

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

***UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018***

# ***CONTENTS***

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## **INTERIM REPORT**

### **UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

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**CREST BUILDER HOLDINGS BERHAD** <sup>(573382-P)</sup>  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	<b>Current Year Quarter 31-12-2018 RM'000</b>	<b>Preceding Year Quarter 31-12-2017 RM'000</b>	<b>Current Year To Date 31-12-2018 RM'000</b>	<b>Preceding Year To Date 31-12-2017 RM'000</b>
Revenue	142,796	155,348	595,409	498,294
Cost of sales	<u>(92,679)</u>	<u>(121,331)</u>	<u>(419,381)</u>	<u>(382,958)</u>
<b>Gross profit</b>	50,117	34,017	176,028	115,336
Other income	<u>14,267</u>	<u>6,025</u>	<u>25,133</u>	<u>12,572</u>
	64,384	40,042	201,161	127,908
Administrative expenses	<u>(32,022)</u>	<u>(14,808)</u>	<u>(61,240)</u>	<u>(38,752)</u>
<b>Operating profit</b>	32,362	25,234	139,921	89,156
Finance costs	<u>(9,467)</u>	<u>(11,138)</u>	<u>(41,640)</u>	<u>(44,556)</u>
<b>Profit before tax</b>	22,895	14,096	98,281	44,600
Income tax expense	<u>(5,808)</u>	<u>(5,505)</u>	<u>(26,059)</u>	<u>(14,220)</u>
<b>Profit for the financial period/year</b>	17,087	8,591	72,222	30,380
<b>Other comprehensive income, net of tax</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the financial period/year</b>	<u>17,087</u>	<u>8,591</u>	<u>72,222</u>	<u>30,380</u>
<b>Profit for the financial period/year / Total comprehensive income attributable to:</b>				
Owners of the Company	16,786	7,781	70,376	28,058
Non-controlling interests	<u>301</u>	<u>810</u>	<u>1,846</u>	<u>2,322</u>
	<u>17,087</u>	<u>8,591</u>	<u>72,222</u>	<u>30,380</u>
<b>Earnings per share (sen)</b>				
- Basic	<u>9.9</u>	<u>4.6</u>	<u>41.4</u>	<u>16.4</u>
- Diluted	<u>9.9</u>	<u>4.6</u>	<u>41.4</u>	<u>16.4</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 31 DECEMBER 2018**

	As at 31-12-2018 RM'000	As at 31-12-2017 RM'000 (Restated)	As at 01-01-2017 RM'000 (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	19,422	16,621	16,760
Investment properties	315,800	320,800	320,800
Golf club membership	54	54	54
Goodwill	33,608	33,608	33,608
Inventories - land held for property development	2,679	9,426	6,747
Operating financial asset	299,337	307,095	313,990
Deferred tax assets	6,213	6,343	9,445
<b>Total non-current assets</b>	<u>677,113</u>	<u>693,947</u>	<u>701,404</u>
<b>Current assets</b>			
Inventories - property development costs	295,647	337,932	104,534
Inventories - completed properties and others	21,467	37,818	66,357
Operating financial asset	7,756	6,894	6,127
Trade and other receivables	209,085	244,571	281,369
Contract assets	129,919	85,808	53,103
Current tax assets	3,604	5,002	8,801
Short term investments	24,015	20,356	28,021
Fixed deposits placed with licensed banks	78,279	71,476	83,309
Cash and bank balances	21,641	22,166	10,807
<b>Total current assets</b>	<u>791,413</u>	<u>832,023</u>	<u>642,428</u>
<b>TOTAL ASSETS</b>	<u>1,468,526</u>	<u>1,525,970</u>	<u>1,343,832</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	181,191	181,191	176,922
Share premium	-	-	4,269
Treasury shares	(6,478)	(5,795)	(5,795)
Reserves	312,594	249,046	227,816
	<u>487,307</u>	<u>424,442</u>	<u>403,212</u>
Non-controlling interests	17,757	15,911	13,518
<b>TOTAL EQUITY</b>	<u>505,064</u>	<u>440,353</u>	<u>416,730</u>
<b>Non-current liabilities</b>			
Loans and borrowings	395,343	428,750	469,371
Deferred tax liabilities	24,902	16,719	13,914
Trade and other payables	17,878	27,551	13,145
<b>Total non-current liabilities</b>	<u>438,123</u>	<u>473,020</u>	<u>496,430</u>
<b>Current liabilities</b>			
Loans and borrowings	162,995	229,154	206,724
Current tax liabilities	2,996	461	804
Trade and other payables	357,521	378,248	221,914
Contract liabilities	1,827	4,734	1,230
<b>Total current liabilities</b>	<u>525,339</u>	<u>612,597</u>	<u>430,672</u>
<b>TOTAL LIABILITIES</b>	<u>963,462</u>	<u>1,085,617</u>	<u>927,102</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,468,526</u>	<u>1,525,970</u>	<u>1,343,832</u>
Net assets per share attributable to owners of the Company (RM)	<u>2.87</u>	<u>2.49</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 2017 and the accompanying explanatory notes attached to the quarterly report.

