

CREST BUILDER HOLDINGS BERHAD 200201005719 (573382-P)

***UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2023***

CONTENTS

INTERIM REPORT

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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	10

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year Quarter 30-06-2023 RM'000	Preceding Year Quarter 30-06-2022 RM'000	Current Year To Date 30-06-2023 RM'000	Preceding Year To Date 30-06-2022 RM'000
Revenue	122,635	85,953	216,962	167,092
Cost of sales	(108,637)	(74,159)	(189,445)	(142,535)
Gross profit	13,998	11,794	27,517	24,557
Other income	2,920	1,168	3,964	2,069
	16,918	12,962	31,481	26,626
Administrative expenses	(5,268)	(4,215)	(11,549)	(9,666)
Impairment loss on contract assets	(12,723)	-	(12,723)	-
Operating (loss)/profit	(1,073)	8,747	7,209	16,960
Finance costs	(8,917)	(8,145)	(15,915)	(15,807)
(Loss)/Profit before tax	(9,990)	602	(8,706)	1,153
Income tax credit/(expense)	2,238	(460)	1,383	(636)
(Loss)/Profit for the financial period	(7,752)	142	(7,323)	517
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/income for the financial period	(7,752)	142	(7,323)	517
(Loss)/Profit for the financial period / Total comprehensive (loss)/income attributable to:				
Owners of the Company	(8,462)	(424)	(8,881)	(761)
Non-controlling interests	710	566	1,558	1,278
	(7,752)	142	(7,323)	517
Loss per share (sen)				
- Basic	(5.2)	(0.3)	(5.5)	(0.5)
- Diluted	(5.2)	(0.3)	(5.5)	(0.5)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 2023

	As at 30-06-2023 RM'000	As at 31-12-2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	36,747	32,286
Investment properties	275,328	275,328
Golf club membership	54	54
Inventories - land held for development	18,302	18,302
Goodwill	23,660	23,660
Operating financial asset	247,622	257,300
Deferred tax assets	45,610	41,164
Total non-current assets	<u>647,323</u>	<u>648,094</u>
Current assets		
Inventories - property under development	290,176	277,517
Inventories - completed properties and others	23,666	24,765
Operating financial asset	12,434	12,434
Trade and other receivables	225,023	198,998
Contract assets	37,682	39,758
Current tax assets	1,533	1,518
Short term investments	3,951	3,889
Fixed deposits placed with licensed banks	50,778	52,440
Cash and bank balances	22,063	17,884
Total current assets	<u>667,306</u>	<u>629,203</u>
TOTAL ASSETS	<u>1,314,629</u>	<u>1,277,297</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	181,191	181,191
Treasury shares	(13,661)	(13,661)
Retained earnings	169,833	178,714
	<u>337,363</u>	<u>346,244</u>
Non-controlling interests	26,036	24,478
TOTAL EQUITY	<u>363,399</u>	<u>370,722</u>
Non-current liabilities		
Loans and borrowings	336,230	317,238
Deferred tax liabilities	36,769	35,093
Tax liabilities	1,800	2,040
Trade and other payables	19,722	22,024
Total non-current liabilities	<u>394,521</u>	<u>376,395</u>
Current liabilities		
Loans and borrowings	237,328	239,789
Current tax liabilities	1,292	561
Trade and other payables	298,009	274,455
Contract liabilities	20,080	15,375
Total current liabilities	<u>556,709</u>	<u>530,180</u>
TOTAL LIABILITIES	<u>951,230</u>	<u>906,575</u>
TOTAL EQUITY AND LIABILITIES	<u>1,314,629</u>	<u>1,277,297</u>
Net assets per share attributable to owners of the Company (RM)	<u>2.08</u>	<u>2.14</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 2022 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 2023

