

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

***UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2022***

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## **INTERIM REPORT**

### **UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

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**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

|                                                                                                    | <u>INDIVIDUAL PERIOD</u>                        |                                                   | <u>CUMULATIVE PERIOD</u>                        |                                                   |
|----------------------------------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------------|-------------------------------------------------|---------------------------------------------------|
|                                                                                                    | Current Year<br>Quarter<br>30-06-2022<br>RM'000 | Preceding Year<br>Quarter<br>30-06-2021<br>RM'000 | Current Year<br>To Date<br>30-06-2022<br>RM'000 | Preceding Year<br>To Date<br>30-06-2021<br>RM'000 |
| Revenue                                                                                            | 85,953                                          | 90,058                                            | 167,092                                         | 172,880                                           |
| Cost of sales                                                                                      | <u>(74,159)</u>                                 | <u>(81,302)</u>                                   | <u>(142,535)</u>                                | <u>(155,961)</u>                                  |
| <b>Gross profit</b>                                                                                | 11,794                                          | 8,756                                             | 24,557                                          | 16,919                                            |
| Other income                                                                                       | <u>1,168</u>                                    | <u>232</u>                                        | <u>2,069</u>                                    | <u>1,064</u>                                      |
|                                                                                                    | 12,962                                          | 8,988                                             | 26,626                                          | 17,983                                            |
| Administrative and other expenses                                                                  | <u>(4,215)</u>                                  | <u>(4,965)</u>                                    | <u>(9,666)</u>                                  | <u>(10,683)</u>                                   |
| <b>Operating profit</b>                                                                            | 8,747                                           | 4,023                                             | 16,960                                          | 7,300                                             |
| Finance costs                                                                                      | <u>(8,145)</u>                                  | <u>(7,679)</u>                                    | <u>(15,807)</u>                                 | <u>(15,521)</u>                                   |
| <b>Profit/(Loss) before tax</b>                                                                    | 602                                             | (3,656)                                           | 1,153                                           | (8,221)                                           |
| Income tax (expense)/credit                                                                        | <u>(460)</u>                                    | <u>1,059</u>                                      | <u>(636)</u>                                    | <u>1,791</u>                                      |
| <b>Profit/(Loss) for the financial period</b>                                                      | 142                                             | (2,597)                                           | 517                                             | (6,430)                                           |
| <b>Other comprehensive income, net of tax</b>                                                      | <u>-</u>                                        | <u>-</u>                                          | <u>-</u>                                        | <u>-</u>                                          |
| <b>Total comprehensive income/(loss) for the financial period</b>                                  | <u>142</u>                                      | <u>(2,597)</u>                                    | <u>517</u>                                      | <u>(6,430)</u>                                    |
| <b>(Loss)/Profit for the financial period / Total comprehensive (loss)/income attributable to:</b> |                                                 |                                                   |                                                 |                                                   |
| Owners of the Company                                                                              | (424)                                           | (3,756)                                           | (761)                                           | (8,307)                                           |
| Non-controlling interests                                                                          | <u>566</u>                                      | <u>1,159</u>                                      | <u>1,278</u>                                    | <u>1,877</u>                                      |
|                                                                                                    | <u>142</u>                                      | <u>(2,597)</u>                                    | <u>517</u>                                      | <u>(6,430)</u>                                    |
| <b>Loss per share (sen)</b>                                                                        |                                                 |                                                   |                                                 |                                                   |
| - Basic                                                                                            | <u>(0.3)</u>                                    | <u>(2.3)</u>                                      | <u>(0.5)</u>                                    | <u>(5.1)</u>                                      |
| - Diluted                                                                                          | <u>(0.3)</u>                                    | <u>(2.3)</u>                                      | <u>(0.5)</u>                                    | <u>(5.1)</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 2021 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 2022**

