



CREST GROUP BERHAD

(Registration No.: 202301031031 (1524954-M))

One Stop Imaging, Analytical and Test Solutions

Annual Report 2024

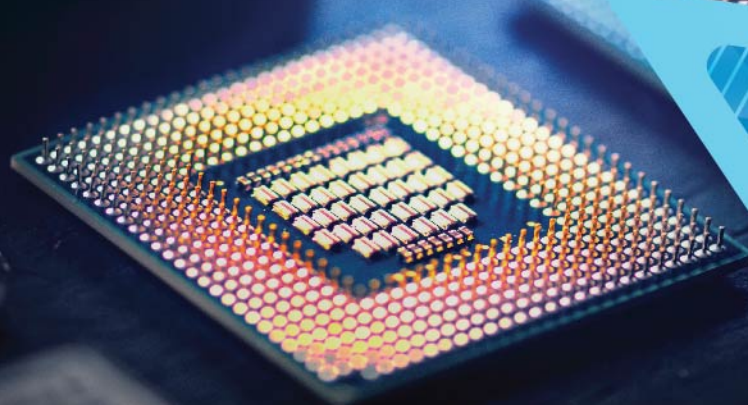
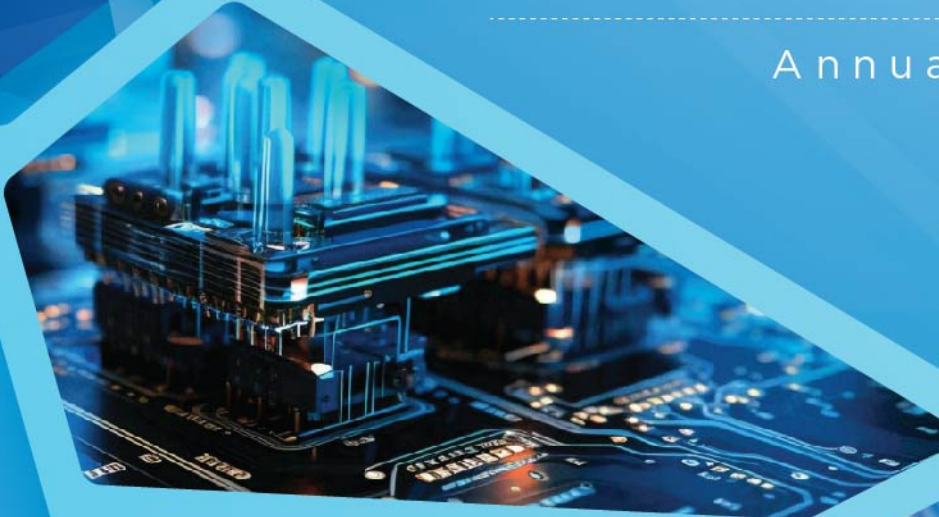


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ABOUT US



We are an imaging, analytical and test solutions provider. This encompasses a work scope all the way from pre-sales consulting, sale and customisation of equipment, installation and commissioning to user training. We also provide after-sales services to our customers which includes technical support and maintenance as well as sale of spare parts and consumables.

We have active distributorships with over 23 brand principals across 7 countries for equipment relating to advanced imaging, optical and portables, advanced analytical and testing as well as sample management.

Our solutions are catered to various industry sectors which includes amongst others, semiconductor, electrical and electronics (E&E), research and academia, life science and healthcare, automotives, aviation and oil and gas.

We have physical presence in Malaysia, Thailand, China and Singapore. We are currently in the midst of setting up our new office in Ho Chin Minh, Vietnam.



Vision

Leadership in enabling innovative solutions through Imaging, Analytical and Test excellence, while delivering exceptional after-sales support to enhance customer experience for a seamless journey.

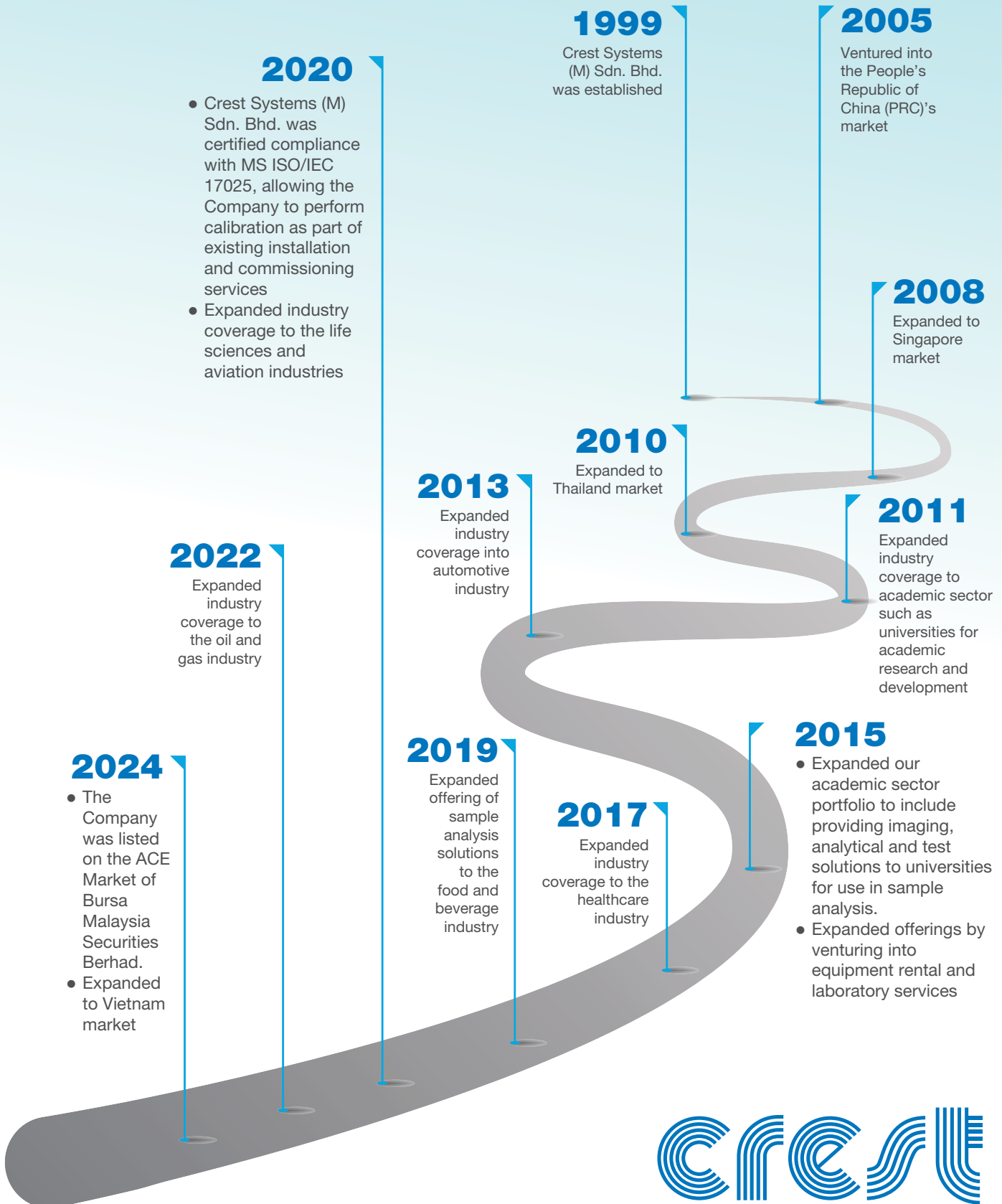


Mission

We actively listen and understand needs, investing in knowledge for growth, embracing adaptability, and driving innovation. Our “One-call, One-stop” approach ensures effortless after-sales support, taking leadership to provide best-in-class experiences.

We aim to be a company recommended by customers, a team employees are proud of, and a solid entity sought after by stakeholders for long term growth.

CORPORATE MILESTONES



CORPORATE INFORMATION

BOARD OF DIRECTORS

AHMAD TAJUDIN BIN OMAR

(Independent Non-Executive Chairman)

LIM SIONG WAI

(Non-Independent Executive Director and Group Managing Director)

AU CHUN MUN

(Non-Independent Executive Director)

YAP KIAN MENG

(Non-Independent Executive Director)

TEO YELING

(Independent Non-Executive Director)

ILHAM FADILAH BINTI SUNHAJI

(Independent Non-Executive Director)

MOO ENG THING

(Independent Non-Executive Director)

AUDIT AND RISK MANAGEMENT COMMITTEE

Teo Yeling (Chairperson)
Ilham Fadilah binti Sunhaji
Moo Eng Thing

NOMINATION COMMITTEE

Moo Eng Thing (Chairperson)
Ilham Fadilah binti Sunhaji
Teo Yeling

REMUNERATION COMMITTEE

Ilham Fadilah binti Sunhaji (Chairperson)
Moo Eng Thing
Teo Yeling

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
(SSM Practicing Certificate No. 202008001023)
Tan Ai Ning (MAICSA 7015852)
(SSM Practicing Certificate No. 202008000067)
Tan Siew Hong (MAICSA 7066226)
(SSM Practicing Certificate No. 201908001915)

AUDITORS

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF0117)
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur, Malaysia
Tel: 603-2297 1000
Fax: 603-2282 9980

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor, Malaysia
Tel: 603 7890 4800
Fax: 603 7890 4650
Email: info.my@boardroomlimited.com

HEAD OFFICE

No. 1, Jalan OP ½
One Puchong Business Park
47160 Puchong
Selangor, Malaysia
Tel: 603 8076 9999
Website: www.crest-group.net
Email: corporate@crest-group.net

SPONSOR

MIDF Amanah Investment Bank Berhad
Level 25, Menara MBSB Bank
PJ Sentral, Lot 12
Persiaran Barat, Seksyen 52
46200 Petaling Jaya
Selangor Darul Ehsan
Tel: 603 2173 8888
Fax: 603 2173 8777

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No.5 Jalan Prof Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor, Malaysia
Tel: 603 7890 4700
Fax: 603 7890 4670
Helpdesk email: bsr.helpdesk@boardroomlimited.com

STOCK EXCHANGE

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: CREST
Stock Code: 0323
Shariah Compliant

FINANCIAL HIGHLIGHTS

	2020 [#]	2021 [#]	2022 [#]	2023 [#]	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	124,425	148,410	170,202	187,619	182,987
Gross Profit	36,554	43,386	45,701	53,530	46,412
Profit Before Tax	16,721	22,354	23,258	26,466	15,936
Profit After Tax ("PAT")	13,502	17,372	17,983	20,096	12,003
Profit after tax and minority interest ("PATMI")	11,926	15,920	17,307	18,225	10,745
Total Assets	100,518	116,398	99,154	115,310	155,336
Total Equity	59,763	57,954	54,395	60,572	108,872
Net assets attributable to shareholders	53,551	51,472	51,055	57,251	104,864
Cash and cash equivalents	34,531	36,847	30,557	42,278	72,706
Borrowings	1,167	694	732	2,101	3,194
Earnings per share (sen)	1.38*	1.84*	2.00*	2.11*	3.31 [^]
Net asset per share (sen)	6.19*	5.95*	5.90*	6.61*	32.29 [^]

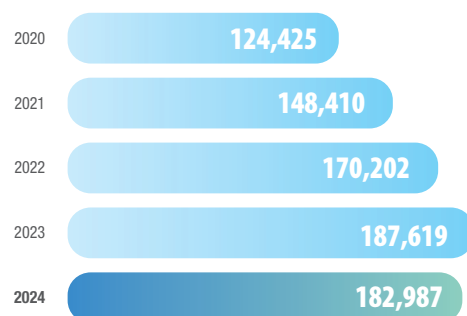
Financial data for financial year ended 2020 to 2023 are disclosed in the IPO prospectus dated 18 September 2024 ("Prospectus") and should be read in conjunction with the Accountants' Report contained in the Prospectus.

* Based on enlarged 865,598,000 ordinary shares.

[^] Based on weighted average 324,754,000 ordinary shares

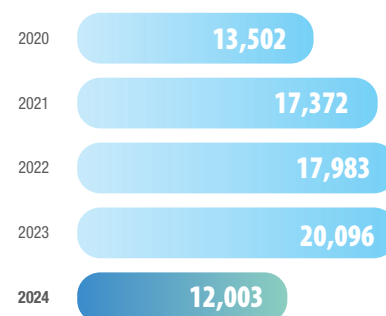
REVENUE

(RM'000)



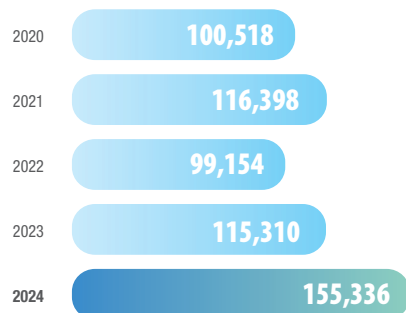
PROFIT AFTER TAX ("PAT")

(RM'000)



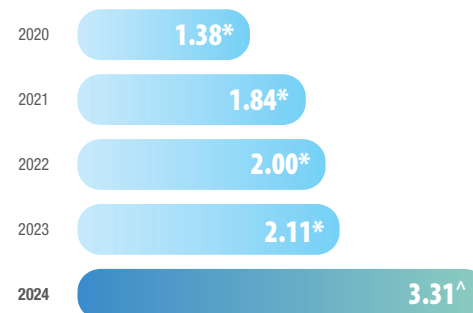
TOTAL ASSETS

(RM'000)

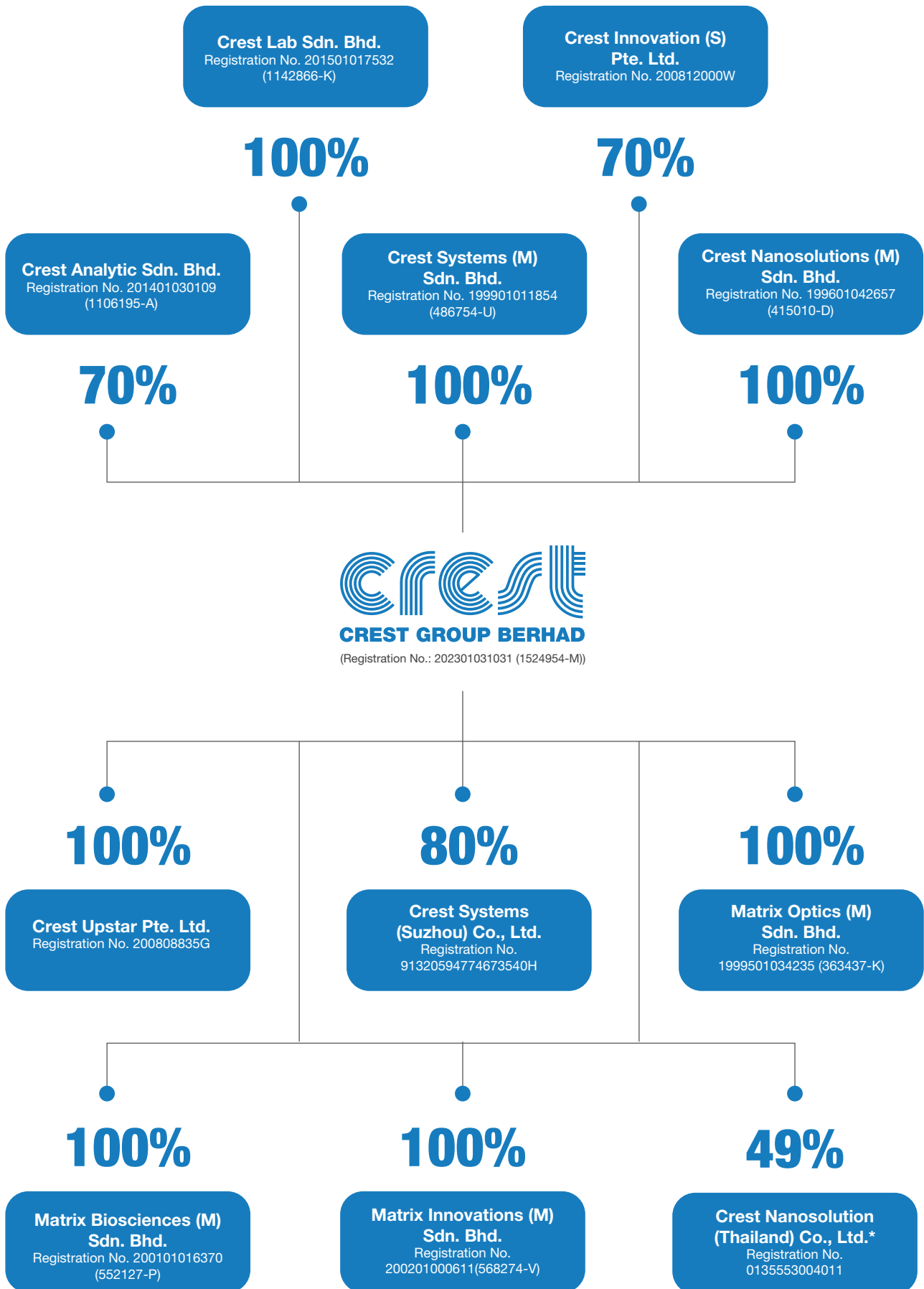


EARNINGS PER SHARE

(Sen)



GROUP STRUCTURE



* Calculated based on the issued ordinary shares and irredeemable preference shares of the company.

