

***CREST BUILDER HOLDINGS BERHAD*** 200201005719 (573382-P)

***UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2020***

# ***CONTENTS***

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## **INTERIM REPORT**

### **UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	3
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	4
PART A : EXPLANATORY NOTES PURSUANT TO PARAGRAPH 16, MFRS 134 INTERIM FINANCIAL REPORTING	5
PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD	11

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

	<b>INDIVIDUAL PERIOD</b>		<b>CUMULATIVE PERIOD</b>	
	<b>Current Year Quarter 30-06-2020 RM'000</b>	<b>Preceding Year Quarter 30-06-2019 RM'000</b>	<b>Current Year To Date 30-06-2020 RM'000</b>	<b>Preceding Year To Date 30-06-2019 RM'000</b>
Revenue	56,218	123,106	118,079	286,925
Cost of sales	(51,235)	(93,866)	(99,422)	(231,947)
<b>Gross profit</b>	<b>4,983</b>	<b>29,240</b>	<b>18,657</b>	<b>54,978</b>
Other income	825	2,005	3,129	8,897
	5,808	31,245	21,786	63,875
Administrative and other expenses	(11,491)	(13,112)	(17,438)	(19,742)
<b>Operating (loss)/profit</b>	<b>(5,683)</b>	<b>18,133</b>	<b>4,348</b>	<b>44,133</b>
Finance costs	(8,171)	(9,874)	(16,532)	(19,133)
<b>(Loss)/Profit before tax</b>	<b>(13,854)</b>	<b>8,259</b>	<b>(12,184)</b>	<b>25,000</b>
Income tax expense	(112)	(3,563)	(1,527)	(9,798)
<b>(Loss)/Profit for the financial period</b>	<b>(13,966)</b>	<b>4,696</b>	<b>(13,711)</b>	<b>15,202</b>
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive (loss)/income for the financial period</b>	<b>(13,966)</b>	<b>4,696</b>	<b>(13,711)</b>	<b>15,202</b>
<b>(Loss)/Profit for the financial period / Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(14,591)	4,143	(15,012)	14,173
Non-controlling interests	625	553	1,301	1,029
	(13,966)	4,696	(13,711)	15,202
<b>(Loss)/Earnings per share (sen)</b>				
- Basic	(9.0)	2.5	(9.2)	8.4
- Diluted	(9.0)	2.5	(9.2)	8.4

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the quarterly report.

**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	<b>As at 30-06-2020 RM'000</b>	<b>As at 31-12-2019 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	31,254	33,791
Investment properties	301,328	301,328
Golf club membership	54	54
Inventories - land held for development	77,341	18,302
Goodwill	33,608	33,608
Operating financial asset	282,728	290,608
Deferred tax assets	10,256	8,846
<b>Total non-current assets</b>	<u>736,569</u>	<u>686,537</u>
<b>Current assets</b>		
Inventories - property under development	265,899	279,876
Inventories - completed properties and others	23,323	22,998
Operating financial asset	8,727	8,727
Trade and other receivables	180,166	198,881
Contract assets	76,203	71,613
Current tax assets	4,555	4,934
Short term investments	31,316	61,687
Fixed deposits placed with licensed banks	52,375	57,087
Cash and bank balances	22,641	20,534
<b>Total current assets</b>	<u>665,205</u>	<u>726,337</u>
<b>TOTAL ASSETS</b>	<u>1,401,774</u>	<u>1,412,874</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	181,191	181,191
Treasury shares	(13,661)	(13,001)
Retained earnings	309,238	324,250
	<u>476,768</u>	<u>492,440</u>
Non-controlling interests	16,725	15,424
<b>TOTAL EQUITY</b>	<u>493,493</u>	<u>507,864</u>
<b>Non-current liabilities</b>		
Loans and borrowings	385,168	362,533
Deferred tax liabilities	29,162	27,572
Trade and other payables	10,553	10,553
<b>Total non-current liabilities</b>	<u>424,883</u>	<u>400,658</u>
<b>Current liabilities</b>		
Loans and borrowings	141,985	146,184
Current tax liabilities	871	409
Trade and other payables	324,905	342,583
Contract liabilities	15,637	15,176
<b>Total current liabilities</b>	<u>483,398</u>	<u>504,352</u>
<b>TOTAL LIABILITIES</b>	<u>908,281</u>	<u>905,010</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,401,774</u>	<u>1,412,874</u>
Net assets per share attributable to owners of the Company (RM)	<u>2.94</u>	<u>3.02</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 2019 and the accompanying explanatory notes attached to the quarterly report.

