

CREST BUILDER HOLDINGS BERHAD (573382-P)

***UNAUDITED INTERIM FINANCIAL REPORT FOR
THE THIRD QUARTER ENDED 30 SEPTEMBER 2009***

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INTERIM REPORT

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30/09/2009 RM'000	Preceding Year Quarter 30/09/2008 RM'000	Current Year To Date 30/09/2009 RM'000	Preceding Year To Date 30/09/2008 RM'000
Revenue	88,225	76,523	223,341	211,848
Cost of Sales	<u>(78,448)</u>	<u>(67,878)</u>	<u>(193,233)</u>	<u>(182,070)</u>
Gross Profit	9,777	8,645	30,108	29,778
Other Operating Income	<u>591</u>	<u>1,455</u>	<u>1,410</u>	<u>2,340</u>
	10,368	10,100	31,518	32,118
Administration costs	<u>(3,441)</u>	<u>(4,722)</u>	<u>(10,365)</u>	<u>(11,950)</u>
	6,927	5,378	21,153	20,168
Finance costs	<u>(2,374)</u>	<u>(2,030)</u>	<u>(6,109)</u>	<u>(5,981)</u>
Profit before tax	4,553	3,348	15,044	14,187
Taxation	<u>(1,494)</u>	<u>(1,198)</u>	<u>(4,450)</u>	<u>(4,514)</u>
Net profit of the period	<u>3,059</u>	<u>2,150</u>	<u>10,594</u>	<u>9,673</u>
Attributable to :-				
Equity holders of the parent	3,059	2,150	10,594	9,673
Minority interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,059</u>	<u>2,150</u>	<u>10,594</u>	<u>9,673</u>
Earnings Per Share attributable to ordinary equity holders of the parent(sen) - Basic	<u>2.5</u>	<u>1.7</u>	<u>8.5</u>	<u>7.8</u>
- Diluted	<u>N/A *</u>	<u>N/A</u>	<u>N/A *</u>	<u>N/A</u>

* The calculation for Diluted EPS is not applicable for the individual quarter and period ended 30 September 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 SEPTEMBER 2009

	As at 30-09-2009 RM'000	(Audited) As at 31/12/2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	53,085	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	28,465	29,336
	<u>211,406</u>	<u>173,735</u>
Current assets		
Property development costs	15,784	13,799
Inventories	566	1,898
Trade receivables	97,155	100,695
Amounts due from contract customers	144,124	152,200
Other receivables, deposits and prepayments	17,165	12,746
Tax recoverable	4,765	3,962
Cash and bank balances	8,503	18,097
	<u>288,062</u>	<u>303,397</u>
TOTAL ASSETS	<u>499,468</u>	<u>477,132</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	124,089	124,089
Reserves	106,255	98,452
Total equity	<u>230,344</u>	<u>222,541</u>
Non-current liabilities		
Hire purchase payables	2,131	1,882
Deferred tax liabilities	230	532
Loans	85,351	43,189
	<u>87,712</u>	<u>45,603</u>
Current liabilities		
Trade payables	88,678	86,631
Amounts due to contract customers	6,282	4,265
Progress billings in respect of property development costs	15,204	12,068
Other payables, deposits and accruals	20,293	27,527
Hire purchase payables	2,503	2,082
Bank overdraft	14,568	7,983
Other bank borrowings	33,862	68,426
Provision for taxation	22	6
	<u>181,412</u>	<u>208,988</u>
Total liabilities	<u>269,124</u>	<u>254,591</u>
TOTAL EQUITY AND LIABILITIES	<u>499,468</u>	<u>477,132</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.86</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 (57382-P)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	-	-	-	9,673		9,673	-	9,673
	123,911	4,048	181	97,886		226,026	-	226,026
Share options granted under ESOS	-	-	-	-		-	-	-
Issue of shares:-								
- Options issued under ESOS	178	-	-	-		178	-	178
Dividend	-	-	-	(6,428)		(6,428)	-	(6,428)
At 30 September 2008	124,089	4,048	181	91,458		219,776	-	219,776
At 1 January 2009	124,089	4,074	251	94,128		222,542	-	222,542
Profit for the period	-	-	-	10,594		10,594	-	10,594
	124,089	4,074	251	104,722		233,136	-	233,136
Share options granted under ESOS	-	-	-	-		-	-	-
Issue of shares:-								
- Options issued under ESOS	-	-	-	-		-	-	-
Dividends	-	-	-	(2,792)		(2,792)	-	(2,792)
At 30 September 2009	124,089	4,074	251	101,930		230,344	-	230,344

