339	(2,788,005)	(2,078,456)	(7,260,548)	(4,978,812)	(b)	(15,081,482)
Consolidated profit after taxation							11,998,183
Capital expenditures:–							
Addition to property, plant and equipment	990,778	–	103,820	3,008,618	(20,431)	(b)	4,082,785
Addition to land held for property development	–	–	–	6,747,149	–		6,747,149
Addition to property development costs	–	–	–	105,996,694	19,427,635		125,424,329
Total	990,778	–	103,820	115,752,461	19,407,204	(b)	136,254,263

39. SEGMENT REPORTING (Continued)

	Construction RM	Concession arrangement RM	Investment holding RM	Property development RM	Adjustments and Eliminations RM	Note	Group RM
2015							
Assets							
Segment assets	328,315,618	552,198,805	688,421,420	232,190,828	(513,091,000)	(c)	1,288,035,671
Other investments	54,000	–	–	–	–		54,000
Goodwill	33,550,094	–	32,988	25,055	–		33,608,137
Deferred tax assets	2,916,310	–	–	–	8,982,474	(b)	11,898,784
Tax recoverable	3,868,518	–	959,115	445,217	–		5,272,850
Total assets	368,704,540	552,198,805	689,413,523	232,661,100	(504,108,526)		1,338,869,442
Liabilities							
Segment liabilities	229,105,706	9,409,973	216,907,662	130,394,635	(339,882,243)	(d)	245,935,733
Borrowings	47,911,913	475,076,045	110,840,692	42,076,880	–		675,905,530
Deferred tax liabilities	2,611	5,116,499	5,792,367	90,899	–		11,002,376
Tax payable	32,066	66,128	180,136	–	–		278,330
Total liabilities	277,052,296	489,668,645	333,720,857	172,562,414	(339,882,243)		933,121,969

39. SEGMENT REPORTING (Continued)

	Construction RM	Concession arrangement RM	Investment holding RM	Property development RM	Adjustments and Eliminations RM	Note	Group RM
2014							
Revenue							
External customer	29,198,195	69,094,310	16,153,320	92,982,585	–		207,428,410
Inter-segment revenue	122,175,264	–	14,979,508	–	(137,154,772)	(a)	–
Total revenue	151,373,459	69,094,310	31,132,828	92,982,585	(137,154,772)		207,428,410
Results							
Segment results	3,566,835	20,246,817	22,163,416	31,584,259	(40,030,470)	(b)	37,530,857
Allowance for impairment loss on trade receivables	–	–	(160,075)	–	–		(160,075)
Changes in fair value of investment properties	100,000	–	19,000,000	(222,062)	9,499,530	(b)	28,377,468
Depreciation of property, plant and equipment	(2,160,208)	(157,920)	(136,355)	(55,716)	–		(2,510,199)
Finance costs	(5,094,065)	(23,010,965)	(10,196,934)	–	5 ,214,394	(b)	(33,087,570)
Gain on disposal of property, plant and equipment	259,621	3,118	–	–	–		262,739
Share options expenses	–	–	(605,835)	–	–		(605,835)
Interest income	3,362,455	90,606	5,503	30,563	(3,250,750)	(b)	238,377
Tax expense	(818,982)	1,255,694	(6,189,640)	(7,877,661)	3,563,300	(b)	(10,067,289)
Consolidated profit after taxation							19,978,473
Capital expenditures:-							
Addition to property, plant and equipment	545,344	–	49,740	959,234	–		1,554,318
Addition to investment properties	–	–	–	31,222,062	(9,499,530)	(b)	21,722,532
Addition to property development costs	–	–	–	56,000,753	–		56,000,753
	545,344	–	49,740	88,182,049	(9,499,530)		79,277,603

39. SEGMENT REPORTING (Continued)

	Construction RM	Concession arrangement RM	Investment holding RM	Property development RM	Adjustments and Eliminations RM	Note	Group RM
2014							
Assets							
Segment assets	365,329,042	536,162,730	655,385,062	191,904,343	(527,121,924)	(c)	1,221,659,253
Other investments	54,000	–	–	–	–		54,000
Goodwill	33,550,094	–	32,988	21,282	–		33,604,364
Deferred tax assets	154,497	–	–	–	13,466,286	(b)	13,620,783
Tax recoverable	2,894,050	1,826	1,109,401	–	–		4,005,277
Total assets	401,981,683	536,164,556	656,527,451	191,925,625	(513,655,638)		1,272,943,677
Liabilities							
Segment liabilities	223,300,534	4,255,049	213,582,411	114,517,974	(346,490,713)	(d)	209,165,255
Borrowings	45,803,122	471,206,212	122,268,984	25,142,551	–		664,420,869
Deferred tax liabilities	1,461	2,517,622	4,684,761	25,533	–		7,229,377
Tax payable	–	–	125,124	2,247,735	–		2,372,859
Total liabilities	269,105,117	477,978,883	340,661,280	141,933,793	(346,490,713)		883,188,360

