

CREST BUILDER HOLDINGS BERHAD (573382-P)

***UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019***

CONTENTS

INTERIM REPORT

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

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CREST BUILDER HOLDINGS BERHAD ^(573382-P)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31-12-2019 RM'000	Preceding Year Quarter 31-12-2018 RM'000	Current Year To Date 31-12-2019 RM'000	Preceding Year To Date 31-12-2018 RM'000
Revenue	93,329	142,794	465,750	595,407
Cost of sales	(79,030)	(92,678)	(382,220)	(419,380)
Gross profit	14,299	50,116	83,530	176,027
Other income	14,454	14,268	25,752	25,134
	28,753	64,384	109,282	201,161
Administrative and other expenses	(23,642)	(32,022)	(50,660)	(61,240)
Operating profit	5,111	32,362	58,622	139,921
Finance costs	(8,164)	(9,467)	(36,380)	(41,640)
(Loss)/Profit before tax	(3,053)	22,895	22,242	98,281
Income tax expense	1,413	(5,849)	(5,308)	(26,100)
(Loss)/Profit for the financial period/year	(1,640)	17,046	16,934	72,181
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/income for the financial period/year	(1,640)	17,046	16,934	72,181
(Loss)/Profit for the financial period/year / Total comprehensive (loss)/income attributable to:				
Owners of the Company	1,862	16,746	19,266	70,336
Non-controlling interests	(3,502)	300	(2,332)	1,845
	(1,640)	17,046	16,934	72,181
Earnings per share (sen)				
- Basic	1.1	9.8	11.6	41.2
- Diluted	1.1	9.8	11.6	41.2

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 31 DECEMBER 2019

	As at 31-12-2019 RM'000	As at 31-12-2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	33,791	35,894
Investment properties	301,328	299,328
Golf club membership	54	54
Inventories - land held for development	13,475	2,679
Goodwill	33,608	33,608
Operating financial asset	287,934	299,337
Deferred tax assets	8,881	6,213
Trade and other receivables	-	4,851
Total non-current assets	<u>679,071</u>	<u>681,964</u>
Current assets		
Inventories - property under development	279,877	295,647
Inventories - completed properties and others	22,998	21,467
Operating financial asset	7,757	7,757
Trade and other receivables	211,444	209,290
Contract assets	71,613	129,919
Current tax assets	4,934	3,604
Short term investments	58,383	24,015
Fixed deposits placed with licensed banks	60,390	78,279
Cash and bank balances	20,534	21,641
Total current assets	<u>737,930</u>	<u>791,619</u>
TOTAL ASSETS	<u>1,417,001</u>	<u>1,473,583</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	181,191	181,191
Treasury shares	(13,001)	(6,478)
Reserves	324,309	312,554
	<u>492,499</u>	<u>487,267</u>
Non-controlling interests	15,425	17,757
TOTAL EQUITY	<u>507,924</u>	<u>505,024</u>
Non-current liabilities		
Loans and borrowings	362,533	395,343
Deferred tax liabilities	27,572	24,902
Trade and other payables	10,553	10,553
Total non-current liabilities	<u>400,658</u>	<u>430,798</u>
Current liabilities		
Loans and borrowings	146,184	162,996
Current tax liabilities	409	3,037
Trade and other payables	346,650	358,522
Contract liabilities	15,176	13,206
Total current liabilities	<u>508,419</u>	<u>537,761</u>
TOTAL LIABILITIES	<u>909,077</u>	<u>968,559</u>
TOTAL EQUITY AND LIABILITIES	<u>1,417,001</u>	<u>1,473,583</u>
Net assets per share attributable to owners of the Company (RM)	<u>3.02</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 ^(573382-P)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

