

***CREST BUILDER HOLDINGS BERHAD*** (573382-P)

***UNAUDITED INTERIM FINANCIAL REPORT FOR  
THE FIRST QUARTER ENDED 31 MARCH 2010***

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## **INTERIM REPORT**

### **UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010**

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**CREST BUILDER HOLDINGS BERHAD** <sup>(573382-P)</sup>  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2010**

|  | INDIVIDUAL PERIOD                               |   | CUMULATIVE PERIOD                               |   |
|--|---|---|---|---|
|  | Current Year<br>Quarter<br>31/03/2010<br>RM'000 | Preceding Year<br>Quarter<br>31/03/2009<br>RM'000 | Current Year<br>To Date<br>31/03/2010<br>RM'000 | Preceding Year<br>To Date<br>31/03/2009<br>RM'000 |
| Revenue  | 92,185  | 61,379  | 92,185  | 61,379  |
| Cost of Sales  | (81,768)  | (52,667)  | (81,768)  | (52,667)  |
| Gross Profit   | 10,417  | 8,712   | 10,417  | 8,712   |
| Other Operating Income                                   | 361   | 467   | 361   | 467   |
|  | 10,778  | 9,179   | 10,778  | 9,179   |
| Administration Costs                                     | (2,882)   | (2,905)   | (2,882)   | (2,905)   |
|  | 7,896   | 6,274   | 7,896   | 6,274   |
| Finance Costs  | (2,204)   | (2,021)   | (2,204)   | (2,021)   |
| Profit Before Tax  | 5,692   | 4,253   | 5,692   | 4,253   |
| Taxation   | (1,696)   | (955)   | (1,696)   | (955)   |
| Profit of the period                                     | 3,996   | 3,298   | 3,996   | 3,298   |
| Other Comprehensive Income, net of tax                   | -   | -   | -   | -   |
| Total Comprehensive Income for the period,<br>net of tax | 3,996   | 3,298   | 3,996   | 3,298   |
| Profit attributable to:                                  |   |   |   |   |
| Equity holders of the Company                            | 3,996   | 3,298   | 3,996   | 3,298   |
| Minority Interest  | -   | -   | -   | -   |
|  | 3,996   | 3,298   | 3,996   | 3,298   |
| Total Comprehensive Income attributable to:              |   |   |   |   |
| Equity holders of the Company                            | 3,996   | 3,298   | 3,996   | 3,298   |
| Minority Interest  | -   | -   | -   | -   |
|  | 3,996   | 3,298   | 3,996   | 3,298   |
| Earnings Per Share (sen)                                 |   |   |   |   |
| - Basic  | 3.2   | 2.7   | 3.2   | 2.7   |
| - 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 March 2010 as it has an anti-dilution effect.

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the quarterly report.

**CREST BUILDER HOLDINGS BERHAD (573382-P)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2010**

|   | As at<br>31/03/2010<br>RM'000 | (Audited)<br>As at<br>31/12/2009<br>RM'000 |
|---|-------------------------------|--|
| <b>ASSETS</b>   |                               |  |
| <b>Non-current assets</b>   |                               |  |
| Property, plant and equipment   | 15,857                        | 27,344                                     |
| Prepaid land lease payments   | 38,105                        | 38,206                                     |
| Investment properties   | 96,305                        | 83,851                                     |
| Other investments   | -                             | 4,054                                      |
| Held to maturity investments  | 4,054                         | -  |
| Intangible assets   | 33,604                        | 33,604                                     |
| Land held for property development                                      | 15,222                        | 15,116                                     |
|   | <u>203,147</u>                | <u>202,175</u>                             |
| <b>Current assets</b>   |                               |  |
| Property development costs  | 25,114                        | 20,858                                     |
| Inventories   | 2,015                         | 2,015                                      |
| Trade receivables   | 113,332                       | 106,440                                    |
| Amounts due from contract customers                                     | 166,718                       | 157,791                                    |
| Other receivables, deposits and prepayments                             | 15,450                        | 17,809                                     |
| Tax recoverable   | 4,586                         | 4,524                                      |
| Cash and bank balances  | 11,047                        | 23,429                                     |
|   | <u>338,262</u>                | <u>332,866</u>                             |
| <b>TOTAL ASSETS</b>   | <u>541,409</u>                | <u>535,041</u>                             |
| <b>EQUITY AND LIABILITIES</b>   |                               |  |
| <b>Equity attributable to equity holders of the Company</b>             |                               |  |
| Share capital   | 124,089                       | 124,089                                    |
| Treasury shares   | (121)                         | -  |
| Reserves  | 110,688                       | 106,692                                    |
| <b>Total equity</b>   | <u>234,656</u>                | <u>230,781</u>                             |
| <b>Non-current liabilities</b>  |                               |  |
| Loans   | 107,350                       | 108,510                                    |
| Hire purchase payables  | 2,453                         | 2,641                                      |
| Deferred tax liabilities  | 188                           | 295  |
|   | <u>109,991</u>                | <u>111,446</u>                             |
| <b>Current liabilities</b>  |                               |  |
| Trade payables  | 114,573                       | 108,810                                    |
| Amounts due to contract customers                                       | 1,920                         | 663  |
| Progress billings in respect of property development costs              | 15,014                        | 14,689                                     |
| Other payables, deposits and accruals                                   | 15,814                        | 24,652                                     |
| Hire purchase payables  | 2,877                         | 2,407                                      |
| Bank overdraft  | 16,796                        | 10,768                                     |
| Other bank borrowings   | 29,761                        | 30,820                                     |
| Provision for taxation  | 7                             | 5  |
|   | <u>196,762</u>                | <u>192,814</u>                             |
| <b>Total liabilities</b>  | <u>306,753</u>                | <u>304,260</u>                             |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     | <u>541,409</u>                | <u>535,041</u>                             |
| Net assets per share attributable to equity holders of the Company (RM) | <u>1.89</u>                   | <u>1.86</u>                                |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 FIRST QUARTER ENDED 31 MARCH 2010**

← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →

|   | Share<br>Capital<br>RM'000 | Treasury<br>Shares<br>RM'000 | NON-DISTRIBUTABLE            | DISTRIBUTABLE              | Minority<br>Interest<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|----------------------------|------------------------------|------------------------------|----------------------------|--------------------------------|---------------------------|
|   |                            |                              | Capital<br>Reserve<br>RM'000 | Other<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 | Total<br>RM'000           |
| At 1 January 2009                         | 124,089                    | -                            | 4,074                        | 251                        | 94,128                         | 222,542                   |
| Total comprehensive income for the period | -                          | -                            | -                            | -                          | 3,298                          | 3,298                     |
| At 31 March 2009                          | 124,089                    | -                            | 4,074                        | 251                        | 97,426                         | 225,840                   |
| At 1 January 2010                         | 124,089                    | -                            | 4,074                        | 296                        | 102,322                        | 230,781                   |
| Total comprehensive income for the period | -                          | -                            | -                            | -                          | 3,996                          | 3,996                     |
| Purchase of treasury shares               | -                          | (121)                        | 4,074                        | 296                        | 106,318                        | 234,777                   |
| At 31 March 2010                          | 124,089                    | (121)                        | 4,074                        | 296                        | 106,318                        | 234,656                   |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the quarterly report.

**CREST BUILDER HOLDINGS BERHAD** (573382-P)  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2010**

|   | <b>3 Months<br/>Ended<br/>3/31/2010<br/>RM'000</b> | <b>3 Months<br/>Ended<br/>3/31/2009<br/>RM'000</b> |
|---|--|--|
| Profit before taxation                                  | 5,692  | 4,253  |
| Adjustments for :-                                      |  |  |
| Depreciation  | 1,030  | 957  |
| Amortisation of prepaid land lease payments             | 101  | -  |
| Goodwill on acquisition of new subsidiary company       | 23   | -  |
| Gain on disposal of property, plant and equipment       | (54)   | (137)  |
| Interest expense  | 2,204  | 2,021  |
| Interest income   | (26)   | (104)  |
| Operating profit before working capital changes         | 8,970  | 6,990  |
| Net change in current assets                            | 6,790  | 5,892  |
| Net change in current liabilities                       | (26,022)   | (19,064)   |
| Cash use in operations                                  | (19,232)   | (13,172)   |
| Income tax paid   | (1,863)  | (1,917)  |
| Net cash use in operating activities                    | (12,125)   | (8,099)  |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>         |  |  |
| Interest received                                       | 26   | 104  |
| Increase in development expenditure                     | (106)  | -  |
| Proceeds from disposal of property, plant and equipment | 54   | 137  |
| Purchase of treasury shares                             | (121)  | -  |
| Purchase of investment properties                       | (465)  | -  |
| Purchase of property, plant and equipment               | (436)  | (229)  |
| Net cash (used in)/generated from investing activities  | (1,048)  | 12   |
| <br><b>CASH FLOWS FROM FINANCING ACTIVITIES</b>         |  |  |
| Fixed deposits with licensed banks                      | 1,451  | -  |
| Interest paid   | (2,204)  | (2,021)  |
| Loan raised   | 36   | 3,608  |
| Repayment of loans                                      | (2,256)  | (641)  |
| Repayment of hire purchase creditors                    | (813)  | (665)  |
| Net cash (used in)/generated from financing activities  | (3,786)  | 281  |
| Net decrease in cash and cash equivalents               | (16,959)   | (7,806)  |
| Cash and cash equivalents brought forward               | 9,531  | 6,658  |
| Cash and cash equivalents carried forward               | (7,428)  | (1,148)  |
| <br><b>Note:</b>  |  |  |
| Cash and bank balances                                  | 5,448  | 1,319  |
| Fixed deposit with licensed banks                       | 5,599  | 13,106   |
|   | 11,047   | 14,425   |
| Less: Bank overdraft                                    | (16,796)   | (12,116)   |
| Fixed deposit pledged                                   | (1,679)  | (3,457)  |
| Cash and cash equivalents                               | (7,428)  | (1,148)  |

