Company No. 573382-P

CREST BUILDER HOLDINGS BERHAD
(Incorporated in Malaysia)

ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2010

CONTENTS

Company No. 573382-P

CREST BUILDER HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding company.

The principal activities of the Subsidiary Companies are disclosed in Note 7 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
Profit for the year	13,913,915	5,111,115
Attributable to:		
Owners of the parent	13,938,701	5,111,115
Non-controlling interest	(24,786)	-
	13,913,915	5,111,115

DIVIDENDS

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

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

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RESERVES AND PROVISIONS

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

ISSUE OF SHARES

During the financial year, no shares or debentures were issued.

WARRANTS 2003 / 2013

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

No warrants were converted during the financial year.

As at 31 December 2010, the total number of warrants which remain unconverted amounted to 23,999,050 units.

Details of the warrants are disclosed in Note 22 to the financial statements.

EMPLOYEE SHARE OPTION SCHEME

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

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

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The salient features of the ESOS are as follows :-

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

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

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

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

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

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

(ii) the par value of the ordinary shares.

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

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

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

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

		....Number of share options				
Date of offer	Option price	1 / 1 / 2010	Granted	Exercised	Lapsed	31 / 12 / 2010
19 / 4 / 2007	RM1-00	4,530,000	-	-	355,000	4,175,000
19 / 4 / 2008	RM1-00	835,000	-	-	120,000	715,000
19 / 4 / 2009	RM1-00	1,260,000	-	-	70,000	1,190,000

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

Other than the Directors whose interests are disclosed separately in the Directors' interests, the names of option holders granted options to subscribe for 40,000 or more ordinary shares of RM1-00 each are as disclosed in Note 49 to the financial statements.

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DIRECTORS

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

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

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

DIRECTORS' INTERESTS

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

	……….Number of ordinary shares of RM1-00 each……….			
	At 1 / 1 / 2010	Bought	Sold	At 31 / 12 / 2010
COMPANY				
<u>DIRECT INTEREST</u>				
YONG SOON CHOW	43,198,000	-	-	43,198,000
KOH HUA LAN	3,945,500	-	-	3,945,500
LEE SOOI TENG	282,000	-	-	282,000
YONG SHANG MING	370,000	100,000	-	470,000
KEONG CHOON KEAT	20,000	-	-	20,000
KAM YONG KAN	30,000	-	-	30,000

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		............Number of ordinary shares of RM1-00 each..........			
		At 1 / 1 / 2010	Bought	Sold	At 31 / 12 / 2010
COMPANY					
INDIRECT INTEREST					
TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH	[a]	6,807,939	-	-	6,807,939
YONG SOON CHOW	[b]	11,980,808	100,000	-	12,080,808
LEE SOOI TENG	[c]	12,000	-	-	12,000
KEONG CHOON KEAT	[c]	30,000	-	-	30,000

	..Number of options over ordinary shares of RM1-00 each..			
	At 1 / 1 / 2010	Granted	Exercised	At 31 / 12 / 2010
COMPANY'S ESOS				
TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH	200,000	-	-	200,000
YONG SOON CHOW	1,000,000	-	-	1,000,000
KOH HUA LAN	500,000	-	-	500,000
LEE SOOI TENG	500,000	-	-	500,000
YONG SHANG MING	500,000	-	-	500,000
KEONG CHOON KEAT	100,000	-	-	100,000
MOHD KHASAN BIN AHMAD	100,000	-	-	100,000
KAM YONG KAN	100,000	-	-	100,000
YONG TIOK KENG	75,000	-	-	75,000

		.........................Number of warrants.........................			
		At 1 / 1 / 2010	Bought	Sold	At 31 / 12 / 2010
COMPANY					
DIRECT INTEREST					
YONG SOON CHOW		7,999,916	-	-	7,999,916
KOH HUA LAN		1,400,000	-	-	1,400,000
INDIRECT INTEREST					
TENGKU DATO' SULAIMAN SHAH BIN TENGKU ABDUL JALIL SHAH	[a]	3,000,000	-	-	3,000,000
YONG SOON CHOW	[c]	1,400,000	-	-	1,400,000

[a] Held by a company in which the Director has interest
[b] Held by spouse and dependent
[c] Held by spouse

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

Other than as disclosed above, the other Directors in office at the end of the financial year had no interest in the shares, options over ordinary shares and warrants of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 43 to the financial statements.

