

CREST BUILDER HOLDINGS BERHAD 200201005719 (573382-P)

***UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2024***

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INTERIM REPORT

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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CREST BUILDER HOLDINGS BERHAD 200201005719 (573382-P)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Current Year Quarter 30-06-2024 RM'000	Preceding Year Quarter 30-06-2023 RM'000	Current Year To Date 30-06-2024 RM'000	Preceding Year To Date 30-06-2023 RM'000
Revenue	125,334	122,635	233,260	216,962
Cost of sales	<u>(108,945)</u>	<u>(108,637)</u>	<u>(200,999)</u>	<u>(189,445)</u>
Gross profit	16,389	13,998	32,261	27,517
Other income	<u>3,136</u>	<u>2,920</u>	<u>4,160</u>	<u>3,964</u>
	19,525	16,918	36,421	31,481
Administrative and other expenses	(8,673)	(5,268)	(16,050)	(11,549)
Impairment loss on contract assets	<u>-</u>	<u>(12,723)</u>	<u>-</u>	<u>(12,723)</u>
Operating profit/(loss)	10,852	(1,073)	20,371	7,209
Finance costs	<u>(9,103)</u>	<u>(8,917)</u>	<u>(17,956)</u>	<u>(15,915)</u>
Profit/(Loss) before tax	1,749	(9,990)	2,415	(8,706)
Income tax expense	<u>(1,088)</u>	<u>2,238</u>	<u>(1,021)</u>	<u>1,383</u>
Profit/(Loss) for the financial period	661	(7,752)	1,394	(7,323)
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the financial period	<u>661</u>	<u>(7,752)</u>	<u>1,394</u>	<u>(7,323)</u>
Profit/(Loss) for the financial period / Total comprehensive (loss)/income attributable to:				
Owners of the Company	663	(8,462)	1,398	(8,881)
Non-controlling interests	<u>(2)</u>	<u>710</u>	<u>(4)</u>	<u>1,558</u>
	<u>661</u>	<u>(7,752)</u>	<u>1,394</u>	<u>(7,323)</u>
Profit/(Loss) per share (sen)				
- Basic	<u>0.4</u>	<u>(5.2)</u>	<u>0.9</u>	<u>(5.5)</u>
- Diluted	<u>0.4</u>	<u>(5.2)</u>	<u>0.9</u>	<u>(5.5)</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 2023 and the accompanying explanatory notes attached

CREST BUILDER HOLDINGS BERHAD 200201005719 (573382-P)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	As at 30-06-2024 RM'000	As at 31-12-2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	51,033	34,214
Investment properties	296,128	296,128
Golf club membership	54	54
Goodwill	23,660	23,660
Operating financial asset	232,027	243,310
Deferred tax assets	50,696	48,970
Total non-current assets	653,598	646,336
Current assets		
Inventories - property under development	294,931	293,579
Inventories - completed properties and others	8,081	8,081
Operating financial asset	14,840	13,990
Trade and other receivables	195,417	172,024
Contract costs	7,924	3,774
Contract assets	36,974	64,108
Current tax assets	1,101	1,050
Short term investments	3,998	3,976
Fixed deposits placed with licensed banks	50,844	48,421
Cash and bank balances	26,179	22,731
Total current assets	640,289	631,734
TOTAL ASSETS	1,293,887	1,278,070
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	181,191	181,191
Treasury shares	(13,661)	(13,661)
Retained earnings	121,594	120,196
	289,124	287,726
Non-controlling interests	(85)	(81)
TOTAL EQUITY	289,039	287,645
Non-current liabilities		
Loans and borrowings	334,555	336,076
Deferred tax liabilities	40,068	38,208
Tax liabilities	780	1,561
Trade and other payables	20,679	21,830
Total non-current liabilities	396,082	397,675
Current liabilities		
Loans and borrowings	245,115	234,586
Current tax liabilities	1,211	751
Trade and other payables	329,298	333,047
Contract liabilities	33,142	24,366
Total current liabilities	608,766	592,750
TOTAL LIABILITIES	1,004,848	990,425
TOTAL EQUITY AND LIABILITIES	1,293,887	1,278,070
Net assets per share attributable to owners of the Company (RM)	1.78	1.77

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 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 2024

← 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 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>
At 1 January 2024	181,191	(13,661)	120,196	287,726	(81)	287,645
Total comprehensive (loss)/income for the financial period	-	-	1,398	1,398	(4)	1,394
At 30 June 2024	<u>181,191</u>	<u>(13,661)</u>	<u>121,594</u>	<u>289,124</u>	<u>(85)</u>	<u>289,039</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 2023 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 2024