CHAIRMAN'S STATEMENT

Dear Shareholders,

Our Group's successful listing on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") in 2024 marks a key milestone in our 25-year journey towards becoming a premier one-stop imaging, analytical and test solutions specialist. This milestone also represents the beginning of a new chapter in our quest to deliver sustainable and dynamic value creation for our shareholders and stakeholders.

On this positive note and on behalf of the Board of Directors ("**the Board**"), we are proud to present the inaugural Annual Report of Crest Group Berhad ("**Crest**" or "**the Group**") for the financial year ended 31 December 2024 ("**FYE 2024**").

Setting the foundation to climb to greater heights

Crest successfully made its debut on the ACE Market of Bursa Securities on 9 October 2024. The Initial Public Offering ("**IPO**") involved the public issuance of 130.71 million new shares and the offer for sale of 103.89 million existing shares. Notably, the public tranche was oversubscribed by 73.88 times, signalling significant confidence in the Group's management capabilities and business prospects.

Having raised a total of approximately RM45.75 million from the public issuance pursuant to the IPO, Crest is now in a stronger position to unlock greater efficiencies, beginning with the streamlining of our businesses to one centralised headquarters in Selangor, which is currently in progress. In addition, the proceeds from the IPO will also be a key enabler to drive the Group's expansion plans, specifically in growing its presence in new markets like Vietnam and enhancing our presence in existing key markets such as Thailand and China.

Crest's entry into the ACE Market is also a reflection of the vision, dedication and hard-work of its Group Managing Director, Mr. Lim Siong Wai, Executive Directors, Mr. Au Chun Mun and Mr. Yap Kian Meng and the rest of the management team. Together, they have proven that Crest is not only able to thrive in the ever-competitive technology industry landscape but also expand beyond the borders of Malaysia.

Operating Landscape and Performance Overview

The global economic environment in 2024 was fraught with challenges including persistent inflation, geopolitical risks, and supply chain disruptions. Despite these factors, the global economy showed resilience, expanding by an estimated 3.2%¹.

In Malaysia, the economy grew by 5.1%², buoyed by sustained domestic consumption and foreign direct investments. More importantly, Malaysia, along with its neighbours in the Southeast Asia region, is continuing to embrace and invest in advanced technologies in a bid to future-proof their respective economies.

The growing adoption of automation, AI-powered analytics, and Industry 4.0 solutions throughout the region will continue to drive Crest's performance as a multiple award-winning solutions provider in the imaging, analytical, and testing solutions space.

In FYE 2024, Crest recorded a total revenue of RM182.99 million and a profit before tax of RM15.94 million. Crest's net profit for FYE 2024 was RM12.00 million, with a net Profit After Tax ("**PAT**") margin of 6.56%. As of 31 December 2024, Crest maintained a healthy financial position, with total assets amounting to RM155.34 million and total equity of RM108.87 million. Our cash and cash equivalents stood at RM72.71 million, bolstered by the proceeds from our successful IPO.

A more thorough review of our performance and operating outlook are detailed in the Management Discussion and Analysis section of this Annual Report.

¹ <https://www.imf.org/-/media/Files/Publications/WEO/2025/update/january/english/text.aspx>

² <https://www.mof.gov.my/portal/en/news/press-release/malaysia-exceeds-gdp-and-fiscal-deficit-targets-for-2024>

CHAIRMAN'S STATEMENT

cont'd

Dividend

Despite some of the challenges which the Group faced during the financial year ended 2024 as well as additional expenses relating to our listing and business expansion, we are pleased to declare our inaugural dividend of 0.38 sen per share which was announced in April 2025.

Moving forward, the Board aims to remain committed to its dividend policy of distributing at least 30% of our annual PAT attributable to owners of our Group, subject to financial performance, cash flow availability, and future capital requirements. The Board will continue to assess the Group's financial position and investment needs to ensure that any future dividend distributions are aligned with Crest's long-term strategic direction and financial sustainability.

Commitment to sustainability

Crest is a sustainability-oriented organisation since it started its operations in 1999. We have always been mindful towards ensuring that our operations incorporate environment, social and governance or ESG best practices as it is ultimately 'good for business'.

As a public listed company and a responsible corporate citizen, we aim to continuously strengthen our ESG commitments further in order to drive sustainable value creation for all our stakeholders while minimising the impact of our operations on the environment.

We are pleased to share with you the details of our sustainability strategy, goals and initiatives in the Sustainability Statement of this Annual Report.

APPRECIATION

I would like to take this opportunity to express my gratitude to my fellow Board members for their unwavering support. I look forward to collaborating closely with each of you to fulfill the Board's leadership and fiduciary responsibilities for Crest.

As a Group, we also extend our sincere appreciation to our dedicated management team and employees. Your commitment, loyalty, and contributions are the driving force behind our achievements, and we eagerly anticipate seeing your continued teamwork propel our Group to even greater success.

Additionally, we wish to convey our heartfelt thanks to our consultants, advisers, and service providers for their invaluable support in helping us achieve our strategic milestone of being listed on Bursa Securities. We look forward to working together in pursuit of our long-term corporate objectives.

Finally, we are deeply grateful to our valued shareholders, vendors, business associates and customers for their ongoing loyalty and trust. Your support remains integral to our journey, and we truly appreciate it.

Terima kasih.

Ahmad Tajudin bin Omar
Independent Non-Executive Chairman



CREST GROUP BERHAD IN THE NEWS

Crest Group secures underwriting for upcoming ACE Market IPO

CREST Group Bhd is set to debut on the ACE Market after signing an underwriting agreement with MIDF Amanah Investment Bank Bhd (MIDF Research) for its IPO.

Crest Group will offer a public issue of 130.7 million new shares and a sale of 103.9 million existing shares.

Of the 130.7 million new shares, 43.3 million will be available to the Malaysian public via bidding, 12.9 million to eligible directors and employees, and the remaining 74.4 million in identified Bumiputera investors via private placement approved by the Investment, Trade and Industry Ministry.

Under the agreement, MIDF Research will underwrite 56.3 million of the shares available to the public and eligible directors and employees.

Crest Group and its subsidiaries specialise in imaging, analytical and test solutions used for quality inspection, sample analysis, and research and development across a wide range of industries, including semiconductor, electrical and electronic, academic, automotive, oil and gas, aviation, life sciences and healthcare.

The group also provides after-sales services, including technical support and maintenance.

Geographically, Crest Group has a presence in Malaysia, China, Thailand and Singapore.

The IPO's gross proceeds are earmarked for business expansion, purchasing additional demonstration equipment for its offices in Malaysia,



(From left) Crest Group ED Yap Kian Meng, Lim, MIDF Research CEO Datuk Joseph Dominic Silva and Crest Group ED Ethan Au

China and Thailand, expanding its technical support and maintenance team, and establishing a new centralised headquarters to accommodate business growth and centralise operations in Malaysia's central region.

Regionally, the company plans to open new offices in Chengdu and Shenzhen, China, expand in Thailand, and establish its first office in Ho Chi Minh, Vietnam.

Crest's Group MD Lim Siang Wai noted that with over two decades of experience since its 1999 establishment, the group has gained substantial industry knowledge and technical expertise to

enhance quality inspection and operational efficiency across industries.

"This underwriting agreement is a significant milestone in our IPO journey. We believe that the listing will not only enable us to better serve our existing and potential clients but will also enhance the credibility of our group as we continue to expand in existing and new markets.

"Additionally, we hope to attract and retain talent to drive our future business expansion," he said.

MIDF Research is the principal advisor, sponsor, underwriter and placement agent for the IPO. — *TMJ*

26 August 2024,
The Malaysian Reserve – Crest Group secures underwriting for upcoming ACE Market IPO

Crest sasar kumpul RM45.75j menerusi IPO

KUALA LUMPUR: Crest Group Berhad (Crest) menasarkankan untuk mengumpul RM45.75 juta menerusi tawaran awam permulaan (IPO) membabitkan terbitan 234.70 juta saham biasa pada harga 35 sen sesaham.

Menerusi prospektus IPO syarikat yang akan disenaraikan di Pasaran ACE (Bursa Malaysia Securities Bhd (Bursa Securities)) 9 Oktober ini, syarikat itu dengan modal saham yang diperbesarkan sebanyak 865,598,000 saham, anggaran kapitalisasi pasaran syarikat semasa penyenaaraan adalah kira-kira RM302.96 juta.

Pengarah Urusan Kumpulan Crest, Lim Siang Wai berkata, sebahagian daripada usaha berterusan syarikat untuk berkembang, kumpulan memperuntukkan RM14.52 juta atau 31.73 peratus daripada hasil IPO syarikat untuk mengembangkan kehadiran kumpulan ke pasaran utama.

"Rancangan kami termasuk membuka pejabat di Ho Chi Minh City, Vietnam, serta Chengdu dan Shenzhen, China.

"Kami sedang aktif mengenal pasti ruang pejabat yang sesuai dan akan mula merekrut kakitangan baharu secara berperingkat," katanya dalam majlis pelancaran



LIM SIANG WAI (dua dari kiri) dalam Majlis pelancaran prospektus Crest di Kuala Lumpur, semalam.

prospektus Crest di sini, semalam.

IPO ini melibatkan tawaran awam sebanyak 130,705,300 saham biasa baharu (saham terbitan) dan tawaran penjualan sebanyak 103,890,000 saham biasa sedia ada.

Selain itu, syarikat juga akan membelanjakan kira-kira RM3.60 juta (7.87 peratus) untuk mengembangkan pasukan sokongan tekni-

kal dan penyelenggaraan, RM5.87 juta (12.83 peratus) untuk pembelian peralatan demonstrasi tambahan dan RM15.76 juta (34.45 peratus) untuk ibu pejabat pusat baharu.

Di samping itu, Siang Wai berkata, pihaknya akan menambak kakitangan jualan untuk pejabat baharu di Vietnam dan China, serta di pejabat sedia ada

di Thailand.

Jelas beliau, pihaknya sedang menubuhkan ibu pejabat baharu di Selangor untuk menyelaraskan pejabat dan operasinya di kawasan tengah Malaysia.

"Pusat ini membolehkan kami mengurus sumber dengan lebih berkesan, menyokong pasukan dan memberikan perkhidmatan yang lebih baik," katanya.

CREST GROUP BERHAD IN THE NEWS

cont'd

CORPORATE

By ELIM POON

elimpoon@thestar.com.my

KUALA LUMPUR: ACE Market-bound Crest Group Bhd will be utilising the bulk of its listing proceeds to set up its new centralised headquarters in Selangor.

Group managing director Lim Siong Wai said this is for the purpose of consolidating the group's operations in the central region of Malaysia.

"Currently, our offices in Selangor are located at three rented premises, with two located in Puchong and one in Subang Jaya.

"In the long run, a centralised office will help to save costs. It will also be easier for our customers by having a centralised demonstration space," he told a press conference following the company's prospectus launch here yesterday.

The group is in the midst of identifying a suitable commercial or light industrial premises within the Klang Valley with a built-up area of about 1,858 sq m and it expects to purchase the facility within three years after its listing.

Crest specialises in providing imaging, analytical and testing solutions for quality inspection, sample analysis and research and development, serving various sectors like semiconductors, electrical and electronics, automotive, academic, oil and gas, aviation, life sciences and healthcare.

Most of the group's customers are multinational corporations.

The company said that jobs from the semiconductor sector contribute close to 60% of its revenue.

Some of Crest's customers include out-sourced semiconductor assembly and test (Osat) and automatic test equipment (ATE) firms.

"When ATE players manufacture high-tech equipment, they need inspection or

Crest to consolidate ops in the central region

Company eyes industrial premises in the Klang Valley

"Currently, our offices in Selangor are located at three rented premises. In the long run, a centralised office will help to save costs."

Lim Siong Wai

quality assurance equipment to make sure that their end product is good. Hence, we supply those kinds of equipment for these companies to do the necessary tests.

"Osat companies are also our customers, as we provide our solutions to them in their assembly processes. Many Osat firms are also expanding into new facilities in Penang.

"We will be benefiting from this, especially those who are our existing customers, as we will have opportunities to offer more solutions to them when they build new manufacturing lines," said vice-president of sales Kwong Wing Yew.

Additionally, Crest is expanding its presence into key markets with plans to open offices in Ho Chi Minh City, Vietnam, as well as Chengdu and Shenzhen in China.

At present, the group operates offices in Malaysia, China, Thailand and Singapore.

However, this is not the company's first entry into the Vietnam market.

"We have not opened an office in Vietnam

yet but we already have customers and orders there, so it is natural for us to go there. At the same time, we have also sent two employees to Vietnam to learn the Vietnamese language.

"We will first go into semiconductors and electronics in Vietnam, before gradually expanding into other sectors," Lim said.

The company will also be adding sales staff for the new offices in Vietnam and China, as well as in its existing Thailand office.

Crest is targeting a dividend payout ratio of at least 30% of its annual profit after tax attributable to the shareholders of the group.

The group expects to raise RM45.75mil from its initial public offering (IPO) and plans to use RM15.8mil (34.5%) for the setting up of a new centralised headquarters.

Some RM14.5mil (31.7%) will go towards business expansion, another RM5.9mil (12.8%) for the purchase of additional

demonstration equipment and RM3.6mil (7.9%) has been set aside for the expansion of the technical support and maintenance team. The remaining RM5mil (13.1%) will be used to defray listing expenses.