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

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

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

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

ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year other than as disclosed in Note 42 to the financial statements.

(f) In the opinion of the Directors :-

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

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

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

SIGNIFICANT EVENTS

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

SIGNIFICANT SUBSEQUENT EVENT

Significant event subsequent to the reporting date is disclosed in Note 45 to the financial statements.

AUDITORS

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

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

………………………………………………	………………………………………………
MANAGING DIRECTOR	EXECUTIVE DIRECTOR
YONG SOON CHOW	LEE SOOI TENG

Petaling Jaya

Dated : 18 April 2011

Company No. 573382-P

CREST BUILDER HOLDINGS BERHAD
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STATEMENT BY DIRECTORS

We, YONG SOON CHOW and LEE SOOI TENG, being two of the Directors of CREST BUILDER HOLDINGS BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 14 to 98 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the year then ended.

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

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

…………………………………………………	…………………………….………………..
MANAGING DIRECTOR	EXECUTIVE DIRECTOR
YONG SOON CHOW	LEE SOOI TENG

Petaling Jaya

Dated : 18 April 2011

STATUTORY DECLARATION

I, GOH SIN HUAT, being the officer primarily responsible for the financial management of CREST BUILDER HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 14 to 98 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
GOH SIN HUAT)
at Petaling Jaya)
on 18 April 2011)

………………………………………………
GOH SIN HUAT

Before me

....…………..
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CREST BUILDER HOLDINGS BERHAD
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of CREST BUILDER HOLDINGS BERHAD, which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 14 to 98.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

b) We are satisfied that the accounts of the Subsidiary Companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

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

OTHER REPORTING RESPONSIBILITIES

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

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OTHER MATTERS

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

……………………………………..	……………………………………..
GEP ASSOCIATES	ESTHER TAN CHOON HWA
No : AF 1030	No : 1023 / 03 / 12 (J)
Chartered Accountants	Chartered Accountant

Petaling Jaya

Dated : 22 April 2011

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CREST BUILDER HOLDINGS BERHAD
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

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

CREST BUILDER HOLDINGS BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

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

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

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CREST BUILDER HOLDINGS BERHAD
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

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

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

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CREST BUILDER HOLDINGS BERHAD
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

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

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CREST BUILDER HOLDINGS BERHAD
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

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

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

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CREST BUILDER HOLDINGS BERHAD
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

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

Company No. 573382-P

CREST BUILDER HOLDINGS BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

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

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

Company No. 573382-P

CREST BUILDER HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

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

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

Company No. 573382-P

CREST BUILDER HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

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

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

Company No. 573382-P

CREST BUILDER HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

			Non-distributable		Distributable	
	Note	Share capital RM	Capital reserve RM	Share option reserve RM	Retained earnings RM	Total equity RM
At 1 January 2009		124,089,450	4,073,619	250,643	12,689,591	141,103,303
Total comprehensive income for the year		-	-	-	3,856,909	3,856,909
		124,089,450	4,073,619	250,643	16,546,500	144,960,212
Dividends	38	-	-	-	(2,792,013)	(2,792,013)
Share options granted under ESOS	20	-	-	44,882	-	44,882
At 31 December 2009		124,089,450	4,073,619	295,525	13,754,487	142,213,081

CREST BUILDER HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

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

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

Company No. 573382-P

CREST BUILDER HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

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

Company No. 573382-P

CREST BUILDER HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

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

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

CREST BUILDER HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

1. CORPORATE INFORMATION

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

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

The principal activity of the Company is investment holding.

The principal activities of the Subsidiary Companies are disclosed in Note 7 to the financial statements.

