

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

***UNAUDITED INTERIM FINANCIAL REPORT FOR  
THE SECOND QUARTER ENDED 30 JUNE 2017***

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### **INTERIM REPORT**

#### **UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

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**CREST BUILDER HOLDINGS BERHAD** (573382-P)  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year Quarter 30-06-2017 RM'000	Preceding Year Quarter 30-06-2016 RM'000	Current Year To Date 30-06-2017 RM'000	Preceding Year To Date 30-06-2016 RM'000
Revenue	110,682	54,193	205,710	105,962
Cost of sales	<u>(80,202)</u>	<u>(31,907)</u>	<u>(146,956)</u>	<u>(62,200)</u>
<b>Gross profit</b>	30,480	22,286	58,754	43,762
Other income	<u>1,607</u>	<u>693</u>	<u>2,892</u>	<u>1,805</u>
	32,087	22,979	61,646	45,567
Administrative expenses	<u>(9,547)</u>	<u>(7,959)</u>	<u>(18,057)</u>	<u>(13,444)</u>
<b>Operating profit</b>	22,540	15,020	43,589	32,123
Finance costs	<u>(10,999)</u>	<u>(11,507)</u>	<u>(22,076)</u>	<u>(23,329)</u>
<b>Profit before tax</b>	11,541	3,513	21,513	8,794
Income tax expense	<u>(3,887)</u>	<u>320</u>	<u>(7,276)</u>	<u>(991)</u>
<b>Profit for the financial period</b>	7,654	3,833	14,237	7,803
<b>Other comprehensive income, net of tax</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the financial period</b>	<u>7,654</u>	<u>3,833</u>	<u>14,237</u>	<u>7,803</u>
<b>Profit for the financial period/Total comprehensive income attributable to:</b>				
Owners of the Company	7,205	3,449	13,378	5,994
Non-controlling Interests	<u>449</u>	<u>384</u>	<u>859</u>	<u>1,809</u>
	<u>7,654</u>	<u>3,833</u>	<u>14,237</u>	<u>7,803</u>
<b>Earnings per share (sen)</b>				
- Basic	<u>4.2</u>	<u>2.0</u>	<u>7.8</u>	<u>3.5</u>
- Diluted	<u>4.2</u>	<u>2.0</u>	<u>7.8</u>	<u>3.5</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the quarterly report.

**CREST BUILDER HOLDINGS BERHAD** (573382-P)  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	<b>As at 30-06-2017 RM'000</b>	<b>As at 31-12-2016 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,830	16,760
Investment properties	320,800	320,800
Golf club membership	54	54
Goodwill	33,608	33,608
Land held for property development	6,747	6,747
Operating financial asset	268,399	275,018
Deferred tax assets	7,797	9,445
Trade receivable	11,468	11,468
<b>Total non-current assets</b>	<u>664,703</u>	<u>673,900</u>
<b>Current assets</b>		
Property development costs	300,671	104,534
Inventories	57,100	66,357
Operating financial asset	45,099	45,099
Trade and other receivables	305,933	281,078
Amount due from contract customers	52,769	41,927
Tax recoverable	6,520	8,801
Short term investments in financial institutions	19,999	28,021
Fixed deposits placed with licensed banks	77,433	83,309
Cash and bank balances	15,832	10,807
<b>Total current assets</b>	<u>881,356</u>	<u>669,933</u>
<b>TOTAL ASSETS</b>	<u>1,546,059</u>	<u>1,343,833</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	181,191	176,922
Share premium	-	4,269
Treasury shares	(5,795)	(5,795)
Reserves	241,194	227,816
Shareholders' funds	<u>416,590</u>	<u>403,212</u>
Non-controlling interests	14,451	13,518
<b>TOTAL EQUITY</b>	<u>431,041</u>	<u>416,730</u>
<b>Non-current liabilities</b>		
Term loans	35,498	48,797
Sukuk Murabahah	405,706	419,080
Hire purchase payables	5,073	1,494
Deferred tax liabilities	15,222	13,914
Trade and other payables	18,564	13,146
<b>Total non-current liabilities</b>	<u>480,063</u>	<u>496,431</u>
<b>Current liabilities</b>		
Bank borrowings	169,748	176,245
Sukuk Murabahah	29,795	29,795
Hire purchase payables	1,535	684
Tax payable	759	804
Trade and other payables	416,576	221,914
Amount due to contract customers	16,542	1,230
<b>Total current liabilities</b>	<u>634,955</u>	<u>430,672</u>
<b>TOTAL LIABILITIES</b>	<u>1,115,018</u>	<u>927,103</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,546,059</u>	<u>1,343,833</u>
Net assets per share attributable to owners of the Company (RM)	<u>2.44</u>	<u>2.36</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the quarterly report.