Crest's initial public offering (IPO) entails a public issue of 130.7 million new shares at an offer price of 35 sen per share.

Some 43.3 million shares will be made available to the Malaysian public while 12.98 million shares will be offered to eligible directors, employees and individuals who have made contributions to its success.

A total of 74.4 million shares will be set aside for bumiputera investors who have received approval from the International Trade and Industry Ministry (Miti) through private placements.

The existing shareholders of the company will also make an offer for sale of 103.9 million existing shares.

From this, 33.8 million existing shares will be earmarked for bumiputera investors who have received approval from Miti by way of private placements, while 70.1 million existing shares will be sold to selected investors via private placements.

With an enlarged share capital of 865.6 million shares, Crest will have a market capitalisation of RM302.96mil upon listing on Oct 9.

MIDE Amanah Investment Bank Bhd is the principal adviser, sponsor, underwriter and placement agent for the IPO.

19 September 2024, The Star— Crest to consolidate operations in central region

Expansion plans to bolster Crest earnings

PETALING JAYA: ACE Market-bound Crest Group Bhd is expected to record earnings growth for three consecutive years, backed by business expansion plans and a better industry outlook, says TA Research.

In a report, the research house said the provider of imaging, analytical and test services is estimated to record earnings growth of 5%, 8.1% and 14.9% to RM22.1mil, RM23.8mil, and RM27.4mil for financial years 2024 (FY24), FY25, and FY26, respectively.

"All in, our FY24 to FY26 earnings projections are premised on the key assumptions of revenue growth of 10%, 12% and 13% and a gross margin of 28.5%, 28.6% and 28.8% for FY24, FY25, and FY26, respectively," it stated.

Crest's revenue and net profit growth, which are expected to be stronger moving forward, is viewed to be underpinned by the positive outlook for the imaging, analysis, and testing industry due to increasing demand from the electrical and electronics and

semiconductor sectors.

TA Research also assigned a target price-earnings (PE) multiple of 18 times to Crest, arriving at a fair value of 50 sen per share.

The research house said this took into consideration the group's proven track record in provision of imaging, analytical and test solutions, a strong network of equipment partners and suppliers, and an experienced management team.

Crest is mainly involved in the provision of imaging, analytical and test solutions that are mainly used for quality inspection, sample analysis as well as research and development.

The group currently operates in Malaysia, China, Singapore and Thailand, and is expected to expand its business to Vietnam after its listing.

Scheduled to list on the ACE Market of Bursa Malaysia on Oct 9, 2024, Crest aims to raise RM45.75mil from its initial public offering (IPO) exercise. The IPO entails a public issue of 130.71

million new ordinary shares and an offer for sale of 103.89 shares at a price of 35 sen per share.

Crest will utilise the proceeds for setting up a new centralised headquarters in Selangor, business expansion, purchase of additional demonstration equipment, expansion of its technical support and maintenance team as well as for listing expenses.

On the group's financials, TA Research said that Crest's revenue for FY23 had grown by 10.2% year-on-year (y-o-y) to RM187.6mil, which was mainly driven by higher sales in Thailand and China.

The rise in turnover, together with better gross profit margins, led Crest's core net profit to surge 12.8% y-o-y to RM21mil.

"According to a report prepared by Smith Zander, which was enclosed in the IPO prospectus, the imaging, analysis and testing industry in Malaysia grew from RM4.3bil in 2020 to RM7.3bil in 2023 at a compound annual growth rate of 18.7%," it said.

25 September
2024, The Star –
Expansion plans
to bolster Crest
earnings

CREST GROUP BERHAD IN THE NEWS

cont'd

Crest集團超額認購73.88倍

(吉隆坡30日讯) 质量检测、样品分析和研发与测试方案供应商——Crest集团 (Crest Group) 配合首次公开招股 (IPO) 分配给公众认购的新股, 获得73.88倍超额认购。

根据文告, 共有3万3826份申请书, 认购32亿4082万5700股, 超额认购达73.88倍。

其中, 土著投资者交出1万5594份申请书, 申请11亿7735万5000股, 录得53.41倍超额认购。供其他大马公众认购的部分, 一共获得1万8232份申请, 申请20亿6347万零700股, 等于超额认购94.35倍。

另外, 供符合资格者申购的1298万4000股已全数获认购, 配售给指定投资者的股票也被全面认购。

申请成功者将在10月8日获得配股。

Crest Group's 43.28 mil IPO shares for public oversubscribed by 74 times

KUALA LUMPUR (Sept 30): ACE Market-bound Crest Group Bhd's initial public offering (IPO) of 43.28 million shares for the Malaysian public has been oversubscribed by 73.88 times. According to Malaysian Issuing House Sdn Bhd in a statement, Crest received 33,826 applications for a total of 3.24 billion shares from the Malaysian public. A total of 15,594 applications for 1.18 billion shares were received for the Bumiputera portion, reflecting an oversubscription rate of 53.41 times. Meanwhile, a total of 18,232 applications for 2.06 billion shares were received for the other Malaysian public portion, representing an oversubscription rate of 94.35 times. Additionally, the 12.98 million shares allocated for eligible directors and employees were fully subscribed. Crest Group's IPO involves the public issuance of 130.71 million new shares and the offer for sale of 103.89 million shares, which would raise up to RM82.11 million. At an IPO price of 35 sen per share, Crest Group will have a market capitalisation of approximately RM303 million upon its scheduled listing on Oct 9. — by Syafiqah Saifim

1 October 2024, Sin Chew Daily, The Edge CEO Morning Brief
– Crest Group oversubscribed by 73.88 times

财经新闻

【独家】支援芯片制造 Crest集团深耕半导体业

2024年10月13日

独家报道: 黄晓滨

(吉隆坡12日讯) 随着AI浪潮席卷全球, 半导体产业再度受到广泛关注, 相关公司的市值也随之水涨船高, 令本地半导体业者吸引起更多市场的瞩目。

檳城素有“东方硅谷”之美誉, 自1970年起发展半导体产业, 至今已积累了40多年的宝贵经验。半导体产业在我国经济中占据举足轻重的地位, 其出口贡献高达全国总出口的40%, 俨然已成我国经济的“半壁江山”。

尽管人们普遍知晓半导体对我国经济的重要性, 但对于“半导体”的定义及其在电子世界中的实际应用, 却鲜少有人能清楚地解释。

Crest集团 (CREST, 0323, 创业板) 董事经理林威深深耕半导体领域超过20年, 他表示, 实际上半导体早已融入人们生活的方方面面, 并非遥不可及的高科技概念, 而是每天都会接触到的日常电子产品。

“从手机、电脑等高端电子产品, 就连普通的电风扇、热水器中都存在半导体的身影。”



林威深 (左)、叶建鸣 (中) 和阮仕豪 (右) 在文安实验室向投资者展示晶圆检测流程中半导体元件。

13 October 2024, Enanyang Online
– Crest Group's involvement in the chip manufacturing and semiconductor industry



Crest Group Bhd officials at its initial public offering prospectus launch in Kuala Lumpur last month. (MFB PIC)

46 SEN FAIR VALUE

'Buy' call for ACE Market-bound Crest Group

KUALA LUMPUR: Rakuten Trade Sdn Bhd has a "buy" rating for ACE Market-bound Crest Group Bhd with a fair value of 46 sen.

This is 31 per cent higher than its initial public offering price of 35 sen.

The research firm said the provider of equipment and services for imaging, analytical and testing solutions served a broad customer base, with a median relationship length of 10 years.

"The semiconductor industry has been a leading contributor among the six key sectors, accounting for 15.3 per cent to 25.9 per cent of its revenue from fi-

nancial years 2020 to 2024."

Rakuten Trade expects Crest Group's earnings to record a compounded annual growth rate (CAGR) of 8.5 per cent for financial years 2025 to 2026, underpinned by regional expansion, growth across various industries and governmental support.

The firm said the group's growth strategy focused on expanding its regional footprint by building a team in Vietnam, strengthening its team in Bangkok, and opening new branches in China.

Crest Group also plans to set up a new headquarters in Selangor,

with an estimated capital expenditure of RM236 million, to optimise and streamline operations.

"Malaysia's imaging, analysis and testing industry is poised for growth, driven by the progress across various industries and rising adoption of Internet of Things and Fourth Industrial Revolution technologies.

"The industry grew from RM4.3 billion in 2020 to RM7.25 billion in 2023, achieving a CAGR of 18.72 per cent. The key industry coverage — semiconductor and electrical and electronics product industries — is expected to remain robust and favourable," it said.

8 October 2024, New Strait Times
– 'Buy' call for ACE Market bound Crest Group

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Valued Shareholders,

The Board of Directors (“**the Board**”) and the management team (“**Management**”) of Crest Group Berhad (“**Crest**”) are pleased to present to you the Management Discussion and Analysis (“**MD&A**”) section of this Annual Report.

This MD&A aims to provide our valued shareholders with commentary and insights into the Group’s operations for the financial year ended 31 December 2024 (“**FYE 2024**”).

By sharing material non-financial information from the Management’s perspective, this MD&A complements our financial statements and enables our shareholders and investors to view and understand the Group’s overall performance, operational developments, risk exposure and business prospects.

Business Overview

Crest is a provider of imaging, analytical, and test solutions, supporting quality inspection, sample analysis, and research and development (“**R&D**”) across a wide range of industries. Founded in 1999 via Crest Systems (M) Sdn. Bhd., Crest initially focused on delivering inspection and quality control equipment and solutions to the semiconductor and electronics sectors. Over the years, the Company has expanded its product offerings and market presence, growing into a trusted partner in industries such as semiconductor, electrical and electronics (“**E&E**”), research and academia, life science and healthcare, automotives, aviation and oil and gas.

Crest’s services cover the entire lifecycle of its solutions, from pre-sales consulting and solution design to equipment sales, installation, commissioning, and training. Our technical expertise also extends to after-sales services, including maintenance, technical support, and the sale of spare parts and consumables. Crest continues to leverage its partnerships with global technology leaders to ensure its solutions meet the highest standards of performance and innovation.

With a presence in Malaysia, China, Thailand, and Singapore, Crest has begun expanding our business footprint to Vietnam with the establishment of a new sales team whilst plans for expanding in our other key overseas markets in China and Thailand are underway. The Company has built a diversified customer base, ranging from manufacturers to research institutions, and remains committed to offering high-quality, tailored solutions that drive operational efficiency and innovation across various industries.

CREST GROUP BERHAD		
Principal business activities	Provision of imaging, analytical and test solutions	Provision of after-sales services
Offerings	<ul style="list-style-type: none"> • Pre-sales consulting • Sale and customisation of equipment • Installation and commissioning • User-training 	<ul style="list-style-type: none"> • Technical support and maintenance • Sales of spare parts and consumables
Our customers	<ul style="list-style-type: none"> • End-user customers <ul style="list-style-type: none"> • Manufacturers and industry players in the semiconductor, E&E, automotive, oil and gas, aviation, life science and healthcare industries • Research and academic institutions • Intermediaries <ul style="list-style-type: none"> • Automation solution providers • Dealers 	
Key geographical coverage	Malaysia, China, Thailand and Singapore	

MANAGEMENT DISCUSSION AND ANALYSIS

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Crest was successfully listed on the ACE Market on 9 October 2024. The initial public offering (“**IPO**”) involved the issuance of 130.71 million new shares and the offer for sale of 103.89 million existing shares.

Having raised approximately RM45.75 million from the public issuance pursuant to the IPO, Crest is now in a stronger position to unlock greater efficiencies, starting with the streamlining of its businesses to one centralised headquarters in Selangor. In addition, the proceeds from the IPO will also be a key enabler to drive the Group’s expansion plans, specifically in establishing its presence in Vietnam while growing its presence in countries like China and Thailand.

Review of Financial Performance

For FYE 2024, Crest recorded a total revenue of RM182.99 million, reflecting a slight decrease of 2.47% compared to RM187.62 million in the previous year. The Group’s core revenue segment—imaging, analytical, and test solutions—contributed RM154.18 million (84.26%), while after-sales services, including technical support and maintenance, contributed RM28.81 million (15.74%). Malaysia remained our largest market, accounting for RM86.58 million or 47.31% of total revenue, followed by Singapore (16.66%), China (16.28%), Thailand (13.24%) and other countries (6.51%).

The Group’s gross profit (“**GP**”) stood at RM46.41 million, translating to a gross profit margin of 25.36%. However, profit before tax (“**PBT**”) declined to RM15.94 million from RM26.47 million in the previous year, primarily due to one-off listing expenses amounting to RM1.94 million and an inventory written-down amounting to RM1.74 million.

The Group maintained a PAT of RM12.00 million, with a PAT margin of 6.56%. The effective tax rate was 24.68%, slightly higher than Malaysia’s statutory tax rate due to non-deductible expenses related to the IPO and inventory written-down. Adjusting for non-recurring items, namely one-off listing expenses and an inventory written-down, the adjusted PBT and PAT stood at RM19.62 million and RM15.68 million, respectively, reflecting strong core profitability.

Crest maintained a strong balance sheet, with total assets of RM155.34 million and total equity of RM108.87 million as at 31 December 2024. Total borrowings for Group as of 31 December 2024 was RM3.19 million whilst cash and cash equivalents stood at RM72.71 million, positioning the Group in a healthy net cash position. Further bolstered by funds raised from the IPO of approximately RM45.75 million, the proceeds raised will provide the Group with financial flexibility for expansion and investment in operational enhancements. These proceeds will be directed toward setting up a new centralized headquarter, geographical expansions in Vietnam, China and Thailand, expanding the technical support team, and investing in additional demonstration equipment, which will further strengthen Crest’s operational capabilities.

The Group has also declared a dividend of 0.38 sen per share during April 2025 as the Group remains committed to its dividend policy of distributing at least 30% of our PAT attributable to owners of the Group achieved during its financial year.

Review of Operations

Throughout FYE 2024, Crest demonstrated resilience and adaptability in navigating a challenging operating environment. The year was marked by global economic uncertainties, persistent inflation, supply chain disruptions, and intensifying market competition. Despite these headwinds, Crest remained steadfast in executing its strategic initiatives, reinforcing its market position as a key provider of imaging, analytical, and testing solutions. Additionally, ongoing US-China trade tensions have led to a shift in global supply chains, presenting Malaysia with a unique opportunity to strengthen its role in the global semiconductor and high-tech solutions supply chain, further benefiting Crest’s position in the ASEAN region¹.

Industry-wise, demand remained robust across key sectors, particularly in semiconductor manufacturing, E&E, healthcare, life sciences, and oil and gas. The increasing adoption of automation, AI-powered analytics, and Industry 4.0 technologies continues to drive demand for high-precision imaging and analytical solutions. The global semiconductor industry, in particular, remains a key growth driver. According to the World Semiconductor Trade Statistics (WSTS), the semiconductor market is forecasted to expand by 11.2% in 2025, driven by strong demand for advanced memory and logic ICs². Malaysia’s semiconductor sector, further bolstered by National Semiconductor Strategy (NSS) and foreign direct investments, is projected to grow at a CAGR of 11.4%, reaching an estimated market size of USD 27.48 billion by 2029³.

