

CREST BUILDER HOLDINGS BERHAD (573382-P)

***UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2018***

CONTENTS

INTERIM REPORT

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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CREST BUILDER HOLDINGS BERHAD ^(573382-P)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2018

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year Quarter 30-06-2018 RM'000	Preceding Year Quarter 30-06-2017 RM'000	Current Year To Date 30-06-2018 RM'000	Preceding Year To Date 30-06-2017 RM'000
Revenue	151,260	110,682	275,556	205,710
Cost of sales	<u>(116,624)</u>	<u>(80,202)</u>	<u>(213,352)</u>	<u>(146,956)</u>
Gross profit	34,636	30,480	62,204	58,754
Other income	<u>2,117</u>	<u>1,607</u>	<u>4,479</u>	<u>2,892</u>
	36,753	32,087	66,683	61,646
Administrative expenses	<u>(8,256)</u>	<u>(9,547)</u>	<u>(15,188)</u>	<u>(18,057)</u>
Operating profit	28,497	22,540	51,495	43,589
Finance costs	<u>(10,565)</u>	<u>(10,999)</u>	<u>(21,094)</u>	<u>(22,076)</u>
Profit before tax	17,932	11,541	30,401	21,513
Income tax expense	<u>(5,342)</u>	<u>(3,887)</u>	<u>(9,566)</u>	<u>(7,276)</u>
Profit for the financial period	12,590	7,654	20,835	14,237
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the financial period	<u>12,590</u>	<u>7,654</u>	<u>20,835</u>	<u>14,237</u>
Profit for the financial period / Total comprehensive income attributable to:				
Owners of the Company	12,127	7,205	19,764	13,378
Non-controlling interests	<u>463</u>	<u>449</u>	<u>1,071</u>	<u>859</u>
	<u>12,590</u>	<u>7,654</u>	<u>20,835</u>	<u>14,237</u>
Earnings per share (sen)				
- Basic	<u>7.1</u>	<u>4.2</u>	<u>11.6</u>	<u>7.8</u>
- Diluted	<u>7.1</u>	<u>4.2</u>	<u>11.6</u>	<u>7.8</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 2017 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 2018

	As at 30-06-2018 RM'000	As at 31-12-2017 RM'000 (Restated)	As at 01-01-2017 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	20,744	16,621	16,760
Investment properties	320,800	320,800	320,800
Golf club membership	54	54	54
Goodwill	33,608	33,608	33,608
Inventories - land held for property development	9,426	9,426	6,747
Operating financial asset	300,104	307,095	313,990
Deferred tax assets	5,477	6,343	9,445
Trade and other receivables	48,132	42,156	11,467
Total non-current assets	738,345	736,103	712,871
Current assets			
Inventories - property development costs	322,900	337,932	104,534
Inventories - completed properties and others	27,010	37,818	66,357
Operating financial asset	6,894	6,894	6,127
Trade and other receivables	278,736	202,415	269,902
Contract assets	97,044	85,808	53,103
Current tax assets	3,067	5,002	8,801
Short term investments	5,207	20,356	28,021
Fixed deposits placed with licensed banks	66,315	71,476	83,309
Cash and bank balances	23,800	22,166	10,807
Total current assets	830,973	789,867	630,961
TOTAL ASSETS	1,569,318	1,525,970	1,343,832
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	181,191	181,191	176,922
Share premium	-	-	4,269
Treasury shares	(5,795)	(5,795)	(5,795)
Reserves	268,810	249,046	227,816
	444,206	424,442	403,212
Non-controlling interests	16,982	15,911	13,518
TOTAL EQUITY	461,188	440,353	416,730
Non-current liabilities			
Loans and borrowings	409,584	428,750	469,371
Deferred tax liabilities	18,038	16,719	13,914
Trade and other payables	34,674	27,551	13,145
Total non-current liabilities	462,296	473,020	496,430
Current liabilities			
Loans and borrowings	210,582	229,154	206,724
Current tax liabilities	1,755	461	804
Trade and other payables	423,778	378,248	221,914
Contract liabilities	9,719	4,734	1,230
Total current liabilities	645,834	612,597	430,672
TOTAL LIABILITIES	1,108,130	1,085,617	927,102
TOTAL EQUITY AND LIABILITIES	1,569,318	1,525,970	1,343,832
Net assets per share attributable to owners of the Company (RM)	2.60	2.49	2.36

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the quarterly report.