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the quarterly report.

**CREST BUILDER HOLDINGS BERHAD** (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2010**

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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”) Main Market 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 2009.

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 2009, except for the adoption of the new and revised FRSs, Amendments to FRSs and Interpretations with effect from 1 July 2009 and 1 January 2010.

The adoption of the new and revised FRSs, Amendments to FRSs and Interpretations, which are commencing from 1 July 2009 and 1 January 2010 does not have significant impact to the Group.

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

| <b>FRSs and Interpretations</b> |  | <b>Effective for financial periods beginning on or after</b> |
|---------------------------------|--|--|
| Amendments to FRS 132           | Financial Instruments: Presentation- Classification of Rights Issues | 1 March 2010   |
| FRS 1                           | First-time Adoption of Financial Reporting Standards                 | 1 July 2010  |
| FRS 3                           | Business Combinations (revised)                                      | 1 July 2010  |
| FRS 127                         | Consolidated and Separate Financial Statements (amended)             | 1 July 2010  |
| Amendments to FRS 2             | Share-based Payments   | 1 July 2010  |
| Amendments to FRS 5             | Non-current Assets Held for Sale and Discontinued Operations         | 1 July 2010  |
| Amendments to FRS 138           | Intangible Assets  | 1 July 2010  |

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**A1. BASIS OF PREPARATION (CON'T)**

|                                   |  |                |
|-----------------------------------|--|----------------|
| IC Interpretation 12              | Service Concession Arrangements  | 1 July 2010    |
| IC Interpretation 15              | Agreements for the Construction of Real Estate                               | 1 July 2010    |
| IC Interpretation 16              | Hedges of a Net Investment in a Foreign Operation                            | 1 July 2010    |
| IC Interpretation 17              | Distribution of Non-cash Assets to Owners                                    | 1 July 2010    |
| Amendments to IC Interpretation 9 | Reassessment of Embedded Derivatives   | 1 July 2010    |
| Amendments to FRS 1               | Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters | 1 January 2011 |
| Amendments to FRS 7               | Improving Disclosures about Financial Instruments                            | 1 January 2011 |

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

**A2. AUDIT QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the annual audited financial statements for the financial year ended 31 December 2009 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 March 2010.



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**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 March 2010.

**A6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES**

During the current quarter, the Company repurchased 155,900 units of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM121,438 including transaction costs and has been deducted from equity. The repurchase transactions were financed by internally generated funds and the average price paid for the shares was RM0.78. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

There were no issuance and repayment of debt securities, share cancellations, 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 three (3) months ended 31 March 2010.

**Segment Revenue and Segment Results**

| <b>Business Segment</b> | <b>Construction<br/>RM'000</b> | <b>Investment<br/>Holding<br/>RM'000</b> | <b>Property<br/>Developments<br/>RM'000</b> | <b>Eliminations<br/>RM'000</b> | <b>Consolidated<br/>RM'000</b> |
|-------------------------|--------------------------------|--|---|--------------------------------|--------------------------------|
| <b>Revenue</b>          |                                |  |   |                                |                                |
| - External customer     | 88,577                         | 1,935                                    | 1,673                                       | -                              | 92,185                         |
| - Inter-segment         | 2,242                          | 1,636                                    | -   | (3,878)                        | -                              |
| Total revenue           | 90,819                         | 3,571                                    | 1,673                                       | (3,878)                        | 92,185                         |
| <b>Results</b>          |                                |  |   |                                |                                |
| - Segment Results       | 5,560                          | 2,683                                    | 204   | (551)                          | 7,896                          |
| Finance Cost            |                                |  |   |                                | (2,204)                        |
| Taxation                |                                |  |   |                                | (1,696)                        |
| Profit for the period   |                                |  |   |                                | 3,996                          |

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

(ii) For the three (3) months ended 31 March 2009.

