

CREST BUILDER HOLDINGS BERHAD (573382-P)

***UNAUDITED INTERIM FINANCIAL REPORT FOR
THE FOURTH QUARTER ENDED 31 DECEMBER 2009***

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INTERIM REPORT

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

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CREST BUILDER HOLDINGS BERHAD ^(573382-P)
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/2009 RM'000	Preceding Year Quarter 31/12/2008 RM'000	Current Year To Date 31/12/2009 RM'000	Preceding Year To Date 31/12/2008 RM'000
Revenue	101,495	58,427	324,836	270,275
Cost of Sales	(91,031)	(47,022)	(284,264)	(229,092)
Gross Profit	10,464	11,405	40,572	41,183
Other Operating Income	1,189	509	2,599	2,849
	11,653	11,914	43,171	44,032
Administration costs	(7,076)	(5,447)	(17,441)	(17,397)
	4,577	6,467	25,730	26,635
Finance costs	(2,170)	(2,047)	(8,279)	(8,028)
Profit before tax	2,407	4,420	17,451	18,607
Taxation	(2,272)	(1,750)	(6,722)	(6,264)
Net profit of the period	135	2,670	10,729	12,343
Attributable to :-				
Equity holders of the parent	135	2,670	10,729	12,343
Minority interest	-	-	-	-
	135	2,670	10,729	12,343
Earnings Per Share attributable to ordinary equity holders of the parent(sen) - Basic	0.1	2.2	8.6	10.0
- Diluted	N/A *	N/A	N/A *	N/A

* The calculation for Diluted EPS is not applicable for the individual quarter and period ended 31 December 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 31 DECEMBER 2009

	As at 31-12-2009 RM'000	(Audited) As at 31/12/2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	27,453	14,543
Prepaid land lease payment	38,206	-
Investment properties	83,851	87,698
Other investments	4,054	8,554
Intangible assets	33,604	33,604
Land held for property development	13,212	29,336
	<u>200,380</u>	<u>173,735</u>
Current assets		
Property development costs	22,762	13,799
Inventories	2,015	1,898
Trade receivables	104,811	100,695
Amounts due from contract customers	152,904	152,200
Other receivables, deposits and prepayments	10,435	12,746
Tax recoverable	4,365	3,962
Cash and bank balances	23,433	18,097
	<u>320,725</u>	<u>303,397</u>
TOTAL ASSETS	521,105	477,132
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	124,089	124,089
Reserves	106,389	98,452
Total equity	230,478	222,541
Non-current liabilities		
Hire purchase payables	2,633	1,882
Deferred tax liabilities	265	532
Loans	108,560	43,189
	<u>111,458</u>	<u>45,603</u>
Current liabilities		
Trade payables	88,879	86,631
Amounts due to contract customers	1,462	4,265
Progress billings in respect of property development costs	14,689	12,068
Other payables, deposits and accruals	30,378	27,527
Hire purchase payables	2,415	2,082
Bank overdraft	10,555	7,983
Other bank borrowings	30,771	68,426
Provision for taxation	20	6
	<u>179,169</u>	<u>208,988</u>
Total liabilities	290,627	254,591
TOTAL EQUITY AND LIABILITIES	521,105	477,132
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 (573382-P)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 year	-	-	-	12,343		12,343	-	12,343
	123,911	4,048	181	100,556		228,696	-	228,696
Share options granted under ESOS	-	-	-	-		-	-	-
Issue of shares:-								
- Options issued under ESOS	178	25	(25)	-		178	-	178
Dividend	-	-	95	(6,428)		(6,333)	-	(6,333)
At 31 December 2008	124,089	4,073	251	94,128		222,541	-	222,541
At 1 January 2009	124,089	4,073	251	94,128		222,541	-	222,541
Profit for the year	-	-	-	10,729		10,729	-	10,729
	124,089	4,073	251	104,857		233,270	-	233,270
Share options granted under ESOS	-	-	-	-		-	-	-
Issue of shares:-								
- Options issued under ESOS	-	-	-	-		-	-	-
Dividends	-	-	-	(2,792)		(2,792)	-	(2,792)
At 31 December 2009	124,089	4,073	251	102,065		230,478	-	230,478