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

2. BASIS OF PREPARATION

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Changes in accounting policies (Cont'd)

i) Financial periods beginning on or after 1 July 2009

FRS 8	Operating Segments

ii) Financial periods beginning on or after 1 January 2010

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

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

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

Amendments to FRS 132 Financial Instruments : Presentation

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Changes in accounting policies (Cont'd)

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

a) FRS 7 : Financial Instruments : Disclosures

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

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

b) FRS 8 : Operating Segment

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Changes in accounting policies (Cont'd)

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

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

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

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

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

e) FRS 123 : Borrowing Costs

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

f) FRS 139 : Financial Instruments : Recognition and Measurement

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Changes in accounting policies (Cont'd)

f) FRS 139 : Financial Instruments : Recognition and Measurement (Cont'd)

(i) Impairment of receivables

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

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

(ii) Investment securities

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

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

i) Financial periods beginning on or after 1 March 2010

Amendments to FRS 132 Financial Instruments : Presentation

ii) Financial periods beginning on or after 1 July 2010

FRS 1	First-time Adoption of Financial Reporting Standards (Revised 2010)
FRS 3	Business Combinations (Revised 2010)
FRS 127	Consolidated and Separate Financial Statements (Revised 2010)
IC Int. 12	Service Concession Arrangements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Changes in accounting policies (Cont'd)

ii) Financial periods beginning on or after 1 July 2010 (Cont'd)

IC Int. 16 Hedges of a Net Investment in a Foreign Operation

IC Int. 17 Distributions of Non-cash Assets to Owners

Amendments to FRS 2 Share-based Payment

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

Amendments to FRS 138 Intangible Assets

Amendments to IC Int. 9 Reassessment of Embedded Derivatives

iii) Financial periods beginning on or after 1 January 2011

IC Int. 4 Determining whether an Arrangement contains a Lease

IC Int. 18 Transfers of Assets from Customers

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

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

Amendments to FRS 7 Improving Disclosures about Financial Instruments

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

iv) Financial periods beginning on or after 1 July 2011

IC Int. 19 Extinguishing Financial Liabilities with Equity Instruments

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

v) Financial periods beginning on or after 1 January 2012

FRS 124 Related Party Disclosures

IC Int. 15 Agreements for the Construction of Real Estate

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Changes in accounting policies (Cont'd)

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting estimates and judgements

Key sources of estimation uncertainty

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

a) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 December 2010 was RM33,604,364 (2009 : RM33,604,364). Further details are as disclosed in Note 9 to the financial statements.

b) Construction contracts and property development

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

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

c) Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the employee share options at the date at which they are granted. Judgement is required in determining the most appropriate valuation model for the share options granted, depending on the terms and conditions of the grant. Management is also required to use judgement in determining the most appropriate inputs to the valuation model including volatility and dividend yield. The assumptions and model used are disclosed in Note 18 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

d) Income taxes

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

3.3 Basis of consolidation

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Basis of consolidation (Cont'd)

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

3.4 Property, plant and equipment

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

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

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

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

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

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

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (Cont'd)

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

3.5 Leases

i) Classification

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

ii) Finance leases - the Group as Lessee

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (Cont'd)

ii) Finance leases - the Group as Lessee (Cont'd)

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as disclosed in Note 3.4 to the financial statements.

iii) Operating leases - the Group as Lessee

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

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

iv) Operating leases - the Group as Lessor

Assets leased out under operating leases are presented on the statement of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (Note 3.19(iii)). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.6 Investment properties

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Investment properties (Cont'd)

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

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

3.7 Subsidiary Companies

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

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

3.8 Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Subsequent to the initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that assets may be impaired. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

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

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

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

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

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss of an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised for the asset in prior years. The reversal is recognised in the statement of comprehensive income, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is treated as a revaluation increase.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Land held for property development

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

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

3.11 Property development costs

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Inventories

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

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.13 Financial assets

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

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

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

i) Loans and receivables

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Financial assets (Cont'd)

ii) Held-to-maturity investments

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Impairment of financial assets

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

Receivables and other financial assets carried at amortised cost.