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

	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2018	181,191	(5,795)	249,046	424,442	15,912	440,354
Total comprehensive income for the financial year	-	-	70,336	70,336	1,845	72,181
	<u>181,191</u>	<u>(5,795)</u>	<u>319,382</u>	<u>494,778</u>	<u>17,757</u>	<u>512,535</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>(6,478)</u>	<u>312,554</u>	<u>487,267</u>	<u>17,757</u>	<u>505,024</u>
At 1 January 2019	181,191	(6,478)	312,554	487,267	17,757	505,024
Total comprehensive income/(loss) for the financial year	-	-	19,266	19,266	(2,332)	16,934
	<u>181,191</u>	<u>(6,478)</u>	<u>331,820</u>	<u>506,533</u>	<u>15,425</u>	<u>521,958</u>
Dividends on ordinary shares	-	-	(7,511)	(7,511)	-	(7,511)
Purchase of treasury shares	-	(6,523)	-	(6,523)	-	(6,523)
At 31 December 2019	<u>181,191</u>	<u>(13,001)</u>	<u>324,309</u>	<u>492,499</u>	<u>15,425</u>	<u>507,924</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 FOURTH QUARTER ENDED 31 DECEMBER 2019

	12 Months Ended 31-12-2019 RM'000	12 Months Ended 31-12-2018 RM'000
Cash flows from operating activities		
Profit before tax	22,242	98,281
Adjustments for:		
Amortisation of discount on Sukuk Murabahah	3,028	3,247
Depreciation of property, plant and equipment	5,014	4,182
Gain on disposal of property, plant and equipment	(45)	(184)
Impairment losses on trade and other receivables	4,778	16,453
Interest expense	33,352	36,722
Interest income	(2,588)	(3,629)
Net fair value (gain)/loss on investment properties	(2,000)	5,000
Property, plant and equipment written off	-	2
Reversal of impairment losses on trade and other receivables	(13,978)	(13,311)
Write off of inventories for property under development	6,049	-
Operating profit before changes in working capital	55,852	146,763
Net change in assets	79,072	55,458
Net change in liabilities	(9,902)	(24,185)
	69,170	31,273
Cash generated from operations	125,022	178,036
Income tax paid	(9,420)	(13,813)
Income tax refunded	156	-
Net cash from operating activities	115,758	164,223
Cash flows from investing activities		
Interest received	3,390	2,992
Placement of short term investments	(105,870)	(41,500)
Proceeds from disposal of short term investments	70,700	38,478
Proceeds from disposal of property, plant and equipment	84	462
Purchase of property, plant and equipment	(3,022)	(1,723)
Fixed deposits pledged	(1)	(82)
Net decrease in bank balances maintained in an escrow account	566	8
Net cash used in investing activities	(34,153)	(1,365)
Cash flows from financing activities		
Dividends paid	(7,511)	(6,828)
Interest paid	(33,352)	(36,722)
Purchase of treasury shares	(6,523)	(683)
Repayment of term loans	(15,679)	(26,375)
Payment of finance lease liabilities	(3,466)	(3,089)
Repayment of Sukuk Murabahah	(25,000)	(25,000)
Repayment of bankers' acceptances	(13,481)	(26,961)
Repayment of revolving credits	(15,099)	(9,946)
Net cash used in financing activities	(120,111)	(135,604)
Net (decrease)/increase in cash and cash equivalents	(38,506)	27,254
Cash and cash equivalents brought forward	89,071	61,817
Cash and cash equivalents carried forward	50,565	89,071
Analysis of cash and cash equivalents		
Cash and bank balances	20,534	21,641
Fixed deposits placed with licensed banks	60,390	78,279
	80,924	99,920
Less: Bank overdrafts	(27,079)	(7,004)
Fixed deposits pledged with licensed banks	(3,111)	(3,110)
Bank balances maintained in an escrow account	(169)	(735)
Cash and cash equivalents	50,565	89,071

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
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

**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.

CREST BUILDER HOLDINGS BERHAD (573382-P)
INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

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:

		Effective for financial periods beginning on or after
<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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FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

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):

	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*

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 31 December 2019.

CREST BUILDER HOLDINGS BERHAD (573382-P)
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A5. CHANGES IN ESTIMATES

Except for impairment losses on trade and other receivables, reversal of impairment losses on trade and other receivables and fair value gain on investment properties of RM4.8 million, RM6.0 million and RM2.0 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 2019.

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

During the current quarter, the Company repurchased a total of 2,513,000 ordinary shares from the open market for a total consideration of RM2,342,162 at an average cost of RM0.93 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 31 December 2019, the total number of treasury shares held is 7.94% 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

There was no dividend paid during the current quarter.