As part of our strategy, Crest is actively engaging with key partners to expand our product portfolio, including securing new distributorship agreements for electron microscopes, allowing us to offer enhanced solutions to our customers. As a key player in the E&E manufacturing sector, Crest is committed to adopting more sustainable technologies and practices. The Group continues to explore energy-efficient solutions and digital transformation strategies aligned with the global push for sustainability in semiconductor manufacturing and industrial automation.

¹ <https://www.thestar.com.my/business/business-news/2025/02/18/us-china-trade-tensions-a-boon-for-chip-sector>

² https://www.eusemiconductors.eu/sites/default/files/ESIA_WSTS_AutumnForecast2024_0.pdf

³ <https://theedgemalaysia.com/node/739328>

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Operationally, Crest expanded its industry reach by securing new customers and strengthening relationships with existing partners. Our investments in infrastructure, including the acquisition of a new headquarter in Puchong, Selangor, reinforce our commitment to operational excellence. The new facility will enable us to streamline and centralise our operations, in addition to allow for product demonstrations and training, enhancing our service capabilities. Additionally, the Group expanded its business presence to Vietnam with the establishment of a new team based in Ho Chi Minh and are in plans to expand its position in China and Thailand. These initiatives have led to an increase in operational expenses, but we are confident that they will deliver long-term benefits in customer acquisition and service delivery in the long run.

To address margin pressures from rising costs and competitive pricing dynamics, Crest focused on strategic cost optimisation, operational efficiencies, and strengthening partnerships with leading technology providers throughout FYE 2024.

Key Business Risks

1. Dependence on Customer Relationships

Crest's financial performance is highly dependent on our ability to maintain and strengthen relationships with existing customers, as well as to secure new ones. Our solutions are primarily based on purchase orders, and there is no guarantee that these orders will continue year on year. Customers' purchasing decisions are often tied to their capital expenditures, business plans, and shifting priorities, which can affect the frequency and volume of their orders. If we fail to adapt to rapid technological advancements or changes in customers' needs, we could lose customers or struggle to secure new business. To manage this, Crest focuses on diversifying its customer base across multiple industries and geographies, fostering long-term relationships, and continuously engaging with clients to anticipate their evolving needs.

2. Reliance on Equipment Principals

Crest depends on a network of equipment principals to supply the imaging, analytical and testing equipment that we provide to our customers. As we do not manufacture or develop the equipment ourselves, any changes in our partnerships, such as a shift in an equipment principal's business strategy or discontinuation of certain products, could disrupt our supply chain and affect our ability to meet customer demand. While we have not faced significant disruptions with our suppliers to date, these risks can arise unexpectedly. In the event of such disruptions, Crest would need to find new suppliers or principals, which may take time and could affect our ability to deliver products to customers as required. Crest mitigates this risk by maintaining strong relationships with multiple suppliers and diversifying its equipment sources, ensuring flexibility and continuity in product offerings.

3. Dependence on Key Senior Management

Crest's success is significantly tied to the continued service and expertise of our Executive Directors and Key Senior Management team. These individuals have been instrumental in the development of our business, helping to establish long-term customer relationships and manage day-to-day operations. If any of these key individuals were to leave the Company, there could be a disruption in the Group's operations, and it might take time to identify and train suitable replacements. Although Crest has a strong leadership team, the loss of any key personnel could affect decision-making and the Group's overall performance. To mitigate this risk, Crest has implemented succession planning and is committed to leadership development to ensure a smooth transition and maintain business continuity.

4. Exposure to Foreign Exchange Rate Fluctuations

Crest is exposed to fluctuations in foreign exchange rates as a significant portion of our revenue and purchases are denominated in foreign currencies. These fluctuations can impact both the cost of goods sold and revenue, directly affecting profitability. Historically, foreign currency transactions have represented a substantial portion of both our sales and purchases, making the Group vulnerable to exchange rate volatility. While Crest has implemented hedging strategies to mitigate foreign exchange risk, such fluctuations cannot be fully eliminated. Crest also aligns its sales and purchase agreements in the same currency wherever possible to reduce exposure, and continuously monitors currency trends to adjust pricing and strategies as needed.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

5. Operational Risks and Insurance Coverage

Crest's operations are subject to a variety of operational risks, including accidents, natural disasters, and supply chain disruptions, which could affect our day-to-day business activities. For instance, any major incident such as a fire, flood, or information technology system failure could disrupt operations, damage inventory, or delay product deliveries, impacting customer satisfaction and profitability. While Crest maintains comprehensive insurance coverage, there is no guarantee that our policies will cover all potential risks or that we will receive full compensation in the event of a major loss. Crest regularly reviews its insurance policies to ensure that it has adequate coverage for business interruptions and other potential disruptions. Additionally, we continue to strengthen our business continuity planning and diversify our supply chain to mitigate the impact of operational risks.

Moving Forward

As we look to the future, Crest remains focused on expanding our market share through innovation and enhanced service delivery. Our strategy will continue to prioritise in growing our customer base, product offerings and cultivation of a highly skilled workforce to support growth across our core imaging, analytical, and testing solutions. A significant growth driver will be the increasing demand for high-precision solutions in semiconductor manufacturing, healthcare, and automotive industries, which are expected to experience strong growth due to the ongoing adoption of automation and Industry 4.0 technologies. In 2024, Malaysia's digital investments reached a record US\$36.7 billion, signalling robust investment in technology that will fuel growth across these sectors⁴.

Crest's enhanced market presence, following our successful IPO, positions us to secure larger contracts and more strategic projects, especially in high-growth regions like Southeast Asia. We expect to capitalise on Malaysia's increasing role in the global semiconductor value chain, with the National Semiconductor Strategy (NSS) and other government-led initiatives providing a favorable environment for expansion. Crest's strategic expansion into Vietnam, China, and Thailand will further strengthen our position in emerging markets, allowing us to better serve customers and tap into growing demand for imaging and analytical solutions.

To support our growth, Crest will continue to invest in new product offerings, including securing distributorship agreements such as electron microscopes and other advanced solutions. In addition, our new headquarter in Puchong, Selangor will enable us to streamline and centralise our operations, in addition to allow for product demonstrations and training, enhancing our operational capabilities and service offerings. By streamlining our business activities in Selangor into one centralised headquarter, we hope to better serve our clients as well as provide cost optimisations as opposed to our existing set-up of having two distinct offices in Puchong and Subang Jaya. The Group is committed to embracing sustainability and digital transformation, aligning with global trends to ensure that our solutions remain at the cutting edge of the industry.

Our client-centric approach will remain a cornerstone of our strategy, with a focus on long-term relationships and delivering high-quality, tailored solutions. We are confident that by continuing to prioritise customer satisfaction and investing in innovation, Crest will navigate the challenges of a competitive market and position itself for sustained growth. We remain committed to creating lasting value for our stakeholders, partners, and customers.

⁴ <https://www.digitalnewsasia.com/digital-economy/malysias-digital-investments-hit-record-us367bil-2024>

BOARD OF DIRECTORS' PROFILE



AHMAD TAJUDIN BIN OMAR

Independent Non-Executive Director



Age : 65



Nationality : Malaysian



Gender : Male

Board Committee Membership:

Nil

Board Meetings Attended:

4/4

En. Ahmad Tajudin Bin Omar is the Independent Non-Executive Chairman of Crest Group Berhad (“Crest”). He was appointed to the Board on 7 December 2023.

He started his career with the Malaysian Investment Development Authority (“MIDA”) and had served in various divisions and in local and foreign offices of MIDA for over 35 years.

At MIDA, he was responsible for identifying, promoting and attracting investments, assisting companies to implement projects as well as evaluating applications for manufacturing licenses, tax incentives and tax exemptions in Malaysia, amongst others.

En. Ahmad Tajudin was also involved in the promotion of Malaysia as the premier investment destination to foreign investors. His experience with foreign investors spanned almost 12 years. He was also involved with the domestic investment promotion division of MIDA, during which, he spearheaded various investment promotion activities including seminars and forums as well as supporting and collaborating with other agencies in organising training programmes for officials of investment promotion agencies from developing countries in Africa and Asia. He retired from MIDA in November 2019.

He is presently the Independent Non-Executive Chairman of Oasis Home Holding Berhad, a company seeking listing on the ACE Market of Bursa Securities.

En. Ahmad Tajudin graduated with a Degree of Bachelor of Economics with Honours in 1984 from University of Malaya.



LIM SIONG WAI

Non-Independent Executive Director and Group Managing Director



Age : 53



Nationality : Malaysian



Gender : Male

Board Committee Membership:

Nil

Board Meetings Attended:

4/4

Mr. Lim Siong Wai is a Non-Independent Executive Director and Group Managing Director of Crest. He was appointed to the Board on 9 August 2023.

Mr. Lim brings with him close to 30 years of experience in the imaging, analytical and test related equipment business. He began his career in 1994 as a Sales Engineer for TM Sales & Services Sdn Bhd (currently known as Trane (Malaysia) Sdn Bhd) and was responsible for the promotion of heating, ventilation and air conditioning products. He then joined QES (Malaysia) Sdn Bhd (currently known as QES (Asia Pacific) Sdn Bhd) as a Sales Engineer and had led and managed its manual and automated measuring system product range in Malaysia, Singapore, Thailand and Philippines. Subsequently, he was promoted to Deputy Manager to lead the sales division in QES Singapore.

Mr. Lim joined Crest Systems in May 2000 as Manager. He later acquired shareholdings in Crest Systems in September 2002 and was also appointed as director of the Group. As Group Managing Director, he is responsible for the overall performance, general management and business strategies of Crest Group.

Mr. Lim obtained a Diploma in Science in microelectronics from Tunku Abdul Rahman College, Malaysia and a Bachelor of Science degree majoring in microelectronics-physics from Campbell University, USA in July 1994.

BOARD OF DIRECTORS' PROFILE

cont'd



AU CHUN MUN

Non-Independent Executive Director



Age : 53



Nationality : Malaysian



Gender : Male

Board Committee Membership:

Nil

Board Meetings Attended:

4/4

Mr. Au Chun Mun is a Non-Independent Executive Director of Crest and was appointed to the Board on 9 August 2023.

He has approximately 28 years of experience in the imaging, analytical and test-related equipment business. He began his career in March 1995 as a Sales Engineer at QES (Malaysia) Sdn Bhd (currently known as QES (Asia Pacific) Sdn Bhd) and was subsequently transferred to QES Singapore to establish its sales division. He later held various leadership roles including Assistant Sales Manager for QES Singapore, Assistant Product Manager for QES and Deputy Manager for QES Penang.

In August 1999, Mr. Au joined Crest Systems as Business Manager. He later acquired shareholdings and was appointed as a director of the Group. As Non-Independent Executive Director, he is primarily responsible for leading the sales division of Crest Group.

Mr. Au obtained a Diploma in Science from Tunku Abdul Rahman College, Malaysia and a Bachelor of Science degree majoring in microelectronics-physics from Campbell University, USA in July 1994.



YAP KIAN MENG

Non-Independent Executive Director



Age : 55



Nationality : Malaysian



Gender : Male

Board Committee Membership:

Nil

Board Meetings Attended:

4/4

Mr. Yap Kian Meng is a Non-Independent Executive Director of Crest and was appointed to the Board on 9 August 2023.

He has approximately 30 years of experience in the imaging, analytical and test-related equipment business. He began his career in June 1993 as a Service Engineer at QES (Malaysia) Sdn Bhd (currently known as QES (Asia Pacific) Sdn Bhd) ("QES"), where he was involved in product installation, troubleshooting, preventive maintenance for X-ray systems, and customer support. He later held various positions including Sales Engineer, Senior Sales Engineer, Assistant Sales Manager, Deputy Manager and Manager, where he was responsible for expanding QES's business operation in Southeast Asia through new distributorships.

Mr. Yap joined Crest Systems in July 2000 as Business Manager. He subsequently became a shareholder and was appointed as a director. As Non-Independent Executive Director, he is primarily responsible for leading the service and technical support division of Crest Group.

Mr. Yap holds a Bachelor of Science degree majoring in computer science-physics from Campbell University, USA, obtained in July 1993.

BOARD OF DIRECTORS' PROFILE

cont'd



TEO YELING

*Independent
Non-Executive Director*



Age : 42



Nationality : Malaysian



Gender : Female

Board Committee Membership:

- Audit and Risk Management Committee (Chairperson)
- Nomination Committee
- Remuneration Committee

Board Meetings Attended:

4/4

Ms. Teo Yeling is an Independent Non-Executive Director of Crest and was appointed to the Board on 7 December 2023.

She has accumulated over 19 years of experience in the accounting and finance field. She began her career in 2005 as an Audit Assistant with KPMG Malaysia, where she held various roles including Audit Manager. During her tenure, she was involved in audit and advisory assignments across industries such as manufacturing, construction, property development, energy, trading, and services, including engagements with multinational and listed companies.

Ms. Teo later joined OK Yau & HowYong PLT as Audit Manager in 2010 before moving to i-Stone Solutions Sdn Bhd (now known as AIMFLEX Solutions Sdn Bhd) in 2018 as Finance Manager and subsequently Head of Finance, where she played a key role in AIMFLEX's listing on the ACE Market of Bursa Securities. In December 2021, she became a partner and compliance officer at Vincent Teo & Associates PLT and later founded Y Teo & Co in March 2022, providing accounting and business advisory services.

Ms. Teo holds a Bachelor of Business (Accountancy) from the Royal Melbourne Institute of Technology, Australia. She is a Certified Practising Accountant (CPA Australia) and a member of the Malaysian Institute of Accountants (MIA) and holds a practicing certificate issued by MIA.



**ILHAM FADILAH
BINTI SUNHAJI**

*Independent
Non-Executive Director*



Age : 42



Nationality : Malaysian



Gender : Female

Board Committee Membership:

- Remuneration Committee (Chairperson)
- Audit and Risk Management Committee
- Nomination Committee

Board Meetings Attended:

4/4

Ms. Ilham Fadilah binti Sunhaji is an Independent Non-Executive Director of Crest and was appointed to the Board on 7 December 2023.

She has over 18 years of experience in management consulting, strategic planning, and corporate strategy. She began her career in 2006 as an Analyst at Accenture Malaysia and was subsequently promoted to Consultant and Manager. She was involved in strategic planning, organisation transformation, and development of business operating models.

In 2012, she joined the Performance Management and Delivery Unit (“PEMANDU”) under the Prime Minister’s Department as Manager, where she contributed to the Government’s Economic Transformation Programme. She later served as Senior Vice President at Pemandu Associates Sdn Bhd, a private consultancy, and is currently the Head of Corporate Strategy and Research at Malaysia Petroleum Resources Corporation.

Ms. Ilham is also actively involved in promoting gender diversity as a Board of Trustees member of the Women Leadership Foundation since 2021.

She currently serves as an Independent Non-Executive Director of Econframe Berhad, a company listed on the ACE Market of Bursa Securities.

Ms. Ilham holds a Bachelor of Arts degree majoring in International Studies (Global Security) and Political Science from the University of Wisconsin-Madison, USA, and a Master of Business Administration in Strategic Management from the International Islamic University Malaysia. She is currently pursuing a Doctorate of Business Administration (DBA) at SEGI University, Malaysia.

BOARD OF DIRECTORS' PROFILE

cont'd



MOO ENG TING

*Independent
Non-Executive Director*



Age : 41



Nationality : Malaysian



Gender : Female

Board Committee Membership:

- Nomination Committee (Chairperson)
- Remuneration Committee
- Audit and Risk Management Committee

Board Meetings Attended:

4/4

Ms. Moo Eng Thing is an Independent Non-Executive Director of Crest and was appointed to the Board on 7 December 2023.

