

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

***UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021***

# ***CONTENTS***

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## **INTERIM REPORT**

### **UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

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CREST BUILDER HOLDINGS BERHAD <sup>200201005719 (573382-P)</sup>  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year Quarter 31-12-2021 RM'000	Preceding Year Quarter 31-12-2020 RM'000	Current Year To Date 31-12-2021 RM'000	Preceding Year To Date 31-12-2020 RM'000
Revenue	50,094	94,878	256,721	289,956
Cost of sales	<u>(52,640)</u>	<u>(111,975)</u>	<u>(251,484)</u>	<u>(275,285)</u>
<b>Gross (loss)/profit</b>	(2,546)	(17,097)	5,237	14,671
Other income	<u>965</u>	<u>2,303</u>	<u>3,324</u>	<u>6,581</u>
	(1,581)	(14,794)	8,561	21,252
Administrative and other expenses	<u>(10,238)</u>	<u>(51,997)</u>	<u>(25,974)</u>	<u>(74,463)</u>
<b>Operating loss</b>	(11,819)	(66,791)	(17,413)	(53,211)
Finance costs	<u>(7,748)</u>	<u>(8,400)</u>	<u>(30,925)</u>	<u>(32,910)</u>
<b>Loss before tax</b>	(19,567)	(75,191)	(48,338)	(86,121)
Income tax (expense)/credit	<u>(88)</u>	<u>13,760</u>	<u>5,306</u>	<u>11,295</u>
<b>Loss for the financial period/year</b>	(19,655)	(61,431)	(43,032)	(74,826)
<b>Other comprehensive income, net of tax</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the financial period/year</b>	<u>(19,655)</u>	<u>(61,431)</u>	<u>(43,032)</u>	<u>(74,826)</u>
<b>(Loss)/Profit for the financial period/year / Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(18,632)	(61,807)	(44,465)	(77,111)
Non-controlling interests	<u>(1,023)</u>	<u>376</u>	<u>1,433</u>	<u>2,285</u>
	<u>(19,655)</u>	<u>(61,431)</u>	<u>(43,032)</u>	<u>(74,826)</u>
<b>Loss per share (sen)</b>				
- Basic	<u>(11.5)</u>	<u>(38.1)</u>	<u>(27.4)</u>	<u>(47.5)</u>
- Diluted	<u>(11.5)</u>	<u>(38.1)</u>	<u>(27.4)</u>	<u>(47.5)</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 2020 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 31 DECEMBER 2021**

	<b>As at 31-12-2021 RM'000</b>	<b>As at 31-12-2020 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	33,239	31,067
Investment properties	276,328	276,328
Golf club membership	54	54
Inventories - land held for development	82,377	78,993
Goodwill	23,660	23,660
Operating financial asset	266,091	280,784
Deferred tax assets	35,838	22,522
<b>Total non-current assets</b>	<b>717,587</b>	<b>713,408</b>
<b>Current assets</b>		
Inventories - property under development	270,638	270,443
Inventories - completed properties and others	25,254	21,044
Operating financial asset	11,049	9,822
Trade and other receivables	172,006	188,705
Contract assets	35,875	76,651
Current tax assets	1,710	4,933
Short term investments	10,732	12,567
Fixed deposits placed with licensed banks	50,881	53,965
Cash and bank balances	19,484	19,771
<b>Total current assets</b>	<b>597,629</b>	<b>657,901</b>
<b>TOTAL ASSETS</b>	<b>1,315,216</b>	<b>1,371,309</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	181,191	181,191
Treasury shares	(13,661)	(13,661)
Retained earnings	194,188	241,465
	361,718	408,995
Non-controlling interests	21,831	17,709
<b>TOTAL EQUITY</b>	<b>383,549</b>	<b>426,704</b>
<b>Non-current liabilities</b>		
Loans and borrowings	357,082	375,625
Deferred tax liabilities	34,236	27,926
Trade and other payables	10,553	10,553
<b>Total non-current liabilities</b>	<b>401,871</b>	<b>414,104</b>
<b>Current liabilities</b>		
Loans and borrowings	175,000	163,238
Current tax liabilities	280	536
Trade and other payables	339,299	350,639
Contract liabilities	15,217	16,088
<b>Total current liabilities</b>	<b>529,796</b>	<b>530,501</b>
<b>TOTAL LIABILITIES</b>	<b>931,667</b>	<b>944,605</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,315,216</b>	<b>1,371,309</b>
Net assets per share attributable to owners of the Company (RM)	2.23	2.52

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the quarterly report.

