

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

***UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019***

# ***CONTENTS***

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## **INTERIM REPORT**

### **UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

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**CREST BUILDER HOLDINGS BERHAD** <sup>(573382-P)</sup>  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year Quarter 30-09-2019 RM'000	Preceding Year Quarter 30-09-2018 RM'000	Current Year To Date 30-09-2019 RM'000	Preceding Year To Date 30-09-2018 RM'000
Revenue	85,496	177,057	372,421	452,613
Cost of sales	(71,243)	(113,350)	(303,190)	(326,702)
<b>Gross profit</b>	<b>14,253</b>	<b>63,707</b>	<b>69,231</b>	<b>125,911</b>
Other income	2,401	6,387	11,298	10,866
	16,654	70,094	80,529	136,777
Administrative expenses	(7,276)	(14,030)	(27,018)	(29,218)
<b>Operating profit</b>	<b>9,378</b>	<b>56,064</b>	<b>53,511</b>	<b>107,559</b>
Finance costs	(9,083)	(11,079)	(28,216)	(32,173)
<b>Profit before tax</b>	<b>295</b>	<b>44,985</b>	<b>25,295</b>	<b>75,386</b>
Income tax expense	3,077	(10,685)	(6,721)	(20,251)
<b>Profit for the financial period</b>	<b>3,372</b>	<b>34,300</b>	<b>18,574</b>	<b>55,135</b>
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the financial period</b>	<b>3,372</b>	<b>34,300</b>	<b>18,574</b>	<b>55,135</b>
<b>Profit for the financial period / Total comprehensive income attributable to:</b>				
Owners of the Company	3,231	33,826	17,404	53,590
Non-controlling interests	141	474	1,170	1,545
	<b>3,372</b>	<b>34,300</b>	<b>18,574</b>	<b>55,135</b>
<b>Earnings per share (sen)</b>				
- Basic	1.9	19.8	10.4	31.4
- Diluted	1.9	19.8	10.4	31.4

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 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 SEPTEMBER 2019**

	<b>As at 30-09-2019 RM'000</b>	<b>As at 31-12-2018 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	34,900	35,894
Investment properties	299,328	299,328
Golf club membership	54	54
Inventories - land held for development	2,679	2,679
Goodwill	33,608	33,608
Operating financial asset	289,960	299,337
Deferred tax assets	5,962	6,213
Trade and other receivables	4,851	4,851
<b>Total non-current assets</b>	<u>671,342</u>	<u>681,964</u>
<b>Current assets</b>		
Inventories - property under development	294,498	295,647
Inventories - completed properties and others	23,047	21,467
Operating financial asset	7,757	7,757
Trade and other receivables	241,389	209,290
Contract assets	71,290	129,919
Current tax assets	5,141	3,604
Short term investments	48,981	24,015
Fixed deposits placed with licensed banks	67,771	78,279
Cash and bank balances	29,828	21,641
<b>Total current assets</b>	<u>789,702</u>	<u>791,619</u>
<b>TOTAL ASSETS</b>	<u>1,461,044</u>	<u>1,473,583</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	181,191	181,191
Treasury shares	(10,674)	(6,478)
Reserves	322,447	312,554
	<u>492,964</u>	<u>487,267</u>
Non-controlling interests	18,927	17,757
<b>TOTAL EQUITY</b>	<u>511,891</u>	<u>505,024</u>
<b>Non-current liabilities</b>		
Loans and borrowings	374,093	395,343
Deferred tax liabilities	26,972	24,902
Trade and other payables	10,553	10,553
<b>Total non-current liabilities</b>	<u>411,618</u>	<u>430,798</u>
<b>Current liabilities</b>		
Loans and borrowings	179,571	162,996
Current tax liabilities	568	3,037
Trade and other payables	342,793	358,522
Contract liabilities	14,603	13,206
<b>Total current liabilities</b>	<u>537,535</u>	<u>537,761</u>
<b>TOTAL LIABILITIES</b>	<u>949,153</u>	<u>968,559</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,461,044</u>	<u>1,473,583</u>
Net assets per share attributable to owners of the Company (RM)	<u>2.95</u>	<u>2.87</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 2018 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 THIRD QUARTER ENDED 30 SEPTEMBER 2019**