CREST BUILDER HOLDINGS BERHAD ^(573382-P)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2018

← **ATTRIBUTABLE TO OWNERS OF THE COMPANY** →

	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Share option reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
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
	<u>176,922</u>	<u>4,269</u>	<u>(5,795)</u>	<u>1,554</u>	<u>239,640</u>	<u>416,590</u>	<u>14,377</u>	<u>430,967</u>
Arising from increase in share capital in a subsidiary company	-	-	-	-	-	-	74	74
Transition to no-par value regime	4,269	(4,269)	-	-	-	-	-	-
ESOS lapsed	-	-	-	(1,554)	1,554	-	-	-
At 30 June 2017	<u>181,191</u>	<u>-</u>	<u>(5,795)</u>	<u>-</u>	<u>241,194</u>	<u>416,590</u>	<u>14,451</u>	<u>431,041</u>
At 1 January 2018	181,191	-	(5,795)	-	249,046	424,442	15,911	440,353
Total comprehensive income for the financial period	-	-	-	-	19,764	19,764	1,071	20,835
At 30 June 2018	<u>181,191</u>	<u>-</u>	<u>(5,795)</u>	<u>-</u>	<u>268,810</u>	<u>444,206</u>	<u>16,982</u>	<u>461,188</u>

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 2017 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 2018

	6 Months Ended 30-06-2018 RM'000	6 Months Ended 30-06-2017 RM'000
Cash flows from operating activities		
Profit before tax	30,401	21,513
Adjustments for:		
Amortisation of discount on Sukuk Murabahah	1,624	1,626
Depreciation of property, plant and equipment	1,909	1,698
Gain on disposal of property, plant and equipment	(133)	(429)
Interest expense	21,094	22,076
Interest income	(1,668)	(1,435)
Property, plant and equipment written off	2	-
Reversal of allowance for impairment on trade receivables	(2,400)	(734)
Operating profit before changes in working capital	50,829	44,315
Net change in assets	(58,396)	(215,150)
Net change in liabilities	57,638	215,392
	(758)	242
Net cash flows generated from operations	50,071	44,557
Income tax paid	(4,152)	(2,261)
Income tax refunded	-	177
Net cash from operating activities	45,919	42,473
Cash flows from investing activities		
Interest received	1,417	957
Proceeds from disposal of property, plant and equipment	261	429
Proceeds from disposal of short term investments	15,400	8,500
Purchase of property, plant and equipment	(2,526)	(768)
Fixed deposits pledged	(37)	(74)
Net decrease in bank balances maintained in an escrow account	2	25
Net cash from investing activities	14,517	9,069
Cash flows from financing activities		
Interest paid	(21,094)	(22,076)
Repayment of term loans	(13,653)	(12,455)
Drawdown of finance lease liabilities	-	4,430
Repayment of Sukuk Murabahah	(15,000)	(15,000)
(Repayment)/Drawdown of bankers' acceptances	(13,583)	18,605
Repayment of revolving credits	(13)	(3,560)
Net cash used in financing activities	(63,343)	(30,056)
Net (decrease)/increase in cash and cash equivalents	(2,907)	21,486
Cash and cash equivalents brought forward	61,817	61,371
Cash and cash equivalents carried forward	58,910	82,857
Analysis of cash and cash equivalents		
Cash and bank balances	23,800	15,832
Fixed deposits placed with licensed banks	66,315	77,433
	90,115	93,265
Less: Bank overdrafts	(27,399)	(6,606)
Fixed deposits pledged with licensed banks	(3,065)	(3,027)
Bank balances maintained in an escrow account	(741)	(775)
Cash and cash equivalents	58,910	82,857

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 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 2018

PART A: EXPLANATORY NOTES PURSUANT TO PARAGRAPH 16, MFRS 134 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 Malaysian Financial Reporting Standards (“MFRS”) 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 2017.

The financial statements of the Group for the six months period ended 30 June 2018 are the first set of interim financial statements prepared in accordance with the MFRS Framework, hence MFRS 1 *First-time Adoption of Malaysian Financial Standards* has been applied. The MFRS Framework is effective for the Group from 1 January 2018 and the date of transition to the MFRS Framework for the purpose of preparation of the MFRS compliant interim financial report is 1 January 2017.