**CREST BUILDER HOLDINGS BERHAD** <sup>(573382-P)</sup>  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

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

	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Treasury shares RM'000</b>	<b>Share option reserves RM'000</b>	<b>Retained earnings RM'000</b>	<b>Total RM'000</b>	<b>Non-controlling interests RM'000</b>	<b>Total equity RM'000</b>
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 year	-	-	-	-	28,058	28,058	2,322	30,380
	<u>176,922</u>	<u>4,269</u>	<u>(5,795)</u>	<u>1,554</u>	<u>254,320</u>	<u>431,270</u>	<u>15,840</u>	<u>447,110</u>
Dividends on ordinary shares	-	-	-	-	(6,828)	(6,828)	-	(6,828)
ESOS lapsed	-	-	-	(1,554)	1,554	-	-	-
Arising from increase in share capital in a subsidiary company	-	-	-	-	-	-	74	74
Subscription of shares in a subsidiary company by a non-controlling shareholder	-	-	-	-	-	-	(3)	(3)
Transition to no-par value regime	4,269	(4,269)	-	-	-	-	-	-
At 31 December 2017	<u>181,191</u>	<u>-</u>	<u>(5,795)</u>	<u>-</u>	<u>249,046</u>	<u>424,442</u>	<u>15,911</u>	<u>440,353</u>
At 1 January 2018	181,191	-	(5,795)	-	249,046	424,442	15,911	440,353
Total comprehensive income for the financial year	-	-	-	-	70,376	70,376	1,846	72,222
	<u>181,191</u>	<u>-</u>	<u>(5,795)</u>	<u>-</u>	<u>319,422</u>	<u>494,818</u>	<u>17,757</u>	<u>512,575</u>
Dividends on ordinary shares	-	-	-	-	(6,828)	(6,828)	-	(6,828)
Purchase of treasury shares	-	-	(683)	-	-	(683)	-	(683)
At 31 December 2018	<u>181,191</u>	<u>-</u>	<u>(6,478)</u>	<u>-</u>	<u>312,594</u>	<u>487,307</u>	<u>17,757</u>	<u>505,064</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 FOURTH QUARTER ENDED 31 DECEMBER 2018**

	<b>12 Months Ended 31-12-2018 RM'000</b>	<b>12 Months Ended 31-12-2017 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	98,281	44,600
Adjustments for:		
Allowance for impairment on trade receivables	16,453	3,003
Amortisation of discount on Sukuk Murabahah	3,248	3,519
Change in fair value of investment properties	5,000	-
Depreciation of property, plant and equipment	4,382	3,264
Gain on disposal of property, plant and equipment	(245)	(514)
Interest expense	38,392	41,037
Interest income	(2,944)	(3,864)
Property, plant and equipment written off	2	-
Reversal of allowance for impairment on trade and other receivables	(13,311)	(5,118)
Operating profit before changes in working capital	149,258	85,927
Net change in assets	59,310	(194,687)
Net change in liabilities	(33,307)	179,051
	26,003	(15,636)
Net cash flows generated from operations	175,261	70,291
Income tax paid	(13,813)	(5,126)
Income tax refunded	-	270
Net cash from operating activities	161,448	65,435
<b>Cash flows from investing activities</b>		
Interest received	18,535	3,027
Placement of short term investments	(41,500)	-
Proceeds from disposal of property, plant and equipment	1,362	530
Proceeds from disposal of short term investments	22,250	8,500
Purchase of property, plant and equipment	(580)	(840)
Fixed deposits pledged	(82)	(75)
Net decrease in bank balances maintained in an escrow account	8	57
Net cash (used in)/from investing activities	(7)	11,199
<b>Cash flows from financing activities</b>		
Dividends paid	(6,828)	(6,828)
Interest paid	(38,392)	(41,552)
Increase in share capital in a subsidiary company by a non-controlling shareholder	-	74
Purchase of treasury shares	(683)	-
Repayment of term loans	(26,376)	(25,505)
Repayment of finance lease liabilities	-	(1,626)
Repayment of Sukuk Murabahah	(25,000)	(30,000)
(Repayment)/Drawdown of bankers' acceptances	(26,961)	35,433
Repayment of revolving credits	(9,947)	(6,185)
Net cash used in financing activities	(134,187)	(76,189)
Net increase in cash and cash equivalents	27,254	445
Cash and cash equivalents brought forward	61,817	61,372
Cash and cash equivalents carried forward	89,071	61,817
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	21,641	22,166
Fixed deposits placed with licensed banks	78,279	71,476
	99,920	93,642
Less: Bank overdrafts	(7,004)	(28,054)
Fixed deposits pledged with licensed banks	(3,110)	(3,028)
Bank balances maintained in an escrow account	(735)	(743)
Cash and cash equivalents	89,071	61,817