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

	<b>Share capital RM'000</b>	<b>Treasury shares 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 2018	181,191	(5,795)	249,046	424,442	15,911	440,353
Total comprehensive income for the financial period	-	-	53,590	53,590	1,545	55,135
	<u>181,191</u>	<u>(5,795)</u>	<u>302,636</u>	<u>478,032</u>	<u>17,456</u>	<u>495,488</u>
Dividends on ordinary shares	-	-	(6,828)	(6,828)	-	(6,828)
At 30 September 2018	<u>181,191</u>	<u>(5,795)</u>	<u>295,808</u>	<u>471,204</u>	<u>17,456</u>	<u>488,660</u>
At 1 January 2019	181,191	(6,478)	312,554	487,267	17,757	505,024
Total comprehensive income for the financial period	-	-	17,404	17,404	1,170	18,574
	<u>181,191</u>	<u>(6,478)</u>	<u>329,958</u>	<u>504,671</u>	<u>18,927</u>	<u>523,598</u>
Dividends on ordinary shares	-	-	(7,511)	(7,511)	-	(7,511)
Purchase of treasury shares	-	(4,196)	-	(4,196)	-	(4,196)
At 30 September 2019	<u>181,191</u>	<u>(10,674)</u>	<u>322,447</u>	<u>492,964</u>	<u>18,927</u>	<u>511,891</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 2018 and the accompanying explanatory notes attached to the quarterly report.

**CREST BUILDER HOLDINGS BERHAD** (573382-P)  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

	<b>9 Months Ended 30-09-2019 RM'000</b>	<b>9 Months Ended 30-09-2018 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	25,295	75,386
Adjustments for:		
Amortisation of discount on Sukuk Murabahah	2,271	2,436
Depreciation of property, plant and equipment	3,755	3,172
Gain on disposal of property, plant and equipment	(45)	(181)
Interest expense	25,945	29,737
Interest income	(2,018)	(2,267)
Property, plant and equipment written off	-	2
Reversal of impairment losses on trade and other receivables	(8,000)	(7,772)
Operating profit before changes in working capital	47,203	100,513
Net change in assets	43,476	39,445
Net change in liabilities	(14,332)	(4,082)
	29,144	35,363
Cash generated from operations	76,347	135,876
Income tax paid	(8,471)	(5,866)
Income tax refunded	65	-
Net cash from operating activities	67,941	130,010
<b>Cash flows from investing activities</b>		
Interest received	3,322	1,923
Placement of short term investments	(87,470)	(21,500)
Proceeds from disposal of short term investments	61,200	18,410
Proceeds from disposal of property, plant and equipment	84	459
Purchase of property, plant and equipment	(2,802)	(4,044)
Fixed deposits pledged	-	(37)
Net decrease in bank balances maintained in an escrow account	49	22
Net cash used in investing activities	(25,617)	(4,767)
<b>Cash flows from financing activities</b>		
Dividends paid	(7,511)	(6,828)
Interest paid	(25,945)	(29,737)
Purchase of treasury shares	(4,196)	-
Repayment of term loans	(12,297)	(20,217)
Payment of finance lease liabilities	(2,276)	-
Repayment of Sukuk Murabahah	(15,000)	(15,000)
Drawdown/(Repayment) of bankers' acceptances	2,797	(21,712)
Repayment of revolving credits	(3,361)	(9,679)
Net cash used in financing activities	(67,789)	(103,173)
Net (decrease)/increase in cash and cash equivalents	(25,465)	22,070
Cash and cash equivalents brought forward	89,072	61,817
Cash and cash equivalents carried forward	63,607	83,887
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	29,828	25,230
Fixed deposits placed with licensed banks	67,771	77,208
	97,599	102,438
Less: Bank overdrafts	(30,196)	(14,765)
Fixed deposits pledged with licensed banks	(3,110)	(3,065)
Bank balances maintained in an escrow account	(686)	(721)
Cash and cash equivalents	63,607	83,887

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the quarterly report.