|                                                                 | <b>As at<br/>30-06-2022<br/>RM'000</b> | <b>As at<br/>31-12-2021<br/>RM'000</b> |
|-----------------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>ASSETS</b>                                                   |                                        |                                        |
| <b>Non-current assets</b>                                       |                                        |                                        |
| Property, plant and equipment                                   | 30,752                                 | 33,239                                 |
| Investment properties                                           | 276,328                                | 276,328                                |
| Golf club membership                                            | 54                                     | 54                                     |
| Inventories - land held for development                         | 84,130                                 | 82,377                                 |
| Goodwill                                                        | 23,660                                 | 23,660                                 |
| Operating financial asset                                       | 260,729                                | 269,736                                |
| Deferred tax assets                                             | 37,592                                 | 35,731                                 |
| <b>Total non-current assets</b>                                 | <b>713,245</b>                         | <b>721,125</b>                         |
| <b>Current assets</b>                                           |                                        |                                        |
| Inventories - property under development                        | 270,907                                | 270,638                                |
| Inventories - completed properties and others                   | 25,255                                 | 26,406                                 |
| Operating financial asset                                       | 11,049                                 | 11,049                                 |
| Trade and other receivables                                     | 195,332                                | 171,132                                |
| Contract assets                                                 | 42,703                                 | 35,866                                 |
| Current tax assets                                              | 1,513                                  | 1,710                                  |
| Short term investments                                          | 10,830                                 | 10,732                                 |
| Fixed deposits placed with licensed banks                       | 51,879                                 | 50,881                                 |
| Cash and bank balances                                          | 20,527                                 | 19,484                                 |
| <b>Total current assets</b>                                     | <b>629,995</b>                         | <b>597,898</b>                         |
| <b>TOTAL ASSETS</b>                                             | <b>1,343,240</b>                       | <b>1,319,023</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                                               | 192,904                                | 193,665                                |
|                                                                 | 360,434                                | 361,195                                |
| Non-controlling interests                                       | 23,110                                 | 21,832                                 |
| <b>TOTAL EQUITY</b>                                             | <b>383,544</b>                         | <b>383,027</b>                         |
| <b>Non-current liabilities</b>                                  |                                        |                                        |
| Loans and borrowings                                            | 346,785                                | 357,082                                |
| Deferred tax liabilities                                        | 35,939                                 | 34,162                                 |
| Trade and other payables                                        | 10,553                                 | 10,553                                 |
| <b>Total non-current liabilities</b>                            | <b>393,277</b>                         | <b>401,797</b>                         |
| <b>Current liabilities</b>                                      |                                        |                                        |
| Loans and borrowings                                            | 204,372                                | 175,000                                |
| Current tax liabilities                                         | 259                                    | 280                                    |
| Trade and other payables                                        | 345,376                                | 343,702                                |
| Contract liabilities                                            | 16,412                                 | 15,217                                 |
| <b>Total current liabilities</b>                                | <b>566,419</b>                         | <b>534,199</b>                         |
| <b>TOTAL LIABILITIES</b>                                        | <b>959,696</b>                         | <b>935,996</b>                         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             | <b>1,343,240</b>                       | <b>1,319,023</b>                       |
| Net assets per share attributable to owners of the Company (RM) | <b>2.22</b>                            | <b>2.23</b>                            |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 SECOND QUARTER ENDED 30 JUNE 2022**