CREST BUILDER HOLDINGS BERHAD (573382-P)
INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

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 2019

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	347,979	45,199	9,911	62,661	-	465,750
- Inter-segment	66,206	-	8,121	-	(74,327)	-
Total revenue	414,185	45,199	18,032	62,661	(74,327)	465,750
Results						
- Segment results	3,726	37,522	4,226	8,085	5,063	58,622
Finance costs						(36,380)
Income tax expense						(5,308)
Profit for the financial year						16,934

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

CREST BUILDER HOLDINGS BERHAD (573382-P)
INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

A8. SEGMENTAL REPORTING (CONTINUED)

(ii) For the twelve (12) months period ended 31 December 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	289,490	46,032	15,882	244,003	-	595,407
- Inter-segment	134,835	-	16,448	-	(151,283)	-
Total revenue	424,325	46,032	32,330	244,003	(151,283)	595,407
Results						
- Segment results	20,249	39,167	27,547	35,107	17,851	139,921
Finance costs						(41,640)
Income tax expense						(26,100)
Profit for the financial year						72,181

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.

CREST BUILDER HOLDINGS BERHAD (573382-P)
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FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

A10. SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent to the reporting period up to 21 February 2020, 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 2019.

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 2019.

A12. CAPITAL COMMITMENTS

The capital commitments in the current quarter ended 31 December 2019 is as per following:

	As at 31-12-2019 RM'000
Approved and contracted for:	
- Inventories - land held for development	<u>49,500</u>

A13. SIGNIFICANT RELATED PARTY DISCLOSURES

The Group has no significant related party transactions during the current quarter ended 31 December 2019, except for reversal of impairment losses on trade and other receivables of RM1.2 million from a company in which certain directors of the Company have interest.

CREST BUILDER HOLDINGS BERHAD (573382-P)
INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

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 recorded revenue of RM93.3 million and loss before tax of RM3.1 million as compared to the corresponding fourth quarter of the preceding year of RM142.8 million and profit before tax of RM22.9 million respectively. The loss before tax in current quarter was mainly attributable to the mutual termination of Joint Development Agreement (“JDA”) with Lembaga Getah Malaysia (“LGM”) announced on 29 October 2019.

The construction division recorded revenue of RM79.3 million and profit before tax of RM0.9 million as compared to the corresponding fourth quarter of the preceding year of RM78.2 million and RM10.4 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 the recognition of impairment losses on trade and other receivables amounted to RM4.8 million.

The property development division’s revenue and loss before tax amounted to RM0.2 million and RM5.8 million respectively as compared to the corresponding fourth quarter of the preceding year of revenue of RM49.2 million and profit before tax of RM12.6 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 from the mutual termination of JDA with LGM on 29 October 2019, resulting in a recognised loss related to write off of inventory for property under development of approximately RM6.0 million.

The concession arrangement division recorded revenue of RM11.2 million and profit before tax of RM2.5 million as compared to the corresponding fourth quarter of the preceding year of RM11.4 million and RM2.3 million respectively. The decrease in revenue was mainly due to lower finance income from concession contract 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 RM2.6 million and loss before tax of RM0.7 million as compared to the corresponding fourth quarter of the preceding year of RM4.0 million and RM2.4 million respectively. The decrease in revenue and loss before tax were mainly attributable to the decrease in the occupancy rate of certain investment properties.

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

	Current 4th Quarter RM'000	Preceding 3rd Quarter RM'000	Increase/(Decrease)	
			RM'000	%
Revenue	93,329	85,496	7,833	9%
(Loss)/Profit before tax	(3,053)	295	(3,348)	(1,135%)
(Loss)/Profit after tax	(1,640)	3,372	(5,012)	(149%)

For the current quarter under review, the Group recorded loss before tax and loss after tax of RM3.1 million and RM1.6 million respectively as compared to profit before tax and profit after tax of RM0.3 million and RM3.4 million respectively in the immediate preceding quarter.

The increase in revenue as compared to the third quarter of the immediate preceding quarter was mainly due to higher progressive construction progress recognised from certain projects during the current quarter under review. The increase in loss before tax and loss after tax were mainly due to the one-off event from the mutual termination of JDA with LGM on 29 October 2019, resulting in a recognised loss related to write off of inventory for property under development of approximately RM6.0 million.

