

CREST BUILDER HOLDINGS BERHAD (573382-P)

***UNAUDITED INTERIM FINANCIAL REPORT FOR
THE SECOND QUARTER ENDED 30 JUNE 2009***

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INTERIM REPORT

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2009

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CREST BUILDER HOLDINGS BERHAD ^(573382-P)
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2009

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2009 RM'000	Preceding Year Quarter 30/06/2008 RM'000	Current Year To Date 30/06/2009 RM'000	Preceding Year To Date 30/06/2008 RM'000
Revenue	73,737	66,116	135,116	135,325
Cost of Sales	(62,118)	(56,104)	(114,785)	(114,192)
Gross Profit	11,619	10,012	20,331	21,133
Other Operating Income	352	417	819	885
	11,971	10,429	21,150	22,018
Administration costs	(4,018)	(3,536)	(6,923)	(7,228)
	7,953	6,893	14,227	14,790
Finance costs	(1,714)	(1,952)	(3,735)	(3,951)
Profit before tax	6,239	4,941	10,492	10,839
Taxation	(2,001)	(1,508)	(2,956)	(3,316)
Net profit of the period	4,238	3,433	7,536	7,523
Attributable to :-				
Equity holders of the parent	4,238	3,433	7,536	7,523
Minority interest	-	-	-	-
	4,238	3,433	7,536	7,523
Earnings Per Share attributable to ordinary equity holders of the parent(sen) - Basic	3.4	2.8	6.1	6.1
- Diluted	N/A *	2.7	N/A *	5.9

* The calculation for Diluted EPS is not applicable for the individual quarter and period ended 30 June 2009 as it has an anti-dilution effect.

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the quarterly report.

CREST BUILDER HOLDINGS BERHAD (573382-P)
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2009

	As at 30-06-2009 RM'000	(Audited) As at 31/12/2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	15,649	14,543
Investment properties	87,698	87,698
Other investments	8,554	8,554
Intangible assets	33,604	33,604
Land held for property development	29,325	29,336
	<u>174,830</u>	<u>173,735</u>
Current assets		
Property development costs	13,133	13,799
Inventories	1,898	1,898
Trade receivables	120,630	100,695
Amounts due from contract customers	128,034	152,200
Other receivables, deposits and prepayments	18,114	12,746
Tax recoverable	4,637	3,962
Cash and bank balances	12,330	18,097
	<u>298,776</u>	<u>303,397</u>
TOTAL ASSETS	<u>473,606</u>	<u>477,132</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	124,089	124,089
Reserves	105,989	98,452
Total equity	<u>230,078</u>	<u>222,541</u>
Non-current liabilities		
Hire purchase payables	2,054	1,882
Deferred tax liabilities	134	532
Loans	86,272	43,189
	<u>88,460</u>	<u>45,603</u>
Current liabilities		
Trade payables	83,639	86,631
Amounts due to contract customers	5,786	4,265
Progress billings in respect of property development costs	4,521	12,068
Other payables, deposits and accruals	21,118	27,527
Hire purchase payables	3,195	2,082
Bank overdraft	9,237	7,983
Other bank borrowings	27,546	68,426
Provision for taxation	26	6
	<u>155,068</u>	<u>208,988</u>
Total liabilities	<u>243,528</u>	<u>254,591</u>
TOTAL EQUITY AND LIABILITIES	<u>473,606</u>	<u>477,132</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.85</u>	<u>1.79</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the quarterly report.