39. SEGMENT REPORTING (Continued)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

(a) Inter-segment revenue are eliminated on consolidation;

(b) Inter-segment transactions are eliminated on consolidation;

(c) Inter-segment assets are eliminated on consolidation; and

(d) Inter-segment liabilities are eliminated on consolidation.

Information about major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue 2015 RM	Revenue 2014 RM	Segment
Customer A	26,534,471	11,046,150	Construction
Customer B	38,577,915	2,424,467	Construction
Customer C	25,774,994	–	Construction
Customer D	48,221,518	69,094,310	Concession arrangement

40. 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 operating financial asset, 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 and the Company manage its debt maturity portfolio, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group 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.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit Risk (Continued)

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

Information regarding operating financial assets and trade receivables that are neither past due nor impaired are disclosed in Note 11 and Note 13 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 13 to the financial statements.

Credit risk concentration profile

The Group determines the credit risk concentration of its operating financial assets and trade receivables by segment on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2015		2014	
	RM	%	RM	%
Construction	170,996,178	33%	172,238,110	33%
Concession arrangement	326,523,289	63%	333,193,585	63%
Others	18,291,674	4%	19,308,739	4%
	515,811,141	100%	524,740,434	100%

(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 14 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 to subsidiary companies.

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM218,029,332/- (2014: RM207,556,122/-) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 40(b). As at the reporting date, there was no indication that the subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(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.

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
2015					
Financial liabilities					
Trade and other payables*	244,839,429	244,873,904	232,892,540	11,981,364	–
Hire purchase payables	718,563	755,191	369,993	385,198	–
Other bank borrowings	108,271,853	108,271,853	108,271,853	–	–
Term loans	91,839,068	105,741,397	24,222,253	81,519,144	–
Sukuk Murabahah	475,076,046	510,000,000	30,000,000	105,000,000	375,000,000
	920,744,959	969,642,345	395,756,639	198,885,706	375,000,000
2014					
Financial liabilities					
Trade and other payables*	190,045,373	190,138,883	179,946,818	10,192,065	–
Hire purchase payables	457,857	482,344	283,414	198,930	–
Other bank borrowings	94,462,140	94,462,140	94,462,140	–	–
Term loans	98,294,660	117,952,046	33,403,087	77,592,497	6,956,462
Sukuk Murabahah	471,206,212	496,815,199	–	106,831,199	389,984,000
	854,466,242	899,850,612	308,095,459	194,814,691	396,940,462

** Exclude progress billings in respect of property development*

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity Risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

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
2015					
Financial liabilities					
Other payables and accruals	480,209	480,209	480,209	–	–
Term loan	34,386,993	39,841,718	11,229,108	28,612,610	–
Bank overdraft	555,096	555,096	555,096	–	–
Amount due to a subsidiary company	27,810,723	27,810,723	27,810,723	–	–
Financial guarantee contracts	–	218,029,332	218,029,332	–	–
	63,233,021	286,717,078	258,104,468	28,612,610	–
2014					
Financial liabilities					
Other payables and accruals	227,861	227,861	227,861	–	–
Term loan	43,161,203	51,798,278	11,956,560	39,841,718	–
Bank overdraft	1,264,255	1,264,255	1,264,255	–	–
Amount due to a subsidiary company	26,581,194	26,581,194	26,581,194	–	–
Financial guarantee contracts	–	207,556,122	207,556,122	–	–
	71,234,513	287,427,710	247,585,992	39,841,718	–

(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.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Interest Rate Risk (Continued)

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 2015, 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 2015 would decrease/increase by RM703,466/- and RM14,278/- respectively as a result of exposure to floating rate borrowings.