**CREST BUILDER HOLDINGS BERHAD (573392-P)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

← ATTRIBUTABLE TO OWNERS OF THE COMPANY →

	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Non-distributable Share option reserves RM'000	Distributable Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2016	176,922	4,269	(3,152)	976	219,841	398,856	6,891	405,747
Total comprehensive income for the financial period	-	-	-	-	5,994	5,994	1,809	7,803
Purchase of treasury shares	176,922	4,269	(3,152)	976	225,835	404,850	8,700	413,550
Arising from increase in share capital in a subsidiary company	-	-	(2,643)	-	-	(2,643)	-	(2,643)
At 30 June 2016	176,922	4,269	(5,795)	976	225,835	402,207	9,141	411,348
At 1 January 2017	176,922	4,269	(5,795)	1,554	226,262	403,212	13,518	416,730
Total comprehensive income for the financial period	-	-	-	-	13,378	13,378	859	14,237
Arising from increase in share capital in a subsidiary company	176,922	4,269	(5,795)	1,554	239,640	416,590	14,377	430,967
Adoption of Companies Act 2016	-	-	-	-	-	-	74	74
ESOS lapsed	4,269	(4,269)	-	-	-	-	-	-
At 30 June 2017	181,191	-	(5,795)	-	241,194	416,590	14,451	431,041

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the quarterly report.

**CREST BUILDER HOLDINGS BERHAD** (573382-P)  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

	<b>6 Months Ended 30-06-2017 RM'000</b>	<b>6 Months Ended 30-06-2016 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	21,513	8,794
Adjustments for:		
Depreciation of property, plant and equipment	1,698	537
Effect of unwinding of interest from the discounting of Sukuk Murabahah	1,626	1,899
Gain on disposal of property, plant and equipment	(429)	(80)
Interest expense	22,076	23,329
Interest income	(1,435)	(1,480)
Recovery of impairment loss on trade receivables	(734)	-
Operating profit before changes in working capital	44,315	32,999
Net change in assets	(215,150)	94,258
Net change in liabilities	215,392	(50,996)
	242	43,262
Net cash flows generated from operations	44,557	76,261
Income tax paid	(2,261)	(5,944)
Income tax refunded	177	63
Net cash flows from operating activities	42,473	70,380
<b>Cash flows from investing activities</b>		
Interest received	957	1,480
Proceeds from disposal of property, plant and equipment	429	-
Proceeds from disposal of short term investments	8,500	-
Purchase of property, plant and equipment	(768)	(1,636)
Net cash flows from/(used in) investing activities	9,118	(156)
<b>Cash flows from financing activities</b>		
Interest paid	(22,076)	(23,329)
Fixed deposits pledged with licensed banks	(74)	-
Purchase of treasury shares	-	(2,643)
Net drawdown of bank borrowings	2,590	1,321
Net drawdown/(repayment) of hire purchase payables	4,430	(178)
Net repayment of Sukuk Murabahah	(15,000)	(15,000)
Net decrease in cash and bank balances maintained in an escrow account	25	-
Net cash flows used in financing activities	(30,105)	(39,829)
Net increase in cash and cash equivalents	21,486	30,395
Cash and cash equivalents brought forward	61,371	81,829
Cash and cash equivalents carried forward	82,857	112,224
<b>Note:</b>		
Cash and bank balances	15,832	10,680
Fixed deposits placed with licensed banks	77,433	131,450
	93,265	142,130
Less: Bank overdrafts	(6,606)	(26,955)
Fixed deposits pledged with licensed banks	(3,027)	(2,951)
Cash and bank balances maintained in an escrow account	(775)	-
Cash and cash equivalents	82,857	112,224

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the quarterly report.

**CREST BUILDER HOLDINGS BERHAD (573382-P)**  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

**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 Financial Reporting Standards (“FRS”) 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 2016.

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 2016 except for the adoption of the following Amendments to FRSs:

Amendments to FRSs

FRS 12	Disclosure of Interests in Other Entities (Annual improvements to FRS Standards 2014-2016 Cycle)
FRS 107	Statement of Cash Flows (Disclosure initiatives)
FRS 112	Income taxes (Recognition of deferred tax assets for unrealised losses)

The adoption of the above Amendments to FRSs, which commenced from 1 January 2017 does not have material impact on the financial statements of the Group.