**CREST BUILDER HOLDINGS BERHAD** (573382-P)  
**INTERIM FINANCIAL REPORT**  
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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 2018.

The accounting policies and presentation adopted by the Group in this interim financial report are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2018, except for the adoption of the following new MFRSs, amendments/improvements to MFRSs and new IC Interpretation (“IC Int”) that are mandatory for the current financial year.

New MFRSs

MFRS 16      Leases

Amendments/Improvements to MFRSs

MFRS 3      Business Combinations

MFRS 9      Financial Instruments

MFRS 11     Joint Arrangements

MFRS 112    Income Taxes

MFRS 119    Employee Benefits

MFRS 123    Borrowing Costs

MFRS 128    Investments in Associates and Joint Ventures

New IC Int

IC Int 23     Uncertainty over Income Tax Treatments

The adoption of the above new MFRSs, amendments/improvements to MFRSs and new IC Int did not have significant effect on the financial position and performance of the Group.

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**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>Effective for financial periods beginning on or after</b>
<u>New MFRSs</u>		
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 2020*/ 1 January 2021#
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 2021#
MFRS 10	Consolidated Financial Statements	Deferred
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*/ 1 January 2021#
MFRS 107	Statements of Cash Flows	1 January 2021#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020*
MFRS 116	Property, Plant and Equipment	1 January 2021#
MFRS 119	Employee Benefits	1 January 2021#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2021#
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*/ 1 January 2021#
MFRS 138	Intangible Assets	1 January 2020*/ 1 January 2021#
MFRS 140	Investment Property	1 January 2021#



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**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 (Continued)**

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 (Continued):

		<b>Effective for financial periods beginning on or after</b>
<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 2018 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 September 2019.

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**A5. CHANGES IN ESTIMATES**

Except for reversal of impairment losses on trade and other receivables of RM1.2 million, there were no changes in estimates of amounts reported in prior financial year that have a material effect on the current quarter ended 30 September 2019.

**A6. ISSUANCE, REPURCHASES AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

During the current quarter, the Company repurchased a total of 1,517,200 ordinary shares from the open market for a total consideration of RM1,460,561 at an average cost of RM0.96 per share including transaction costs. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016. As at 30 September 2019, the total number of treasury shares held is 6.52% of the total number of issued share capital of the Company.

Save as disclosed above, 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**

A first and final single-tier dividend of 4.5 sen per ordinary share amounting to RM7,510,894 for the financial year ended 31 December 2018 had been paid on 2 August 2019.

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**A8. SEGMENTAL REPORTING**

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

- (i) For the nine (9) months period ended 30 September 2019

**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	268,662	33,985	7,324	62,450	-	372,421
- Inter-segment	43,809	-	6,126	-	(49,935)	-
Total revenue	312,471	33,985	13,450	62,450	(49,935)	372,421
<b>Results</b>						
- Segment results	2,325	28,064	8,134	16,935	(1,947)	53,511
Finance costs						(28,216)
Income tax expense						(6,721)
Profit for the financial period						18,574

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

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**A8. SEGMENTAL REPORTING (CONTINUED)**

(ii) For the nine (9) months period ended 30 September 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
<b>Revenue</b>						
- External customer	211,332	34,595	11,859	194,827	-	452,613
- Inter-segment	119,413	-	5,938	-	(125,351)	-
Total revenue	330,745	34,595	17,797	194,827	(125,351)	452,613
<b>Results</b>						
- Segment results	6,204	29,517	13,898	39,889	18,051	107,559
Finance costs						(32,173)
Income tax expense						(20,251)
Profit for the financial period						55,135

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 2018.