	6 Months Ended 30-06-2024 RM'000	6 Months Ended 30-06-2023 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	2,415	(8,706)
Adjustments for:		
Amortisation of discount on Sukuk Murabahah	1,016	1,114
Depreciation of property, plant and equipment	5,711	3,954
Impairment loss on contract assets	-	12,723
Interest expense	16,940	14,801
Interest income	(719)	(755)
Reversal of impairment loss on trade and other receivables	(630)	(646)
Operating profit before changes in working capital	24,733	22,485
Net change in assets	9,302	(37,907)
Net change in liabilities	3,876	25,957
	13,178	(11,950)
Cash generated from operations	37,911	10,535
Income tax paid	(1,259)	(911)
Net cash from operating activities	36,652	9,624
Cash flows from investing activities		
Interest received	697	693
Purchase of property, plant and equipment	(22,530)	(8,415)
Change in pledged deposits	-	(25)
Net cash used in investing activities	(21,833)	(7,747)
Cash flows from financing activities		
Interest paid	(16,940)	(14,801)
Net drawdown of term loans	2,521	19,473
Payment of lease liabilities	(962)	(1,410)
Net drawdown of bankers' acceptances	4,730	4,033
Net (repayment) / drawdown of revolving credits	(6,540)	13,270
Repayment of Sukuk Murabahah	(10,000)	(10,000)
Net cash (used in) / from financing activities	(27,191)	10,565
Net (decrease)/increase in cash and cash equivalents	(12,372)	12,442
Cash and cash equivalents brought forward	44,214	21,267
Cash and cash equivalents carried forward	31,842	33,709
Analysis of cash and cash equivalents		
Cash and bank balances	26,179	22,063
Fixed deposits placed with licensed banks	50,844	50,778
	77,023	72,841
Less: Bank overdrafts	(40,325)	(34,309)
Fixed deposits pledged with licensed banks	(4,856)	(4,823)
Cash and cash equivalents	31,842	33,709

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 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 2024

**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 2023.

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 2023, except for the adoption of the following amendments/improvements to MFRSs that are mandatory for the current financial year.

Amendments/Improvements to MFRSs

MFRS 7	Financial Instruments: Disclosures
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statement of Cash Flows

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.

A2. AUDIT QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the annual audited financial statements for the financial year ended 31 December 2023 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 2024.

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A5. CHANGES IN ESTIMATES

Except for reversal of impairment loss 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 2024.

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 three (3) months period ended 30 June 2024

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	186,241	19,913	4,859	22,247	-	233,260
- Inter-segment	38,927	-	4,167	-	(43,094)	-
Total revenue	225,168	20,714	9,026	22,247	(43,094)	233,260
Results						
- Segment results	2,232	15,771	4,238	3,188	(5,058)	20,371
Finance costs						(17,956)
Income tax expense						(1,021)
Profit for the financial period						1,394

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

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FOR THE SECOND QUARTER ENDED 30 JUNE 2024

A8. SEGMENTAL REPORTING (CONTINUED)

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

(ii) For the three (3) 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 expense						1,383
Loss for the financial period						(7,323)

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 2023.

A10. SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent to the reporting period up to 21 August 2024, 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 2024.

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 2024.

A12. CAPITAL COMMITMENTS

There were no capital commitments that have a material effect in the current quarter ended 30 June 2024.

A13. SIGNIFICANT RELATED PARTY DISCLOSURES

The Group has no significant related party transactions during the current quarter ended 30 June 2024, 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 RM125.3 million and profit before tax of RM1.7 million as compared to the corresponding second quarter of the preceding year of RM122.6 million and loss before tax RM10.0 million respectively.

The construction division recorded revenue of RM99.5 million and loss before tax of RM0.9 million as compared to the corresponding second quarter of the preceding year of RM98.3 million and RM15.7 million respectively. The increase in revenue and decrease in loss before tax were mainly due to higher progress in construction recognised for construction projects during the current quarter under review.

The property development division's revenue and profit before tax amounted to RM13.5 million and RM1.5 million as compared to the corresponding second quarter of the preceding year of RM11.9 million and RM3.8 million respectively. The increase in revenue was due to the current development project, i.e. Bukit Tinggi, Klang (also known as Interpoint). The lower profit was due to higher finance cost.

The concession arrangement division recorded revenue of RM9.9 million and profit before tax of RM2.6 million as compared to the corresponding second quarter of the preceding year of RM10.2 million and RM2.8 million respectively. The decrease in revenue was mainly due to lower finance income recognised.

The investment division recorded revenue of RM2.4 million and loss before tax of RM1.5 million as compared to the corresponding second quarter of the preceding year of RM2.2 million and RM0.9 million respectively. The increase in revenue was mainly due to higher car park income collected during the current quarter. The increase in loss before tax was mainly due to higher finance costs.