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 FOURTH QUARTER ENDED 31 DECEMBER 2018**

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**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 twelve months period ended 31 December 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:

	<b>As previously stated 31.12.2017 RM'000</b>	<b>Adjustments RM'000</b>	<b>As restated 31.12.2017 RM'000</b>
<b>Consolidated statement of financial position</b>			
<b>Non-current assets</b>			
Land held for property development	9,426	(9,426)	-
Inventories - land held for property development	-	9,426	9,426
<hr/>			
<b>Current assets</b>			
Property development costs	337,932	(337,932)	-
Inventories - property development costs	-	337,932	337,932
Trade and other receivables	248,696	(4,125)	244,571
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 FOURTH QUARTER ENDED 31 DECEMBER 2018**

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**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):

	<b>As previously stated 31.12.2017 RM'000</b>	<b>Adjustments RM'000</b>	<b>As restated 31.12.2017 RM'000</b>
<b>Current liabilities</b>			
Amount due to contract customers	4,734	(4,734)	-
Contract liabilities	-	4,734	4,734
<hr/>			
	<b>As previously stated 01.01.2017 RM'000</b>	<b>Adjustments RM'000</b>	<b>As restated 01.01.2017 RM'000</b>
<b>Consolidated statement of financial position</b>			
<b>Non-current assets</b>			
Land held for property development	6,747	(6,747)	-
Inventories - land held for property development	-	6,747	6,747
<hr/>			
<b>Current assets</b>			
Property development costs	104,534	(104,534)	-
Inventories - property development costs	-	104,534	104,534
Trade and other receivables	292,545	(11,176)	281,369
Amount due from contract customers	41,927	(41,927)	-
Contract assets	-	53,103	53,103
<hr/>			
<b>Current liabilities</b>			
Amount due to contract customers	1,230	(1,230)	-
Contract liabilities	-	1,230	1,230
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**CREST BUILDER HOLDINGS BERHAD** (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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:

<b>New MFRSs and amendments/improvements to MFRSs</b>	<b>Effective for financial periods beginning on or after</b>
<u>New MFRSs</u>	
MFRS 16     Leases	1 January 2019
MFRS 17     Insurance Contracts	1 January 2021
<u>Amendments/Improvements to MFRSs</u>	
MFRS 1     First-time Adoption of Malaysian Financial Reporting Standards	1 January 2021#
MFRS 2     Share-based Payment	1 January 2020*
MFRS 3     Business Combinations	1 January 2019/ 1 January 2020*
MFRS 5     Non-current Assets Held for Sale and Discontinued Operations	1 January 2021#
MFRS 6     Exploration for and Evaluation of Mineral Resources	1 January 2020*
MFRS 7     Financial Instruments: Disclosures	1 January 2021#
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 15    Revenue from Contracts with Customers	1 January 2021#
MFRS 101   Presentation of Financial Statements	1 January 2020*
MFRS 107   Statements of Cash Flows	1 January 2021#
MFRS 108   Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020*
MFRS 112   Income Taxes	1 January 2019
MFRS 116   Property, Plant and Equipment	1 January 2021#
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 132   Financial Instruments: Presentation	1 January 2021#
MFRS 134   Interim Financial Reporting	1 January 2020*
MFRS 136   Impairment of Assets	1 January 2021#
MFRS 137   Provisions, Contingent Liabilities and Contingent Assets	1 January 2020*
MFRS 138   Intangible Assets	1 January 2020*
MFRS 140   Investment Property	1 January 2021#

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**A1. BASIS OF PREPARATION (CONTINUED)**

<b>New MFRSs and amendments/improvements to MFRSs</b>	<b>Effective for financial periods beginning on or after</b>
<u>New IC Int</u>	
IC Int 23      Uncertainty over Income Tax Treatments	1 January 2019
<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*

# *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

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 31 December 2018.