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Construction contracts

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

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

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

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

3.16 Financial liabilities

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Financial liabilities (Cont'd)

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

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

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

3.17 Provisions for liabilities

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

3.18 Share capital

i) Classification

Ordinary shares are classified as equity.

ii) Share issue costs

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

iii) Dividends

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably.

i) Construction contracts

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

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

ii) Property development

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

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

iii) Rental income

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

iv) Interest income

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

v) Dividend income

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Revenue recognition (Cont'd)

vi) Car park income

Car park income is recognised when services are rendered.

3.20 Employee benefits

i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii) Defined contribution plan

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

iii) Share-based compensation

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Employee benefits (Cont'd)

iii) Share-based compensation (Cont'd)

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

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

3.21 Borrowing costs

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

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

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

3.22 Income tax

Income tax on the statement of comprehensive income for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.22 Income tax (Cont'd)

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

Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the statement of comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

3.23 Cash and cash equivalents

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.24 Segment reporting

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

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

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

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4. PROPERTY, PLANT AND EQUIPMENT

GROUP

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

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

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

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

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

COMPANY

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

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

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

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

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

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

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

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

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

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

5. PREPAID LAND LEASE PAYMENTS

GROUP

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

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

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

6. INVESTMENT PROPERTIES

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

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

Leasehold land of the Group has an unexpired lease period of more than 50 years.

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

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6. INVESTMENT PROPERTIES (CONT'D)

Investment properties with an aggregate carrying value of RM500,000 (2009 : RM500,000) have been pledged as securities for borrowings as disclosed in Note 23 to the financial statements.

7. INVESTMENTS IN SUBSIDIARY COMPANIES

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

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

Name of Company	Effective equity interest 2010 %	2009 %	Principal activities
3 Two Square Sdn Bhd	100	100	Property investment and property development
CB Land Sdn Bhd	100	100	Property investment and property development
CBTech (M) Sdn Bhd	100	100	Mechanical and electrical engineering services
Crest Builder International Sdn Bhd	100	100	Investment holding
Crest Builder Sdn Bhd	100	100	Construction
Crestland Development Sdn Bhd	100	100	Property investment
Crestland Project Management Sdn Bhd	100	100	Project management
Nepfield Sdn Bhd	100	100	Property investment
Vertical Success Sdn Bhd	100	100	Property investment and property development
Damansara One Sdn Bhd	100	-	Property investment and property development
Unitapah Sdn Bhd	51	-	Concession holder

8. OTHER INVESTMENTS

	GROUP 2010 RM	GROUP 2009 RM	COMPANY 2010 RM	COMPANY 2009 RM
At cost				
Unquoted bonds, in Malaysia	8,500,000	8,500,000	8,500,000	8,500,000
Transferable club memberships	90,000	90,000	-	-
	8,590,000	8,590,000	8,500,000	8,500,000
Less : Accumulated impairment losses	(4,536,000)	(4,536,000)	(4,500,000)	(4,500,000)
	4,054,000	4,054,000	4,000,000	4,000,000

9. GOODWILL ON CONSOLIDATION

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

9.1 Impairment tests for goodwill

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

	Construction RM	Investment holding RM	Property development RM	Total RM
At 31 December 2010	33,550,094	32,988	21,282	33,604,364
At 31 December 2009	33,550,094	32,988	21,282	33,604,364

9. GOODWILL ON CONSOLIDATION (CONT'D)

9.2 Key assumptions used in value-in-use calculations

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

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

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

i) Discount rate

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

ii) Growth rate

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

9.3 Sensitivity to changes in assumptions

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

10. LAND HELD FOR PROPERTY DEVELOPMENT

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

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

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

11. PROPERTY DEVELOPMENT COSTS

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

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

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

12. INVENTORIES

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

13. TRADE RECEIVABLES

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

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

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

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

Analysis of the trade receivables ageing is as follows :-

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

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

14. AMOUNTS DUE FROM / (TO) CONTRACT CUSTOMERS

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

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

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

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

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

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

16. AMOUNTS DUE FROM SUBSIDIARY COMPANIES

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

17. CASH AND CASH EQUIVALENTS

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

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

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

17. CASH AND CASH EQUIVALENTS (CONT'D)

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

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

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

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

18. SHARE CAPITAL

	GROUP AND COMPANY			
	2010		2009	
	Number of shares	Nominal value RM	Number of shares	Nominal value RM
Authorised :-				
Ordinary shares of RM1-00 each	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid :-				
Ordinary shares of RM1-00 each				
At 1 January	124,089,450	124,089,450	124,089,450	124,089,450
Issued during the year pursuant to ESOS	-	-	-	-
At 31 December	124,089,450	124,089,450	124,089,450	124,089,450