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 THIRD QUARTER ENDED 30 SEPTEMBER 2009

	9 Months Ended 30/09/2009 RM'000	9 Months Ended 30/09/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,044	14,187
Adjustments for :-		
Depreciation	2,988	2,901
Gain on disposal of property, plant and equipment	(225)	(870)
Interest expense	6,109	5,879
Interest income	(207)	(903)
Operating profit before working capital changes	23,709	21,194
Net change in current assets	(23,677)	41,171
Net change in current liabilities	(7,165)	(26,872)
Cash generated from operations	(7,133)	14,299
Income tax paid	(5,539)	(10,625)
Net cash (used in)/generated from operating activities	(12,672)	24,868
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	207	903
Purchase of land held for development	-	(7,651)
Proceeds from disposal of investment property	-	868
Proceeds from disposal of property, plant and equipment	225	797
Purchase of investment properties	-	(244)
Purchase of property, plant and equipment	(538)	(1,192)
Net cash used in investing activities	(106)	(6,519)
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed deposits with licensed banks	281	104
Interest paid	(6,109)	(5,879)
Dividend paid	(2,792)	(6,428)
Loan raised	9,782	36,356
Proceeds from issuance of ordinary shares	-	178
Repayment of loans	(2,183)	(46,021)
Repayment of hire purchase creditors	(2,101)	(1,625)
Net cash used in financing activities	(3,122)	(23,315)
Net decrease in cash and cash equivalents	(15,900)	(4,966)
Cash and cash equivalents brought forward	6,658	17,189
Cash and cash equivalents carried forward	(9,242)	12,223
Note:		
Cash and bank balances	1,194	1,891
Fixed deposit with licensed banks	7,309	17,349
	8,503	19,240
Less: Bank overdraft	(14,568)	(3,591)
Fixed deposit pledged	(3,177)	(3,426)
Cash and cash equivalents	(9,242)	12,223

The condensed consolidated cash flow 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)
INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

**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 July 2009
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
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 September 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 September 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

A first and final dividend of 3 sen per ordinary share less income tax at 25% amounting to RM2,792,012.63 for the financial year ended 31 December 2008 had been paid on 6 August 2009.

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A8. SEGMENTAL REPORTING

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

(i) For the nine (9) months ended 30 September 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	204,999	5,730	12,612	-	223,341
- Inter-segment	5,923	4,396	-	(10,319)	-
Total revenue	210,922	10,126	12,612	(10,319)	223,341
Results					
- Segment Results	12,845	6,894	2,478	(1,064)	21,153
Finance Cost					(6,109)
Taxation					(4,450)
Net Profit for the Period					10,594

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

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(ii) For the nine (9) months ended 30 September 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	168,670	203	42,975	-	211,848
- Inter-segment	13,656	4,432	-	(18,088)	-
Total revenue	182,326	4,635	42,975	(18,088)	211,848
Results					
- Segment Results	6,599	4,375	10,626	(1,432)	20,168
Finance Cost					(5,981)
Taxation					(4,514)
Net Profit for the Period					9,673

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 16 November 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 September 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 September 2009.