**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

← **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 2020	181,191	(13,001)	324,250	492,440	15,424	507,864
Total comprehensive (loss)/income for the financial year	-	-	(77,111)	(77,111)	2,285	(74,826)
	<u>181,191</u>	<u>(13,001)</u>	<u>247,139</u>	<u>415,329</u>	<u>17,709</u>	<u>433,038</u>
Dividends on ordinary shares	-	-	(5,674)	(5,674)	-	(5,674)
Purchase of treasury shares	-	(660)	-	(660)	-	(660)
At 31 December 2020	<u>181,191</u>	<u>(13,661)</u>	<u>241,465</u>	<u>408,995</u>	<u>17,709</u>	<u>426,704</u>
At 1 January 2021	181,191	(13,661)	241,465	408,995	17,709	426,704
Total comprehensive (loss)/income for the financial year	-	-	(44,465)	(44,465)	1,433	(43,032)
	<u>181,191</u>	<u>(13,661)</u>	<u>197,000</u>	<u>364,530</u>	<u>19,142</u>	<u>383,672</u>
Arising from increase in equity interest in a subsidiary company	-	-	(2,812)	(2,812)	2,689	(123)
At 31 December 2021	<u>181,191</u>	<u>(13,661)</u>	<u>194,188</u>	<u>361,718</u>	<u>21,831</u>	<u>383,549</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 2020 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 FOURTH QUARTER ENDED 31 DECEMBER 2021**

	<b>12 Months Ended 31-12-2021 RM'000</b>	<b>12 Months Ended 31-12-2020 RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(48,338)	(86,121)
Adjustments for:		
Amortisation of discount on Sukuk Murabahah	2,609	2,815
Depreciation of property, plant and equipment	5,470	4,858
Fair value loss on investment properties	-	25,000
Gain on disposal of property, plant and equipment	(35)	(30)
Impairment losses on contract assets	-	681
Impairment losses on goodwill	-	9,948
Impairment losses on trade and other receivables	3,105	18,773
Interest expense	28,316	30,095
Interest income	(1,526)	(1,389)
Reversal of impairment losses on trade and other receivables	(573)	(1,866)
Operating (loss)/profit before changes in working capital	(10,972)	2,764
Net change in assets	63,589	(52,108)
Net change in liabilities	(12,211)	8,263
	51,378	(43,845)
Cash generated from/(used in) operations	40,406	(41,081)
Income tax paid	(2,300)	(2,431)
Income tax refunded	3,567	532
Net cash from/(used in) operating activities	41,673	(42,980)
<b>Cash flows from investing activities</b>		
Interest received	1,361	509
Proceeds from disposal of short term investments	2,000	50,000
Proceeds from disposal of property, plant and equipment	35	30
Purchase of property, plant and equipment	(959)	(2,345)
Fixed deposits pledged	(1)	(1,699)
Net decrease in bank balances maintained in an escrow account	-	169
Net cash from investing activities	2,436	46,664
<b>Cash flows from financing activities</b>		
Dividends paid	-	(5,674)
Interest paid	(28,316)	(30,095)
Purchase of treasury shares	-	(660)
Drawdown of term loans	-	31,523
Payment of lease liabilities	(6,708)	(3,454)
Repayment of Sukuk Murabahah	(25,000)	(25,000)
(Repayment)/Drawdown of bankers' acceptances	(630)	13,972
Drawdown of revolving credits	12,067	7,886
Net cash used in financing activities	(48,587)	(11,502)
Net decrease in cash and cash equivalents	(4,478)	(7,818)
Cash and cash equivalents brought forward	39,445	47,263
Cash and cash equivalents carried forward	34,967	39,445
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	19,484	19,771
Fixed deposits placed with licensed banks	50,881	53,965
	70,365	73,736
Less: Bank overdrafts	(30,588)	(29,482)
Fixed deposits pledged with licensed banks	(4,810)	(4,809)
Cash and cash equivalents	34,967	39,445

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the quarterly 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 2020.