She has over 13 years of experience in the Malaysian legal profession. She began her legal career in Azmi & Associates as an Associate in the Capital and Debt Market practice group. In 2012, she joined RHB Trustees Berhad as Assistant Vice President, where she was involved in REITs, unit trusts, and corporate trustee services, focusing on administration, compliance, and business development.

Ms. Moo rejoined Azmi & Associates in August 2013 as a Senior Associate and was promoted to Partner in June 2015, a position she holds to date, specialising in Malaysian capital and debt market practices.

She holds a Bachelor of Laws with Honours from the University of London, United Kingdom, and obtained the Certificate in Legal Practice from the Legal Profession Qualifying Board Malaysia. She was admitted as an Advocate and Solicitor of the High Court of Malaya in October 2008.

Notes:

1. Family Relationships

None of the Directors has any family relationship with any other Director and/or substantial shareholder of the Company.

2. Conflict of Interest

None of the Directors has any personal interest or conflict of interest in any business arrangement involving the Group.

3. Conviction of Offences

None of the Directors has been convicted of any offences within the past 5 years other than traffic offences, if any. There were also no public sanctions or penalties imposed on them by any relevant regulatory bodies during the financial ended 31 December 2024.

4. Directorships in Other Public and Public Listed Companies

Save as disclosed, none of the Directors has any directorships in any other public companies and public listed companies in Malaysia.

KEY SENIOR MANAGEMENT PROFILE



Kwong Wing Yew

Vice President of Sales Nationality: Malaysian Age: 47 Gender: Male

Mr. Kwong Wing Yew is the Vice President of Sales of Crest. He has 23 years of experience in the electronics field and is responsible for overseeing the Group's sales operations in Malaysia, focusing on the electronics industry.

He began his career with Crest Systems in January 2001 as a Sales Engineer and was progressively promoted to Senior Sales Engineer, Assistant Sales Manager, Sales Manager, Senior Sales Manager, Senior Regional Sales Manager, and General Manager of Sales. He played a significant role in expanding the Group's sales activities within Malaysia, the PRC, and Thailand. In January 2022, he was appointed as Vice President of Sales, overseeing the sales teams.

Mr. Kwong holds a Bachelor of Engineering in Mechanical & Materials Engineering with Honours from the National University of Malaysia (UKM).



Tan Chun Hau

General Manager of Technical Support Nationality: Malaysian Age: 43 Gender: Male

Mr. Tan Chun Hau is the General Manager of Technical Support of the Group. He has over 20 years of experience in equipment and after-sales services.

He began his career with Crest Systems in February 2004 as a Technical Support Engineer and subsequently held several positions including Senior Technical Support Engineer for Crest Suzhou, Assistant Technical Support Manager, Technical Support Manager and Senior Technical Support Manager for Crest Thailand. His roles included setting up and leading the technical support divisions in both Crest Suzhou and Crest Thailand. In January 2022, he returned to Malaysia as General Manager of Technical Support, responsible for the overall performance of after-sales services, customer experience, and continuous improvement initiatives of the Group's service division.

Mr. Tan holds a Bachelor of Engineering in Electrical & Electronic Engineering with Honours from the University of Hertfordshire, United Kingdom.



Lyn Meng Keong

General Manager Nationality: Malaysian Age: 53 Gender: Male

Mr. Lyn Meng Keong is the General Manager of Crest and has over 30 years of experience in the equipment and sales industry.

He began his career with Shriro (Malaysia) Sdn Bhd as a Marketing Representative before joining Hagermeyer Marketing Services Sdn Bhd as Sales Executive. He then joined Matrix Optics where he held various positions including Sales Engineer, Area Manager, Division Manager, and ultimately General Manager in January 2014. He was also appointed as director of Matrix Innovations in 2002 which he subsequently resigned in 2017. As General Manager of the Group, he is primarily responsible for executing marketing strategies and business development programmes for the non-electronics market segment, focusing on life sciences, healthcare, and academia.

Mr. Lyn holds an International Diploma in Computer Studies from The National Center for Information Technology, United Kingdom.

KEY SENIOR MANAGEMENT PROFILE

cont'd



Khor Seng Chee

Financial Controller

Nationality: Malaysian

Age: 52

Gender: Male

Mr. Khor Seng Chee is the Financial Controller of Crest and leads the finance department, overseeing financial and accounting functions including financial review, planning, and cash flow management. He has over 22 years of professional experience in auditing, accounting and finance.

He joined Deloitte KassimChan (currently known as Deloitte Malaysia) in the audit division in August 2000. In November 2005, he transitioned to Ascot Sport Sdn Bhd as Finance Manager. Throughout his career, he has held key leadership roles, including Vice President of Finance at Themed Attractions Resorts & Hotels Sdn Bhd, a subsidiary of Khazanah Nasional Berhad. He also served as Chief Financial Officer at Golden Horse Digital Investment Bank Limited, a licensed investment bank under the Labuan Financial Services Authority as well as the Head of Reporting at RHB Investment Bank Berhad, where he was responsible for group consolidation reporting and the submission of quarterly reports to Bank Negara Malaysia. In February 2023, he joined Crest Systems as Financial Controller.

Mr. Khor holds a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College. He is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a member of the Malaysian Institute of Accountants (MIA).

Notes:

1. Family Relationships

None of the key senior management has any family relationship with any other director and/or substantial shareholder of the Company.

2. Conflict of Interest

None of the key senior management has any personal interest or conflict of interest in any business arrangement involving the Group.

3. Conviction of Offences

None of the key senior management has been convicted of any offences within the past 5 years other than traffic offences, if any. There were also no public sanctions or penalties imposed on them by any relevant regulatory bodies during the financial ended 31 December 2024.

4. Directorships in Other Public and Public Listed Companies

Save as disclosed, none of the key senior management has any directorships in any other public companies and public listed companies in Malaysia.

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

Crest Group Berhad (“**Crest**” or “**the Company**”) and its subsidiaries (“**the Group**” or “**Crest Group**”) are committed to responsible management and sustainable growth across our operations in Malaysia, the People’s Republic of China (“**PRC**”), Singapore, and Thailand. As a provider of imaging, analytical, and testing solutions for quality inspection, sample analysis, and R&D, we strive to advance precision, innovation, and sustainability in everything we do.

At Crest Group, the tenets of sustainability have been embedded into our core operations since our inception in 1999. We have always prioritised customer experience by delivering seamless, top-tier after-sales support while ensuring a hassle-free journey for our clients. Our mission is to actively listen to and anticipate our customers’ needs, invest in knowledge-driven growth as well as embrace ‘adaptability’ to drive continuous innovation.

By adopting a “**One-call, One-stop**” approach, we aim to position ourselves as a trusted partner for customers, a company that our employees take pride in, and an organisation that is sought after by investors for long-term growth. Guided by these objectives, we are committed towards driving sustainability excellence across our operations so as to deliver meaningful value creation for all stakeholders while minimising our environmental footprint.

This Sustainability Statement (“**SS2024**” or “**Statement**”) marks Crest Group’s inaugural sustainability report following our listing on the ACE Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) in October 2024. It outlines our commitment to sustainability, highlighting our environmental, social, and governance (“**ESG**”) initiatives and performance for the financial year ended 31 December 2024 (“**FYE2024**”).

REPORTING SCOPE AND BOUNDARIES

This Statement covers Crest Group’s sustainability disclosures for the period of 1 January to 31 December 2024 and includes performance of our operations in Malaysia, the PRC, Singapore and Thailand.

This Statement also underscores our overall approach to sustainability, taking into account Economic, Environmental and Social risks and opportunities, while outlining various initiatives carried out across our operations during the year under review.

REPORTING STANDARDS AND GUIDELINES

This Statement has been prepared in compliance with the ACE Market Listing Requirements (“**Listing Requirements**”), guided by Bursa Securities’ Sustainability Reporting Guide (3rd Edition). The SS2024 has been reviewed and approved by Crest Group’s Board of Directors (the “**Board**”) on 17 April 2025. Information and data disclosed in the SS2024 has been verified for accuracy by respective data owners within the Group.

Looking ahead, Crest Group remains committed to continuously improving its data collection and verification processes. This ongoing effort aims to facilitate even more comprehensive and robust reporting in future sustainability statements.

SUSTAINABILITY GOVERNANCE

The Group has established a Sustainability Policy to guide its approach to ESG, ensuring alignment with global best practices and long-term sustainability goals. This policy outlines the Group’s commitment to responsible business practices, environmental stewardship, and social responsibility.

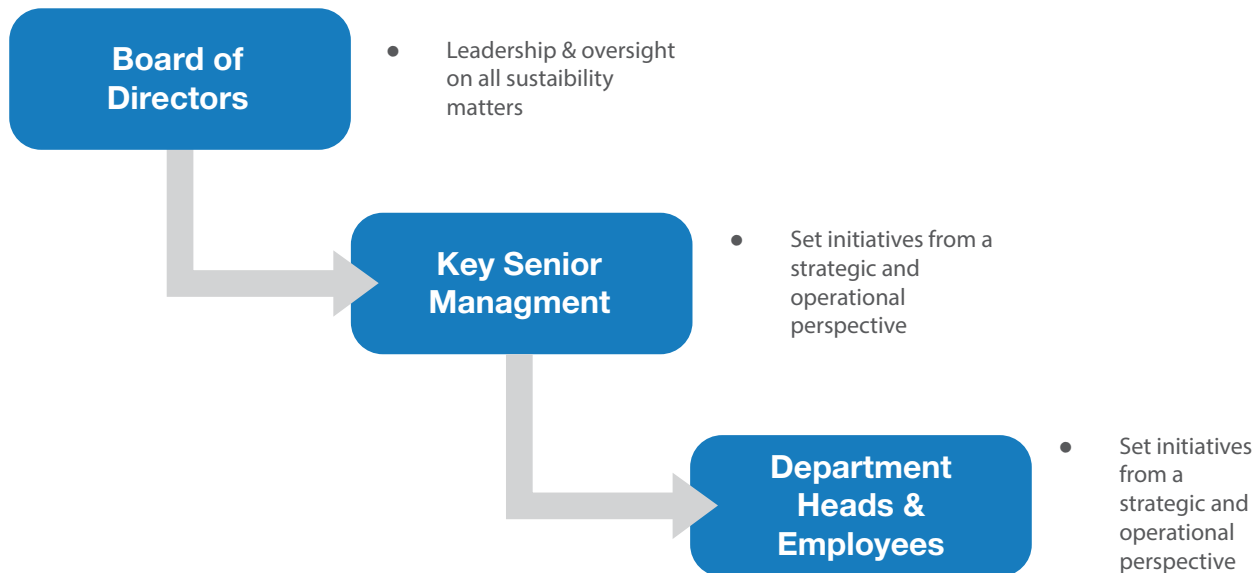
The Board is ultimately responsible for the overall leadership and oversight relating to ESG. Its role includes spearheading and approving the Group’s Sustainability Policy.

However, the strategic management of ESG matters are delegated to Key Senior Management (“**KSM**”), who oversee the implementation of sustainability initiatives from a holistic and operational perspective. KSM meets regularly to discuss and address the Group’s ESG direction, activities and their respective outcomes.

SUSTAINABILITY STATEMENT

cont'd

Understanding the importance of active participation at all levels in the area of sustainability, the Group consistently engages its Department Heads and employees. Department Heads play a crucial role in translating the overall sustainability objectives into concrete action plans specific to their departments, ensuring effective implementation from a day-to-day standpoint.



STAKEHOLDER ENGAGEMENT

At Crest Group, we deeply value our stakeholders, recognising their essential role in achieving our sustainability goals. We are committed to understanding their needs and concerns so that we can foster collaborative relationships that drive positive economic, social, and environmental outcomes. By working together, we aim to create lasting, sustainable value for all.

The Group engages with stakeholders through a variety of channels which includes:

Stakeholder Group	Areas of Interest or Concern	Engagement Method	Engagement Frequency
Shareholders and Investors	<ul style="list-style-type: none"> • Business continuity • Shareholders' return • Financial performance • Corporate Governance • Regulatory Compliance • Ethical Business Conduct 	<ul style="list-style-type: none"> • Bursa announcements • Annual general meeting ("AGM") • Media Conference • Corporate website 	<ul style="list-style-type: none"> • Annually • Quarterly • As and when required
Customers	<ul style="list-style-type: none"> • Customer service and satisfaction • Product quality and safety • Product pricing • Timely delivery of products 	<ul style="list-style-type: none"> • Formal and informal meetings • Customer site visits • Experienced and responsible sales and marketing team • Customer satisfaction survey • Customer service hotline/ email • Networking conferences 	<ul style="list-style-type: none"> • As and when required

SUSTAINABILITY STATEMENT

cont'd

Stakeholder Group	Areas of Interest or Concern	Engagement Method	Engagement Frequency
Suppliers	<ul style="list-style-type: none"> Timely payment Fair and transparent procurement procedures Support of local businesses 	<ul style="list-style-type: none"> Formal and informal meetings Comparative quotations Supplier assessment review Supplier site visits 	<ul style="list-style-type: none"> Annually As and when required
Employees	<ul style="list-style-type: none"> Employee health and safety Career development and advancement Communication and engagement Fair remuneration practices 	<ul style="list-style-type: none"> Induction and orientation Safety and health policy Performance appraisal Employee training and development Company activities and staff welfare events 	<ul style="list-style-type: none"> Frequently
Government and regulatory bodies	<ul style="list-style-type: none"> Regulatory compliance Approvals and permits Standards and certifications 	<ul style="list-style-type: none"> Meetings and consultations with government officers Audit and verifications 	<ul style="list-style-type: none"> Periodic

MATERIALITY ASSESSMENT

The materiality assessment for our Sustainability Policy was conducted internally with the active involvement of KSM. Drawing on their deep understanding of the Group’s operations and industry landscape, KSM had identified and prioritised the most relevant ESG topics for Crest Group. This approach ensured alignment with the Group’s strategic objectives while addressing critical sustainability matters that may impact business performance. Although our stakeholders were not directly engaged in this cycle, the Group remains committed to expanding future assessments to incorporate diverse perspectives.

Through the assessment process, we identified 10 material matters that are significant to the Group.



SUSTAINABILITY STATEMENT

cont'd



ENVIRONMENT

The Group is committed to responsible environmental stewardship by integrating sustainable practices into its operations. The Management has identified **Energy Management** and **Water Management** as key material matters, ensuring efficient resource utilisation while minimising the Group's environmental footprint.

Energy Management

The Group actively monitors and optimises energy consumption to reduce its carbon footprint and operational costs. The Group has invested in energy-efficient equipment, such as LED lighting and high-efficiency machinery, to lower electricity usage. Regular energy audits will be conducted to analyse consumption patterns and identify areas for improvement. Additionally, we are exploring renewable energy options, such as solar power, to further reduce reliance on conventional energy sources. Employees are also encouraged to adopt energy-saving practices, such as switching off unused lights and equipment, optimising air conditioning settings, reducing standby power consumption by unplugging devices when not in use, and maximising natural light in workspaces to minimise reliance on artificial lighting. Through these initiatives, the Group aims to enhance energy efficiency while contributing to long-term environmental sustainability.