Except for the adoption of the MFRS Framework, the accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2017.

The effects on the comparative figures of the interim report arising from the adoption of MFRS Framework are as follows:

	As previously stated 31.12.2017 RM'000	Adjustments RM'000	As restated 31.12.2017 RM'000
Consolidated statement of financial position			
Non-current assets			
Land held for property development	9,426	(9,426)	-
Inventories - land held for property development	-	9,426	9,426
<hr/>			
Current assets			
Property development costs	337,932	(337,932)	-
Inventories - property development costs	-	337,932	337,932
Trade and other receivables	206,540	(4,125)	202,415
Amount due from contract customers	81,683	(81,683)	-
Contract assets	-	85,808	85,808
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CREST BUILDER HOLDINGS BERHAD (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2018

A1. BASIS OF PREPARATION (CONTINUED)

The effects on the comparative figures of the interim report arising from the adoption of MFRS Framework are as follows (Continued):

	As previously stated 31.12.2017 RM'000	Adjustments RM'000	As restated 31.12.2017 RM'000
Current liabilities			
Amount due to contract customers	4,734	(4,734)	-
Contract liabilities	-	4,734	4,734
	<hr/>		
	As previously stated 01.01.2017 RM'000	Adjustments RM'000	As restated 01.01.2017 RM'000
Consolidated statement of financial position			
Non-current assets			
Land held for property development	6,747	(6,747)	-
Inventories - land held for property development	-	6,747	6,747
	<hr/>		
Current assets			
Property development costs	104,534	(104,534)	-
Inventories - property development costs	-	104,534	104,534
Trade and other receivables	281,078	(11,176)	269,902
Amount due from contract customers	41,927	(41,927)	-
Contract assets	-	53,103	53,103
	<hr/>		
Current liabilities			
Amount due to contract customers	1,230	(1,230)	-
Contract liabilities	-	1,230	1,230
	<hr/>		

CREST BUILDER HOLDINGS BERHAD (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2018

A1. BASIS OF PREPARATION (CONTINUED)

New MFRSs, amendments/improvements to MFRSs, new IC Interpretation (“IC Int”) and amendments to IC Int that have been issued, but yet to be effective

The Group has not adopted the following new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that have been issued, but yet to be effective:

New MFRSs and amendments/improvements to MFRSs	Effective for financial periods beginning on or after
<u>New MFRSs</u>	
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
<u>Amendments/Improvements to MFRSs</u>	
MFRS 2 Share-based Payment	1 January 2020*
MFRS 3 Business Combinations	1 January 2019/ 1 January 2020*
MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020*
MFRS 9 Financial Instruments	1 January 2019
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 11 Joint Arrangements	1 January 2019
MFRS 14 Regulatory Deferral Accounts	1 January 2020*
MFRS 101 Presentation of Financial Statements	1 January 2020*
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020*
MFRS 112 Income Taxes	1 January 2019
MFRS 119 Employee Benefits	1 January 2019
MFRS 123 Borrowing Costs	1 January 2019
MFRS 128 Investments in Associates and Joint Ventures	1 January 2019/ Deferred
MFRS 134 Interim Financial Reporting	1 January 2020*
MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020*
MFRS 138 Intangible Assets	1 January 2020*
<u>New IC Int</u>	
IC Int 23 Uncertainty over Income Tax Treatments	1 January 2019

CREST BUILDER HOLDINGS BERHAD (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2018

A1. BASIS OF PREPARATION (CONTINUED)

New MFRSs and amendments/improvements to MFRSs		Effective for financial periods beginning on or after
<u>Amendments to IC Int</u>		
IC Int 12	Service Concession Arrangements	1 January 2020*
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020*
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020*
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2020*
IC Int 132	Intangible Assets – Web Site Costs	1 January 2020*

** Amendments to References to the Conceptual Framework in MFRS Standards*

The Group plans to adopt the above applicable new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int when they become effective.

A2. AUDIT QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the annual audited financial statements for the financial year ended 31 December 2017 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 2018.

A5. CHANGES IN ESTIMATES

Except for reversal of allowance for impairment on trade receivables of RM1.2 million, 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 2018.

CREST BUILDER HOLDINGS BERHAD (573382-P)
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FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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.