CREST BUILDER HOLDINGS BERHAD (573382-P)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2009

	Share Capital RM'000	NON-DISTRIBUTABLE			DISTRIBUTABLE		Shareholders' Equity RM'000	Minority Interest RM'000	Total Equity RM'000
		Capital Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000					
At 1 January 2008	123,911	4,048	181	88,213		216,353	-	216,353	
Profit for the period	-	-	-	7,523		7,523	-	7,523	
	123,911	4,048	181	95,736		223,876	-	223,876	
Share options granted under ESOS	-	-	-	-		-	-	-	
Issue of shares:-									
- Options issued under ESOS	178	-	-	-		178	-	178	
Dividend	-	-	-	-		-	-	-	
At 30 JUNE 2008	124,089	4,048	181	95,736		224,054	-	224,054	
At 1 January 2009	124,089	4,074	251	94,128		222,542	-	222,542	
Profit for the period	-	-	-	7,536		7,536	-	7,536	
	124,089	4,074	251	101,664		230,078	-	230,078	
Share options granted under ESOS	-	-	-	-		-	-	-	
Issue of shares:-									
- Options issued under ESOS	-	-	-	-		-	-	-	
Dividends	-	-	-	-		-	-	-	
At 30 JUNE 2009	124,089	4,074	251	101,664		230,078	-	230,078	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the quarterly report.

CREST BUILDER HOLDINGS BERHAD (573382-P)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2009

	6 Months Ended 30/06/2009 RM'000	6 Months Ended 30/06/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,492	10,839
Adjustments for :-		
Depreciation	1,973	1,901
Gain on disposal of property, plant and equipment	(180)	(55)
Interest expense	3,734	3,869
Interest income	(165)	(466)
Operating profit before working capital changes	15,854	16,088
Net change in current assets	5,991	47,070
Net change in current liabilities	(21,879)	(52,204)
	(15,888)	(5,134)
Cash generated from operations	(34)	10,954
Income tax paid	(4,010)	(2,816)
Net cash generated from operating activities	(4,044)	8,138
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	165	466
Purchase of land held for development	-	(1,715)
Proceeds from disposal of investment property	-	-
Proceeds from disposal of property, plant and equipment	180	55
Purchase of other investment	-	-
Purchase of investment properties	-	(244)
Purchase of property, plant and equipment	(617)	(772)
Net cash used in from investing activities	(272)	(2,210)
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed deposits with licensed banks	319	130
Interest paid	(3,734)	(3,869)
Loan raised	3,605	23,690
Proceeds from issuance of ordinary shares	-	178
Repayment of loans	(1,402)	(34,781)
Repayment of hire purchase creditors	(1,177)	(1,068)
Net cash (used in) / generated from financing activities	(2,389)	(15,720)
Net (decrease) / increase in cash and cash equivalents	(6,705)	(9,792)
Cash and cash equivalents brought forward	6,658	17,189
Cash and cash equivalents carried forward	(47)	7,397
Note:		
Cash and bank balances	2,747	2,438
Fixed deposit with licensed banks	9,583	16,943
	12,330	19,381
Less: Bank overdraft	(9,237)	(8,583)
Fixed deposit pledged	(3,140)	(3,401)
Cash and cash equivalents	(47)	7,397

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements

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**PART A: EXPLANATORY NOTES PURSUANT TO PARAGRAPH 16, FRS134
INTERIM FINANCIAL REPORTING**

A1. BASIS OF PREPARATION

The unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in the Financial Reporting Standards (“FRS”) No. 134 – “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements, and should be read in conjunction with the Group’s audited statutory financial statements presented in the Annual Report for the financial year ended 31 December 2008.

The accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2008.

The following new FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:-

FRSs and Interpretations		Effective for financial periods beginning on or after
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 January 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 July 2009
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

The adoption of the abovementioned FRSs and Interpretations upon their effective dates are not expected to have any significant impact to the Group.

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A2. AUDIT QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the annual audited financial statements for the financial year ended 31 December 2008 was not qualified.

A3. SEASONALITY AND CYCLICALITY FACTORS

The operations of the Group were not materially affected by any seasonal or cyclical factors.

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows for the current quarter ended 30 June 2009.

A5. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the current quarter ended 30 June 2009.

A6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and/or resale of treasury shares for the current financial period under review.

A7. DIVIDEND PAID

There were no dividends paid during the current quarter.

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A8. SEGMENTAL REPORTING

The segmental reporting by industry of the Group is set out as below:-

(i) For the six (6) months ended 30 June 2009.