The following new FRS and Amendments to FRSs were issued but not yet effective and have not been applied by the Group:

<b>New FRS and Amendment to FRSs</b>	<b>Effective for financial periods beginning on or after</b>
<u>New FRS</u>	
FRS 9      Financial Instruments	1 January 2018
<u>Amendments to FRSs</u>	
FRS 1      First-time Adoption of FRSs	1 January 2018
FRS 2      Share-based Payment	1 January 2018
FRS 4      Insurance Contracts	1 January 2018
FRS 10     Consolidated Financial Statements	Deferred
FRS 128    Investments in Associates and Joint Ventures	1 January 2018/ Deferred
FRS 140    Investment Property	1 January 2018

The adoption of the abovementioned new FRS and Amendments to FRSs upon their effective dates are not expected to have any material impact on the financial statements of the Group.

**CREST BUILDER HOLDINGS BERHAD (573382-P)**  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

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**A1. BASIS OF PREPARATION (CONT'D)**

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, Malaysian Financial Reporting Standards (“MFRSs Framework”) which are mandatory for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and IC Int. 15 *Agreements for Construction of Real Estate*, including its parent, significant investor and venturer (“Transitioning Entities”).

The Group qualifies as Transitioning Entities, which allowed the Group to defer the adoption of the new MFRSs. Consequently, the adoption of MFRSs by Transitioning Entities for the Group will be on or after 1 January 2018.

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

The auditors’ report on the annual audited financial statements for the financial year ended 31 December 2016 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 2017.

**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 2017.

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

There were no issuance and repayment of debt securities, share cancellations, and/or resale of treasury shares for the current quarter under review except for:

- (i) The ESOS of the Company has expired on 18 April 2017. Consequently, 5,268,400 unexercised options were lapsed upon the expiry date.



**CREST BUILDER HOLDINGS BERHAD (573382-P)**  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

**A7. DIVIDEND PAID**

There was no dividend paid during the current quarter.

**A8. SEGMENTAL REPORTING**

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

- (i) For the six (6) months period ended 30 June 2017

**Segment Revenue and Segment Results**

<b>Business segment</b>	<b>Construction RM'000</b>	<b>Concession arrangement RM'000</b>	<b>Investment holding RM'000</b>	<b>Property development RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
- External customer	134,691	23,546	8,150	39,323	-	205,710
- Inter-segment	38,331	-	3,338	-	(41,669)	-
Total revenue	173,022	23,546	11,488	39,323	(41,669)	205,710
<b>Results</b>						
- Segment results	12,925	20,186	6,837	4,464	(823)	43,589
Finance costs						(22,076)
Income tax expense						(7,276)
Profit for the financial period						14,237

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

**CREST BUILDER HOLDINGS BERHAD (573382-P)**  
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**A8. SEGMENTAL REPORTING (CONT'D)**

(ii) For the six (6) months period ended 30 June 2016

**Segment Revenue and Segment Results**

Business segment	Construction RM'000	Concession arrangement RM'000	Investment holding RM'000	Property development RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>						
- External customer	62,551	23,718	8,499	11,194	-	105,962
- Inter-segment	15,466	-	2,126	-	(17,592)	-
Total revenue	78,017	23,718	10,625	11,194	(17,592)	105,962
<b>Results</b>						
- Segment results	3,487	20,315	6,403	3,655	(1,737)	32,123
Finance costs						(23,329)
Income tax expense						(991)
Profit for the financial period						7,803

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 financial year ended 31 December 2016.

**A10. SUBSEQUENT MATERIAL EVENTS**

There were no material events subsequent to the reporting period up to 17 August 2017, 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 2017.

**CREST BUILDER HOLDINGS BERHAD (573382-P)**  
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**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 2017.

**A12. CAPITAL COMMITMENTS**

There were no capital commitments that have a material effect in the current quarter ended 30 June 2017.

**A13. SIGNIFICANT RELATED PARTY DISCLOSURES**

The Group has no significant related party transactions during the current quarter ended 30 June 2017.

**CREST BUILDER HOLDINGS BERHAD** (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

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

**B1. REVIEW OF PERFORMANCE**

For the second quarter under review, the Group's revenue increased from RM54.2 million to RM110.7 million while the profit before tax increased from RM3.5 million to RM11.5 million respectively as compared to the corresponding second quarter of the preceding year.