**CREST BUILDER HOLDINGS BERHAD** <sup>200201005719 (573382-P)</sup>  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

← **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 2019	181,191	(6,478)	312,554	487,267	17,757	505,024
Total comprehensive income for the financial period	-	-	14,173	14,173	1,029	15,202
	<u>181,191</u>	<u>(6,478)</u>	<u>326,727</u>	<u>501,440</u>	<u>18,786</u>	<u>520,226</u>
Purchase of treasury shares	-	(2,744)	-	(2,744)	-	(2,744)
At 30 June 2019	<u>181,191</u>	<u>(9,222)</u>	<u>326,727</u>	<u>498,696</u>	<u>18,786</u>	<u>517,482</u>
At 1 January 2020	181,191	(13,001)	324,250	492,440	15,424	507,864
Total comprehensive (loss)/income for the financial period	-	-	(15,012)	(15,012)	1,301	(13,711)
	<u>181,191</u>	<u>(13,001)</u>	<u>309,238</u>	<u>477,428</u>	<u>16,725</u>	<u>494,153</u>
Purchase of treasury shares	-	(660)	-	(660)	-	(660)
At 30 June 2020	<u>181,191</u>	<u>(13,661)</u>	<u>309,238</u>	<u>476,768</u>	<u>16,725</u>	<u>493,493</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 2019 and the accompanying explanatory notes attached to the quarterly report.

CREST BUILDER HOLDINGS BERHAD 200201005719 (573382-P)  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

	<b>6 Months Ended 30-06-2020 RM'000</b>	<b>6 Months Ended 30-06-2019 RM'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(12,184)	25,000
Adjustments for:		
Amortisation of discount on Sukuk Murabahah	1,408	1,514
Depreciation of property, plant and equipment	2,485	2,470
Gain on disposal of property, plant and equipment	(30)	(39)
Impairment losses on trade and other receivables	6,901	-
Interest expense	15,124	17,619
Interest income	(841)	(1,402)
Reversal of impairment losses on trade and other receivables	(800)	(6,800)
Operating profit before changes in working capital	12,063	38,362
Net change in assets	(29,409)	54,375
Net change in liabilities	(17,217)	(8,104)
	(46,626)	46,271
Cash (used in)/generated from operations	(34,563)	84,633
Income tax paid	(1,038)	(5,060)
Income tax refunded	532	65
Net cash (used in)/from operating activities	(35,069)	79,638
<b>Cash flows from investing activities</b>		
Interest received	212	3,968
Placement of short term investments	-	(75,300)
Proceeds from disposal of short term investments	31,000	25,350
Proceeds from disposal of property, plant and equipment	30	73
Purchase of property, plant and equipment	(21)	(2,174)
Fixed deposits pledged	(37)	-
Net decrease in bank balances maintained in an escrow account	168	51
Net cash from/(used in) investing activities	31,352	(48,032)
<b>Cash flows from financing activities</b>		
Interest paid	(15,124)	(17,619)
Purchase of treasury shares	(660)	(2,744)
Drawdown/(Repayment) of term loans	40,362	(8,202)
Payment of lease liabilities	(2,394)	(1,094)
Repayment of Sukuk Murabahah	(15,000)	(15,000)
Drawdown of bankers' acceptances	1,880	7,984
Drawdown/(Repayment) of revolving credits	2,032	(10,472)
Net cash from/(used in) financing activities	11,096	(47,147)
Net increase/(decrease) in cash and cash equivalents	7,379	(15,541)
Cash and cash equivalents brought forward	47,262	89,072
Cash and cash equivalents carried forward	54,641	73,531
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	22,641	20,877
Fixed deposits placed with licensed banks	52,375	69,524
	75,016	90,401
Less: Bank overdrafts	(17,227)	(13,076)
Fixed deposits pledged with licensed banks	(3,147)	(3,110)
Bank balances maintained in an escrow account	(1)	(684)
Cash and cash equivalents	54,641	73,531

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the quarterly report.