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 2018

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
Revenue						
- External customer	144,854	23,136	7,929	99,637	-	275,556
- Inter-segment	78,870	-	3,884	-	(82,754)	-
Total revenue	223,724	23,136	11,813	99,637	(82,754)	275,556
Results						
- Segment results	9,811	19,876	9,481	13,592	(1,265)	51,495
Finance costs						(21,094)
Income tax expense						(9,566)
Profit for the financial period						20,835

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

CREST BUILDER HOLDINGS BERHAD (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2018

A8. SEGMENTAL REPORTING (CONTINUED)

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

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
Revenue						
- 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
Results						
- 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.

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 2017.

CREST BUILDER HOLDINGS BERHAD (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2018

A10. SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent to the reporting period up to 22 August 2018, 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 2018, except for:

- (i) Nepfield Sdn. Bhd., a wholly-owned subsidiary company of Crest Builder Holdings Berhad, had on 28 June 2018 entered into a Sale and Purchase Agreement (“SPA”) with Sunrise Pioneer Sdn. Bhd. (“Purchaser”) for the proposed disposal of a parcel of freehold land held under Geran Mukim 1059 Lot 1863, Tempat Sungei Teba, Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 1.189 hectares in area and bearing postal address at Off Jalan Kiara 5, Mont’ Kiara, Kuala Lumpur for a total cash consideration of RM34,000,000 (“Disposal Consideration”). A deposit of RM10,200,000 being thirty percent (30%) of the Disposal Consideration was collected from the Purchaser upon execution of the SPA. The proposed disposal is expected to be completed in the third quarter of year 2018.

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 2018.

A12. CAPITAL COMMITMENTS

There were no capital commitments that have a material effect in the current quarter ended 30 June 2018.

A13. SIGNIFICANT RELATED PARTY DISCLOSURES

The Group has no significant related party transactions during the current quarter ended 30 June 2018.

CREST BUILDER HOLDINGS BERHAD (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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 RM110.7 million to RM151.3 million while the profit before tax increased from RM11.5 million to RM17.9 million respectively as compared to the corresponding second quarter of the preceding year.

The construction division recorded revenue of RM78.6 million and profit before tax of RM0.8 million as compared to the corresponding second quarter of the preceding year of RM75.6 million and RM5.7 million respectively. The increase in revenue was mainly due to higher progressive construction progress recognised from certain projects during the financial period under review. The decrease in profit before tax was mainly due to higher material prices.

The property development division's revenue and profit before tax amounted to RM57.2 million and RM12.9 million as compared to the corresponding second quarter of the preceding year of RM19.3 million and RM3.0 million respectively. The increase in revenue and profit before tax were mainly due to higher sales generated from two completed projects, i.e. Batu Tiga Phase 4 (Alam Sanjung) and Batu Tiga Phase 5 (Avenue Crest) and a development project, i.e. Batu Tiga Phase 2 (Residensi Hijauan).

The concession arrangement division recorded revenue of RM11.5 million and profit before tax of RM2.5 million as compared to the corresponding second quarter of the preceding year of RM11.7 million and RM2.4 million respectively. The decrease in revenue was mainly due to lower finance income recognised. The increase in profit before tax was mainly due to saving in finance costs with repayment of Sukuk Murabahah.

The investment division recorded revenue of RM4.0 million and profit before tax of RM1.7 million as compared to the corresponding second quarter of the preceding year of RM4.1 million and profit before tax of RM0.4 million respectively. The increase in profit before tax was mainly due to saving in finance costs with repayment of term loans.

CREST BUILDER HOLDINGS BERHAD (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2018

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current 2nd Quarter RM'000	Preceding 1st Quarter RM'000	Increase/(Decrease)	
			RM'000	%
Revenue	151,260	124,296	26,964	22%
Profit before tax	17,932	12,469	5,463	44%
Profit after tax	12,590	8,245	4,345	53%

For the current quarter under review, the Group recorded profit before tax and profit after tax of RM17.9 million and RM12.6 million respectively as compared to profit before tax and profit after tax of RM12.5 million and RM8.2 million respectively in the immediate preceding quarter.

B3. CURRENT YEAR PROSPECT

The Group will continue to bid actively for construction projects in order to replenish the Group's order book. The current projects are all progressing within expectation.

With the completion of UiTM Tapah construction of the concession project and its refinancing exercise, the Group expects better margins moving forward for concession arrangement division.

The property development division will continue to contribute positively to the Group in year 2018. 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 2018.