← ATTRIBUTABLE TO OWNERS OF THE COMPANY →

	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
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>
At 1 January 2023	181,191	(13,661)	178,714	346,244	24,478	370,722
Total comprehensive (loss)/income for the financial period	-	-	(8,881)	(8,881)	1,558	(7,323)
At 30 June 2023	<u>181,191</u>	<u>(13,661)</u>	<u>169,833</u>	<u>337,363</u>	<u>26,036</u>	<u>363,399</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 2022 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 2023

	6 Months Ended 30-06-2023 RM'000	6 Months Ended 30-06-2022 RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(8,706)	1,153
Adjustments for:		
Amortisation of discount on Sukuk Murabahah	1,114	1,214
Depreciation of property, plant and equipment	3,954	3,053
Impairment loss on contract assets	12,723	-
Interest expense	14,801	14,593
Interest income	(755)	(441)
Reversal of impairment loss on trade and other receivables	(646)	(662)
Operating profit before changes in working capital	22,485	18,910
Net change in assets	(37,907)	(22,237)
Net change in liabilities	25,957	2,869
	(11,950)	(19,368)
Cash generated from/(used in) operations	10,535	(458)
Income tax paid	(911)	(849)
Income tax refunded	-	305
Net cash from/(used in) operating activities	9,624	(1,002)
Cash flows from investing activities		
Interest received	693	343
Purchase of property, plant and equipment	(8,415)	(567)
Change in pledged deposits	(25)	11
Net cash used in investing activities	(7,747)	(213)
Cash flows from financing activities		
Interest paid	(14,801)	(14,593)
Drawdown of term loans	19,473	-
Payment of lease liabilities	(1,410)	(1,630)
Drawdown of bankers' acceptances	4,033	17,409
Drawdown of revolving credits	13,270	9,410
Repayment of Sukuk Murabahah	(10,000)	(10,000)
Net cash from financing activities	10,565	596
Net increase/(decrease) in cash and cash equivalents	12,442	(619)
Cash and cash equivalents brought forward	21,267	34,967
Cash and cash equivalents carried forward	33,709	34,348
Analysis of cash and cash equivalents		
Cash and bank balances	22,063	20,527
Fixed deposits placed with licensed banks	50,778	51,879
	72,841	72,406
Less: Bank overdrafts	(34,309)	(33,260)
Fixed deposits pledged with licensed banks	(4,823)	(4,798)
Cash and cash equivalents	33,709	34,348

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 2023

**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 2022.

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 2022, except for the adoption of the following new MFRS and amendments/improvements to MFRSs that are mandatory for the current financial year.

New MFRS

MFRS 17 Insurance Contracts

Amendments/Improvements to MFRSs

MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards*

MFRS 3 Business Combinations*

MFRS 5 Non-current Assets Held for Sale and Discontinued Operations*

MFRS 7 Financial Instruments: Disclosures*

MFRS 9 Financial Instruments*

MFRS 15 Revenue from Contracts with Customers*

MFRS 17 Insurance Contracts

MFRS 101 Presentation of Financial Statements*#

MFRS 107 Statement of Cash Flows*

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 112 Income Taxes

MFRS 116 Property, Plant and Equipment*

MFRS 119 Employee Benefits*

MFRS 128 Investments in Associates and Joint Ventures*

MFRS 132 Financial Instruments: Presentation*

MFRS 136 Impairment of Assets*

MFRS 137 Provisions, Contingent Liabilities and Contingent Assets*

MFRS 138 Intangible Assets*

MFRS 140 Investment Property*

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

Amendment to MFRS 101 Presentation of Financial Statements in relation to Disclosure of Accounting Policies

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

CREST BUILDER HOLDINGS BERHAD 200201005719 (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2023

A1. BASIS OF PREPARATION (CONTINUED)

Amendments/Improvements to MFRSs that have been issued, but yet to be effective

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

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs</u>		
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 128	Investments in Associates and Joint Ventures	Deferred

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 2022 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 2023, except for the outcome of the material litigation as documented in B1, B2, B10 and B13.