← ATTRIBUTABLE TO OWNERS OF THE COMPANY →

|                                                            | <b>Share<br/>capital<br/>RM'000</b> | <b>Treasury<br/>shares<br/>RM'000</b> | <b>Retained<br/>earnings<br/>RM'000</b> | <b>Sub-total<br/>RM'000</b> | <b>Non-controlling<br/>interests<br/>RM'000</b> | <b>Total<br/>equity<br/>RM'000</b> |
|------------------------------------------------------------|-------------------------------------|---------------------------------------|-----------------------------------------|-----------------------------|-------------------------------------------------|------------------------------------|
| At 1 January 2021                                          | 181,191                             | (13,661)                              | 241,465                                 | 408,995                     | 17,709                                          | 426,704                            |
| Total comprehensive (loss)/income for the financial period | -                                   | -                                     | (8,307)                                 | (8,307)                     | 1,877                                           | (6,430)                            |
|                                                            | <u>181,191</u>                      | <u>(13,661)</u>                       | <u>233,158</u>                          | <u>400,688</u>              | <u>19,586</u>                                   | <u>420,274</u>                     |
| Changes in ownership interests in a subsidiary company     | -                                   | -                                     | (2,812)                                 | (2,812)                     | 2,689                                           | (123)                              |
| At 30 June 2021                                            | <u>181,191</u>                      | <u>(13,661)</u>                       | <u>230,346</u>                          | <u>397,876</u>              | <u>22,275</u>                                   | <u>420,151</u>                     |
| <br>                                                       |                                     |                                       |                                         |                             |                                                 |                                    |
| At 1 January 2022                                          | 181,191                             | (13,661)                              | 193,665                                 | 361,195                     | 21,832                                          | 383,027                            |
| Total comprehensive (loss)/income for the financial period | -                                   | -                                     | (761)                                   | (761)                       | 1,278                                           | 517                                |
| At 30 June 2022                                            | <u>181,191</u>                      | <u>(13,661)</u>                       | <u>192,904</u>                          | <u>360,434</u>              | <u>23,110</u>                                   | <u>383,544</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 2021 and the accompanying explanatory notes attached to the quarterly report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

|                                                              | <b>6 Months<br/>Ended<br/>30-06-2022<br/>RM'000</b> | <b>6 Months<br/>Ended<br/>30-06-2021<br/>RM'000</b> |
|--------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| <b>Cash flows from operating activities</b>                  |                                                     |                                                     |
| Profit/(Loss) before tax                                     | 1,153                                               | (8,221)                                             |
| Adjustments for:                                             |                                                     |                                                     |
| Amortisation of discount on Sukuk Murabahah                  | 1,214                                               | 1,304                                               |
| Depreciation of property, plant and equipment                | 3,053                                               | 2,349                                               |
| Interest expense                                             | 14,593                                              | 14,217                                              |
| Interest income                                              | (441)                                               | (498)                                               |
| Reversal of impairment losses on trade and other receivables | (662)                                               | -                                                   |
| Operating profit before changes in working capital           | 18,910                                              | 9,151                                               |
| Net change in assets                                         | (22,237)                                            | 323                                                 |
| Net change in liabilities                                    | 2,869                                               | 20,821                                              |
|                                                              | (19,368)                                            | 21,144                                              |
| Net cash (used in)/generated from operations                 | (458)                                               | 30,295                                              |
| Income tax paid                                              | (849)                                               | (1,115)                                             |
| Income tax refunded                                          | 305                                                 | 2,663                                               |
| Net cash (used in)/from operating activities                 | (1,002)                                             | 31,843                                              |
| <b>Cash flows from investing activities</b>                  |                                                     |                                                     |
| Interest received                                            | 343                                                 | 409                                                 |
| Proceeds from disposal of short term investments             | -                                                   | 2,000                                               |
| Purchase of property, plant and equipment                    | (567)                                               | (909)                                               |
| Change in pledged deposits                                   | 11                                                  | -                                                   |
| Net cash (used in)/from investing activities                 | (213)                                               | 1,500                                               |
| <b>Cash flows from financing activities</b>                  |                                                     |                                                     |
| Interest paid                                                | (14,593)                                            | (14,217)                                            |
| Payment of lease liabilities                                 | (1,630)                                             | (2,195)                                             |
| Repayment of Sukuk Murabahah                                 | (10,000)                                            | (15,000)                                            |
| Drawdown/(Repayment) of bankers' acceptances                 | 17,409                                              | (4,548)                                             |
| Drawdown of revolving credits                                | 9,410                                               | 9,537                                               |
| Net cash from/(used in) financing activities                 | 596                                                 | (26,423)                                            |
| Net (decrease)/increase in cash and cash equivalents         | (619)                                               | 6,920                                               |
| Cash and cash equivalents brought forward                    | 34,967                                              | 39,444                                              |
| Cash and cash equivalents carried forward                    | 34,348                                              | 46,364                                              |
| <b>Analysis of cash and cash equivalents</b>                 |                                                     |                                                     |
| Cash and bank balances                                       | 20,527                                              | 19,729                                              |
| Fixed deposits placed with licensed banks                    | 51,879                                              | 49,903                                              |
|                                                              | 72,406                                              | 69,632                                              |
| Less: Bank overdrafts                                        | (33,260)                                            | (18,459)                                            |
| Fixed deposits pledged with licensed banks                   | (4,798)                                             | (4,809)                                             |
| Cash and cash equivalents                                    | 34,348                                              | 46,364                                              |