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 2020, except for the adoption of the following amendments/improvements to MFRSs that are mandatory for the current financial year.

Amendments/Improvements to MFRSs

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 139	Financial Instruments: Recognition and Measurement

\* Early adopted the amendment to MFRS 16 *Leases* issued by the Malaysian Accounting Standards Board on 6 April 2021.

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:

**Effective for financial  
periods beginning  
on or after**

New MFRS

MFRS 17 Insurance Contracts

1 January 2023

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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 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 January 2022 <sup>^</sup>
MFRS 17	Insurance Contracts	1 January 2023
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 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
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> *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*



**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 new MFRS and 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 2020 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 2021, except for the Coronavirus ("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 RM3.1 million and reversal of impairment losses on trade and other receivables of RM0.4 million, 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 2021.

**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.

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**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 2021

**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	200,056	45,662	6,890	4,113	-	256,721
- Inter-segment	12,506	-	7,956	(3,562)	(16,900)	-
Total revenue	212,562	45,662	14,846	551	(16,900)	256,721
<b>Results</b>						
- Segment results	(48,249)	34,691	5,587	(1,327)	(8,115)	(17,413)
Finance costs						(30,925)
Income tax credit						5,306
Loss for the financial year						(43,032)

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 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	234,964	45,750	7,733	1,509	-	289,956
- Inter-segment	26,305	-	8,020	-	(34,325)	-
Total revenue	261,269	45,750	15,753	1,509	(34,325)	289,956
<b>Results</b>						
- Segment results	(40,359)	36,048	(16,724)	(12,760)	(19,416)	(53,211)
Finance costs						(32,910)
Income tax credit						11,295
Loss for the financial year						(74,826)

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 2020.

**A10. SUBSEQUENT MATERIAL EVENTS**

There were no material events subsequent to the reporting period up to 19 February 2022, 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 2021.

**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 2021.

**A12. CAPITAL COMMITMENTS**

There were no capital commitments that have a material effect in the current quarter ended 31 December 2021.

**A13. SIGNIFICANT RELATED PARTY DISCLOSURES**

The Group has no significant related party transactions during the current quarter ended 31 December 2021.

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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 RM94.9 million to RM50.1 million while the loss before tax decreased from RM75.2 million to RM19.6 million respectively as compared to the corresponding fourth quarter of the preceding year.

The construction division recorded revenue of RM34.0 million and loss before tax of RM19.8 million as compared to the corresponding fourth quarter of the preceding year of RM81.5 million and RM29.1 million respectively. The decrease in revenue was mainly due to lower progress in construction recognised for construction projects during the financial period under review. The loss before tax recorded for both periods was mainly due to the fact that operation of the construction division was severely affected by the COVID-19 pandemic, and the revision in budgeted profits made for certain construction projects, following the increase in material prices, labour costs and overheads. In addition, the higher loss in the fourth quarter of the preceding year was also due to liquidated ascertained damages and other related expenses arising from a settlement agreement with a contract customer amounting to RM4.2 million, and impairment losses recognised for contract assets amounting to RM0.7million.

The property development division's revenue and profit before tax amounting to RM3.6 million and RM0.4 million as compared to the corresponding fourth quarter of the preceding year of RM Nil and loss before tax of RM11.7 million respectively. The increase in revenue and profit before tax were due to the sale of completed properties during the current quarter. Furthermore, an impairment loss on trade and other receivables of RM11.9 million was recognised in the fourth quarter of the preceding year.

The concession arrangement division recorded revenue of RM10.7 million and profit before tax of RM2.1 million as compared to the corresponding fourth quarter of the preceding year of RM11.7 million and RM1.9 million respectively. The decrease in revenue was mainly due to additional work performed on UiTM Tapah which had resulted in additional maintenance income through utilisation of maintenance sinking fund in the fourth quarter of the preceding year. The increase in profit before tax in the current quarter was mainly due to savings in finance costs arising from the repayment of Sukuk Murabahah.