**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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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 financial statements for the financial year ended 31 December 2019.

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 2019, except for the adoption of the following amendments/improvements to MFRSs that are mandatory for the current financial year.

Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
MFRS 139	Financial Instruments: Recognition and Measurement

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

**New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective**

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

	<b>Effective for financial periods beginning on or after</b>
<u>New MFRS</u>	
MFRS 17 Insurance Contracts	1 January 2023

**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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

**New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)**

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

		<b>Effective for financial periods beginning on or after</b>
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 <sup>^</sup> / 1 January 2023 <sup>#</sup>
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023 <sup>#</sup>
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 <sup>#</sup>
MFRS 7	Financial Instruments: Disclosures	1 January 2023 <sup>#</sup>
MFRS 9	Financial Instruments	1 January 2022 <sup>^</sup> / 1 January 2023 <sup>#</sup>
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 <sup>#</sup>
MFRS 16	Leases	1 June 2020 <sup>*</sup> / 1 January 2022 <sup>^</sup>
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 <sup>#</sup>
MFRS 107	Statements of Cash Flows	1 January 2023 <sup>#</sup>
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023 <sup>#</sup>
MFRS 119	Employee Benefits	1 January 2023 <sup>#</sup>
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 <sup>#</sup>
MFRS 132	Financial Instruments: Presentation	1 January 2023 <sup>#</sup>
MFRS 136	Impairment of Assets	1 January 2023 <sup>#</sup>
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023 <sup>#</sup>
MFRS 138	Intangible Assets	1 January 2023 <sup>#</sup>
MFRS 140	Investment Property	1 January 2023 <sup>#</sup>
MFRS 141	Agriculture	1 January 2022 <sup>^</sup>

<sup>^</sup> *The Annual Improvements to MFRS Standards 2018-2020*

<sup>\*</sup> *Earlier application is permitted, including in financial statements not authorised for issue at 28 May 2020*

<sup>#</sup> *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*



**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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

**New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)**

The Group plans to adopt the above applicable amendments/improvements to MFRSs 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 2019 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 2020, except for the COVID-19 impact affecting the Group as documented in B1, B2 and B3.

**A5. CHANGES IN ESTIMATES**

Except for impairment losses on trade and other receivables of RM6.9 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 June 2020.

**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.

**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

**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 2020

**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	90,517	22,241	4,122	1,199	-	118,079
- Inter-segment	13,144	-	4,075	-	(17,219)	-
Total revenue	103,661	22,241	8,197	1,199	(17,219)	118,079
<b>Results</b>						
- Segment results	(8,131)	18,447	5,264	(1,757)	(9,475)	4,348
Finance costs						(16,532)
Income tax expense						(1,527)
Loss for the financial period						(13,711)

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

**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

**A8. SEGMENTAL REPORTING (CONTINUED)**

(ii) For the six (6) months period ended 30 June 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
<b>Revenue</b>						
- External customer	197,246	22,714	4,787	62,178	-	286,925
- Inter-segment	37,109	-	4,073	-	(41,182)	-
Total revenue	234,355	22,714	8,860	62,178	(41,182)	286,925
<b>Results</b>						
- Segment results	14,619	18,727	5,361	15,250	(9,824)	44,133
Finance costs						(19,133)
Income tax expense						(9,798)
Profit for the financial period						15,202

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 audited financial statements for the financial year ended 31 December 2019.