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 2022**

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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 2021.

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 2021, except for the adoption of the following amendments/improvements to MFRSs that are mandatory for the current financial year.

Amendments/Improvements to MFRSs

|          |                                                                |
|----------|----------------------------------------------------------------|
| MFRS 1   | First-time Adoption of Malaysian Financial Reporting Standards |
| MFRS 3   | Business Combinations                                          |
| MFRS 9   | Financial Instruments                                          |
| MFRS 16  | Leases                                                         |
| MFRS 116 | Property, Plant and Equipment                                  |
| MFRS 137 | Provisions, Contingent Liabilities and Contingent Assets       |
| MFRS 141 | Agriculture                                                    |

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<br/>periods beginning<br/>on or after</b> |
|-----------------------------------------------------------------------|----------------------------------------------------------------------|
| <u>New MFRS</u>                                                       |                                                                      |
| MFRS 17 Insurance Contracts                                           | 1 January 2023                                                       |
| <u>Amendments/Improvements to MFRSs</u>                               |                                                                      |
| MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards | 1 January 2023#                                                      |
| MFRS 3 Business Combinations                                          | 1 January 2023#                                                      |

**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

**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 (Continued)</u> |                                                                 |                                                              |
| MFRS 5                                              | Non-current Assets Held for Sale and Discontinued Operations    | 1 January 2023#                                              |
| MFRS 7                                              | Financial Instruments: Disclosures                              | 1 January 2023#                                              |
| MFRS 9                                              | Financial Instruments                                           | 1 January 2023#                                              |
| MFRS 10                                             | Consolidated Financial Statements                               | Deferred                                                     |
| MFRS 15                                             | Revenue from Contracts with Customers                           | 1 January 2023#                                              |
| MFRS 17                                             | Insurance Contracts                                             | 1 January 2023                                               |
| MFRS 101                                            | Presentation of Financial Statements                            | 1 January 2023/<br>1 January 2023#                           |
| MFRS 107                                            | Statement of Cash Flows                                         | 1 January 2023#                                              |
| 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 2023#                                              |
| MFRS 119                                            | Employee Benefits                                               | 1 January 2023#                                              |
| MFRS 128                                            | Investments in Associates and Joint Ventures                    | Deferred/<br>1 January 2023#                                 |
| MFRS 132                                            | Financial Instruments: Presentation                             | 1 January 2023#                                              |
| MFRS 136                                            | Impairment of Assets                                            | 1 January 2023#                                              |
| MFRS 137                                            | Provisions, Contingent Liabilities and Contingent Assets        | 1 January 2023#                                              |
| MFRS 138                                            | Intangible Assets                                               | 1 January 2023#                                              |
| MFRS 140                                            | Investment Property                                             | 1 January 2023#                                              |

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

The Group plans to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective.



**CREST BUILDER HOLDINGS BERHAD** 200201005719 (573382-P)  
**INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

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**A2. AUDIT QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the annual audited financial statements for the financial year ended 31 December 2021 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 2022.

**A5. CHANGES IN ESTIMATES**

Except for reversal of impairment losses on trade and other receivables of RM0.3 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 2022.