The construction division recorded revenue of RM75.6 million and profit before tax of RM5.7 million as compared to the corresponding second quarter of the preceding year of RM32.4 million and loss before tax of RM0.7 million respectively. The increase in revenue and profit before tax were mainly due to higher progressive construction progress recognised from certain projects during the financial period under review.

The concession arrangement division recorded revenue of RM11.7 million and profit before tax of RM2.4 million as compared to the corresponding second quarter of the preceding year of RM11.9 million and RM2.1 million respectively. The decrease in revenue was mainly due to lesser finance income recognised. The increase in profit before tax was mainly due to saving in finance costs with repayment of Sukuk Murabahah since the second quarter of previous financial year.

The investment division recorded revenue and profit before tax of RM4.1 million and RM0.4 million as compared to the corresponding second quarter of the preceding year of RM4.3 million and RM0.2 million respectively. The decrease in revenue was mainly due to slight decrease in occupancy rate for certain investment properties. The increase in profit before tax in the current quarter was mainly due to saving in maintenance costs for certain investment properties.

The property development division's revenue and profit before tax of RM19.3 million and RM3.0 million as compared to the corresponding second quarter of the preceding year of RM5.6 million and RM1.9 million respectively. The increase in revenue and profit before tax were due to higher sales generated from both completed and a new development project, Batu Tiga Phase 2 (Residensi Hijauan) launched since the third quarter of previous financial year.

**CREST BUILDER HOLDINGS BERHAD (573382-P)**  
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**B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS**

	<b>Current 2nd Quarter RM'000</b>	<b>Preceding 1st Quarter RM'000</b>	<b>Increase/(Decrease)</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	110,682	95,028	15,654	16%
Profit before tax	11,541	9,972	1,569	16%
Profit after tax	7,654	6,583	1,071	16%

For the current quarter under review, the Group recorded profit before tax and profit after tax of RM11.5 million and RM7.7 million respectively as compared to profit before tax and profit after tax of RM10.0 million and RM6.6 million respectively in the immediate preceding quarter.

**B3. CURRENT YEAR PROSPECT**

The construction division will continue to bid actively with the opportunities available from the Eleventh Malaysia Plan and the infrastructure projects that are planned to be implemented under the Economic Transformation Programme. The current projects are all progressing within expectation. With the completion of UiTM Tapah concession project and its refinancing exercise, the Group expects better margins moving forward.

The property development division will continue to contribute positively to the Group in year 2017. Our existing developments in Shah Alam cater to the first time buyer market segment. We expect the responses to our developments to be encouraging.

The volatility of global raw material prices will continue to impact the Group's performance. Despite the global economic uncertainty, the Board is optimistic that the Group will continue to remain profitable for the year 2017.

**B4. VARIANCES ON PROFIT FORECAST AND PROFIT GUARANTEE**

Not applicable to the Group.

**CREST BUILDER HOLDINGS BERHAD (573382-P)**  
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**B5. INCOME TAX EXPENSE**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Quarter Ended <u>30-06-2017</u> (RM'000)</b>	<b>Quarter Ended <u>30-06-2016</u> (RM'000)</b>	<b>Period Ended <u>30-06-2017</u> (RM'000)</b>	<b>Period Ended <u>30-06-2016</u> (RM'000)</b>
Income tax				
- Current provision	2,925	860	4,320	1,529
Deferred tax				
- Relating to origination and reversal of temporary differences	962	(1,180)	2,956	(538)
	<u>3,887</u>	<u>(320)</u>	<u>7,276</u>	<u>991</u>
Profit before tax	<u>11,541</u>	3,513	<u>21,513</u>	8,794
Tax at Malaysian statutory tax rate of 24%	2,770	843	5,163	2,111
Income not subject to tax	(12)	(1,314)	(103)	(1,314)
Expenses not deductible for tax purposes	1,129	151	2,216	194
	<u>3,887</u>	<u>(320)</u>	<u>7,276</u>	<u>991</u>

The Group's effective tax rate for the current quarter ended 30 June 2017 was higher than the statutory tax rate prevailing in Malaysia principally due to certain expenses not deductible for tax in the current period under review.

**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 2017.

**B7. DEALINGS IN QUOTED SECURITIES**

The Group did not transact or hold any quoted securities for the current quarter ended 30 June 2017.