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

Group 2015	Effective interest rate %	Within one year RM	One to five years RM	Over five years RM	Total RM
Financial assets					
Fixed deposits placed with licensed bank and short term investment in financial institution	1.73 - 4.16	155,100,464	–	–	155,100,464
Financial liabilities					
Hire purchase payables	2.38 - 2.60	344,436	374,127	–	718,563
Term loans	5.95 - 8.35	18,758,334	72,449,750	630,984	91,839,068
Sukuk Murabahah	4.66 - 6.47	29,649,335	125,428,045	319,998,666	475,076,046
Other bank borrowings	4.05 - 8.60	108,271,853	–	–	108,271,853
2014					
Financial assets					
Fixed deposits placed with licensed banks and short term investment in financial institution	1.75 – 3.76	95,380,783	–	–	95,380,783
Financial liabilities					
Hire purchase payables	2.38 – 3.60	266,644	191,213	–	457,857
Term loans	5.95 – 8.35	26,930,502	64,423,696	6,940,462	98,294,660
Sukuk Murabahah	4.66 – 6.47	–	130,739,494	340,466,718	471,206,212
Other bank borrowings	3.88 – 8.60	94,462,140	–	–	94,462,140

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Interest Rate Risk (Continued)

Company 2015	Effective interest rate %	Within one year RM	One to five years RM	Over five years RM	Total RM
Financial asset					
Fixed deposits placed with licensed banks and short term investment in financial institution	1.73 - 4.16	32,086,577	–	–	32,086,577
Financial liabilities					
Term loan	8.35	8,960,993	25,426,000	–	34,386,993
Bank overdraft	8.35	555,096	–	–	555,096
2014					
Financial assets					
Fixed deposits placed with licensed banks and short term investment in financial institution	1.75 - 3.51	32,812,189	–	–	32,812,189
Financial liabilities					
Term loan	8.35	9,023,203	34,138,000	–	43,161,203
Bank overdraft	8.35	1,264,255	–	–	1,264,255

41. 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 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.

41. FINANCIAL INSTRUMENTS (Continued)

(a) Classification of Financial Instruments (Continued)

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 2015	Loans and receivables RM	Fair value through profit or loss RM	Available for sales RM	Financial liabilities at amortised cost RM	Total RM
Financial assets					
Operating financial asset	325,563,254	–	–	–	325,563,254
Trade and other receivables*	248,936,548	–	–	–	248,936,548
Golf club membership	–	–	54,000	–	54,000
Amount due from contract customers	66,633,446	–	–	–	66,633,446
Fixed deposits placed with licensed banks and short term investment with financial institution	95,682,646	59,417,818	–	–	155,100,464
Cash and bank balances	10,990,032	–	–	–	10,990,032
Total carrying amount	747,805,926	59,417,818	54,000	–	807,277,744
Financial liabilities					
Trade and other payables**	–	–	–	244,839,429	244,839,429
Hire purchase payables	–	–	–	718,563	7 18,563
Other bank borrowings	–	–	–	108,271,853	108,271,853
Term loans	–	–	–	91,839,068	91,839,068
Sukuk Murabahah	–	–	–	475,076,046	475,076,046
Total carrying amount	–	–	–	920,744,959	920,744,959

* *exclude prepayment*
** *exclude progress billings in respect of property development*

41. FINANCIAL INSTRUMENTS (Continued)

(a) Classification of Financial Instruments (Continued)

Group 2014	Loans and receivables RM	Fair value through profit or loss RM	Available for sales RM	Financial liabilities at amortised cost RM	Total RM
Financial assets					
Operating financial asset	330,383,827	–	–	–	330,383,827
Trade and other receivables*	248,486,973	–	–	–	248,486,973
Golf club membership	–	–	54,000	–	54,000
Amount due from contract customers	72,352,677	–	–	–	72,352,677
Fixed deposits placed with licensed banks and short term investment with financial institution	25,207,587	70,173,196	–	–	95,380,783
Cash and bank balances	62,992,891	–	–	–	62,992,891
Total carrying amount	739,423,955	70,173,196	54,000	–	809,651,151
Financial liabilities					
Trade and other payables**	–	–	–	190,045,373	190,045,373
Hire purchase payables	–	–	–	457,857	457,857
Other bank borrowings	–	–	–	94,462,140	94,462,140
Term loans	–	–	–	98,294,660	98,294,660
Sukuk Murabahah	–	–	–	471,206,212	471,206,212
Total carrying amount	–	–	–	854,466,242	854,466,242

* *exclude prepayment*
** *exclude progress billings in respect of property development*

41. FINANCIAL INSTRUMENTS (Continued)

(a) Classification of Financial Instruments (Continued)