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 FOURTH QUARTER ENDED 31 DECEMBER 2009

	12 Months Ended 31/12/2009 RM'000	12 Months Ended 31/12/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	17,451	18,607
Adjustments for :-		
Depreciation	4,061	3,922
Amortisation of prepaid land lease payment	101	-
Allowance for diminution in value of investment on unquoted bond	4,500	-
ESOS expenses	-	95
Gain on disposal of investment properties	-	(144)
Gain on disposal of property, plant and equipment	(510)	(774)
Interest expense	7,765	8,028
Interest income	(234)	(822)
Short-term accumulating compensated absences	-	(247)
Operating profit before working capital changes	33,134	28,665
Net change in current assets	(924)	10,021
Net change in current liabilities	14,289	(8,437)
	13,365	1,584
Cash generated from operations	46,499	30,249
Income tax paid	(7,379)	(11,022)
Net cash generated from operating activities	39,120	19,227
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	234	822
Purchase of land held for development	-	(8,200)
Proceeds from disposal of investment property	-	1,256
Proceeds from disposal of property, plant and equipment	510	774
Purchase of investment properties	-	(799)
Purchase of prepaid land lease payment	(38,307)	-
Purchase of property, plant and equipment	(14,267)	(1,121)
Net cash used in investing activities	(51,830)	(7,268)
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed deposits with licensed banks	266	(108)
Interest paid	(7,765)	(8,028)
Dividend paid	(2,792)	(6,428)
Loan raised	82,835	86
Proceeds from issuance of ordinary shares	-	178
Repayment of loans	(55,118)	(5,903)
Repayment of hire purchase creditors	(1,687)	(2,225)
Net cash from/(used in) financing activities	15,739	(22,428)
Net increase/(decrease) in cash and cash equivalents	3,029	(10,469)
Cash and cash equivalents brought forward	6,720	17,189
Cash and cash equivalents carried forward	9,749	6,720
Note:		
Cash and bank balances	15,093	1,945
Fixed deposit with licensed banks	8,340	16,152
	23,433	18,097
Less: Bank overdraft	(10,555)	(7,982)
Fixed deposit pledged	(3,129)	(3,395)
Cash and cash equivalents	9,749	6,720

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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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 31 December 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 twelve (12) months ended 31 December 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	301,556	7,549	15,731	-	324,836
- Inter-segment	6,990	5,896	-	(12,886)	-
Total revenue	308,546	13,445	15,731	(12,886)	324,836
Results					
- Segment Results	19,178	4,796	2,652	(896)	25,730
Finance Cost					(8,279)
Taxation					(6,722)
Net Profit for the Period					10,729

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

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(ii) For the twelve (12) months ended 31 December 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	225,318	6,286	38,672	-	270,276
- Inter-segment	14,135	5,920	-	(20,055)	-
Total revenue	239,453	12,206	38,672	(20,055)	270,276
Results					
- Segment Results	9,954	5,087	11,962	(368)	26,635
Finance Cost					(8,028)
Taxation					(6,264)
Net Profit for the Period					12,343

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 19 February 2010, 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 31 December 2009.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 31 December 2009.

A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities of the Group as at 19 February 2010 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	11,110
Discharged during the period	(3,615)
Balance as at 19 February 2010	85,846

A13. CAPITAL COMMITMENTS

There was no capital commitments that have a material effect in the current quarter ended 31 December 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 31 December 2009 RM'000	Cumulative Quarter Ended 31 December 2009 RM'000
Crest Builder Sdn Bhd	Farima Sdn Bhd	Company connected with a Director of the Company	Construction work	3,906	19,508

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 fourth quarter under review, the Group revenue increased by 74% to RM101.5 million from RM58.4 million in the corresponding fourth quarter of the preceding year. The profit after tax decreased by 95% to RM0.1 million from RM2.7 million in the corresponding fourth quarter of the preceding year.