**Segment Revenue and Segment Results**

| <b>Business Segment</b> | <b>Construction<br/>RM'000</b> | <b>Investment<br/>Holding<br/>RM'000</b> | <b>Property<br/>Developments<br/>RM'000</b> | <b>Eliminations<br/>RM'000</b> | <b>Consolidated<br/>RM'000</b> |
|-------------------------|--------------------------------|--|---|--------------------------------|--------------------------------|
| <b>Revenue</b>          |                                |  |   |                                |                                |
| - External customer     | 57,370                         | 1,805                                    | 2,204                                       | -                              | 61,379                         |
| - Inter-segment         | 2,373                          | 1,456                                    | -   | (3,829)                        | -                              |
| Total revenue           | 59,743                         | 3,261                                    | 2,204                                       | (3,829)                        | 61,379                         |
| <b>Results</b>          |                                |  |   |                                |                                |
| - Segment Results       | 3,405                          | 2,601                                    | 812   | (544)                          | 6,274                          |
| Finance Cost            |                                |  |   |                                | (2,021)                        |
| Taxation                |                                |  |   |                                | (955)                          |
| Profit for the Period   |                                |  |   |                                | 3,298                          |

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

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**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 2009.

**A10. SUBSEQUENT MATERIAL EVENTS**

There were no material events subsequent to the reporting period up to 21 May 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 March 2010.

**A11. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group for the current quarter ended 31 March 2010.

**A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Contingent liabilities of the Group as at 21 May 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 2009 are as follows:-

|                                  | <b>RM'000</b> |
|----------------------------------|---------------|
| Balance as at 1 January 2010     | 85,846        |
| Extended during the period       | 9,363         |
| Discharged during the period     | (395)         |
| <b>Balance as at 21 May 2010</b> | <b>94,814</b> |

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**A13. CAPITAL COMMITMENTS**

There were no capital commitments that have a material effect in the current quarter ended 31 March 2010.

**A14. SIGNIFICANT RELATED PARTY DISCLOSURES**

| Crest Builder Holdings Berhad and / or its subsidiaries | Transacting Party | Relationship                                     | Nature of Transactions | Current Quarter Ended 31 March 2010<br>RM'000 | Cumulative Quarter Ended 31 March 2010<br>RM'000 |
|---|-------------------|--|------------------------|---|--|
| Crest Builder Sdn Bhd                                   | Farima Sdn Bhd    | Company connected with a Director of the Company | Construction work      | 3,413   | 3,413  |

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 first quarter under review, the Group revenue increased by 50% to RM92.1 million from RM61.4 million in the corresponding first quarter of the preceding year. The profit after tax increased by 21% to RM4.0 million from RM3.3 million in the corresponding first quarter of the preceding year.

The increase in revenue and profit after tax was mainly due to the higher contribution from construction activities undertaken during the current quarter.

**B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS**

|                        | <b>Current<br/>1<sup>st</sup> Quarter<br/>RM'000</b> | <b>Preceding<br/>4<sup>th</sup> Quarter<br/>RM'000</b> | <b>Increase/<br/>(Decrease)</b> |          |
|------------------------|--|--|---------------------------------|----------|
|                        |  |  | <b>RM'000</b>                   | <b>%</b> |
| Revenue                | 92,185   | 101,495  | (9,310)                         | (9%)     |
| Profit before taxation | 5,692  | 2,407  | 3,285                           | 134%     |
| Profit after taxation  | 3,996  | 135  | 3,861                           | 286%     |

For the current quarter under review, the Group recorded profit before taxation and profit after taxation of RM5.7 million and RM4.0 million respectively as compared to RM2.4 million and RM0.1 million respectively in the immediate preceding quarter.

**B3. CURRENT YEAR PROSPECT**

The Group continues to bid actively and successfully for construction projects. Continuous effort is being taken to identify measures for improving the Group's construction margin. The Group is also looking for strategic landbank and at the same time planning for new launches on its existing landbank.