Company 2015	Loans and receivables RM	Fair value through profit or loss RM	Financial liabilities at amortised cost RM	Total RM
Financial assets				
Amount due from subsidiary companies	138,708,682	–	–	138,708,682
Fixed deposits placed with licensed banks and short term investment with financial institution	2,925,380	29,161,197	–	32,086,577
Cash and bank balances	124,962	–	–	124,962
Total carrying amount	141,759,024	29,161,197	–	170,920,221
Financial liabilities				
Amount due to subsidiary companies	–	–	27,810,723	27,810,723
Other payables and accruals	–	–	480,209	480,209
Term loan	–	–	34,386,993	34,386,993
Bank overdraft	–	–	555,096	555,096
Total carrying amount	–	–	63,233,021	63,233,021
2014				
Financial assets				
Amount due from subsidiary companies	135,051,446	–	–	135,051,446
Fixed deposits placed with licensed banks and short term investment with financial institution	2,766,000	30,046,189	–	32,812,189
Cash and bank balances	102,923	–	–	102,923
Total carrying amount	137,920,369	30,046,189	–	167,966,558
Financial liabilities				
Amount due to a subsidiary company	–	–	26,581,194	26,581,194
Other payables and accruals	–	–	227,861	227,861
Term loan	–	–	43,161,203	43,161,203
Bank overdraft	–	–	1,264,255	1,264,255
Total carrying amount	–	–	71,234,513	71,234,513

41. FINANCIAL INSTRUMENTS (Continued)

(b) Fair Values Measurement

Determination of Fair Value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of current financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date. Other long term financial liabilities are reasonable approximation of fair value because they are floating rate instruments which are re-priced to market interest rates.

It is not practical to determine the fair value of non-current borrowings at fixed rate because of lack of market information of comparable instruments with similar characteristic and risk profile.

Fair Values Hierarchy

Policy on transfer between levels

The fair value of asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

During the financial year ended 31 December 2015 and 2014, there was no transfer between the fair value measurement 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)

Transfer between Level 1 and Level 2

There has been no transfer between Level 1 and 2 fair values during the financial year (2014: no transfer in either directions).

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

41. FINANCIAL INSTRUMENTS (Continued)

(b) Fair Values Measurement (Continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
Group										
2015										
Financial assets										
Operating financial asset	–	–	–	–	–	–	325,563,254	325,563,254	325,563,254	325,563,254
Golf club membership	–	–	–	–	–	–	–	–	#	54,000
	–	–	–	–	–	–	325,563,254	325,617,254	325,617,254	325,617,254
Financial liability										
Sukuk Murabahah	–	–	510,000,000	510,000,000	–	–	–	–	510,000,000	510,000,000
2014										
Financial assets										
Operating financial asset	–	–	–	–	–	–	330,383,827	330,383,827	330,383,827	330,383,827
Golf club membership	–	–	–	–	–	–	–	–	#	54,000
	–	–	–	–	–	–	330,383,827	330,437,827	330,437,827	330,437,827
Financial liability										
Sukuk Murabahah	–	–	510,000,000	510,000,000	–	–	–	–	510,000,000	471,206,212
	–	–	510,000,000	510,000,000	–	–	–	–	510,000,000	471,206,212

The fair value cannot be reliably measured using valuation techniques.

41. FINANCIAL INSTRUMENTS (Continued)

(b) Fair Values Measurement (Continued)

Financial instruments not carried at fair value

Type	Valuation technique	Significant unobservable data	Inter-relationship between significant unobservable inputs and fair value measurement
Operating financial asset	Discounted cash flows	Not applicable	Not applicable
Sukuk Murabahah	Discounted cash flows	Not applicable	Not applicable

Valuation processes applied by the Group for Level 3 fair value

The Group has an established control framework in respect to the measurement of fair values of financial instruments. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurement, including Level 3 fair values, and reports directly to the Executive of Finance. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

42. CAPITAL MANAGEMENT

The Group and the Company manage their capital structure and make 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. No changes were made in the objectives, policies or procedures during the financial year ended 31 December 2015 and 2014.

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 borrowings and term loans less cash and bank balances whilst total capital is the shareholders' funds of the Group and of the Company.