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**A10. SUBSEQUENT MATERIAL EVENTS**

There were no material events subsequent to the reporting period up to 14 November 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 30 September 2019, except for:

- (i) The Company had on 29 October 2019 announced that its 51%-owned subsidiary company, Landasan Bayu Sdn. Bhd. (“LBSB”) had agreed with Lembaga Getah Malaysia (“LGM”) to the mutual termination of the Joint Development Agreement (“JDA”) previously entered by both parties on 20 April 2016 for the development of a parcel of prime land held under Lot 76, Section 88, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur located at Jalan Ampang measuring approximately 4.75 acres.

The mutual termination was made on the basis that the joint development is no longer commercially and financially viable due to the reduction in land size and the reduction of plot ratio imposed by the local authorities.

Subsequent to the announcement, the caveat of the abovementioned land had been removed by LBSB and deposits had been fully refunded by LGM.

Since the condition precedents of JDA have not been fulfilled and the project has yet to commence, the mutual termination will not have any significant effect on the earnings or net assets of the Group for the financial year ending 31 December 2019.

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

There were no changes in the composition of the Group for the current quarter ended 30 September 2019.

**A12. CAPITAL COMMITMENTS**

There were no capital commitments that have a material effect in the current quarter ended 30 September 2019.

**A13. SIGNIFICANT RELATED PARTY DISCLOSURES**

The Group has no significant related party transactions during the current quarter ended 30 September 2019, except for reversal of impairment losses on trade and other receivables of RM1.2 million from a company in which directors of the Company have interest.

**CREST BUILDER HOLDINGS BERHAD** (573382-P)  
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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 third quarter under review, the Group's revenue decreased from RM177.1 million to RM85.5 million while the profit before tax decreased from RM45.0 million to RM0.3 million respectively as compared to the corresponding third quarter of the preceding year.

The construction division recorded revenue of RM71.4 million and profit before tax of RM0.7 million as compared to the corresponding third quarter of the preceding year of RM66.5 million and RM0.2 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 property development division's revenue and loss before tax amounted to RM0.3 million and RM2.4 million respectively as compared to the corresponding third quarter of the preceding year of revenue of RM95.2 million and profit before tax of RM41.1 million. The decrease in revenue and the increase in loss before tax were mainly due to completion of Batu Tiga Phase 2 (Residensi Hijauan) project in the first quarter of year 2019. This was also due to a one-off event for the disposal of land held for property development with revenue and gain amounted to RM34.0 million and RM25.1 million respectively recognised in the third quarter of the preceding year.

The concession arrangement division recorded revenue of RM11.3 million and profit before tax of RM2.1 million as compared to the corresponding third quarter of the preceding year of RM11.5 million and RM2.5 million respectively. The decrease in revenue and profit before tax were mainly due to lower finance income from concession contract recognised.

The investment division recorded revenue of RM2.5 million and loss before tax of RM0.1 million as compared to the corresponding third quarter of the preceding year of RM3.9 million and profit before tax of RM1.2 million respectively. The decrease in revenue and the increase in loss before tax were mainly attributable to the decrease in the occupancy rate of certain investment properties.

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

	<b>Current 3rd Quarter RM'000</b>	<b>Preceding 2nd Quarter RM'000</b>	<b>Increase/(Decrease)</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	85,496	123,106	(37,610)	(31%)
Profit before tax	295	8,259	(7,964)	(96%)
Profit after tax	3,372	4,696	(1,324)	(28%)

For the current quarter under review, the Group recorded profit before tax and profit after tax of RM0.3 million and RM3.4 million respectively as compared to profit before tax and profit after tax of RM8.3 million and RM4.7 million respectively in the immediate preceding quarter.

The decrease in revenue, profit before tax and profit after tax as compared to the second quarter of the immediate preceding quarter were mainly due to lower contribution from property development division after completion of Batu Tiga Phase 2 (Residensi Hijauan) project in the first quarter of year 2019.

**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, we will focus on selling the remaining unsold units. This will make a positive contribution to the Group this year.