Despite the global economic crisis, 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>                          |  |
|--|---|---|--|--|
|  | <u>Quarter<br/>Ended<br/>31-3-2010<br/>(RM'000)</u> | <u>Quarter<br/>Ended<br/>31-3-2009<br/>(RM'000)</u> | <u>Period<br/>Ended<br/>31-3-2010<br/>(RM'000)</u> | <u>Period<br/>Ended<br/>31-3-2009<br/>(RM'000)</u> |
| Current period's provision                     | 1,803   | 1,220   | 1,803  | 1,220  |
| Deferred tax                                   | (107)   | (265)   | (107)  | (265)  |
|  | <u>1,696</u>  | <u>955</u>  | <u>1,696</u>                                       | <u>955</u>   |
| Profit before taxation                         | <u>5,692</u>  | <u>4,253</u>  | <u>5,692</u>                                       | <u>4,253</u>                                       |
| Taxation at Malaysian statutory tax rate – 25% | 1,423   | 1,063   | 1,423  | 1,063  |
| Tax losses not yet utilised                    | 51  | 18  | 51   | 18   |
| Over provision in deferred tax in prior year   | -   | (265)   | -  | (265)  |
| Expenses not deductible for tax purposes       | 222   | 139   | 222  | 139  |
|  | <u>1,696</u>  | <u>955</u>  | <u>1,696</u>                                       | <u>955</u>   |

The Group's effective tax rate for the current quarter ended 31 March 2010 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 31 March 2010.

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**B7. DEALINGS IN QUOTED SECURITIES**

- (i) The Group did not transact any quoted securities for the current quarter ended 31 March 2010.
- (ii) As at 31 March 2010, 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 March 2010 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 March 2010 are as follows:-

|                         | RM'000 | RM'000         |
|-------------------------|--------|----------------|
| Short term borrowings : |        |                |
| Secured                 |        |                |
| - Hire Purchase         | 2,877  |                |
| - Term Loan             | 4,918  |                |
| Unsecured               |        |                |
| - Bank Overdraft        | 16,796 |                |
| - Bankers' Acceptance   | 24,843 |                |
|                         |        | 49,434         |
| Long term borrowings :  |        |                |
| Secured                 |        |                |
| - Hire Purchase         | 2,453  |                |
| - Term Loan             | 67,350 |                |
| Unsecured               |        |                |
| - Term Loan             | 40,000 |                |
|                         |        | 109,803        |
| <b>Total</b>            |        | <b>159,237</b> |

**B10. OFF BALANCE SHEET FINANCIAL INSTRUMENT**

There were no financial instruments with off balance sheet risk as at 21 May 2010, 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 21 May 2010, 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 first quarter ended 31 March 2010.



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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 March 2010.

|   | <b>INDIVIDUAL QUARTER</b> |                  | <b>CUMULATIVE QUARTER</b> |                  |
|---|---------------------------|------------------|---------------------------|------------------|
|   | <b>31-3-2010</b>          | <b>31-3-2009</b> | <b>31-3-2010</b>          | <b>31-3-2009</b> |
| Profit after tax attributable to equity holders of the company (RM'000) | <b>3,996</b>              | 3,298            | <b>3,996</b>              | 3,298            |
| Weighted average number of ordinary shares in issue ('000)              | <b>124,089</b>            | 124,089          | <b>124,089</b>            | 124,089          |
| Basic earnings per share (sen)  | <b>3.2</b>                | 2.7              | <b>3.2</b>                | 2.7              |

**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:-

|   | <b>INDIVIDUAL QUARTER</b> |                  | <b>CUMULATIVE QUARTER</b> |                  |
|---|---------------------------|------------------|---------------------------|------------------|
|   | <b>31-3-2010</b>          | <b>31-3-2009</b> | <b>31-3-2010</b>          | <b>31-3-2009</b> |
| Profit after tax attributable to equity holders of the company (RM'000) | <b>3,996</b>              | 3,298            | <b>3,996</b>              | 3,298            |
| Weighted average number of ordinary shares ('000)                       | <b>124,089</b>            | 124,089          | <b>124,089</b>            | 124,089          |
| Assume full conversion of Warrants ('000)                               | *                         | *                | *                         | *                |
| Effects of ESOS ('000)  | *                         | *                | *                         | *                |
| Weighted average number of ordinary shares ('000)                       | <b>124,089</b>            | 124,089          | <b>124,089</b>            | 124,089          |
| Diluted earnings per share (sen)  | <b>N/A</b>                | N/A              | <b>N/A</b>                | 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 March 2010 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 25 May 2010.

By Order of the Board

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

Date: 25 May 2010