A5. CHANGES IN ESTIMATES

Except for impairment loss on contract assets and reversal of impairment loss on trade and other receivables amounting to RM12.7 million and RM0.3 million respectively, there were no changes in estimates of amounts reported in prior financial year that have a material effect on the current quarter ended 30 June 2023.

CREST BUILDER HOLDINGS BERHAD 200201005719 (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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.

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 2023

Segment Revenue and Segment Results

Business segment	Construction RM'000	Concession arrangement RM'000	Investment RM'000	Property development RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
- External customer	175,819	20,714	4,348	16,081	-	216,962
- Inter-segment	29,300	-	4,870	(1,350)	(32,820)	-
Total revenue	205,119	20,714	9,218	14,731	(32,820)	216,962
Results						
- Segment results	(13,290)	16,402	5,109	4,671	(5,683)	7,209
Finance costs						(15,915)
Income tax credit						1,383
Loss for the financial period						(7,323)

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 2023

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 2022

Segment Revenue and Segment Results

Business segment	Construction RM'000	Concession arrangement RM'000	Investment RM'000	Property development RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
- 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
Results						
- 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.

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 2022.

A10. SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent to the reporting period up to 18 August 2023, 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 2023.

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 2023.

A12. CAPITAL COMMITMENTS

There were no capital commitments that have a material effect in the current quarter ended 30 June 2023.

A13. SIGNIFICANT RELATED PARTY DISCLOSURES

The Group has no significant related party transactions during the current quarter ended 30 June 2023, except for reversal of impairment loss 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 RM122.6 million and loss before tax of RM10.0 million as compared to the corresponding second quarter of the preceding year of RM86.0 million and profit before tax of RM0.6 million respectively.

The construction division recorded revenue of RM98.3 million and loss before tax of RM15.7 million as compared to the corresponding second quarter of the preceding year of RM72.6 million and RM0.1 million respectively. The increase in revenue was mainly due to higher progress in construction recognised for construction projects during the financial period under review. The increase in loss before tax primarily stemmed from the impairment loss on contract assets of RM12.7 million arising from the Tribunal decision not to grant a portion of the Group's counterclaims against its customer in an arbitration case, as stated in Note B10 within the interim financial report. Additionally, the loss for the quarter was influenced by escalated material prices, higher labor costs, and inflation-driven overhead increases. The impairment loss on contract assets of RM12.7 million has no impact on the Group's cash flow, and does not affect the Group's operations. In addition, the Tribunal has awarded the Group with RM2.1 million in compensation for arbitration costs.

The property development division's revenue and profit before tax amounting to RM11.9 million and RM3.8 million as compared to the corresponding second quarter of the preceding year of RM Nil and loss before tax of RM0.6 million respectively. The higher revenue and profit before tax were attributable to the contribution of the newly launched property development project, i.e. Interpoint @ Bandar Bukit Tinggi.

The concession arrangement division recorded revenue of RM10.2 million and profit before tax of RM2.8 million as compared to the corresponding second quarter of the preceding year of RM11.3 million and RM2.3 million respectively. The decrease in revenue was mainly due to lower finance income recognised. The increase in profit before tax was mainly due to saving in finance costs with repayment of Sukuk Murabahah.

The investment division recorded revenue of RM2.2 million and loss before tax of RM0.9 million as compared to the corresponding second quarter of the preceding year of RM2.1 million and RM1.0 million respectively. The increase in revenue was mainly due to higher car park income collected during the current quarter. The loss before tax recorded in both periods was mainly due to the increase in interest expense on floating rate borrowings as a result of the increase in the overnight policy rate.

CREST BUILDER HOLDINGS BERHAD 200201005719 (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2023

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current 2nd Quarter RM'000	Preceding 1st Quarter RM'000	Increase/(Decrease) RM'000 %	
Revenue	122,635	94,327	28,308	30%
(Loss)/Profit before tax	(9,990)	1,284	(11,274)	(878%)
(Loss)/Profit after tax	(7,752)	429	(8,181)	(1,907%)

For the current quarter under review, the Group recorded loss before tax and loss after tax of RM10.0 million and RM7.8 million respectively as compared to profit before tax and profit after tax of RM1.3 million and RM0.4 million respectively in the immediate preceding quarter.