**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 2022**

**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 2022

**Segment Revenue and Segment Results**

| Business segment                | Construction<br>RM'000 | Concession<br>arrangement<br>RM'000 | Investment<br>RM'000 | Property<br>development<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
|---------------------------------|------------------------|-------------------------------------|----------------------|-----------------------------------|------------------------|------------------------|
| <b>Revenue</b>                  |                        |                                     |                      |                                   |                        |                        |
| - External customer             | 139,821                | 21,856                              | 4,115                | 1,300                             | -                      | 167,092                |
| - Inter-segment                 | 2,335                  | -                                   | 4,059                | (1,300)                           | (5,094)                | -                      |
| Total revenue                   | 142,156                | 21,856                              | 8,174                | -                                 | (5,094)                | 167,092                |
| <b>Results</b>                  |                        |                                     |                      |                                   |                        |                        |
| - Segment results               | 1,084                  | 16,451                              | 5,015                | (1,283)                           | (4,307)                | 16,960                 |
| Finance costs                   |                        |                                     |                      |                                   |                        | (15,807)               |
| Income tax expense              |                        |                                     |                      |                                   |                        | (636)                  |
| Profit for the financial period |                        |                                     |                      |                                   |                        | 517                    |

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 2022**

**A8. SEGMENTAL REPORTING (CONTINUED)**

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

(ii) For the six (6) months period ended 30 June 2021

**Segment Revenue and Segment Results**

| Business segment              | Construction<br>RM'000 | Concession<br>arrangement<br>RM'000 | Investment<br>RM'000 | Property<br>development<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
|-------------------------------|------------------------|-------------------------------------|----------------------|-----------------------------------|------------------------|------------------------|
| <b>Revenue</b>                |                        |                                     |                      |                                   |                        |                        |
| - External customer           | 144,719                | 24,195                              | 3,415                | 551                               | -                      | 172,880                |
| - Inter-segment               | 5,849                  | -                                   | 3,943                | -                                 | (9,792)                | -                      |
| Total revenue                 | 150,568                | 24,195                              | 7,358                | 551                               | (9,792)                | 172,880                |
| <b>Results</b>                |                        |                                     |                      |                                   |                        |                        |
| - Segment results             | (14,646)               | 18,361                              | 3,877                | (1,605)                           | 1,313                  | 7,300                  |
| Finance costs                 |                        |                                     |                      |                                   |                        | (15,521)               |
| Income tax credit             |                        |                                     |                      |                                   |                        | 1,791                  |
| Loss for the financial period |                        |                                     |                      |                                   |                        | (6,430)                |

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 2021.

**A10. SUBSEQUENT MATERIAL EVENTS**

There were no material events subsequent to the reporting period up to 18 August 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 30 June 2022.

**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 2022.

**A12. CAPITAL COMMITMENTS**

There were no capital commitments that have a material effect in the current quarter ended 30 June 2022.

**A13. SIGNIFICANT RELATED PARTY DISCLOSURES**

The Group has no significant related party transactions during the current quarter ended 30 June 2022, except for reversal of impairment losses on trade and other receivables of RM0.3 million from a company in which a director of the Company has interest.

**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 recorded revenue of RM86.0 million and profit before tax of RM0.6 million as compared to the corresponding second quarter of the preceding year of RM90.1 million and loss before tax of RM3.7 million respectively.

The construction division recorded revenue of RM72.6 million and loss before tax of RM0.1 million as compared to the corresponding second quarter of the preceding year of RM76.5 million and RM5.3 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 and the impact was higher in the second quarter of the preceding year was mainly due to the fact that operation of the construction division was severely affected by the COVID-19 pandemic under the total lockdown imposed by the Malaysian Government on 1 June 2021, as well as the revision in budgeted profits made for certain construction projects following the increase in material prices, labour costs and overheads.

The concession arrangement division recorded revenue of RM11.3 million and profit before tax of RM2.3 million as compared to the corresponding second quarter of the preceding year of RM11.5 million and RM2.8 million respectively. The decrease in revenue and profit before tax were mainly due to there was no additional work performed on UiTM Tapah through the utilisation of maintenance sinking fund, resulting in lower maintenance income recognised in the current quarter.