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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**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

**B5. INCOME TAX EXPENSE**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Quarter Ended <u>30-09-2019</u> (RM'000)</b>	<b>Quarter Ended <u>30-09-2018</u> (RM'000)</b>	<b>Year Ended <u>30-09-2019</u> (RM'000)</b>	<b>Year Ended <u>30-09-2018</u> (RM'000)</b>
Current income tax				
- Current year	<b>(5,727)</b>	7,477	<b>1,665</b>	14,858
- Under provision in prior years	<b>2,679</b>	878	<b>2,746</b>	878
Deferred tax				
- Relating to origination and reversal of temporary differences	<b>(29)</b>	2,330	<b>2,310</b>	4,515
	<b>(3,077)</b>	10,685	<b>6,721</b>	20,251
Profit before tax	<b>295</b>	44,985	<b>25,295</b>	75,386
Tax at Malaysian statutory tax rate of 24%	<b>71</b>	10,796	<b>6,071</b>	18,093
Income not subject to tax	<b>(5,457)</b>	(1,877)	<b>(5,466)</b>	(1,909)
Expenses not deductible for tax purposes	<b>2,378</b>	888	<b>4,582</b>	3,189
Changes in movement of deferred tax not recognised	<b>(2,748)</b>	-	<b>(1,212)</b>	-
Under provision in prior years	<b>2,679</b>	878	<b>2,746</b>	878
	<b>(3,077)</b>	10,685	<b>6,721</b>	20,251

**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 September 2019.



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**B7. DEALINGS IN QUOTED SECURITIES**

The Group did not transact or hold any quoted securities for the current quarter ended 30 September 2019.

**B8. CORPORATE PROPOSALS**

There were no corporate proposals previously announced but not completed as of 30 September 2019.

**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 September 2019 are as follows:

	RM'000	RM'000
Short term borrowings:		
Secured		
- Finance lease liabilities	4,804	
- Term loans	9,097	
- Sukuk Murabahah	22,185	
Unsecured		
- Bank overdrafts	30,196	
- Bankers' acceptances	38,867	
- Revolving credits	74,422	
		179,571
Long term borrowings:		
Secured		
- Finance lease liabilities	7,103	
- Term loans	1,262	
- Sukuk Murabahah	365,728	
		374,093
<b>Total</b>		<b>553,664</b>

**B10. MATERIAL LITIGATION**

Same as previously disclosed in the Annual Report for the financial year ended 31 December 2018, there were no changes in material litigation, including the status of pending material litigation since the previous quarter to 14 November 2019, 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. DIVIDEND**

No dividend was proposed in respect of the third quarter ended 30 September 2019.

**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 September 2019.

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>30-09-2019</b>	<b>30-09-2018</b>	<b>30-09-2019</b>	<b>30-09-2018</b>
Profit after tax attributable to owners of the Company (RM'000)	<b>3,231</b>	33,826	<b>17,404</b>	53,590
Weighted average number of ordinary shares in issue ('000)	<b>167,134</b>	170,692	<b>167,134</b>	170,692
Basic earnings per share (sen)	<b>1.9</b>	19.8	<b>10.4</b>	31.4

**b. Diluted earnings per share**

The Group has no dilutive potential ordinary shares. At such, there is no dilutive effect on the earnings per share of the Group.

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**B13. PROFIT FOR THE FINANCIAL PERIOD**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<u>30-09-2019</u> (RM'000)	<u>30-09-2018</u> (RM'000)	<u>30-09-2019</u> (RM'000)	<u>30-09-2018</u> (RM'000)
<b>Profit for the financial period is arrived at after charging:</b>				
Amortisation of discount on Sukuk Murabahah	757	812	2,271	2,436
Depreciation of property, plant and equipment	1,285	1,263	3,755	3,172
Interest expense	8,326	10,267	25,945	29,737
Property, plant and equipment written off	-	-	-	2
<b>and after crediting:</b>				
Gain on disposal of property, plant and equipment	6	48	45	181
Interest income	616	599	2,018	2,267
Reversal of impairment losses on trade and other receivables	1,200	5,372	8,000	7,772

**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 20 November 2019.

By Order of the Board

Company Secretary  
Heng Chiang Pooh FCIS (MAICSA 7009923)  
Date: 20 November 2019