18. SHARE CAPITAL (CONT'D)

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

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

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

		....Number of share options				
Date of offer	Option price	1 / 1 / 2010	Granted	Exercised	Lapsed	31 / 12 / 2010
19 / 4 / 2007	RM1-00	4,530,000	-	-	355,000	4,175,000
19 / 4 / 2008	RM1-00	835,000	-	-	120,000	715,000
19 / 4 / 2009	RM1-00	1,260,000	-	-	70,000	1,190,000

18. SHARE CAPITAL (CONT'D)

Fair value of share options granted during the financial year

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

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

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

19. TREASURY SHARES

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

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

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

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

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20. RESERVES

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

(a) Capital reserve

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

(b) Share option reserve

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

20. RESERVES (CONT'D)

(c) Retained earnings

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

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007.

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

21. NON-CONTROLLING INTEREST

GROUP

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

22. WARRANTS 2003 / 2013

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

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

22. WARRANTS 2003 / 2013 (CONT'D)

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

As at 31 December 2010, 23,999,050 (2009 : 23,999,050) warrants remain unconverted.

23. LOANS

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

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

i) a first legal charge over freehold land known as Lot No. 34701, 34702, 34703 and 34704, Seksyen 22, Shah Alam, Selangor held under Geran 30437 and 30438, Mukim of Damansara, District of Petaling, State of Selangor Darul Ehsan;

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

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

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

23. LOANS (CONT'D)

23.1 The bank overdraft, bankers acceptance and term loans facilities are secured by way of :- (Cont'd)

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

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

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

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

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

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

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

23. LOANS (CONT'D)

The maturity structure of the loans are as follows :-

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

24. HIRE PURCHASE PAYABLES

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

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

24. HIRE PURCHASE PAYABLES (CONT'D)

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

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

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

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

25. DEFERRED TAX LIABILITIES

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

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

25. DEFERRED TAX LIABILITIES (CONT'D)

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

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

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

26. TRADE PAYABLES

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

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

27. OTHER PAYABLES, DEPOSITS AND ACCRUALS

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

28. AMOUNTS DUE TO SUBSIDIARY COMPANIES

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

29. BANK OVERDRAFT

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

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

30. OTHER BANK BORROWINGS

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

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

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

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31. REVENUE AND COST OF SALES

Revenue is categorised as follows :-

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

Cost of sales are categorised as follows :-

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

32. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging :-

	GROUP		COMPANY	
	2010	2009	2010	2009
	RM	RM	RM	RM
Allowance for diminution in value	-	4,500,000	-	4,500,000
Amortisation of prepaid land lease payments	404,300	101,075	-	-
Auditors' remuneration				
- current year's provision				
- statutory	127,200	125,600	20,000	20,000
- non-statutory	5,900	4,000	5,900	4,000
- underprovision in prior year	-	5,000	-	-

32. PROFIT FROM OPERATIONS (CONT'D)

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Depreciation	4,436,284	4,053,485	1,447	1,447
Direct operating expenses of investment properties				
- revenue generating during the year	4,834	9,202	-	-
- non-revenue generating during the year	-	-	-	-
Directors' fees (Note 33)	250,000	250,000	250,000	250,000
Directors' other emoluments (Note 33)	1,469,797	1,312,333	-	-
Goodwill on acquisition of subsidiaries	47,734	-	-	-
Hire of plant and machineries	3,416,312	2,042,696	-	-
Lease rental	257,190	624,441	-	-
Rental expense	464,767	354,200	-	-

and crediting :-

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

33. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Executive Directors				
- Emoluments	1,469,797	1,312,333	-	-
- Fees	80,000	80,000	80,000	80,000
	1,549,797	1,392,333	80,000	80,000