The investment division recorded revenue of RM1.8 million and loss before tax of RM2.3 million as compared to the corresponding fourth quarter of the preceding year of RM1.7 million and RM36.3 million respectively. The decrease in loss before tax was mainly attributable to the recognition of fair value loss on investment properties and impairment losses on goodwill amounting to RM25.0 million and RM9.9 million respectively in the fourth quarter of the preceding year.

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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)</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	50,094	33,747	16,347	48%
Loss before tax	(19,567)	(20,550)	(983)	(5%)
Loss after tax	(19,655)	(16,947)	2,708	16%

For the current quarter under review, the Group recorded loss before tax and loss after tax of RM19.6 million and RM19.7 million respectively as compared to loss before tax and loss after tax of RM20.6 million and RM16.9 million respectively in the immediate preceding quarter.

The increase in revenue was mainly attributable to the higher progress in construction recognised for construction projects during the financial period under review. This was further attributable to the total lockdown imposed from 1 June 2021, which had severely impacted the Group's operation in the immediate preceding quarter. The Group only resumed operation towards the end of the third quarter of 2021, and operated at full swing in the fourth quarter of 2021. Notwithstanding that, the net impairment losses on trade and other receivables recognised in the current quarter was RM2.7 million (Quarter 3, 2021: RM Nil), the loss before tax recorded for both periods was mainly due to higher material prices, labour costs, overheads and additional COVID-19 related costs incurred. On the other hand, the increase in loss after tax was mainly due to an increase in deferred tax liabilities of RM3.2 million related to unabsorbed capital allowances of the operating financial asset during the current quarter.

### **B3. CURRENT YEAR PROSPECT**

The Group will continue to bid actively for construction projects in order to replenish its order book. The current projects are all progressing within expectation with extension of time obtained for certain projects during the Movement Control Order (“MCO”) period.

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

For property development division, we will focus on selling the remaining unsold units of completed properties. We plan to launch Bukit Tinggi, Klang project and Latitud8 (a joint land development project) in 2022, which will bring positive contributions to the Group. We expect that the response to our upcoming property development projects in strategic locations will be encouraging.

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. On 18 March 2020, the Malaysian Government imposed the MCO to curb the spread of COVID-19 outbreak in Malaysia. When the number of daily new infections began to fall, the MCO was lifted on 12 May 2020 and was replaced with less restrictive forms of MCO. Following the start of a third wave of infections in Malaysia, the Government re-imposed the MCO 2.0, the MCO 3.0, the NRP and the total lockdown in 2021. During the period of total lockdown, the operations of the Group were severely disrupted due to the temporary closure of construction sites. The Group also incurred additional costs such as SOP compliance, vaccination costs, bi-weekly COVID-19 testing for all employees, allocation of quarantine centres in workers quarters, etc. With the implementation of more relaxed conditions by the Government and the increase in the number of fully vaccinated adults, the Group has resumed operations towards the end of the third quarter of 2021 and operated at full swing in the fourth quarter of 2021.

The COVID-19 outbreak also resulted in travel restriction, lockdown, social distancing and other precautionary measures imposed in various countries. Economic uncertainties which have arisen therefrom are likely to negatively impact the revenue generation of the Group in the near term. The Group will continue to focus on strengthening its financial position and implementing cost optimization measures. The Group expects some uncertainties in financial performance owing to COVID-19 related issues and fluctuation in building material prices in the short term. Notwithstanding these, the Board is cautiously optimistic of the overall prospect of the Group’s business and financial performance for 2022.

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

Not applicable to the Group.