42. CAPITAL MANAGEMENT (Continued)

The gearing ratio for the Group and for the Company as at 31 December 2015 and 2014 are as follows:-

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Borrowings				
Hire purchase payables	718,563	457,857	–	–
Bank overdrafts	21,893,057	16,676,093	555,096	1,264,255
Term loans	91,839,068	98,294,660	34,386,993	43,161,203
Sukuk Murabahah	475,076,046	471,206,212	–	–
Other bank borrowings	86,378,796	77,786,047	–	–
	675,905,530	664,420,869	34,942,089	44,425,458
Less:				
Cash and bank balances	(10,990,032)	(62,992,891)	(124,962)	(102,923)
Net debt	664,915,498	601,427,978	34,817,127	44,322,535
Equity	405,747,473	389,755,317	205,789,085	193,461,716
Total equity plus net debt	1,070,662,971	991,183,295	240,606,212	237,784,251
Debt-to-equity ratio	0.62	0.61	0.14	0.19

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.

The Group and certain subsidiary companies are required to comply with certain debt equity ratio and interest coverage ratio in respect of the term loans and revolving credit facilities.

Gearing ratios are not governed by Financial Reporting Standards and their definitions and calculations may vary between reporting entities.

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	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Total retained earnings:				
- realised	201,528,817	220,192,944	26,773,803	24,611,249
- unrealised	112,229,648	92,276,823	–	–
	313,758,465	312,469,767	26,773,803	24,611,249
Less:				
Consolidation adjustments	93,917,087	96,143,570	–	–
Total retained earnings	219,841,378	216,326,197	26,773,803	24,611,249

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 SHANG MING**, being two of the directors of **CREST BUILDER HOLDINGS BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 43 to 134 are drawn up in accordance with the Financial Reporting Standards and the requirements of 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 2015 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 135 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 SHANG MING
Director

Kuala Lumpur

Date: 19 April 2016

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 43 to 134 and the supplementary information set out on page 135 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, 1960.

GOH SIN HUAT
Officer

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 19 April 2016.

Before me,

Commissioner for Oaths

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 2015 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 43 to134.

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 2015 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 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.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in page 135 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

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

Tan Ban Tatt
No. 3099/03/18 (J)
Chartered Accountant

Kuala Lumpur

Date: 19 April 2016

LIST OF TOP TEN
PROPERTIES BY VALUE

Location	Tenure	Approx. Area / Built-up	Description	Year of Expiry	Fair Value / Net Book Value @ 31.12.15 (RM)	Approx. age of building (years)	Date of Valuation / Acquisition
Tierra Crest Jalan SS6/3, 47301 Petaling Jaya, Selangor Darul Ehsan	Freehold	280,549 sq ft	A Commercial Complex - 2 Blocks of Office Building & parking bays	–	158,000,000	3	2015
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, shops & parking bays	2106	127,000,000	9	2015
Avenue Crest, No. 2A Jalan Jubli Perak, 22/1 Seksyen 22 46300 Shah Alam	Freehold	29,210 sq ft	Retail Lots & Car Parks	–	31,000,000	2	2015
No. Hakmilik 0244869, Lot No. 0034701, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan	Freehold	7.14 acres	Residential Land	–	7,547,626	–	2005
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	–	3,412,742	19	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	–	3,800,000	15	2015
Setia Sky Residences. KL Unit No. A-23-1 & A-35-1 Alia Tower, Lot 54, Seksyen 42, Title No. Geran. 71996	Freehold	174 sq metres	2 units of service apartments	–	1,804,800	3	2010
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	1,000,000	30	2015
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	15	2007

ANALYSIS OF SHAREHOLDINGS

Authorised Share Capital	:	RM500,000,000.00 divided into 500,000,000 ordinary shares of RM1.00 each
Issued and Paid-up Share Capital	:	RM176,921,657.00
Adjusted Issued Share Capital	:	RM171,258,457 (excluding 5,663,200 Treasury Shares)
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting rights	:	One vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 8 APRIL 2016

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	2,193	33 .44	107,156	0.06
100 to 1,000	2,072	31.59	770,368	0.45
1,001 to 10,000	1,539	23.47	7,794,280	4.55
10,001 to 100,000	641	9.77	20,723,603	12.10
100,001 to less than 5% of issued shares	112	1.71	76,483,050	44.66
5% and above of issued shares	1	0.02	65,380,000	38.18
Total	6,558	100.00	171,258,457	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 8 APRIL 2016

(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	%
SC Yong Holdings Sdn Bhd	65,380,000	38.18%	–	–