A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities of the Group as at 16 November 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	450
Discharged during the period	(970)
Balance as at 16 November 2009	77,831

A13. CAPITAL COMMITMENTS

There was no capital commitments that have a material effect in the current quarter ended 30 September 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 September 2009 RM'000	Cumulative Quarter Ended 30 September 2009 RM'000
Crest Builder Sdn Bhd	Farima Sdn Bhd	Company connected with a Director of the Company	Construction work	4,065	15,602

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 third quarter under review, the Group revenue increased by 15% to RM88.2 million from RM76.5 million in the corresponding third quarter of the preceding year. The profit after tax increased by 41% to RM3.1 million from RM2.2 million in the corresponding third quarter of the preceding year.

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

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current 3rd Quarter RM'000	Preceding 2nd Quarter RM'000	Increase/ (Decrease) RM'000 %	
Revenue	88,225	73,737	14,488	20%
Profit before taxation	4,553	6,239	(1,686)	(27%)
Profit after taxation	3,059	4,238	(1,179)	(28%)

For the current quarter under review, the Group recorded profit before taxation and profit after taxation of RM4.6 million and RM3.1 million respectively as compared to RM6.2 million and RM4.2 million respectively in the immediate preceding quarter. The decline performance in the current quarter was mainly due to lower profit margin from certain completed projects.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended <u>30-9-2009</u> (RM'000)	Quarter Ended <u>30-9-2008</u> (RM'000)	Period Ended <u>30-9-2009</u> (RM'000)	Period Ended <u>30-9-2008</u> (RM'000)
Current period's provision	1,394	914	4,749	4,324
Deferred tax Under provision	97	41	(302)	(53)
in tax in prior year	3	243	3	243
	1,494	1,198	4,450	4,514
 Profit before taxation	 4,553	 3,348	 15,044	 14,187
 Taxation at Malaysian statutory tax rate – 25% / 26%	 1,138	 870	 3,761	 3,689
Tax losses not yet utilised	142	63	372	139
Effect of different tax rate	-	(19)	-	(64)
Under provision in tax in prior year	3	243	3	243
Under/(Over) provision in deferred tax in prior year	97	41	(302)	(53)
Expenses not deductible for tax purposes	114	-	616	560
	1,494	1,198	4,450	4,514

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

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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 September 2009.

B7. DEALINGS IN QUOTED SECURITIES

- (i) The Group did not transact any quoted securities for the current quarter ended 30 September 2009.
- (ii) As at 30 September 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 September 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 September 2009 are as follows:-

	RM'000	RM'000
Short term borrowings :		
Secured		
- Hire Purchase	2,503	
- Term Loan	5,651	
Unsecured		
- Bank Overdraft	14,568	
- Bankers' Acceptance	28,211	
	50,933	
Long term borrowings :		
Secured		
- Hire Purchase	2,131	
- Term Loan	45,351	
Unsecured		
- Term Loan	40,000	
	87,482	
Total		138,415

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B10. OFF BALANCE SHEET FINANCIAL INSTRUMENT

There were no financial instruments with off balance sheet risk as at 16 November 2009, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

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 16 November 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 third quarter ended 30 September 2009.

CREST BUILDER HOLDINGS BERHAD (573382-P)
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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 September 2009.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30-9-2009	30-9-2008	30-9-2009	30-9-2008
Profit after tax attributable to equity holders of the parent (RM'000)	3,059	2,150	10,594	9,673
Weighted average number of ordinary shares in issue ('000)	124,089	124,089	124,089	124,064
Basic earnings per share (sen)	2.5	1.7	8.5	7.8

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	
	30-9-2009	30-9-2008	30-9-2009	30-9-2008
Profit after tax attributable to equity holders of the parent (RM'000)	3,059	2,150	10,594	9,673
Weighted average number of ordinary shares ('000)	124,089	124,089	124,089	124,064
Assume full conversion of Warrants ('000)	*	*	*	*
Effects of ESOS ('000)	*	*	*	*
Weighted average number of ordinary shares ('000)	124,089	124,089	124,089	124,064
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

* 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 September 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 19 November 2009.

By Order of the Board

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

Date: 19 November 2009