Water Management

The Group recognises the importance of responsible water usage and strives to minimise unnecessary consumption. While no specific water-saving measures have been implemented, employees are regularly reminded to use water efficiently as part of the Group's commitment to environmental sustainability. Additionally, we monitor water usage to ensure operational efficiency and compliance with regulatory requirements on water consumption and discharge. Moving forward, Management will explore potential water-saving measures to enhance efficiency.

SUSTAINABILITY STATEMENT

cont'd



SOCIAL

We are committed to fostering a responsible and inclusive business environment that prioritises the well-being of employees, customers, and the broader community. Management has identified key material matters under the Social pillar as follows:

Health & Safety

Ensuring a safe and healthy workplace is a top priority for the Group. A Quality, Health, Safety, and Environment (“QHSE”) Policy has been put in place to uphold stringent health and safety standards across operations. Regular safety audits, training programs, and risk assessments are conducted to minimise workplace hazards and ensure compliance with regulatory requirements. Employees are equipped with the necessary safety gear and are encouraged to actively participate in maintaining a safe work environment. As a testament to our strong safety culture, zero cases of workplace accidents were reported during the FYE2024.

Customer Satisfaction

We are dedicated to delivering high-quality products and services while ensuring a positive experience for our customers. Understanding that customer satisfaction is a key driver of long-term business success, we actively seek feedback through surveys, service reviews, and direct engagements. This allows us to identify areas for improvement, address concerns promptly, and refine our offerings to better meet customer needs.

To maintain high service standards, we emphasise quality assurance, timely delivery and effective after-sales support. Our teams work closely with customers to understand their requirements and provide solutions that align with their expectations. Employees undergo regular training to enhance their communication and customer service skills, ensuring professional and responsive interactions. We also strive to resolve customer concerns efficiently and transparently, reinforcing trust and strengthening relationships.

Additionally, we recognise the importance of clear communication in managing customer expectations. Proactive engagement, timely updates, and responsiveness to inquiries help us maintain customer confidence in our products and services. By continuously refining our processes and prioritising customer needs, we aim to enhance satisfaction, foster long-term partnerships, and uphold our reputation as a reliable and customer-centric organisation.

SUSTAINABILITY STATEMENT

cont'd

Diversity

The Group values workplace diversity and promotes an inclusive environment where all employees are treated with fairness and respect. Guided by our Gender Diversity Policy, we encourage equal opportunities for all employees, regardless of gender, background, or ethnicity. Initiatives that enhance gender balance in leadership roles and foster an inclusive workplace culture are actively supported.

As at 31 December 2024, the Group has a total of 169 employees comprising 115 males (68%) and 54 females (32%). In terms of age distribution, 12.4% of employees are below 30 years old, 77.5% fall within the 30 to 50 age group, and the remaining 10.1% are above 50 years old. This balanced workforce reflects our commitment to diversity and inclusivity across different age groups. The Group has applied equitable policies in its recruitment process so as to ensure fairness our hiring practices with recruitments carried out in accordance with applicable employment laws and regulations. To date, the Group has not experienced any labour disputes that could result in a material impact on the Group's operations.

Labour Practices & Standards

We uphold ethical labour practices in line with local regulations and industry best practices. Fair wages, safe working conditions, and non-discriminatory policies are enforced across operations. Employee well-being is prioritised through training and development programs, career advancement opportunities, and workplace wellness initiatives. The Group also strictly prohibits any form of forced or child labour, reinforcing our commitment to responsible employment practices.

Employee turnover remains an important focus area, and in FYE2024, the total number of employees who left the Group was 17, with turnover rates by category as follows: Senior Management (0 employee), Middle Management (1 employee), and General Staff (16 employees). We continue to assess retention strategies to foster employee engagement and long-term career development within the organisation.

Community/Society

As part of our corporate social responsibility ("CSR") efforts, we are committed to making a meaningful and lasting impact on the communities in which we operate. Our initiatives focus on education, community engagement, and social welfare, ensuring that our contributions address the diverse needs of society.

As we strive to equip future generations for success, we hope to collaborate with local universities through sponsorships and skill development conferences. By expanding access to quality education, we aim to empower individuals with the knowledge and skills essential for both personal and professional growth.

Beyond education, we plan to spearhead community outreach initiatives, including donation for society programme. Our employees will be encouraged to participate in these activities, reinforcing our shared commitment to making a meaningful difference.

By fostering strong relationships with local communities, we strive to create a lasting, positive impact that extends beyond our business operations. Our corporate culture is deeply rooted in CSR values, ensuring that our growth aligns with the progress and well-being of the communities we serve.

Through a strong focus on social responsibility, we continue to uphold ethical business practices that benefit all stakeholders. Our dedication to health and safety, customer satisfaction, diversity, fair labour practices, and community engagement fosters a positive workplace culture and strengthens stakeholder trust.

These ongoing efforts reflect our commitment to long-term value creation, employee welfare, and social responsibility. As we move forward, we will continuously assess and enhance our social impact, adapting to evolving expectations and best practices to drive sustainable progress.

SUSTAINABILITY STATEMENT

cont'd



GOVERNANCE

Strong corporate governance is fundamental to the Group's commitment to ethical and responsible business conduct. The Group upholds the highest standards of integrity, transparency, and accountability through well-established policies and frameworks that guide our operations and decision-making processes.

Conduct and Ethics

To uphold ethical behavior across all levels of the organisation, the Group has established a Code of Conduct and Ethics that serves as a guiding framework for employees to make responsible, transparent, and principled decisions in their daily professional conduct. This Code sets forth clear expectations regarding professional integrity, conflict of interest, confidentiality, and fair business practices, ensuring that all employees act in a manner that aligns with the Group's core values and ethical commitments.

The Code emphasises the importance of honesty, respect, and accountability in all business dealings, fostering a work environment where ethical behavior is not only encouraged but ingrained in the corporate culture. Employees are expected to comply with these ethical principles, demonstrating fairness in decision-making, transparency in operations, and integrity in interactions with colleagues, customers, business partners, and other stakeholders.

To strengthen ethical awareness, we provide regular training and internal communications to ensure employees fully understand their responsibilities under the Code. Any potential breaches or concerns regarding unethical behavior can be reported through confidential and structured reporting mechanisms, such as the Group's Whistleblowing Policy, which allows employees and stakeholders to raise concerns without fear of retaliation.

By embedding ethical principles into our corporate DNA, we are committed to fostering a strong governance culture, upholding trust with stakeholders, and ensuring long-term business sustainability. As part of our continuous commitment to ethical excellence, we will periodically review and enhance the Code to align with evolving regulatory standards and industry best practices.

SUSTAINABILITY STATEMENT

cont'd

Anti Bribery & Anti Corruption

The Group maintains a zero-tolerance approach toward bribery and corruption, underscoring our unwavering commitment to ethical business conduct, transparency, and regulatory compliance. Our Anti-Bribery & Anti-Corruption (“**ABAC**”) Policy serves as a guiding framework to ensure that all employees, business partners, and stakeholders operate with honesty, integrity, and accountability in all business dealings. This policy provides clear guidelines and procedures to prevent, detect, and address any form of bribery, kickbacks, or corrupt activities across the Group’s operations.

To reinforce our commitment, we have implemented a Whistleblowing Policy, offering employees, business associates, and other stakeholders a secure, confidential, and structured reporting mechanism to raise concerns regarding unethical, fraudulent, or corrupt activities. This policy ensures that whistleblowers are protected from retaliation, fostering an environment where individuals feel safe to report any misconduct without fear of repercussions. Reports made through the whistleblowing channels are thoroughly investigated, and appropriate actions are taken to uphold ethical standards.

To further strengthen awareness and enforcement, the Group actively conducts regular training programs, workshops, and internal communication campaigns to educate employees on the risks and consequences of bribery and corruption. These initiatives help instill a strong compliance culture, ensuring that all employees understand their responsibilities under the ABAC Policy and the legal implications of non-compliance.

By embedding anti-bribery and anti-corruption principles into our corporate governance framework, the Group remains committed to maintaining the highest ethical standards, strengthening stakeholder trust, and fostering a business environment free from corruption. Moving forward, we will continue to enhance our policies and procedures in alignment with evolving regulatory requirements and global best practices.

Data Privacy & Security

In an increasingly digitalised and interconnected business landscape, data privacy and security remain top priorities for the Group. Recognising the growing risks associated with cyber threats, data breaches, and unauthorised access, the Group is committed to implementing robust measures to protect sensitive information, ensuring the confidentiality, integrity, and availability of data across all business operations.

Our data management framework is designed to align with applicable data protection laws, industry best practices, and regulatory requirements, ensuring that all personal, financial, and corporate data is handled responsibly and ethically. Strict access control measures, encryption protocols, and secure storage systems are enforced to safeguard stakeholder information from unauthorised access, leaks, or misuse. Additionally, employees are required to adhere to strict confidentiality agreements and internal guidelines on data handling and security.

As part of our continuous improvement efforts, the Group remains committed to enhancing data protection measures, investing in cybersecurity technologies, and staying updated with evolving regulatory requirements. By prioritising data privacy and security, we aim to strengthen stakeholder confidence and uphold our reputation as a responsible and trustworthy organisation in an increasingly digital world.

The Group remains steadfast in its commitment to upholding the highest standards of corporate governance, ensuring that integrity, transparency, and accountability are deeply embedded in our operations. Through the implementation of robust policies, continuous monitoring, and proactive risk management, we strive to foster a governance framework that not only safeguards the interests of our stakeholders but also enhances long-term business resilience. As we continue to navigate an evolving regulatory and business landscape, the Group will regularly review and strengthen our governance practices to uphold ethical excellence, maintain stakeholder confidence and drive sustainable growth.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors (“**the Board**”) of Crest Group Berhad (“**Crest**” or “**the Company**”) recognise the importance of adopting a sound base for good corporate governance in managing its business affairs so as to build a sustainable business capable of enhancing shareholder value.

The Board is pleased to present this Corporate Governance Overview Statement (“**CGOS**”) which has been prepared in accordance with Rule 15.25 of the ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and it provides an insight on how the Company has applied the three (3) principles prescribed in Malaysian Code on Corporate Governance (“**MCCG**”) during the financial year ended 31 December 2024.

The CGOS shall be read together with the Corporate Governance Report 2024 (“**CG Report**”), available on the Company’s website at <https://www.crest-group.net/> and Bursa Securities’ website at <https://www.bursamalaysia.com/>. The detailed explanation on the application of the corporate governance practices is reported under the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I : BOARD RESPONSIBILITIES

1. BOARD’S LEADERSHIP ON OBJECTIVE AND GOALS

1.1 Roles and responsibilities of the Board

The Board is collectively responsible for the long-term success of a company and the delivery of sustainable value to its stakeholders. Therefore, the Group is headed by an experienced and effective Board. The Board has adopted the following key responsibilities for the effective discharge of its function:-

- (a) To provide leadership and oversee the overall conduct of the Group’s businesses to ensure that the businesses are being properly managed;
- (b) To review and adopt strategic plans for the Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- (c) To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard the Group’s reputation, employees and assets and to ensure compliance with applicable laws and regulations;
- (d) To ensure that the Company has effective board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the MCCG;
- (e) To review and approve the annual business plans, financial statements and annual reports;
- (f) To monitor the relationship between the Group and the management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders’ communications policy of the Group;
- (g) To ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and senior management;
- (h) To ensure the integrity of the Group’s financial and non-financial reporting;
- (i) To appoint the board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by the Board committees and deliberate on the recommendation thereon; and
- (j) To consider and implement succession planning.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

PART I : BOARD RESPONSIBILITIES cont'd

1. BOARD'S LEADERSHIP ON OBJECTIVE AND GOALS cont'd

1.1 Roles and responsibilities of the Board cont'd

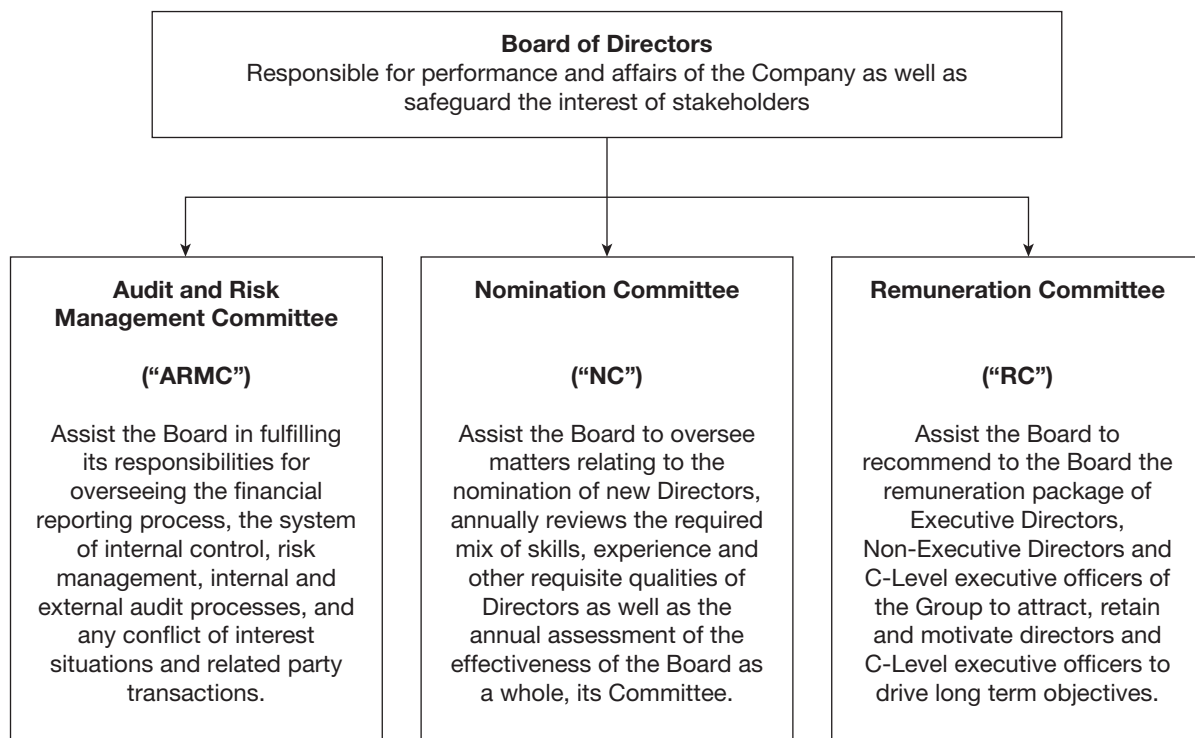
Board Charter

The Board is guided by a Board Charter that defines its roles and responsibilities, the principles for Board's operation, Board's evaluation and remuneration and code of ethics and conduct and matters reserved for the Board. It is accessible through the Company's website at <https://www.crest-group.net/>.

The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulators and remains consistent with the policies and procedures of the Board.

Board Committees

In order to discharge of its stewardship role effectively, the Board has delegated specific duties to three (3) Board Committees. Each of the Board Committees operates within its respective Terms of Reference ("TOR") approved by the Board. The TOR of the Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC") are available on the Company's website at <https://www.crest-group.net/>. The respective Board Committees report to the Board on matters considered and their recommendation thereon. The ultimate responsibility for decision making, however, lies with the Board. The Board Committees established during the financial year ended 31 December 2024 are as follows:-



CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

PART I : BOARD RESPONSIBILITIES cont'd

1. BOARD'S LEADERSHIP ON OBJECTIVE AND GOALS cont'd

1.2 The Chairman of the Board

The Board is chaired by an Independent Non-Executive Chairman namely, Encik Ahmad Tajudin Bin Omar. The Chairman is responsible for leading the Board in oversight of management, representing the Board to shareholders and chairing general meetings of shareholders.