The property development division's revenue and loss before tax amounted to RM Nil and RM0.6 million as compared to the corresponding second quarter of the preceding year of RM0.4 million and RM0.7 million respectively. The lower revenue was due to no completed properties being sold during the current quarter.

The investment division recorded revenue of RM2.1 million and loss before tax of RM1.0 million as compared to the corresponding second quarter of the preceding year of RM1.7 million and RM0.5 million respectively. The increase in revenue was mainly due to there was no longer any rebates given to tenants of investment properties impacted by the COVID-19 pandemic during the current quarter. The increase in loss before tax was mainly due to higher interest expense incurred resulting from an increase in overnight policy rate during the current quarter.

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

|                   | <b>Current<br/>2nd Quarter<br/>RM'000</b> | <b>Preceding<br/>1st Quarter<br/>RM'000</b> | <b>Increase/(Decrease)</b> |          |
|-------------------|-------------------------------------------|---------------------------------------------|----------------------------|----------|
|                   |                                           |                                             | <b>RM'000</b>              | <b>%</b> |
| Revenue           | 85,953                                    | 81,139                                      | 4,814                      | 6%       |
| Profit before tax | 602                                       | 551                                         | 51                         | 9%       |
| Profit after tax  | 142                                       | 375                                         | (233)                      | (62%)    |

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

The increase in revenue and profit before tax as compared to the first quarter of the immediate preceding quarter were mainly attributable to the higher progress in construction recognised for construction projects during the financial period under review. The decrease in profit after tax was mainly attributable to the increase in income tax expense arising from the increase in certain non-deductible expenses.

### **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 plan to launch Bukit Tinggi, Klang project and Latitud8 (a joint land development project) in the second half of 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. In addition, we will focus on the sale of the remaining unsold units of completed properties.

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. The Malaysian Government imposed various level of MCO to curb the spread of the COVID-19 pandemic. The COVID-19 pandemic also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 pandemic since early 2020 has brought significant economic uncertainties in Malaysia and around the world. The Group will continue to focus on strengthening its financial position and implementing cost optimization measures as Malaysia transitions from the pandemic phase to the endemic phase. The Group expects some uncertainties in its financial performance owing to COVID-19 related issues and fluctuation in building material prices in the short term, especially as a result of the recent Russia-Ukraine war. 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<br/>QUARTER</b>                               |                                                             | <b>CUMULATIVE<br/>QUARTER</b>                            |                                                          |
|----------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|
|                                                                                  | <b>Quarter<br/>Ended<br/><u>30-06-2022</u><br/>(RM'000)</b> | <b>Quarter<br/>Ended<br/><u>30-06-2021</u><br/>(RM'000)</b> | <b>Year<br/>Ended<br/><u>30-06-2022</u><br/>(RM'000)</b> | <b>Year<br/>Ended<br/><u>30-06-2021</u><br/>(RM'000)</b> |
| Current income tax                                                               |                                                             |                                                             |                                                          |                                                          |
| - Current year                                                                   | <b>289</b>                                                  | 409                                                         | <b>720</b>                                               | 845                                                      |
| Deferred tax                                                                     |                                                             |                                                             |                                                          |                                                          |
| - Relating to origination<br>and reversal of<br>temporary differences            | <b>171</b>                                                  | (1,468)                                                     | <b>(84)</b>                                              | (2,636)                                                  |
|                                                                                  | <b>460</b>                                                  | (1,059)                                                     | <b>636</b>                                               | (1,791)                                                  |
| Profit/(Loss) before tax                                                         | <b>602</b>                                                  | (3,656)                                                     | <b>1,153</b>                                             | (8,221)                                                  |
| Tax at Malaysian statutory<br>tax rate of 24%                                    | <b>144</b>                                                  | (877)                                                       | <b>277</b>                                               | (1,973)                                                  |
| Income not subject to tax                                                        | -                                                           | (925)                                                       | -                                                        | (925)                                                    |
| Expenses not deductible<br>for tax purposes                                      | <b>316</b>                                                  | 627                                                         | <b>359</b>                                               | 881                                                      |
| Deferred tax assets not<br>recognised on tax losses and<br>temporary differences | -                                                           | 116                                                         | -                                                        | 226                                                      |
|                                                                                  | <b>460</b>                                                  | (1,059)                                                     | <b>636</b>                                               | (1,791)                                                  |