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33. DIRECTORS' REMUNERATION (CONT'D)

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Non-executive Directors				
- Fees	170,000	170,000	170,000	170,000
Total	1,719,797	1,562,333	250,000	250,000

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

	Number of Directors	
	2010	2009
Executive Directors		
Less than RM50,000	-	1
RM50,001 - RM100,000	-	1
RM100,001 - RM150,000	2	-
RM150,001 - RM200,000	-	-
RM200,001 - RM250,000	1	-
RM250,001 - RM300,000	-	2
RM300,001 - RM350,000	-	-
RM350,001 - RM400,000	1	-
RM400,001 - RM450,000	-	-
RM450,001 - RM500,000	-	-
RM500,001 - RM550,000	-	-
RM550,001 - RM600,000	-	1
RM600,001 - RM650,000	-	-
RM650,001 - RM700,000	-	-
RM700,001 - RM750,000	1	-
	5	5
Non-executive Directors		
Less than RM50,000	4	4
Total	9	9

34. STAFF COSTS

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

35. FINANCE COSTS

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

36. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2010	2009	2010	2009
	RM	RM	RM	RM
Income tax :-				
Current year's provision	6,004,057	6,478,107	1,198,996	2,544,675
Under / (Over) provision in prior years	135,974	337,651	(52,147)	14,089
Balance carried forward	6,140,031	6,815,758	1,146,849	2,558,764

36. INCOME TAX EXPENSE (CONT'D)

	GROUP		COMPANY	
	2010	2009	2010	2009
	RM	RM	RM	RM
Balance brought forward	6,140,031	6,815,758	1,146,849	2,558,764
Deferred tax :-				
Relating to reversal of temporary differences	54,727	(105,995)	-	-
Under / (Over) provision in prior year	12,050	(131,636)	-	-
	66,777	(237,631)	-	-
	6,206,808	6,578,127	1,146,849	2,558,764

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

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

36. INCOME TAX EXPENSE (CONT'D)

	GROUP		COMPANY	
	2010	2009	2010	2009
	RM	RM	RM	RM
Tax savings recognised during the year arising from :-				
- Utilisation of current year capital allowances	989,285	727,203	-	-

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

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

37. EARNINGS PER SHARE

37.1 Basic earnings per share

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

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

37. EARNINGS PER SHARE (CONT'D)

37.2 Diluted earnings per share

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

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

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

38. DIVIDENDS

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

38. DIVIDENDS (CONT'D)

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

39. SUMMARY OF EFFECTS OF ACQUISITION OF SUBSIDIARY COMPANIES

Acquisition of Subsidiary Companies.

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

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

Detail of net liabilities acquired and goodwill are as follows:

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

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

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

39. SUMMARY OF EFFECTS OF ACQUISITION OF SUBSIDIARY COMPANIES (CONT'D)

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

40. OPERATING LEASE ARRANGEMENTS

a) The Group as lessee

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

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

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

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

b) The Group as lessor

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

40. OPERATING LEASE ARRANGEMENTS (CONT'D)

b) The Group as lessor (Cont'd)

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

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

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

41. CAPITAL COMMITMENT

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

42. CONTINGENT LIABILITIES

	GROUP 2010 RM	GROUP 2009 RM	COMPANY 2010 RM	COMPANY 2009 RM
Guarantees given to financial institution in respect of facilities granted to Subsidiary Companies	-	-	3,260,091	191,700,000

42. CONTINGENT LIABILITIES (CONT'D)

	GROUP		COMPANY	
	2010	2009	2010	2009
	RM	RM	RM	RM
Guarantees issued in favour of third parties	62,308,588	85,846,117	-	-

43. RELATED PARTY DISCLOSURES

43.1 Identity of related parties

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

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

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

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

	GROUP		COMPANY	
	2010	2009	2010	2009
	RM	RM	RM	RM
a) Contract revenue received / receivable from :-				
- Farima Sdn Bhd	49,214,808	24,287,162	-	-