**A5. CHANGES IN ESTIMATES**

Except for allowance for impairment on trade and other receivables, reversal of allowance for impairment on trade and other receivables and decline in fair value of investment properties of RM15.7 million, RM5.5 million, and RM5.0 million respectively, there were no changes in estimates of amounts reported in prior financial year that have a material effect on the current quarter ended 31 December 2018.

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**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 twelve (12) months period ended 31 December 2018

**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	289,490	46,032	15,884	244,003	-	595,409
- Inter-segment	134,835	-	7,948	-	(142,783)	-
Total revenue	424,325	46,032	23,832	244,003	(142,783)	595,409
<b>Results</b>						
- Segment results	20,249	39,167	19,047	35,107	26,351	139,921
Finance costs						(41,640)
Income tax expense						(26,059)
Profit for the financial year						72,222

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

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**A8. SEGMENTAL REPORTING (CONTINUED)**

(ii) For the twelve (12) months period ended 31 December 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	322,763	46,867	16,259	112,405	-	498,294
- Inter-segment	107,761	-	11,924	-	(119,685)	-
Total revenue	430,524	46,867	28,183	112,405	(119,685)	498,294
<b>Results</b>						
- Segment results	28,906	41,772	24,374	10,264	(16,160)	89,156
Finance costs						(44,556)
Income tax expense						(14,220)
Profit for the financial year						30,380

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.

**A10. SUBSEQUENT MATERIAL EVENTS**

There were no material events subsequent to the reporting period up to 21 February 2019, 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 2018.

**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 31 December 2018.

**A12. CAPITAL COMMITMENTS**

There were no capital commitments that have a material effect in the current quarter ended 31 December 2018.

**A13. SIGNIFICANT RELATED PARTY DISCLOSURES**

The Group has no significant related party transactions during the current quarter ended 31 December 2018.

**CREST BUILDER HOLDINGS BERHAD** (573382-P)  
**INTERIM FINANCIAL REPORT**  
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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 fourth quarter under review, the Group's revenue decreased from RM155.3 million to RM142.8 million while the profit before tax increased from RM14.1 million to RM22.9 million respectively as compared to the corresponding fourth quarter of the preceding year.

The construction division recorded revenue of RM78.2 million and profit before tax of RM10.4 million as compared to the corresponding fourth quarter of the preceding year of RM92.2 million and RM1.4 million respectively. The decrease in revenue was mainly due to completion of certain projects and minimal contribution from new projects during the financial period under review. The increase in profit before tax was mainly due to better profit margin contributed by certain projects undertaken and reversal of allowance for impairment on trade and other receivables.

The property development division's revenue and profit before tax amounted to RM49.2 million and RM12.6 million as compared to the corresponding fourth quarter of the preceding year of RM47.5 million and RM8.7 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 RM11.4 million and profit before tax of RM2.3 million as compared to the corresponding fourth quarter of the preceding year of RM11.6 million and RM4.2 million respectively. The decrease in revenue and profit before tax were mainly due to lower finance income recognised and additional cost incurred for maintenance of UiTM campus.

The investment division recorded revenue of RM4.0 million and loss before tax of RM2.4 million as compared to the corresponding fourth quarter of the preceding year of RM4.0 million and loss before tax of RM0.2 million respectively. The increase in loss before tax was mainly due to recognition of fair value loss from an investment property amounting to RM5.0 million.

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

	<b>Current 4th Quarter RM'000</b>	<b>Preceding 3rd Quarter RM'000</b>	<b>Increase/(Decrease) RM'000      %</b>	
Revenue	142,796	177,057	(34,261)	(19%)
Profit before tax	22,895	44,985	(22,090)	(49%)
Profit after tax	17,087	34,300	(17,213)	(50%)

For the current quarter under review, the Group recorded profit before tax and profit after tax of RM22.9 million and RM17.1 million respectively as compared to profit before tax and profit after tax of RM45.0 million and RM34.3 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.

We expect the concession arrangement division to contribute positively to the Group from the stable income and profits generated by UiTM Tapah.

For property development division, the joint land development projects planned to be launched in 2019 will make a positive contribution to the Group. We expect the responses to our developments to be encouraging.