The increase in revenue as compared to the first quarter of the immediate preceding year was mainly due to the higher progress in construction recognised for construction projects, and the Group has started recognising revenue from the newly launched property development project, i.e. Interpoint @ Bandar Bukit Tinggi during the financial period under review. On the other hand, the increase in loss before tax and loss after tax were mainly attributable to the arbitration outcome as stated in Note B10 to the interim financial report, in which a net negative impact of RM10.6 million was recognised in profit or loss (i.e. after offsetting impairment loss on contract assets of RM12.7 million (an expense) with litigation award of RM2.1 million (an income)).

B3. CURRENT YEAR PROSPECT

The Group will continue to bid actively for construction projects in order to replenish its order book. The current projects, including the recently secured Noora and Serasi projects are all progressing within schedule.

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

We have recently launched the Bukit Tinggi, Klang project (also known as Interpoint) in the first quarter of 2023, which will contribute positively to the Group's earnings for the current and next financial years. We expect the response to our strategically located property development project to be encouraging. In addition, we will focus on selling the remaining completed properties.

The economic outlook of the construction industry in Malaysia for 2023 is expected to remain challenging, even after the COVID-19 pandemic. The Group is still facing a number of challenges, including lack of skilled labor, shortage of materials, rising costs and short-term price fluctuations of building materials. The Group will continue to focus on strengthening its financial position and implementing cost optimisation measures and effective resource planning. It is anticipated that this year's performance will be driven by larger order book and contribution from the property development project. The Board is cautiously optimistic of the overall prospect of the Group's business and financial performance for 2023.

CREST BUILDER HOLDINGS BERHAD 200201005719 (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2023

B4. VARIANCES ON PROFIT FORECAST AND PROFIT GUARANTEE

Not applicable to the Group.

B5. INCOME TAX (CREDIT)/EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended <u>30-06-2023</u> (RM'000)	Quarter Ended <u>30-06-2022</u> (RM'000)	Year Ended <u>30-06-2023</u> (RM'000)	Year Ended <u>30-06-2022</u> (RM'000)
Current income tax				
- Current year	599	289	1,387	720
Deferred tax				
- Relating to origination and reversal of temporary differences	(2,837)	171	(2,770)	(84)
	(2,238)	460	(1,383)	636
(Loss)/Profit before tax	(9,990)	602	(8,706)	1,153
Tax at Malaysian statutory tax rate of 24%	(2,398)	144	(2,089)	277
Expenses not deductible for tax purposes	160	316	706	359
	(2,238)	460	(1,383)	636

CREST BUILDER HOLDINGS BERHAD 200201005719 (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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 2023.

B7. DEALINGS IN QUOTED SECURITIES

The Group did not transact or hold any quoted securities for the current quarter ended 30 June 2023.

B8. CORPORATE PROPOSALS

There were no corporate proposals previously announced but not completed up to 18 August 2023, 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 2023 are as follows:

	RM'000	RM'000
Short term borrowings:		
Secured		
- Lease liabilities	2,376	
- Term loans	4,800	
- Sukuk Murabahah	22,968	
- Bank overdrafts	34,309	
- Bankers' acceptances	60,156	
- Revolving credits	112,719	
	237,328	
Long term borrowings:		
Secured		
- Lease liabilities	3,389	
- Term loans	53,173	
- Sukuk Murabahah	279,668	
	336,230	
Total		573,558

B10. MATERIAL LITIGATION

Same as previously disclosed in the audited financial statements for the financial year ended 31 December 2022, there were no significant changes in material litigation, including the status of pending material litigation since the previous quarter to 18 August 2023, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report, except for:

- (i) A wholly owned subsidiary company of the Company, Crest Builder Sdn. Bhd. (“CBSB”), was appointed as the main contractor by a customer to complete a project. Due to, amongst others, the failure by the customer to make timely payment to CBSB, CBSB contended that the customer had repudiated the contract and thereby, terminating the contract by accepting the repudiation in September 2011. Subsequently, the customer issued a Notice of Reference of Arbitration on 8 May 2012 to refer the dispute to arbitration. The customer claimed against CBSB the total sum of RM94.7 million including liquidated damages of RM6.6 million. However, CBSB contested all of the customer’s claims and in turn counterclaimed against the customer for the sum of RM31.1 million and interest thereon and costs.

During the quarter, the Tribunal has awarded and directed that, in full and final settlement of all disputes, claims and counterclaims in the arbitration as follows:

- (a) The customer is not awarded any of their original claims amounting to RM94.7 million.
- (b) CBSB has been awarded monetary sums amounting to RM18.4 million (out of original counterclaims of RM31.1 million) for unpaid certified sums, costs of idling and dayworks and retention sum, plus interest at 5% per annum from 13 May 2023 until the actual realisation of the said payment by the customer to CBSB.
- (c) The customer shall bear and pay CBSB’s cost of the arbitration in the sum of RM2.1 million.
- (d) The customer shall bear and pay the costs of the award and reimburse CBSB if CBSB has already paid any part of such cost.

Based on the outcome of the arbitration, the Group recognised impairment loss on contract assets (an expense) and litigation award (an income) amounting to RM12.7 million and RM2.1 million respectively in profit or loss during the quarter under review. The arbitration outcome will lead to positive cash inflow when the Group receives the awarded sum of RM20.5 million, which was long outstanding and included in the trade receivables as of 30 June 2023, together with interests at 5% per annum charged from 13 May 2023.

Further to the announcements made on 2 June 2023 and 8 June 2023, immediately upon the failure of Saujana Triangle Sdn. Bhd. (hereinafter referred to as “the customer”), a wholly owned subsidiary company of MK Land Holdings Berhad, to pay by 22 June 2023, CBSB has filed for Enforcement Order under Section 38 of the Arbitrations Act 2005. The matter is currently pending in the High Court of Kuala Lumpur.

CREST BUILDER HOLDINGS BERHAD 200201005719 (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2023

B11. DIVIDEND

No dividend was proposed or paid in respect of the second quarter ended 30 June 2023.

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 2023.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30-06-2023	30-06-2022	30-06-2023	30-06-2022
Loss after tax attributable to owners of the Company (RM'000)	(8,462)	(424)	(8,881)	(761)
Weighted average number of ordinary shares in issue ('000)	162,107	162,107	162,107	162,107
Basic loss per share (sen)	(5.2)	(0.3)	(5.5)	(0.5)

b. Diluted loss per share

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

CREST BUILDER HOLDINGS BERHAD 200201005719 (573382-P)
INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2023

B13. (LOSS)/PROFIT FOR THE FINANCIAL PERIOD

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<u>30-06-2023</u> (RM'000)	<u>30-06-2022</u> (RM'000)	<u>30-06-2023</u> (RM'000)	<u>30-06-2022</u> (RM'000)
(Loss)/Profit for the financial period is arrived at after charging:				
Amortisation of discount on Sukuk Murabahah	557	607	1,114	1,214
Depreciation of property, plant and equipment	2,024	1,524	3,954	3,053
Impairment loss on contract assets	12,723	-	12,723	-
Interest expense	8,360	7,538	14,801	14,593
and after crediting:				
Interest income	386	221	755	441
Litigation award	2,127	-	2,127	-
Reversal of impairment loss on trade and other receivables	292	313	646	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 2023.

By Order of the Board

Company Secretary
Heng Chiang Pooh FCIS (CS) (CGP) (MAICSA 7009923)
Date: 24 August 2023