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B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current 2nd Quarter RM'000	Preceding 1st Quarter RM'000	Increase/(Decrease) RM'000 %	
Revenue	125,334	107,926	17,408	16%
Profit/(Loss) before tax	1,749	666	1,083	163%
Profit/(Loss) after tax	661	733	(72)	(10%)

For the current quarter under review, the Group recorded profit before tax and profit after tax of RM1.7 million and RM0.7 million respectively as compared to RM0.7 million and RM0.7 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 year was mainly due to higher progress in construction recognised for construction projects during the current quarter under review.

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 efficiently and within time.

The concession division will continue to contribute positively to the Group until year 2034.

With the successful launched of Bukit Tinggi, Klang development project (also known as Interpoint), it will contribute positively to the Group's earnings for the current and next financial years. In addition, we will focus on selling the remaining completed properties.

The Malaysian economy is projected to expand by 4% to 5% in year 2024 which was supported by resilient domestic demand and recovery in exports. The construction industry in Malaysia for 2024 is expected to remain challenging with the rising of construction overheads cost, shortage of skilled labour 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. This year's performance will be driven by a 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 2024.

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B4. VARIANCES ON PROFIT FORECAST AND PROFIT GUARANTEE

Not applicable to the Group.

B5. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30-06-2024 (RM'000)	Quarter Ended 30-06-2023 (RM'000)	Year Ended 30-06-2024 (RM'000)	Year Ended 30-06-2023 (RM'000)
Current income tax				
- Current year	447	599	887	1,387
Deferred tax				
- Current year	641	(2,837)	134	(2,770)
	1,088	(2,238)	1,021	(1,383)
Profit before tax	1,749	(9,990)	2,415	(8,706)
Tax at Malaysian statutory tax rate of 24%	420	(2,398)	580	(2,089)
Expenses not deductible for tax purposes	179	160	459	706
Deferred tax assets not recognised on tax losses and temporary differences	489	-	(18)	-
	1,088	(2,238)	1,021	1,383

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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 2024.

B7. DEALINGS IN QUOTED SECURITIES

The Group did not transact or hold any quoted securities for the current quarter ended 30 June 2024.

B8. CORPORATE PROPOSALS

There were no corporate proposals previously announced but not completed up to 21 August 2024, 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 2024 are as follows:

	RM'000	RM'000
Short term borrowings:		
Secured		
- Lease liabilities	3,847	
- Sukuk Murabahah	23,162	
- Term loans	975	
- Bank overdrafts	40,325	
- Bankers' acceptances	67,408	
- Revolving credits	109,398	
	245,115	
Long term borrowings:		
Secured		
- Lease liabilities	3,287	
- Term loans	74,664	
- Sukuk Murabahah	256,604	
	334,555	
Total		579,670

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B10. MATERIAL LITIGATION

Same as previously disclosed in the audited financial statements for the financial year ended 31 December 2023, there were no significant changes in material litigation, including the status of pending material litigation since the previous quarter to 21 August 2024, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

The outcome for a material litigation which was disclosed in the audited financial statements for the financial year ended 31 December 2023 might be known in the coming months. Consistent with the assessment made as of 31 December 2023, no allowance for impairment or provision for liabilities has been made in the current quarter under review.

B11. DIVIDEND

No dividend was proposed or paid in respect of the first quarter ended 30 June 2024.

B12. PROFIT / (LOSS) PER SHARE

a. Basic profit / (loss) per share

The basic profit / (loss) per share has been calculated based on the Group's profit / (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 2024.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30-06-2024	30-06-2023	30-06-2024	30-06-2023
Profit / (Loss) after tax attributable to owners of the Company (RM'000)	663	(8,462)	1,398	(8,881)
Weighted average number of ordinary shares in issue ('000)	162,107	162,107	162,107	162,107
Basic loss per share (sen)	0.4	(5.2)	0.9	(5.5)

b. Diluted profit / (loss) per share

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

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B13. PROFIT FOR THE FINANCIAL PERIOD

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<u>30-06-2024</u> (RM'000)	<u>30-06-2023</u> (RM'000)	<u>30-06-2024</u> (RM'000)	<u>30-06-2023</u> (RM'000)
Profit for the financial period is arrived at after charging:				
Amortisation of discount on Sukuk Murabahah	508	557	1,016	1,114
Depreciation of property, plant and equipment	3,504	2,024	5,711	3,954
Impairment loss on contract assets	-	12,723	-	12,723
Interest expense	8,595	8,360	16,940	14,801
and after crediting:				
Interest income	376	386	719	755
Litigation award	-	2,127	-	2,127
Reversal of impairment loss on trade and other receivables	281	292	630	646

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 28 August 2024.

By Order of the Board

Company Secretary
Heng Chiang Pooh FCIS (CS) (CGP) (MAICSA 7009923)
Date: 28 August 2024