The Group is confident that the current stability of global raw material prices will continue to prevail. The Board is optimistic that the Group will continue to remain profitable for the year 2019.

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

Not applicable to the Group.

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**B5. INCOME TAX EXPENSE**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Quarter Ended <u>31-12-2018</u> (RM'000)</b>	<b>Quarter Ended <u>31-12-2017</u> (RM'000)</b>	<b>Year Ended <u>31-12-2018</u> (RM'000)</b>	<b>Year Ended <u>31-12-2017</u> (RM'000)</b>
Income tax				
- Current provision	<b>1,949</b>	2,978	<b>16,807</b>	8,594
- Under/(Over) provision in prior years	<b>61</b>	-	<b>939</b>	(281)
Deferred tax				
- Relating to origination and reversal of temporary differences	<b>3,798</b>	2,527	<b>8,313</b>	5,907
	<b>5,808</b>	5,505	<b>26,059</b>	14,220
Profit before tax	<b>22,895</b>	14,096	<b>98,281</b>	44,600
Tax at Malaysian statutory tax rate of 24%	<b>5,495</b>	3,383	<b>23,587</b>	10,704
Income not subject to tax	<b>(1,344)</b>	(1,474)	<b>(3,253)</b>	(2,225)
Expenses not deductible for tax purposes	<b>1,596</b>	4,149	<b>4,786</b>	6,575
Under/(Over) provision in prior years	<b>61</b>	(553)	<b>939</b>	(834)
	<b>5,808</b>	5,505	<b>26,059</b>	14,220

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



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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 2018.

**B7. DEALINGS IN QUOTED SECURITIES**

The Group did not transact or hold any quoted securities for the current quarter ended 31 December 2018.

**B8. CORPORATE PROPOSALS**

There were no corporate proposals previously announced but not completed as of 31 December 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 31 December 2018 are as follows:

	RM'000	RM'000
Short term borrowings:		
Secured		
- Finance lease liabilities	4,451	
- Term loans	15,715	
- Sukuk Murabahah	21,972	
Unsecured		
- Bank overdrafts	7,004	
- Bankers' acceptances	36,071	
- Revolving credits	77,782	
		162,995
Long term borrowings:		
Secured		
- Finance lease liabilities	9,733	
- Term loans	6,940	
- Sukuk Murabahah	378,670	
		395,343
<b>Total</b>		<b>558,338</b>

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**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 21 February 2019, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

**B11. DIVIDEND**

The Board of Directors is recommending a first and final single tier dividend of 4.5 sen per ordinary share in respect of the financial year ended 31 December 2018. This is subject to the shareholders' approval in the next Annual General Meeting.

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

**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 31 December 2018.

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>31-12-2018</b>	<b>31-12-2017</b>	<b>31-12-2018</b>	<b>31-12-2017</b>
Profit after tax attributable to owners of the Company (RM'000)	<b>16,786</b>	7,781	<b>70,376</b>	28,058
Weighted average number of ordinary shares in issue ('000)	<b>169,909</b>	170,692	<b>169,909</b>	170,692
Basic earnings per share (sen)	<b>9.9</b>	4.6	<b>41.4</b>	16.4

**b. Diluted earnings per share**

Diluted earnings per share equals basic earnings per share as there are no potential dilutive ordinary shares.

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**B13. PROFIT FOR THE FINANCIAL PERIOD/YEAR**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<u>31-12-2018</u> (RM'000)	<u>31-12-2017</u> (RM'000)	<u>31-12-2018</u> (RM'000)	<u>31-12-2017</u> (RM'000)
<b>Profit for the financial Period/year is arrived at after charging:</b>				
Allowance for impairment on trade and other receivables	15,673	2,790	16,453	3,003
Amortisation of discount on Sukuk Murabahah	812	880	3,248	3,519
Change in fair value of investment properties	5,000	-	5,000	-
Depreciation of property, plant and equipment	1,210	682	4,382	3,264
Interest expense	6,219	7,619	38,392	41,037
Property, plant and equipment written off	-	-	2	-
<b>and after crediting:</b>				
Gain on disposal of property, plant and equipment	64	85	245	514
Interest income	677	1,807	2,944	3,864
Reversal of allowance for impairment on trade and other receivables	5,539	1,721	13,311	5,118

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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 27 February 2019.

By Order of the Board

Company Secretary  
Heng Chiang Pooh FCIS (MAICSA 7009923)  
Date: 27 February 2019