43. RELATED PARTY DISCLOSURES (CONT'D)

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

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

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

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

43. RELATED PARTY DISCLOSURES (CONT'D)

43.3 Compensation of key management personnel

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

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

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

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

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

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

44. SIGNIFICANT EVENTS

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

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

45. SIGNIFICANT SUBSEQUENT EVENT

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

46. FINANCIAL INSTRUMENTS

46.1 Classification of Financial Instruments

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

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

GROUP At 31 December 2010	HMI RM	L&R RM	OL RM	Total RM
Assets				
Other investment	4,000,000	-	-	4,000,000
Trade receivables	-	137,147,306	-	137,147,306
Amount due from contract customers	-	167,262,909	-	167,262,909
Other receivables and deposit (excluding prepayment)	-	15,488,191	-	15,488,191
Cash and bank balance	-	5,478,195	-	5,478,195
Total financial assets	4,000,000	325,376,601	-	329,376,601
Liabilities				
Loans	-	-	112,785,552	112,785,552
Hire purchase payables	-	-	8,316,944	8,316,944
Trade payables	-	-	132,467,231	132,467,231
Amounts due to contract customer	-	-	4,152,816	4,152,816
Progress billing in respect of property development cost	-	-	12,106,335	12,106,335
Other payables, deposits and accruals	-	-	16,998,009	16,998,009
Bank overdraft	-	-	19,057,212	19,057,212
Other bank borrowings	-	-	35,440,724	35,440,724
Total financial liabilities	-	-	341,324,823	341,324,823

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46. FINANCIAL INSTRUMENTS (CONT'D)

46.1 Classification of Financial Instruments (Cont'd)

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

46.2 Financial risk management objectives and policies

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

i) Interest rate risk

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

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

46. FINANCIAL INSTRUMENTS (CONT'D)

46.2 Financial risk management objectives and policies (Cont'd)

i) Interest rate risk (Cont'd)

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

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

ii) Credit risk

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

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

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

iii) Liquidity risk

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

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

46. FINANCIAL INSTRUMENTS (CONT'D)

46.2 Financial risk management objectives and policies (Cont'd)

iv) Price fluctuation risk

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

46.3 Fair values

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

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

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

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

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

ii) Borrowings and hire purchase payables

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

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

47. CAPITAL RISK MANAGEMENT

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

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

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

48. SEGMENTAL REPORTING

48.1 Business segments :-

The Group is organised into three major business segments :-

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

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

iii) Property development - development of residential and commercial properties

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

48.2 Geographical segments

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

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48. SEGMENTAL REPORTING (CONT'D)

31 December 2010	Construction	Investment holding	Property development	Eliminations	Consolidated
	RM	RM	RM	RM	RM
Revenue					
External sales	428,197,763	8,099,727	23,781,026	-	460,078,516
Inter-segment sales	7,021,092	14,805,546	-	(21,826,638)	-
Total revenue	435,218,855	22,905,273	23,781,026	(21,826,638)	460,078,516
Results					
Segment results	20,237,065	4,527,969	5,757,633	-	30,522,667
Unallocated corporate expenses					(47,734)
					30,474,933
Finance costs					(10,354,210)
Income tax expense					(6,206,808)
Profit after taxation					13,913,915

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48. SEGMENTAL REPORTING (CONT'D)

31 December 2010	Construction	Investment holding	Property development	Eliminations	Consolidated
	RM	RM	RM	RM	RM
Assets					
Segment assets	361,758,960	107,972,367	111,130,271	-	580,861,598
Unallocated corporate assets					2,166,630
Consolidated total assets					583,028,228
Liabilities					
Segment liabilities	125,174,015	12,606,815	27,943,561	-	165,724,391
Unallocated corporate liabilities					176,028,449
Consolidated total liabilities					341,752,840
Other information					
Capital expenditure	8,848,714	20,000	39,451,412	-	48,320,126
Depreciation	4,256,602	136,012	43,670	-	4,436,284
Non-cash expenses other than depreciation	-	-	-	-	-

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48. SEGMENTAL REPORTING (CONT'D)