The responsibilities of the Chairman are set out in the Board Charter.

The Board views that the Chairman of the Board should not be involved in any Board Committees. This is to ensure check and balance as well as the objectivity will not be influenced by the Chairman of the Board who also sits on Board Committee(s). Therefore, the Chairman of the Board is not a member of any of the Board Committees which is in line with MCGG.

1.3 Separation of positions of the Chairman and Group Managing Director

In order to ensure a healthy check and balance, the positions of the Chairman of the Board and the Group Managing Director are held by different persons. The Chairman of the Company is Encik Ahmad Tajudin Bin Omar, an Independent Non-Executive Chairman whilst the Group Managing Director is Mr. Lim Siong Wai.

There is a clear division of roles and responsibilities between the Chairman and Group Managing Director to ensure a balance of power and authority so that no one individual has unfettered powers of decision making. The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role, whilst the Group Managing Director is responsible for the day-to-day operations of the Group, ensure the effective implementation of the Group's strategic plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operations.

1.4 Company Secretaries

The Board is supported by three (3) suitably qualified and competent Company Secretaries, namely Ms. Tai Yit Chan, Ms. Tan Ai Ning and Ms. Tan Siew Hong.

All of the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as company secretary under Section 235 of the Companies Act 2016. The Board has access to the advice and services of the Company Secretaries who ensure effective functioning of the Board and compliance of applicable rules and regulations. The Board is also regularly updated and kept informed of the latest developments in the legislation and regulatory framework affecting the Group and is advised on the proposed contents and timing of material announcements to be made to regulatory authorities.

1.5 Board meetings and access to information and advice

In ensuring the effective functioning of the Board, all directors have individual and independent access to the advice and support services of the Company Secretaries, Internal Auditors, External Auditors and Independent Advisers, if deemed necessary and may seek advice from the management on issues under their respective purview. The Board members have full and unrestricted access to all information within the Group in discharging their duties. The Notice of the Board meeting is served at least seven (7) days prior to the Board meeting. Relevant board papers were circulated to all directors at least five (5) business days prior to the Board meeting so as to accord sufficient time for the directors to peruse the board papers.

The board papers which include the agenda and reports cover amongst others, areas of strategic, financial, operational and regulatory compliance matters that require the Board's approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

PART I : BOARD RESPONSIBILITIES cont'd

1. BOARD'S LEADERSHIP ON OBJECTIVE AND GOALS cont'd

1.5 Board meetings and access to information and advice cont'd

All proceedings of the Board meetings are duly minuted and circulated to all directors for their perusal prior to the confirmation of the minutes by the Chairman as a correct record. The Company Secretaries record the proceedings of all meetings include pertinent issues, the substance of inquiries, if any, and responses thereto, members' suggestion and the decisions made, as well as the rationale for those decisions. By doing so, the Company Secretaries keep the Board updated on the follow-up actions arising from the Board's decisions and/or requests at subsequent meetings. The Board is therefore able to perform its fiduciary duties and fulfil its oversight role towards instituting a culture of transparency and accountability in the Company.

1.6 Code of Conduct and Ethics

The Company has set out a Code of Conduct and Ethics ("**the Code**") for its directors, management and employees in discharging their duties and responsibilities. The Code is established to promote the corporate culture which engenders ethical conduct that permeates throughout the Group.

The Code is published on the Company's website at <https://www.crest-group.net/>.

1.7 Whistleblowing Policy

The Board had formalised a Whistleblowing Policy as the Group places high value on the level of trust and integrity. Therefore, the Whistleblowing Policy provides an avenue for all directors, employees and stakeholders of the Group to disclose or report any improper conduct and to provide protection for them who report such allegations.

The Whistleblowing Policy can be assessed through the Company's website at <https://www.crest-group.net/>.

1.8 Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")

In addition to the Code of Conduct, the Company has further established the ABAC Policy to comply with enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act. The ABAC Policy is to ensure that all directors, management and employees are aware of their obligation to disclose any corruption, bribes, conflict of interest or similar unethical acts that they may have in order to prevent the occurrence of bribery and corrupt practices in relation to the Group's business.

The ABAC Policy can be accessed through the Company's website at <https://www.crest-group.net/>.

1.9 Directors' Fit & Proper Policy

The Company has adopted a Fit & Proper Policy which sets out the fit and proper criteria for selection of candidates for appointment to the Board and also for re-election of retiring directors. The Directors' Fit & Proper Policy is available at the Company's website at <https://www.crest-group.net/>.

1.10 Conflict of Interest Policy

The Board has adopted a Conflict of Interest Policy which provides guidance on how to deal with conflict of interest or potential conflict of interest situations as they arise and protect the interest of the Group. A copy of the Company's Conflict of Interest Policy is available at the Company's website at <https://www.crest-group.net/>.

1.11 Sustainability

The Board is aware of its responsibility for Environmental, Social and Governance ("**ESG**") and sustainability to all various stakeholders and the communities in which it operates. As such, the ESG and sustainability aspects are considered by the Board in its corporate strategies. The Company has also adopted a Sustainability Policy which is available at the Company's website at <https://www.crest-group.net/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

PART I : BOARD RESPONSIBILITIES cont'd

1. BOARD'S LEADERSHIP ON OBJECTIVE AND GOALS cont'd

1.11 Sustainability cont'd

The sustainability strategies implemented by the Group, among others, are as follows:-

- The Board together with management takes responsibility for the governance of sustainability in the Company including setting the company's sustainability strategies, priorities and targets;
- The Board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management;
- The strategic management of material sustainability matters should be driven by senior management;
- The Board ensures that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders; and
- The Board takes appropriate action to ensure that they stay abreast with and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.

The Company's efforts in this regard have been set out in the Sustainability Statement in this Annual Report.

PART II : BOARD COMPOSITION

2. BOARD'S OBJECTIVES

2.1 Composition of the Board

The Board currently consists of seven (7) members, comprising one (1) Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors and three (3) Executive Directors, as follows:-

Name	Designation and Directorate	Age	Gender
Ahmad Tajudin Bin Omar	Independent Non-Executive Chairman	65	Male
Moo Eng Thing	Independent Non-Executive Director	41	Female
Ilham Fadilah Binti Sunhaji	Independent Non-Executive Director	42	Female
Teo Yeling	Independent Non-Executive Director	42	Female
Lim Siong Wai	Group Managing Director	53	Male
Au Chun Mun	Executive Director	53	Male
Yap Kian Meng	Executive Director	55	Male

The composition of the Board complies with Rule 15.02(1) of the ACE LR of Bursa Securities and the recommended Practice 5.2 of MCCG.

The Board members are from different backgrounds with diverse perspectives. Such make-up is fundamental to the strategic success of the Group, as each director has in-depth knowledge and experience in a variety of areas providing valuable direction to the Group. With more than half of the Board composed of Independent Directors, the Company is able to facilitate greater checks and balances during boardroom deliberations and decision making. The Independent Directors provide the Board with professional judgement, experience and objectivity without being subordinated to operational considerations or the ability to provide independent judgement in the best interest of the Company.

A brief profile of each director is presented in the Profile of Directors section of the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

PART II : BOARD COMPOSITION cont'd

2. BOARD'S OBJECTIVES cont'd

2.2 Re-election of Directors

In accordance with the Constitution of the Company, an election of directors shall take place each year. At the annual general meeting of the Company where one-third (1/3) of the directors for the time being or if the number is not three (3) or a multiple of three (3) then the number nearest one-third (1/3) shall retire from office provided always that all directors including the Managing Director shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring director shall retain office until the close of the meeting at which he retires.

The directors to retire in every year shall subject nevertheless as hereinafter provided, be the directors who have been longest in office since their last election but as between those who became directors on the same day, the directors to retire shall (unless they otherwise agree among themselves) be determined by lot. The length of time a director has been in office shall be computed from his last election or appointment when he has previously vacated office.

The directors shall have power at any time to appoint any person a director either to fill a casual vacancy or as an addition to the Board, as long as the total number of directors shall not be increased beyond the maximum number hereinbefore prescribed. Any director so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election but not be taken into account in determining the directors who are to retire by rotation at the meeting.

The NC and Board of the Company have considered the annual performance assessment together with the fit and proper criteria set out in the Directors' Fit and Proper Policy, for the retiring director namely, Encik Ahmad Tajudin Bin Omar and Mr. Lim Siong Wai, collectively agreed that they met the fit and proper criteria as prescribed in the Directors' Fit and Proper Policy to effectively discharge their roles as directors.

2.3 Tenure of independent directors

The Board recognises that the Independent Non-Executive Directors play a significant role in providing unbiased and independent views, advice and judgement taking into account the interest of relevant stakeholders including minority shareholders of the Group.

The Board is aware that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years as stated in the MCGG. Presently, none of the Independent Directors of the Company has served more than 9 years in the Board as all Independent Directors are newly appointed in conjunction with the Company recent listing in October 2024. The Company does not have a policy which limits the tenure of its Independent Directors to a cumulative term of nine (9) years. The Company has however, set out in its Board Charter that upon completion of the nine (9) years period, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director.

The Board may, in exceptional circumstances cases and subject to the assessment of the NC on an annual basis, recommend for an Independent Director who has served a consecutive or cumulative term of nine (9) years to remain as an Independent Director subject to valid justification and annual shareholders' approval through a two-tier voting process in line with MCGG.

2.4 Board appointment

The selection, nomination and appointment of suitable candidates to the Board are made via a formal, rigorous and transparent process and taking into account objective criteria such as skills, knowledge, expertise, experience, professionalism and merit needed on the Board. In the case of Independent Directors, the NC will evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

PART II : BOARD COMPOSITION cont'd

2. BOARD'S OBJECTIVES cont'd

2.4 Board appointment cont'd

In identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing directors, management or major shareholders. The Board may utilise independent sources to identify suitably qualified candidates.

If the selection of candidates were based on recommendations made by existing directors, management or major shareholders, the NC will explain why these sources suffice and other sources were not used which is in line with the TOR of NC. However, under the NC's TOR, the NC may utilise independent services to identify suitably qualified candidates.

The Board appointment process is as follows:-

- (a) Should there be a vacancy or if an additional Board appointment is required, the NC shall prepare description of the director characteristics the Board is looking for in a new appointment.
- (b) The NC will seek professional advice from independent search firm as and when it considers necessary to identify and short-list suitable candidates and a list of nomination for candidates proposed by the Managing Director and within the bounds of practicability, by any other director or major shareholder for consideration.
- (c) Interview between NC members and the shortlisted candidates will be held.
- (d) The NC meeting will be held to deliberate on the nomination of Board candidates and review the profile of Board candidates, considering the fit and proper criteria as set out in the Directors' Fit and Proper Policy.
- (e) The NC will then make a decision in recommending the appointment to the Board.
- (f) Based on the recommendation of the NC and upon review of the profile of Board candidates, the Board will deliberate the appointment of a new director at the Board meeting or to approve the appointment of a new director via Directors' Circular Resolution.

2.5 Gender diversity

The Board has adopted a Gender Diversity Policy. Currently, there are three (3) female directors representing 42.86% on the Board. In view of an effective Board appointment, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board. Gender shall not be a prerequisite criterion to the directorship of the Company.

The Board will evaluate and match the criteria of the potential candidate as well as considering the appointment of female director onto the Board in future to bring about a more diverse perspective.

The Gender Diversity Policy can be accessed through the Company's website at <https://www.crest-group.net/>.

2.6 Nomination committee

The Board established the NC on 17 January 2024. The NC is primarily responsible to oversee matters relating to the nomination of new directors, annually reviews the required mix of skills, experience and other requisite qualities of directors as well as the annual assessment of the effectiveness of the Board as a whole, its committees and the contribution of each individual director as well as identify candidates to fill Board vacancies, and nominating them for approval by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

PART II : BOARD COMPOSITION cont'd

2. BOARD'S OBJECTIVES cont'd

2.6 Nomination committee cont'd

The NC comprised exclusively of Independent Non-Executive Directors as follows:-

Name	Designation	Directorate
Moo Eng Thing	Chairperson	Independent Non-Executive Director
Ilham Fadilah binti Sunhaji	Member	Independent Non-Executive Director
Teo Yeling	Member	Independent Non-Executive Director

3. OVERALL BOARD EFFECTIVENESS

3.1 Annual evaluation

The Board has adopted a formal and objective annual evaluation to assess the performance and effectiveness of the Board, Board Committees, the performance of each individual director for financial year ended 31 December 2024.

The evaluation process was conducted through the distribution of the following assessment forms to the directors of the Company:-

1. Board assessment and evaluation form, which comprises three sections:
 - i) Board and committees' evaluation
 - ii) Individual director's self evaluation
 - iii) Evaluation of level of independence of director
2. ARMC self and peer evaluation
3. ARMC financial literacy evaluation

Upon completion of the assessments, the evaluation forms will be submitted to the Company Secretaries for tabulation and the results will be presented to the NC, for deliberation and onward submission to the Board.

The criteria and outcome of the assessment were properly documented. Each director conducts the evaluation based on the questionnaire in a confidential manner.

The NC reviews the effectiveness of the Board by taking into account the composition of the Board, time commitment, boardroom activities and the overall performance of the Board.

The NC had upon its annual assessment conducted in April 2025, concluded that the directors have discharged their duties satisfactorily. The NC was also satisfied with the performance of the Board and Board Committee.

3.2 Annual assessment of independence

The Board recognises the importance of independence and objectivity in its decision-making process. The Board through the NC has assessed the independence of its Independent Non-Executive Directors based on the criteria set out in the ACE Market Listing Requirements ("ACE LR") of Bursa Securities.

The current Independent Directors of the Company have fulfilled the criteria for "independence" as prescribed under Rule 1.01 and Guidance Note 9 of the ACE LR of Bursa Securities. The Company has also fulfilled the requirement of at least one-third of its Board members being Independent Non-Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

PART II : BOARD COMPOSITION cont'd

3. OVERALL BOARD EFFECTIVENESS cont'd

3.3 Board commitment

(a) Meeting attendance of the Board

The Board meets at least quarterly with additional meetings convened when necessary to deal with urgent and important matters that required attention of the Board. All pertinent issues discussed at the Board meetings in arriving the decisions and conclusions are properly recorded by the Company Secretaries.

The Board is satisfied with the level of commitment given by the directors in discharging their roles and responsibilities. All directors had attended all the Board Meetings of the Company under the financial year under review.

During the financial year ended 31 December 2024, a total of four (4) Board meetings were held.

The directors' attendance at the Board Meetings held during the financial year ended 31 December 2024 were as follows:

Directors	No. of Meetings Attended	Percentage of Attendance
Ahmad Tajudin Bin Omar	4/4	100%
Moo Eng Thing	4/4	100%
Ilham Fadilah Binti Sunhaji	4/4	100%
Teo Yeling	4/4	100%
Lim Siong Wai	4/4	100%
Au Chun Mun	4/4	100%
Yap Kian Meng	4/4	100%

All directors complied with the minimum 50% attendance requirement for Board meetings as stipulated in the ACE LR.