**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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**A10. SUBSEQUENT MATERIAL EVENTS**

There were no material events subsequent to the reporting period up to 20 August 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 30 June 2020.

**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 2020.

**A12. CAPITAL COMMITMENTS**

There were no capital commitments that have a material effect in the current quarter ended 30 June 2020.

**A13. SIGNIFICANT RELATED PARTY DISCLOSURES**

The Group has no significant related party transactions during the current quarter ended 30 June 2020.

**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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

**B1. REVIEW OF PERFORMANCE**

For the second quarter under review, the Group's revenue decreased from RM123.1 million to RM56.2 million while the profit before tax decreased from RM8.3 million to loss before tax of RM13.9 million as compared to the corresponding second quarter of the preceding year.

The construction division recorded revenue of RM43.4 million and loss before tax of RM15.9 million as compared to the corresponding second quarter of the preceding year of RM95.4 million and profit before tax of RM2.2 million respectively. The decrease in revenue and the increase in loss before tax were mainly due to lower progress in construction during the financial period under review. This was mainly due to the Movement Control Order ("MCO") implemented on 18 March 2020, which had a negative impact on the operations of the construction division. In addition, the loss before tax in current quarter was also attributable to the recognition of impairment losses on trade and other receivables amounted to RM6.9 million.

The property development division's revenue and loss before tax amounted to RM Nil and RM0.5 million as compared to the corresponding second quarter of the preceding year of RM13.8 million and profit before tax of RM4.0 million respectively. The decrease in revenue and profit before tax were due to the fact that no completed properties were sold during the current quarter.

The concession arrangement division recorded revenue of RM11.1 million and profit before tax of RM2.7 million as compared to the corresponding second quarter of the preceding year of RM11.3 million and RM2.5 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 RM1.7 million and loss before tax of RM0.2 million as compared to the corresponding second quarter of the preceding year of RM2.6 million and RM0.4 million respectively. The decrease in revenue was mainly due to rebates given to tenants of investment properties during the MCO period. The decrease in loss before tax was mainly attributable to certain austerity measures implemented in order to minimise the financial impact of COVID-19.

**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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

	<b>Current 2nd Quarter RM'000</b>	<b>Preceding 1st Quarter RM'000</b>	<b>(Decrease)/Increase</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	56,218	61,861	(5,643)	(9%)
(Loss)/Profit before tax	(13,854)	1,670	(15,524)	(930%)
(Loss)/Profit after tax	(13,966)	255	(14,221)	(5,577%)

For the current quarter under review, the Group recorded loss before tax and loss after tax of RM13.9 million and RM14.0 million respectively as compared to profit before tax and profit after tax of RM1.7 million and RM0.3 million respectively in the immediate preceding quarter.

The decrease in revenue and the increase in loss before tax and loss after tax as compared to the first quarter of the immediate preceding year were mainly due to lower progress in construction, recognition of impairment losses on trade and other receivables amounted to RM6.9 million and operations affected by the MCO during the current quarter under review.

**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 moving forward.

On 11 March 2020, the World Health Organisation declared the outbreak of coronavirus (COVID-19) a pandemic. The Government of Malaysia issued an order for the restriction of movements pursuant to the Prevention and Control of Disease Act 1988 which takes effect from 18 March 2020 which is still in effect with relaxed conditions and is being reviewed from time to time. Currently, the Group has returned to normal operations whilst adjusting to the "new normal". Economic uncertainties have arisen which are likely to negatively impact the revenue generation of the Group in the near term. The Group will continue to focus on strengthening the Group's financial position and implementing cost optimization measures. The Group expects some uncertainties in performance caused by COVID-19 in the short term. The Board is cautiously optimistic and confident of the prospect of the Group's business and its financial performance moving forward.

**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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

Not applicable to the Group.