B4. VARIANCES ON PROFIT FORECAST AND PROFIT GUARANTEE

Not applicable to the Group.

CREST BUILDER HOLDINGS BERHAD (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2018

B5. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended <u>30-06-2018</u> (RM'000)	Quarter Ended <u>30-06-2017</u> (RM'000)	Year Ended <u>30-06-2018</u> (RM'000)	Year Ended <u>30-06-2017</u> (RM'000)
Income tax				
- Current provision	4,541	2,925	7,381	4,320
Deferred tax				
- Relating to origination and reversal of temporary differences	801	962	2,185	2,956
	5,342	3,887	9,566	7,276
Profit before tax	17,932	11,541	30,401	21,513
Tax at Malaysian statutory tax rate of 24%	4,304	2,770	7,296	5,163
Income not subject to tax	-	(12)	(32)	(103)
Expenses not deductible for tax purposes	1,038	1,129	2,302	2,216
	5,342	3,887	9,566	7,276

The Group's effective tax rate for the current quarter ended 30 June 2018 was higher than the statutory tax rate prevailing in Malaysia principally due to certain expenses not deductible for tax purposes 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 2018, except for a parcel of freehold land as stated in the Note A10 to the interim financial report.

B7. DEALINGS IN QUOTED SECURITIES

The Group did not transact or hold any quoted securities for the current quarter ended 30 June 2018.

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B8. CORPORATE PROPOSALS

There were no corporate proposals previously announced but not completed as of 30 June 2018.

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 2018 are as follows:

	RM'000	RM'000
Short term borrowings:		
Secured		
- Finance lease liabilities	3,021	
- Term loans	21,025	
- Sukuk Murabahah	21,972	
Unsecured		
- Bank overdrafts	27,399	
- Bankers' acceptances	49,449	
- Revolving credits	87,716	
	210,582	
Long term borrowings:		
Secured		
- Finance lease liabilities	8,185	
- Term loans	14,353	
- Sukuk Murabahah	387,046	
	409,584	
Total		620,166

B10. MATERIAL LITIGATION

Same as previously disclosed in the Annual Report for the financial year ended 31 December 2017, there were no changes in material litigation, including the status of pending material litigation since the previous quarter to 22 August 2018, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

B11. DIVIDEND

No dividend was proposed or paid in respect of the second quarter ended 30 June 2018.

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B12. EARNINGS PER SHARE

a. Basic earnings per share

The basic earnings per share has been calculated based on the Group's profit after tax attributable to owners of the Company and divided by the weighted average number of ordinary shares in issue during the current quarter ended 30 June 2018.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30-06-2018	30-06-2017	30-06-2018	30-06-2017
Profit after tax attributable to owners of the Company (RM'000)	12,127	7,205	19,764	13,378
Weighted average number of ordinary shares in issue ('000)	170,692	170,692	170,692	170,692
Basic earnings per share (sen)	7.1	4.2	11.6	7.8

b. Diluted earnings per share

The diluted earnings per share has been calculated based on the Group's profit after tax attributable to owners of the Company 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	
	30-06-2018	30-06-2017	30-06-2018	30-06-2017
Profit after tax attributable to owners of the Company (RM'000)	12,127	7,205	19,764	13,378
Weighted average number of ordinary shares ('000)	170,692	170,692	170,692	170,692
Diluted earnings per share (sen)	7.1	4.2	11.6	7.8

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B13. PROFIT FOR THE FINANCIAL PERIOD

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<u>30-06-2018</u> (RM'000)	<u>30-06-2017</u> (RM'000)	<u>30-06-2018</u> (RM'000)	<u>30-06-2017</u> (RM'000)
Profit for the financial period is arrived at after charging:				
Amortisation of discount on Sukuk Murabahah	812	746	1,624	1,626
Depreciation of property, plant and equipment	967	1,188	1,909	1,698
Interest expense	10,565	10,999	21,094	22,076
Property, plant and equipment written off	-	-	2	-
and after crediting:				
Gain on disposal of property, plant and equipment	-	48	133	429
Interest income	753	716	1,668	1,435
Reversal of allowance for impairment on trade receivables	1,200	729	2,400	734

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 28 August 2018.

By Order of the Board

Company Secretary
Heng Chiang Pooh FCIS (MAICSA 7009923)
Date: 28 August 2018