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. With our recent acquisition of a piece of freehold land located in Bukit Tinggi, Klang, this will make a positive contribution to the Group going forward.

The Group is confident that the current stability of global raw material prices will continue to prevail. With our existing order book, the Board cautiously optimistic that the Group will continue to remain profitable for the year 2020.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended <u>31-12-2019</u> (RM'000)	Quarter Ended <u>31-12-2018</u> (RM'000)	Year Ended <u>31-12-2019</u> (RM'000)	Year Ended <u>31-12-2018</u> (RM'000)
Current income tax				
- Current year	895	1,990	2,560	16,848
- Under provision in prior years	-	61	2,746	939
Deferred tax				
- Relating to origination and reversal of temporary differences	(2,308)	3,798	2	8,313
	(1,413)	5,849	5,308	26,100
(Loss)/Profit before tax	(3,053)	22,895	22,242	98,281
Tax at Malaysian statutory income tax rate of 24%	(733)	5,495	5,338	23,587
Income not subject to tax	(1,146)	(7,005)	(6,612)	(8,914)
Expenses not deductible for tax purposes	701	4,435	4,147	7,625
Change in movement of deferred tax not recognised	(435)	(1,728)	(511)	(1,728)
Change in Real Property Gain Tax rate on fair value surplus of investment properties	200	5,574	200	5,574
Reduced tax rate	-	(983)	-	(983)
Under provision in prior years	-	61	2,746	939
	(1,413)	5,849	5,308	26,100

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 2019.

CREST BUILDER HOLDINGS BERHAD (573382-P)
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B7. DEALINGS IN QUOTED SECURITIES

The Group did not transact or hold any quoted securities for the current quarter ended 31 December 2019.

B8. CORPORATE PROPOSALS

There were no corporate proposals previously announced but not completed as of 31 December 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 31 December 2019 are as follows:

	RM'000	RM'000
Short term borrowings:		
Secured		
- Finance lease liabilities	4,669	
- Term loans	6,977	
- Sukuk Murabahah	22,185	
- Bank overdrafts	27,079	
- Bankers' acceptances	22,590	
- Revolving credits	62,684	
	146,184	
Long term borrowings:		
Secured		
- Finance lease liabilities	6,048	
- Sukuk Murabahah	356,485	
	362,533	
Total		508,717

B10. MATERIAL LITIGATION

Saved as 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 21 February 2020, 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

The Board of Directors is recommending a first and final single tier dividend of 3.5 sen per ordinary share in respect of the financial year ended 31 December 2019. 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 (loss)/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 2019.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31-12-2019	31-12-2018	31-12-2019	31-12-2018
Profit after tax attributable to owners of the Company (RM'000)	1,862	16,746	19,266	70,336
Weighted average number of ordinary shares in issue ('000)	165,033	170,673	166,343	170,673
Basic earnings per share (sen)	1.1	9.8	11.6	41.2

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. (LOSS)/PROFIT FOR THE FINANCIAL PERIOD/YEAR

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<u>31-12-2019</u> (RM'000)	<u>31-12-2018</u> (RM'000)	<u>31-12-2019</u> (RM'000)	<u>31-12-2018</u> (RM'000)
(Loss)/Profit for the financial period/year is arrived at after charging:				
Amortisation of discount on Sukuk Murabahah	757	811	3,028	3,247
Depreciation of property, plant and equipment	1,259	1,010	5,014	4,182
Fair value loss on investment properties	-	5,000	-	5,000
Impairment losses on trade and other receivables	4,778	15,673	4,778	16,453
Interest expense	7,407	6,985	33,352	36,722
Property, plant and equipment written off	-	-	-	2
Write off of inventories for property under development	6,049	-	6,049	-
and after crediting:				
Fair value gain on investment properties	2,000	-	2,000	-
Gain on disposal of property, plant and equipment	-	3	45	184
Interest income	570	1,362	2,588	3,629
Reversal of impairment losses on trade and other receivables	5,978	5,539	13,978	13,311

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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 2020.

By Order of the Board

Company Secretary
Heng Chiang Pooh FCIS (MAICSA 7009923)
Date: 27 February 2020