**B5. INCOME TAX EXPENSE**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Quarter Ended <u>30-06-2020</u> (RM'000)</b>	<b>Quarter Ended <u>30-06-2019</u> (RM'000)</b>	<b>Year Ended <u>30-06-2020</u> (RM'000)</b>	<b>Year Ended <u>30-06-2019</u> (RM'000)</b>
Current income tax				
- Current year	547	906	1,347	7,392
- Under provision in prior years	-	-	-	67
Deferred tax				
- Relating to origination and reversal of temporary differences	(435)	2,657	180	2,339
	<b>112</b>	<b>3,563</b>	<b>1,527</b>	<b>9,798</b>
(Loss)/Profit before tax	<b>(13,854)</b>	<b>8,259</b>	<b>(12,184)</b>	<b>25,000</b>
Tax at Malaysian statutory tax rate of 24%	(3,325)	1,982	(2,924)	6,000
Income not subject to tax	1	-	(7)	(9)
Expenses not deductible for tax purposes	3,287	1,581	4,183	2,204
Deferred tax not recognised on unutilised tax losses	149	-	275	1,536
Under provision of current tax in prior years	-	-	-	67
	<b>112</b>	<b>3,563</b>	<b>1,527</b>	<b>9,798</b>

**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 2020.

**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

**B7. DEALINGS IN QUOTED SECURITIES**

The Group did not transact or hold any quoted securities for the current quarter ended 30 June 2020.

**B8. CORPORATE PROPOSALS**

There were no corporate proposals previously announced but not completed as of 30 June 2020.

**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 2020 are as follows:

	<b>RM'000</b>	<b>RM'000</b>
Short term borrowings:		
Secured		
- Lease liabilities	4,342	
- Term loans	8,839	
- Sukuk Murabahah	22,391	
- Bank overdrafts	17,227	
- Bankers' acceptances	24,470	
- Revolving credits	64,716	
	<u>          </u>	141,985
Long term borrowings:		
Secured		
- Lease liabilities	3,981	
- Term loans	38,500	
- Sukuk Murabahah	342,687	
	<u>          </u>	385,168
<b>Total</b>		<u><u>527,153</u></u>

**B10. MATERIAL LITIGATION**

Same as previously disclosed in the audited financial statements for the financial year ended 31 December 2019, there were no changes in material litigation, including the status of pending material litigation since the previous quarter to 20 August 2020, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.



**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

**B11. DIVIDEND**

No dividend was proposed or paid in respect of the second quarter ended 30 June 2020.

**B12. (LOSS)/EARNINGS PER SHARE**

**a. Basic (loss)/earnings per share**

The basic (loss)/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 30 June 2020.

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>30-06-2020</b>	<b>30-06-2019</b>	<b>30-06-2020</b>	<b>30-06-2019</b>
(Loss)/Profit after tax attributable to owners of the Company (RM'000)	<b>(14,591)</b>	4,143	<b>(15,012)</b>	14,173
Weighted average number of ordinary shares in issue ('000)	<b>162,107</b>	166,908	<b>162,368</b>	168,686
Basic (loss)/earnings per share (sen)	<b>(9.0)</b>	2.5	<b>(9.2)</b>	8.4

**b. Diluted (loss)/earnings per share**

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

**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

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**B13. (LOSS)/PROFIT FOR THE FINANCIAL PERIOD**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<u>30-06-2020</u> (RM'000)	<u>30-06-2019</u> (RM'000)	<u>30-06-2020</u> (RM'000)	<u>30-06-2019</u> (RM'000)
<b>(Loss)/Profit for the financial period is arrived at after charging:</b>				
Amortisation of discount on Sukuk Murabahah	704	757	1,408	1,514
Depreciation of property, plant and equipment	1,241	1,262	2,485	2,470
Impairment losses on trade and other receivables	6,901	-	6,901	-
Interest expense	7,467	9,117	15,124	17,619
<b>and after crediting:</b>				
Gain on disposal of property, plant and equipment	(3)	-	30	39
Interest income	392	689	841	1,402
Reversal of impairment losses on trade and other receivables	-	1,200	800	6,800

**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 26 August 2020.

By Order of the Board

Company Secretary  
Heng Chiang Pooh FCIS (MAICSA 7009923)  
Date: 26 August 2020