The increase in the revenue was mainly contributed by higher construction activities undertaken during the current quarter. While decreased in profit after tax was mainly due to allowance for diminution in value of investment on unquoted bond, Kerisma Bhd Subordinated Bonds of RM4.5 million pursuant to the loan previously taken by the Group.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current 4th Quarter RM'000	Preceding 3rd Quarter RM'000	Increase/ (Decrease)	
			RM'000	%
Revenue	101,495	88,225	13,270	15%
Profit before taxation	2,407	4,553	(2,146)	(47%)
Profit after taxation	135	3,059	(2,924)	(96%)

For the current quarter under review, the Group recorded profit before taxation and profit after taxation of RM2.4 million and RM0.1 million respectively as compared to RM4.6 million and RM3.1 million respectively in the immediate preceding quarter. The decline performance in the current quarter was mainly due to allowance for diminution in value of investment on unquoted bond, Kerisma Bhd Subordinated Bonds of RM4.5 million pursuant to the loan previously taken by the Group.

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 competitive market condition, the Board is cautiously optimistic that the operating results for 2010 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>31-12-2009</u> (RM'000)	Quarter Ended <u>31-12-2008</u> (RM'000)	Period Ended <u>31-12-2009</u> (RM'000)	Period Ended <u>31-12-2008</u> (RM'000)
Current period's provision	1,917	896	6,666	5,220
Deferred tax	(134)	88	(168)	35
Under provision in tax in prior year	321	766	324	1,009
	<u>2,272</u>	<u>1,750</u>	<u>6,722</u>	<u>6,264</u>
Profit before taxation	<u>2,407</u>	<u>4,420</u>	<u>17,451</u>	<u>18,607</u>
Taxation at Malaysian statutory tax rate – 25% / 26%	602	1,149	4,363	4,838
Tax losses not yet utilised	(238)	(106)	134	33
Effect of different tax rate	-	56	-	(8)
Under provision in tax in prior year	321	766	324	1,009
Under/(Over) provision in deferred tax in prior year	34	165	(268)	112
Expenses not deductible for tax purposes	1,553	(280)	2,169	280
	<u>2,272</u>	<u>1,750</u>	<u>6,722</u>	<u>6,264</u>

The Group's effective tax rate for the current quarter ended 31 December 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 31 December 2009.

B7. DEALINGS IN QUOTED SECURITIES

- (i) The Group did not transact any quoted securities for the current quarter ended 31 December 2009.
- (ii) As at 31 December 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 31 December 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 31 December 2009 are as follows:-

	RM'000	RM'000
Short term borrowings :		
Secured		
- Hire Purchase	2,415	
- Term Loan	5,759	
Unsecured		
- Bank Overdraft	10,555	
- Bankers' Acceptance	25,012	
		43,741
Long term borrowings :		
Secured		
- Hire Purchase	2,633	
- Term Loan	68,560	
Unsecured		
- Term Loan	40,000	
		111,193
Total		154,934

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B10. OFF BALANCE SHEET FINANCIAL INSTRUMENT

There were no financial instruments with off balance sheet risk as at 19 February 2010, 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 19 February 2010, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

B12. DIVIDEND

The Board of Directors is recommending a first and final dividend of 4% less 25% taxation per share in respect of the financial year ended 31 December 2009. This is subject to the shareholder approval in the next Annual General Meeting.

The entitlement and payments dates of dividend will be determined and announced at a later date.

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 31 December 2009.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31-12-2009	31-12-2008	31-12-2009	31-12-2008
Profit after tax attributable to equity holders of the parent (RM'000)	135	2,670	10,729	12,343
Weighted average number of ordinary shares in issue ('000)	124,089	124,089	124,089	124,070
Basic earnings per share (sen)	0.1	2.2	8.6	10.0

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	
	31-12-2009	31-12-2008	31-12-2009	31-12-2008
Profit after tax attributable to equity holders of the parent (RM'000)	135	2,670	10,729	12,343
Weighted average number of ordinary shares ('000)	124,089	124,089	124,089	124,070
Assume full conversion of Warrants ('000)	*	*	*	*
Effects of ESOS ('000)	*	*	*	*
Weighted average number of ordinary shares ('000)	124,089	124,089	124,089	124,070
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 31 December 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 24 February 2010.

By Order of the Board

Company Secretaries

Heng Chiang Pooh FCIS (MAICSA 7009923)

Chiam Han Twee FCIS (MAICSA 7009910)

Date: 24 February 2010