Segment Revenue and Segment Results

Business Segment	Construction RM'000	Investment Holding RM'000	Property Developments RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
- External customer	123,790	3,779	7,547	-	135,116
- Inter-segment	4,623	2,918	-	(7,541)	-
Total revenue	128,413	6,697	7,547	(7,541)	135,116
Results					
- Segment Results	9,791	2,036	3,404	(1,004)	14,227
Finance Cost					(3,735)
Taxation					(2,956)
Net Profit for the Period					7,536

No geographical segment is presented as the Group operates principally in Malaysia.

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(ii) For the six (6) months ended 30 June 2008.

Segment Revenue and Segment Results

Business Segment	Construction RM'000	Investment Holding RM'000	Property Developments RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
- External customer	102,939	186	32,200	-	135,325
- Inter-segment	9,884	2,943	-	(12,827)	-
Total revenue	112,823	3,129	32,200	(12,827)	135,325
Results					
- Segment Results	4,319	2,973	8,432	(934)	14,790
Finance Cost					(3,951)
Taxation					(3,316)
Net Profit for the Period					7,523

No geographical segment is presented as the Group operates principally in Malaysia.

A9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2008.

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A10. SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent to the reporting period up to 18 August 2009, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report, that have not been reflected in the financial statements for the current quarter ended 30 June 2009.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 30 June 2009.

A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities of the Group as at 18 August 2009 being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report comprises of Bank Guarantees provided by the Group to the various parties in the normal course of business and the changes in contingent liabilities since the last financial year ended 31 December 2008 are as follows:-

	RM'000
Balance as at 1 January 2009	78,351
Extended during the period	250
Discharged during the period	(940)
Balance as at 18 August 2009	77,661

A13. CAPITAL COMMITMENTS

There were no material capital commitments in the current quarter ended 30 June 2009.

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A14. SIGNIFICANT RELATED PARTY DISCLOSURES

Crest Builder Holdings Berhad and / or its subsidiaries	Transacting Party	Relationship	Nature of Transactions	Current Quarter Ended 30 June 2009 RM'000	Cumulative Quarter Ended 30 June 2009 RM'000
Crest Builder Sdn Bhd	Farima Sdn Bhd	Company connected with a Director of the Company	Construction work	4,016	11,537

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

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. REVIEW OF PERFORMANCE

For the second quarter under review, the Group revenue increased by 11.5% to RM73.7 million from RM66.1 million in the corresponding second quarter of the preceding year. The profit after tax increased by 23.4% to RM4.2 million from RM3.4 million in the corresponding second quarter of the preceding year.

The increase in the revenue and profit after tax was mainly contributed by higher construction activities undertaken during the current quarter.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current 2nd Quarter RM'000	Preceding 1st Quarter RM'000	Increase/ (Decrease)	
			RM'000	%
Revenue	73,737	61,379	12,358	20%
Profit before taxation	6,239	4,253	1,986	47%
Profit after taxation	4,238	3,298	940	29%

For the current quarter under review, the Group recorded profit before taxation and profit after taxation of RM6.2 million and RM4.2 million respectively as compared to RM4.3 million and RM3.3 million respectively in the immediate preceding quarter. The increase in the revenue and profit after tax was mainly contributed by higher construction activities undertaken during the current quarter.

B3. CURRENT YEAR PROSPECT

The Group continues to bid actively and successfully for construction projects. Continuous effort is being taken to identify strategic measures for improving the Group's construction margin.

Despite the global economic crisis, the Board is cautiously optimistic that the operating results for 2009 will remain satisfactory.

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B4. VARIANCES ON PROFIT FORECAST AND PROFIT GUARANTEE

Not applicable to the Group.