**B8. CORPORATE PROPOSALS**

The Group has not announced any corporate proposal during the current quarter ended 30 June 2017.

**CREST BUILDER HOLDINGS BERHAD (573382-P)**  
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**B9. BORROWINGS AND DEBT SECURITIES**

The details of the Group's borrowings and debt securities, all of which are denominated in Ringgit Malaysia, as at 30 June 2017 are as follows:

	RM'000	RM'000
Short term borrowings:		
Secured		
- Hire purchase payables	1,535	
- Term loans	26,584	
- Sukuk Murabahah	29,795	
Unsecured		
- Bank overdrafts	6,606	
- Bankers' acceptances	46,204	
- Revolving credit	90,354	
		201,078
Long term borrowings:		
Secured		
- Hire purchase payables	5,073	
- Term loans	35,498	
- Sukuk Murabahah	405,706	
		446,277
<b>Total</b>		<b>647,355</b>

**B10. FINANCIAL INSTRUMENTS**

There were no financial instruments with off statement of financial position risk as at 17 August 2017, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

**B11. MATERIAL LITIGATION**

Same as previously disclosed, there were no changes in material litigation, including the status of pending material litigation since the previous quarter to 17 August 2017, 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 2017.

**CREST BUILDER HOLDINGS BERHAD (573382-P)**  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

**B13. EARNINGS PER SHARE**

**a. Basic earnings per share**

The basic earnings per share has been calculated based on the Group's profit after tax and divided by the weighted average number of ordinary shares outstanding during the current quarter ended 30 June 2017.

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>30-06-2017</b>	<b>30-06-2016</b>	<b>30-06-2017</b>	<b>30-06-2016</b>
Profit after tax attributable to owners of the Company (RM'000)	<b>7,205</b>	3,449	<b>13,378</b>	5,994
Weighted average number of ordinary shares in issue ('000)	<b>170,692</b>	170,795	<b>170,692</b>	171,546
Basic earnings per share (sen)	<b>4.2</b>	2.0	<b>7.8</b>	3.5

**b. Diluted earnings per share**

The diluted earnings per share has been calculated based on the Group's profit after tax 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>30-06-2017</b>	<b>30-06-2016</b>	<b>30-06-2017</b>	<b>30-06-2016</b>
Profit after tax attributable to owners of the Company (RM'000)	<b>7,205</b>	3,449	<b>13,378</b>	5,994
Weighted average number of ordinary shares ('000)	<b>170,692</b>	170,795	<b>170,692</b>	171,546
Effects of ESOS ('000)	-	(515)	-	(536)
Weighted average number of ordinary shares ('000)	<b>170,692</b>	170,280	<b>170,692</b>	171,010
Diluted earnings per share (sen)	<b>4.2</b>	2.0	<b>7.8</b>	3.5



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**B14. DISCLOSURE OF REALISED AND UNREALISED RETAINED PROFITS**

The breakdown of the retained earnings of the Group as at 30 June 2017, into realised and unrealised is as follows:

	<b>As at 30-06-2017 RM'000</b>	<b>As at 31-12-2016 RM'000</b>
Total retained earnings of the Company and its subsidiary companies		
- Realised	234,533	216,808
- Unrealised	106,293	108,255
	340,826	325,063
Less: Consolidation adjustments	(99,632)	(98,801)
Total Group's retained earnings as per consolidated accounts	241,194	226,262

The disclosure of realised and unrealised profits above is prepared in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010 and the directive issued by Bursa Malaysia Securities Berhad on 25 June 2010 and 20 December 2010.

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**B15. PROFIT FOR THE FINANCIAL PERIOD**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>30-06-2017</u> (RM'000)	<u>30-06-2016</u> (RM'000)	<u>30-06-2017</u> (RM'000)	<u>30-06-2016</u> (RM'000)
<b>Profit for the financial period is arrived at after charging:</b>				
Depreciation of property, plant and equipment	1,188	260	1,698	537
Interest expense	10,999	11,507	22,076	23,329
Effect of unwinding of interest from the discounting of Sukuk Murabahah	746	949	1,626	1,899
<b>and after crediting:</b>				
Gain on disposal of property, plant and equipment	48	-	429	80
Interest income	716	658	1,435	1,480
Other income	114	35	294	245
Recovery of impairment loss on trade receivables	729	-	734	-

**B16. 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 23 August 2017.

By Order of the Board

Company Secretary  
Heng Chiang Pooh FCIS (MAICSA 7009923)  
Date: 23 August 2017