31 December 2009	Construction	Investment holding	Property development	Eliminations	Consolidated
	RM	RM	RM	RM	RM
Revenue					
External sales	306,283,888	7,549,072	15,730,806	-	329,563,766
Inter-segment sales	7,948,571	18,896,200	-	(26,844,771)	-
Total revenue	314,232,459	26,445,272	15,730,806	(26,844,771)	329,563,766
Results					
Segment results	22,627,041	(1,119,714)	3,685,095	-	25,192,422
Unallocated corporate expenses					660,693
					25,853,115
Finance costs					(8,288,430)
Income tax expense					(6,578,127)
Profit after taxation					10,986,558

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48. SEGMENTAL REPORTING (CONT'D)

31 December 2009	Construction	Investment holding	Property development	Eliminations	Consolidated
	RM	RM	RM	RM	RM
Assets					
Segment assets	319,342,860	56,691,512	154,483,401	-	530,517,773
Unallocated corporate assets					4,523,832
Consolidated total assets					535,041,605
Liabilities					
Segment liabilities	109,860,010	2,796,086	36,158,030	-	148,814,126
Unallocated corporate liabilities					155,446,436
Consolidated total liabilities					304,260,562
Other information					
Capital expenditure	42,954,389	-	13,972,767	-	56,927,156
Depreciation	3,862,404	1,447	189,634	-	4,053,485
Non-cash expenses other than depreciation	-	4,544,882	-	-	4,544,882

49. CBHB - ESOS

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

	………..Number of options over ordinary shares of RM1-00 each………				
	At 1 / 1 / 2010	Granted	Exercised	Lapsed	At 31 / 12 / 2010
Chin Poh Ming	75,000	-	-	-	75,000
Chuah Tian Pong	75,000	-	-	-	75,000
Gan Lai Hoon	50,000	-	-	-	50,000
Goh Sin Huat	75,000	-	-	-	75,000
Ho Wan Chan	100,000	-	-	-	100,000
Keh Pei Tian	40,000	-	-	-	40,000
Khoo Kheng Kiat	150,000	-	-	-	150,000
Koh Wai Kong	75,000	-	-	-	75,000
Kshithi Devan A/L C K Nair	75,000	-	-	-	75,000
Lai Fei Hong	40,000	-	-	-	40,000
Lee June Vee	44,000	-	-	-	44,000
Lee Kit Seng	50,000	-	-	-	50,000
Lee Kok Ming	100,000	-	-	-	100,000
Lim Ah Ber	41,000	-	-	-	41,000
Lim Shee Hau	75,000	-	-	-	75,000
Lim Swee Peng	50,000	-	-	-	50,000
Liong Yan Herng	75,000	-	-	-	75,000
Lye Tuck Yew	40,000	-	-	-	40,000
Ng Sze Lee	40,000	-	-	40,000	-
Ngi Kuang Huei	50,000	-	-	-	50,000
Ong Hean Hoon	100,000	-	-	100,000	-
San Siew Hong	75,000	-	-	-	75,000
Siau Mui	75,000	-	-	-	75,000
So Kooi Mui	40,000	-	-	-	40,000
Tan Kim Yong	50,000	-	-	-	50,000
Tan Tek Long	75,000	-	-	-	75,000
Tan Yew Lee	40,000	-	-	-	40,000
Teh Hock Hua	190,000	-	-	-	190,000
Teng Siong Kwang	40,000	-	-	-	40,000
Teoh Guan Sim	100,000	-	-	-	100,000
Teo Jed Wei	50,000	-	-	50,000	-

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49. CBHB - ESOS (CONT'D)

	………...Number of options over ordinary shares of RM1-00 each………				
	At 1 / 1 / 2010	Granted	Exercised	Lapsed	At 31 / 12 / 2010
Wang Luan Boo	100,000	-	-	100,000	-
Wan Heng Lin	75,000	-	-	-	75,000
Wong Lai Mui	40,000	-	-	-	40,000
Yeo Joon Hui	75,000	-	-	75,000	-
Yong Tiok Chin	75,000	-	-	-	75,000
Za'Azlin Bin Abdul Maulud	75,000	-	-	-	75,000

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

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

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

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

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

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