**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 2022.

**B7. DEALINGS IN QUOTED SECURITIES**

The Group did not transact or hold any quoted securities for the current quarter ended 30 June 2022.



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**B8. CORPORATE PROPOSALS**

There were no corporate proposals previously announced but not completed up to 18 August 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 30 June 2022 are as follows:

|                        | RM'000  | RM'000         |
|------------------------|---------|----------------|
| Short term borrowings: |         |                |
| Secured                |         |                |
| - Lease liabilities    | 3,152   |                |
| - Sukuk Murabahah      | 22,572  |                |
| - Bank overdrafts      | 33,260  |                |
| - Bankers' acceptances | 53,341  |                |
| - Revolving credits    | 92,047  |                |
|                        | 204,372 |                |
| Long term borrowings:  |         |                |
| Secured                |         |                |
| - Lease liabilities    | 5,549   |                |
| - Term loan            | 38,500  |                |
| - Sukuk Murabahah      | 302,736 |                |
|                        | 346,785 |                |
| <b>Total</b>           |         | <b>551,157</b> |

**B10. MATERIAL LITIGATION**

Same as previously disclosed in the audited financial statements for the financial year ended 31 December 2021, there were no significant changes in material litigation, including the status of pending material litigation since the previous quarter to 18 August 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 second quarter ended 30 June 2022.

**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 30 June 2022.

|                                                               | <b>INDIVIDUAL<br/>QUARTER</b> |                   | <b>CUMULATIVE<br/>QUARTER</b> |                   |
|---------------------------------------------------------------|-------------------------------|-------------------|-------------------------------|-------------------|
|                                                               | <b>30-06-2022</b>             | <b>30-06-2021</b> | <b>30-06-2022</b>             | <b>30-06-2021</b> |
| Loss after tax attributable to owners of the Company (RM'000) | <b>(424)</b>                  | (3,756)           | <b>(761)</b>                  | (8,307)           |
| Weighted average number of ordinary shares in issue ('000)    | <b>162,107</b>                | 162,107           | <b>162,107</b>                | 162,107           |
| Basic loss per share (sen)                                    | <b>(0.3)</b>                  | (2.3)             | <b>(0.5)</b>                  | (5.1)             |

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

|                                                                             | <b>INDIVIDUAL<br/>QUARTER</b> |                               | <b>CUMULATIVE<br/>QUARTER</b> |                               |
|-----------------------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                                                             | <u>30-06-2022</u><br>(RM'000) | <u>30-06-2021</u><br>(RM'000) | <u>30-06-2022</u><br>(RM'000) | <u>30-06-2021</u><br>(RM'000) |
| <b>Profit/(Loss) for the financial period is arrived at after charging:</b> |                               |                               |                               |                               |
| Amortisation of discount on Sukuk Murabahah                                 | 607                           | 652                           | 1,214                         | 1,304                         |
| Depreciation of property, plant and equipment                               | 1,524                         | 1,051                         | 3,053                         | 2,349                         |
| Interest expense                                                            | 7,538                         | 7,027                         | 14,593                        | 14,217                        |
| <b>and after crediting:</b>                                                 |                               |                               |                               |                               |
| Interest income                                                             | 221                           | 260                           | 441                           | 498                           |
| Reversal of impairment losses on trade and other receivables                | 313                           | -                             | 662                           | -                             |

**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 24 August 2022.

By Order of the Board

Company Secretary  
Heng Chiang Pooh FCIS (CS) (CGP) (MAICSA 7009923)  
Date: 24 August 2022