B5. TAXATION

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Quarter Ended <u>30.6.2009</u> (RM'000)	Quarter Ended <u>30.6.2008</u> (RM'000)	Period Ended <u>30.6.2009</u> (RM'000)	Period Ended <u>30.6.2008</u> (RM'000)
Current period's provision	2,135	1,671	3,355	3,432
Deferred tax	(134)	(163)	(399)	116
	<u>2,001</u>	<u>1,508</u>	<u>2,956</u>	<u>3,316</u>
Profit before taxation	<u>6,239</u>	<u>4,941</u>	<u>10,492</u>	<u>10,839</u>
Taxation at Malaysian statutory tax rate – 25% / 26%	1,560	1,285	2,623	2,818
Tax losses not yet utilised	212	60	230	76
Effect of different tax rate	-	(37)	-	(75)
Over provision in deferred tax in prior year	(134)	(163)	(399)	(116)
Expenses not deductible for tax purposes	363	363	502	613
	<u>2,001</u>	<u>1,508</u>	<u>2,956</u>	<u>3,316</u>

The Group's effective tax rate for the current quarter ended 30 June 2009 was higher than the statutory tax rate prevailing in Malaysia principally due to certain expenses not deductible for tax purposes.

B6. PROFIT ON SALE OF UNQUOTED INVESTMENTS AND / OR PROPERTIES

There was no disposal of unquoted investments and/or properties for the current quarter ended 30 June 2009.

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B7. DEALINGS IN QUOTED SECURITIES

- (i) The Group did not transact any quoted securities for the current quarter ended 30 June 2009.
- (ii) As at 30 June 2009, the Group did not hold any quoted securities.

B8. CORPORATE PROPOSALS

The Group has not announced any corporate proposal during the current quarter ended 30 June 2009 under review.

B9. BORROWINGS AND DEBT SECURITIES

The details of Group borrowings and debt securities, all of which is denominated in Ringgit Malaysia, as at 30 June 2009 are as follows:-

	RM'000	RM'000
Short term borrowings :		
Secured		
- Hire Purchase	3,195	
- Term Loan	5,512	
Unsecured		
- Bank Overdraft	9,237	
- Bankers' Acceptance	22,034	
		39,978
Long term borrowings :		
Secured		
- Hire Purchase	2,054	
- Term Loan	46,272	
Unsecured		
- Term Loan	40,000	
		88,326
Total		128,304

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENT

There were no financial instruments with off balance sheet risk as at 18 August 2009, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

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B11. MATERIAL LITIGATION

Save as previously disclosed, there were no changes in material litigation, including the status of pending material litigation since the previous quarter to 18 August 2009, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

B12. DIVIDEND

No dividend was proposed or paid in respect of the second quarter ended 30 June 2009.

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B13. EARNINGS PER SHARE

a. Basic earnings per share

The basic earnings per share has been calculated based on the Group's profit after taxation and divided by the weighted average number of ordinary shares outstanding during the current quarter ended 30 June 2009.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30/6/2009	30/6/2008	30/6/2009	30/6/2008
Profit after tax attributable to equity holders of the parent (RM'000)	4,238	3,433	7,536	7,523
Weighted average number of ordinary shares in issue ('000)	124,089	124,089	124,089	124,051
Basic earnings per share (sen)	3.4	2.8	6.1	6.1

b. Diluted earnings per share

The diluted earnings per share has been calculated based on the Group's profit after taxation and divided by the weighted average number of ordinary shares which would be issued on conversion of all dilutive potential ordinary shares into ordinary shares as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30/6/2009	30/6/2008	30/6/2009	30/6/2008
Profit after tax attributable to equity holders of the parent (RM'000)	4,238	3,433	7,536	7,523
Weighted average number of ordinary shares ('000)	124,089	124,089	124,089	124,051
Assume full conversion of Warrants ('000)	*	316	*	1,605
Effects of ESOS ('000)	*	263	*	435
Weighted average number of ordinary shares ('000)	124,089	124,668	124,089	126,091
Diluted earnings per share (sen)	N/A	2.7	N/A	5.9

* Not taken into account in the computation of diluted earnings per share because the effect is anti-dilutive.

The computation for diluted earnings per share is not applicable for individual quarter and period ended 30 June 2009 as it has an anti-dilution effect.

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B14. AUTHORISED FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 August 2009.

By Order of the Board

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

Date: 20 August 2009