THIRTY LARGEST SHAREHOLDERS AS AT 8 APRIL 2016

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

No.	Name of Shareholders	No. of Shares	%
1	SC Yong Holdings Sdn Bhd	65,380,000	38.18
2	Koperasi Permodalan Felda Malaysia Berhad	5,100,000	2.98
3	Pertiwi Positif Sdn Bhd	4,807,939	2.81
4	Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Len Min Sin	3,500,000	2.04
5	Amanahraya Trustees Berhad Public Smallcap Fund	3,064,200	1.79
6	Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Siow Wong Yen @ Siow Kwang Hwa	2,932,100	1.71
7	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Non Par 1)	2,857,900	1.67
8	Maybank Nominees (Asing) Sdn Bhd Pledged Securities Account For San Tuan Sam	2,314,100	1.35
9	Lim Khuan Eng	2,150,000	1.26

THIRTY LARGEST SHAREHOLDERS AS AT 8 APRIL 2016 (Continued)
(without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Shareholders	No. of Shares	%
10	Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Lim Han Weng (PB)	2,124,900	1.24
11	Tekad Maju Sdn Bhd	2,120,000	1.24
12	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pertiwi Positif Sdn Bhd	2,000,000	1.17
13	Amanahraya Trustees Berhad Public Strategic Smallcap fund	1,841,800	1.08
14	Amanahraya Trustees Berhad Public Ittikal Sequel Fund	1,802,900	1.05
15	Koperasi Permodalan Felda Malaysia Berhad	1,720,000	1.00
16	Hong Leong Assurance Berhad As Beneficial Owner (Unitlinked BCF)	1,700,000	0.99
17	Hong Leong Assurance Berhad As Beneficial Owner (Life Par)	1,600,000	0.93
18	Warisan Harta Sabah Sdn Bhd	1,555,700	0.91
19	Hong Leong Assurance Berhad As Beneficial Owner (S'holders Npar)	1,500,000	0.88
20	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Khoo Ter Kern @ Stanley Khoo	1,450,000	0.85
21	Beh Eng Par	1,400,000	0.82
22	Malacca Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Aik Wei	1,200,000	0.70
23	Koperasi Permodalan Felda Malaysia Berhad	1,164,000	0.68
24	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chow Soong Ming	1,150,690	0.67
25	Lembaga Tabung Angkatan Tentera	1,065,700	0.62
26	Cimsec Nominees (Tempatan) Sdn Bhd CIMB For General Technology Sdn Bhd	1,039,600	0.61
27	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LEEF)	1,019,000	0.60
28	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Han Weng	887,100	0.52
29	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LPF)	855,200	0.50
30	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa	841,000	0.49
		122,143,829	71.32

STATEMENT OF DIRECTORS' INTERESTS IN SHARES AND WARRANTS IN THE COMPANY
AS AT 8 APRIL 2016

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	3.85%
Koh Hua Lan	–	–	–	–
Yong Shang Ming	–	–	–	–
Keong Choon Keat	118,000	0.07%	–	–
Mohd Khasan bin Ahmad	–	–	–	–
Kam Yong Kan	–	–	–	–
Yong Tiok Keng	–	–	–	–

CREST BUILDER HOLDINGS BERHAD
(573382-P)

PROXY FORM

No. of Ordinary Shares Held	

I/We ....

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

of ....

being a member/members of the abovenamed Company hereby appoint

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

of..

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

And/or failing him/her

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

of..

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

as *my/our proxy to vote for *me/us and on *my/our behalf at the 14th Annual General Meeting of the Company, to be held at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Monday, 30 May 2016 at 10:00 a.m. or at any adjournment thereof.

Ordinary business		For	Against
1.	To lay the reports of the directors, auditors and the financial statements for the year ended 31 December 2015.		
2.	To declare a final single tier dividend of 4.00 sen for the financial year ended 31 December 2015.		
3.	To re-elect the Independent Non-Executive Director, Mohd Khasan Bin Ahmad.		
4.	To re-elect the Independent Non-Executive Director, Kam Yong Kan.		
5.	To appoint Messrs Baker Tilly Monteiro Heng, Chartered Accountants, as auditors for the ensuing financial year ending 31 December 2016 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 2015 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 mandate for share buy-back		
9.	To appoint Mr. Keong Choon Keat who attained the age of over seventy		
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 20 May 2016 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
60 SEN
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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Crest Builder Holdings Berhad (573382-P)
Penthouse, The Crest, 3 Two Square, No. 2, Jalan 19/1
46300 Petaling Jaya, Selangor Darul Ehsan, Malaysia
T: 03-7841 6000 **F:** 03-7841 6088 **E:** corporate@crestbuilder.com.my

www.crestbuilder.com.my