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**B5. INCOME TAX EXPENSE/(CREDIT)**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Quarter Ended <u>31-12-2021</u> (RM'000)</b>	<b>Quarter Ended <u>31-12-2020</u> (RM'000)</b>	<b>Year Ended <u>31-12-2021</u> (RM'000)</b>	<b>Year Ended <u>31-12-2020</u> (RM'000)</b>
Current income tax				
- Current year	<b>405</b>	228	<b>1,674</b>	1,996
- Under provision in prior years	<b>26</b>	31	<b>26</b>	31
Deferred tax				
- Relating to origination and reversal of temporary differences	<b>(343)</b>	(14,019)	<b>(7,006)</b>	(13,322)
	<b>88</b>	(13,760)	<b>(5,306)</b>	(11,295)
Loss before tax	<b>(19,567)</b>	(75,191)	<b>(48,338)</b>	(86,121)
Tax at Malaysian statutory tax rate of 24%	<b>(4,696)</b>	(18,046)	<b>(11,601)</b>	(20,669)
Income not subject to tax	<b>(8)</b>	-	<b>(298)</b>	(7)
Expenses not deductible for tax purposes	<b>4,687</b>	3,476	<b>6,197</b>	8,127
Deferred tax assets not recognised on tax losses and temporary differences	<b>79</b>	4,279	<b>370</b>	4,723
Effect of difference in Real Property Gain Tax rate and income tax rate on fair value loss of investment properties	-	(3,500)	-	(3,500)
Under provision of current tax in prior years	<b>26</b>	31	<b>26</b>	31
	<b>88</b>	(13,760)	<b>(5,306)</b>	(11,295)

**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 2021.



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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 2021.

**B8. CORPORATE PROPOSALS**

There were no corporate proposals previously announced but not completed up to 19 February 2022, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

**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 2021 are as follows:

	RM'000	RM'000
Short term borrowings:		
Secured		
- Lease liabilities	3,271	
- Sukuk Murabahah	22,572	
- Bank overdrafts	30,588	
- Bankers' acceptances	35,932	
- Revolving credits	82,637	
	175,000	175,000
Long term borrowings:		
Secured		
- Lease liabilities	7,060	
- Term loan	38,500	
- Sukuk Murabahah	311,522	
	357,082	357,082
<b>Total</b>		<b>532,082</b>

**B10. MATERIAL LITIGATION**

Same as previously disclosed in the audited financial statements for the financial year ended 31 December 2020, there were no changes in material litigation, including the status of pending material litigation since the previous quarter to 19 February 2022, 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 or paid in respect of the fourth quarter ended 31 December 2021.

**B12. LOSS PER SHARE**

**a. Basic loss per share**

The basic loss per share has been calculated based on the Group's loss 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 2021.

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>31-12-2021</b>	<b>31-12-2020</b>	<b>31-12-2021</b>	<b>31-12-2020</b>
Loss after tax attributable to owners of the Company (RM'000)	<b>(18,632)</b>	(61,807)	<b>(44,465)</b>	(77,111)
Weighted average number of ordinary shares in issue ('000)	<b>162,107</b>	162,107	<b>162,107</b>	162,237
Basic loss per share (sen)	<b>(11.5)</b>	(38.1)	<b>(27.4)</b>	(47.5)

**b. Diluted loss per share**

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

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<u>31-12-2021</u> (RM'000)	<u>31-12-2020</u> (RM'000)	<u>31-12-2021</u> (RM'000)	<u>31-12-2020</u> (RM'000)
<b>Loss for the financial period/year is arrived at after charging:</b>				
Amortisation of discount on Sukuk Murabahah	652	704	2,609	2,815
Depreciation of property, plant and equipment	2,011	1,135	5,470	4,858
Fair value loss on investment properties	-	25,000	-	25,000
Impairment losses on contract assets	-	681	-	681
Impairment losses on goodwill	-	9,948	-	9,948
Impairment losses on trade and other receivables	3,105	11,872	3,105	18,773
Interest expense	7,096	7,696	28,316	30,095
<b>and after crediting:</b>				
Gain on disposal of property, plant and equipment	35	-	35	30
Interest income	240	278	1,526	1,389
Reversal of impairment losses on trade and other receivables	376	953	573	1,866

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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 25 February 2022.

By Order of the Board

Company Secretary  
Heng Chiang Pooh FCIS (MAICSA 7009923)  
Date: 25 February 2022