(b) Directors' training

The Board acknowledges that continuous education is vital for the Board members to keep abreast with the latest developments in the industry and business environment as well as changes to statutory requirements and regulatory guidelines.

All directors of the Company have attended and successfully completed the Mandatory Accreditation Programme Part I as required by Bursa Securities. The directors will continue to identify and attend other training courses to equip themselves effectively to discharge their duties as directors on a continuous basis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

PART II : BOARD COMPOSITION cont'd

3. OVERALL BOARD EFFECTIVENESS cont'd

3.3 Board commitment cont'd

(b) Directors' training cont'd

The training programmes and seminars attended by the directors during the financial year ended 31 December 2024 are as follows:-

Name of Directors	Date	Training Programmes Attended	
Ahmad Tajudin Bin Omar	29-30 April 2024	Mandatory Accreditation Programme Part I	
Moo Eng Thing	29-30 April 2024	Mandatory Accreditation Programme Part I	
	25-27 October 2024	HealthCare : The Next Frontier	
Ilham Fadilah Binti Sunhaji	29-30 May 2024	Mandatory Accreditation Programme Part II	
	7 Feb 2024	Fiduciary duties of Directors on enhanced Conflict of interest "COI" under Bursa Securities Listing Requirements - Disclosure Obligation of Directors and Key Officers of the Group	
	1 - 6 March 2024	Offshore Technology Conference Asia 2024 (OTC Asia)	
	25 April 2024	MOSVA "ENERGY TRANSITION IN OSV INDUSTRY - Navigating Decarbonization Through Collaborations" (Panel speaker)	
	29 - 30 May 2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	
	10 - 12 Sept 2024	The National Climate Governance Summit (NCGS)	
	25 - 27 Sept 2024	OGA, OGA - The 20th Asean Oil, Gas & Petrochemical Engineering Exhibition 2024, Igniting Innovation and Fuelling Sustainable Energy Solutions in ASEAN (Speaker on Sustainability)	
	9 - 11 Oct 2024	Clean Energy Transition Asia (CETA)	
	Teo Yeling	28 February 2024	The essentials of e-invoicing in Malaysia
		29-30 April 2024	Mandatory Accreditation Programme Part I
22-23 July 2024		National Tax Conference 2024	
28 August 2024		E-Invoice: Accounting and its implementation mechanism	
15 October 2024		Analysis of Development, Enhancement, Maintenance, Protection and Exploitation for Intangible Property and Cost Contribution Arrangements	
19 November 2024		2025 Budget Seminar	
Lim Siong Wai	29-30 April 2024	Mandatory Accreditation Programme Part I	
Au Chun Mun	29-30 April 2024	Mandatory Accreditation Programme Part I	
	22-23 May 2024	2024 Asian Leadership Conference	
Yap Kian Meng	15-17 January 2024	Online Radiation Safety Refresher Course	
	29-30 April 2024	Mandatory Accreditation Programme Part I	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

PART III : REMUNERATION

4. LEVEL AND COMPOSITION OF REMUNERATION

4.1 Remuneration Policies and Procedures

The Remuneration Committee (“RC”) is responsible for establishing and developing a competitive remuneration policy and packages for the Board and key senior management in accordance with the duties and responsibilities as stated in its TOR.

The RC will review the remuneration packages of the Executive Directors and key senior management, taking into account of individual performance, time commitment, experience, level of responsibilities, as well as the performance of the Group and market conditions and recommend the same for Board approval.

The Non-Executive Directors’ remuneration comprises fees and meeting allowances that are linked to their expected roles and level of responsibilities. The directors’ annual fees, which are determined by the Board as a whole, are approved by shareholders of the Company at each AGM. The meeting allowances of the Non-Executive Directors are also approved by the shareholders of the Company at the relevant AGM. All individual directors shall abstain from making decisions in respect of their own remuneration.

4.2 Remuneration committee

The Board established the RC on 17 January 2024. The RC is primarily responsible for recommending to the Board the remuneration packages of Executive Directors, Non-Executive Directors and C-Level executive officers in all its forms.

The RC comprises exclusively of Independent Non-Executive Directors as follows:-

Name	Designation	Directorate
Ilham Fadilah Binti Sunhaji	Chairperson	Independent Non-Executive Director
Moo Eng Thing	Member	Independent Non-Executive Director
Teo Yeling	Member	Independent Non-Executive Director

The RC is governed by the TOR of RC which outlines its duties and responsibilities. The principal duties and responsibilities of the RC as defined in the TOR of RC, including but not limited to the following:-

- (i) To recommend a remuneration framework for the Executive Directors, Non-Executive Directors and key senior management for the Board’s approval to ensure corporate accountability and governance with respect to the Board remuneration and compensation. There should be a balance in determining the remuneration packages, which should be sufficient to attract and retain directors of calibre, and yet not excessive. The framework should cover all aspects of remuneration including directors’ fee, salaries, allowance, bonuses, options and benefits-in-kind;
- (ii) To recommend specific remuneration packages for the Executive Directors and key senior management. The remuneration package should be structured such that it is competitive. Salary scales drawn up should be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking. As for Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board;
- (iii) To ensure the establishment of a formal and transparent procedure for developing policies strategies and framework for the remuneration of the Executive Directors and key senior management;
- (iv) To implement the policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of the Board and key senior management; and
- (v) To perform any other functions as defined by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

PART III : REMUNERATION cont'd

4.2 RC cont'd

On 24 February 2025, an RC Meeting was held to deliberate on the following:-

- Recommended to the Board for approval, the payment of directors' fees and benefits payable to the Independent Non-Executive Directors for the financial period from 13 June 2025 until the conclusion of the next AGM; and
- Recommended to the Board for approval, the bonus and increment payout for the key senior management for the financial year ended 31 December 2024.

5. REMUNERATION OF DIRECTORS AND KEY SENIOR MANAGEMENT

5.1 Remuneration of directors

The details of the directors' remuneration of the Company and the Group on the named basis for the financial year ended 31 December 2024 are tabulated as follows:

THE COMPANY

Directors	Fees (RM)	Salaries (RM)	Bonuses (RM)	Other emoluments (RM)	Benefits-in- kind (RM)	Total (RM)
Executive Directors						
Lim Siong Wai	-	-	-	-	-	-
Au Chun Mun	-	-	-	-	-	-
Yap Kian Meng	-	-	-	-	-	-
Non-Executive Directors						
Ahmad Tajudin Bin Omar	90,000	-	-	2,000	-	92,000
Ilham Fadilah Binti Sunhaji	48,000	-	-	2,000	-	50,000
Teo Yeling	48,000	-	-	2,000	-	50,000
Moo Eng Thing	48,000	-	-	2,000	-	50,000
TOTAL	234,000	-	-	8,000	-	242,000

THE GROUP

Directors	Fees (RM)	Salaries (RM)	Bonuses (RM)	Other emoluments (RM)	Benefits- in-kind (RM)	Total (RM)
Executive Directors						
Lim Siong Wai	-	630,000	105,000	143,667	28,000	906,667
Au Chun Mun	-	600,000	100,000	137,016	28,000	865,016
Yap Kian Meng	-	600,000	100,000	137,016	28,000	865,016
Non-Executive Directors						
Ahmad Tajudin Bin Omar	90,000	-	-	2,000	-	92,000
Ilham Fadilah Binti Sunhaji	48,000	-	-	2,000	-	50,000
Teo Yeling	48,000	-	-	2,000	-	50,000
Moo Eng Thing	48,000	-	-	2,000	-	50,000
TOTAL	234,000	1,830,000	305,000	425,699	84,000	2,878,699

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

PART III : REMUNERATION cont'd

5. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT cont'd

5.2 Remuneration of key senior management

In determining the remuneration packages of the Group's key senior management, factors that were taken into consideration included the senior management's responsibilities, skills, expertise and contribution to the Group's performance.

On the disclosure of the remuneration of the Group's key senior management, the Company is of the view that it would not be in its best interest to make such disclosure on named basis in view of the competitive nature of human resource market and the Company should maintain confidentiality on employees' remuneration packages.

The disclosure of the remuneration of key senior management was made on an aggregate basis in bands of RM50,000. Details of the remuneration of the key senior management on an unnamed basis in bands of RM50,000 during the financial year ended 31 December 2024 are as follows:

Range of Remuneration	No. of Key Senior Management
RM200,001 – RM250,000	1
RM300,001 – RM350,000	1
RM400,001 – RM450,000	1
RM450,001 – RM500,000	1
RM850,001 – RM900,000	2
RM900,001 – RM950,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I : AUDIT AND RISK MANAGEMENT COMMITTEE

6. AUDIT AND RISK MANAGEMENT COMMITTEE

6.1 Chairman of ARMC

The ARMC is chaired by an Independent Non-Executive Director namely, Ms. Teo Yeling. The Chairperson of the ARMC is a member of Malaysian Institute of Accountants.

6.2 Financial reporting

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and ensuring that the financial statements of the Group comply with the Companies Act 2016 and applicable approved financial reporting standards in Malaysia. The ARMC applies its financial expertise and industry experience to oversee, monitor, and evaluate the Group's financial statements, risk management processes, reporting practices, and internal control systems. Through the ARMC's support, the Board is able to fulfill its fiduciary responsibilities and provide shareholders with a transparent, balanced, and insightful assessment of the Group's financial standing, performance, and outlook.

The ARMC assists the Board in discharging its fiduciary duties by ensuring that the audited financial statements and quarterly financial reports are prepared in accordance with the Malaysian Financial Reporting Standards and ACE LR of Bursa Securities. In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board aims to present a balance and fair assessment of the Company's financial position and prospects. The AC reviews the Company's quarterly financial results and annual audited financial statements to ensure accuracy adequacy and completeness prior to presentation to the Board for its approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT cont'd

PART I : AUDIT AND RISK MANAGEMENT COMMITTEE cont'd

6. AUDIT AND RISK MANAGEMENT COMMITTEE cont'd

6.2 Financial reporting cont'd

The Statement of Directors' Responsibility in respect of the preparation of the annual audited financial statements is set out in this Annual Report.

6.3 Cooling-Off period for former key audit partner

The TOR of the ARMC stated that no former key audit partner shall be appointed as a member of the ARMC before observing a cooling-off period of at least three (3) years in line with the practice of 9.2 of MCCG. Presently, none of the current ARMC members is a former key audit partner involved in auditing of the Group.

6.4 Assessment of suitability and independence of external auditors

The Board maintains a good professional relationship with the external and internal auditors through the ARMC in discussing with them their audit plans, audit findings and financial statements.

The ARMC is responsible for the recommendation on the appointment and re-appointment of the Company's external auditors and the audit fees. The ARMC carried out an assessment of the performance and suitability of the external auditors based on the quality of services, sufficiency of resources, communication and interaction and independence and objectivity.

Messrs Baker Tilly Monteiro Heng PLT, the external auditors of the Company have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of relevant professional and regulatory requirements.

Based on the ARMC's assessment of the external auditors, the Board is satisfied with the suitability and independence of Messrs Baker Tilly Monteiro Heng PLT based on the quality and competency of services delivered, sufficiency of the firm and professional staff assigned to the annual audit as well as the non-audit services performed for the financial year ended 31 December 2024. In view thereof, the Board has recommended the re-appointment of the external auditors for the approval of shareholders at the forthcoming 2nd AGM.

6.5 Composition of the Audit and Risk Management Committee

The ARMC was established on 17 January 2024 and comprises three (3) Independent Non-Executive Directors. The present members of the ARMC are as follows:

Name	Designation	Directorship
Teo Yeling	Chairperson	Independent Non-Executive Director
Ilham Fadilah Binti Sunhaji	Member	Independent Non-Executive Director
Moo Eng Thing	Member	Independent Non-Executive Director

All members of the ARMC are financially literate, competent and able to understand matters under the purview of the ARMC including the financial reporting process. The summary of activities of AC are set out in the ARMC Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT cont'd

PART II : RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

7. Effective risk management and internal control framework

The Board assumes its overall responsibility in establishing a risk management framework and maintaining a sound system of risk management and internal control throughout the Group which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations that is not limited to financial aspects of the business but also operational and regulatory compliance. The ARMC have been entrusted by the Board in managing the risks and establishment of the internal control system and processes of the Group. The ultimate objectives are to protect the Group's assets and safeguard shareholders' investments.

The Board acknowledges that the internal control system is devised to cater for particular needs of the Company and risk management system is to provide reasonable assurance against material misstatements or losses.

The Statement on Risk Management and Internal Control as set out in this Annual Reports provides an overview of the state of risk management and internal controls within the Group.

8. Internal audit function

The Company recognised that an internal audit function is essential to ensure the effectiveness of the Group's system of internal control and is an integral part of the risk management process.

The Board has engaged an independent professional consulting firm, Messrs Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling") to assume the Group's internal audit function, who reports and assists the ARMC in managing the risks and establishment of the internal control system and processes of the Group. The Board has also ensured that the outsourced internal auditors, Sterling, are free from any relationship and/or conflict of interest with the Group.

The further details of internal audit function are set out in the ARMC Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

9. Communication with stakeholders

The Board recognises the importance of effective, transparent, regular and timely communication with its shareholders and other stakeholders to keep them informed on the Group's latest financial performance, business and corporate developments.

The Group maintains a corporate website, <https://www.crest-group.net/> for latest information on the operations, financial and market information of the Company. The Board has also adopted a Stakeholders Communication Policy and Shareholders Communication Policy which are available at the Company's website at <https://www.crest-group.net/>.

10. Conduct of general meetings

The principal forum for dialogue and interaction with shareholders is the Company's AGM and extraordinary general meeting. The Board encourages and welcomes participation from shareholders to ask questions regarding the resolutions being proposed at the meeting and also other matters pertaining to the business activities of the Group. All directors including the Chairperson of ARMC, RC and NC, senior management team, external auditors and advisers will attend the 2nd AGM to provide meaningful responses to the questions raised by shareholders.

In line with Practice 13.1 of MCCG, the Notice convening the Second AGM held on 12 June 2025 was given to the shareholders at least twenty-eight (28) days before AGM, which gives shareholders sufficient time to prepare themselves to attend the AGM or to appoint proxy to attend and vote on their behalf. Each item of special business included in the Notice of the AGM will be accompanied by an explanatory statement on the effects of the proposed resolution.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board passed on 17 April 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee (“**ARMC**”) was established on 17 January 2024 with the primary objective to support the Board in its fiduciary duties by implementing a transparent process for corporate accounting, financial reporting, internal controls, audits, risk management, related party transactions, and regulatory compliance. The ARMC maintains open communication among the Board, internal, and external auditors to ensure the accuracy and timeliness of financial information provided by senior management.

In performing their duties and discharging their responsibilities, the ARMC is guided by its TOR. The ARMC’s TOR is available at the Company’s website at <https://www.crest-group.net/>.

COMPOSITION OF THE ARMC

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors which satisfies the requirements of Rule 15.09(1)(a) and (b) of the ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and Practice 9.4 under Principle B of the MCCG. No alternate director is appointed as a member of the ARMC.

The members of the ARMC and their respective designation are as follows:

Name	Designation	Directorship
Teo Yeling	Chairperson	Independent Non-Executive Director
Ilham Fadilah Binti Sunhaji	Member	Independent Non-Executive Director
Moo Eng Thing	Member	Independent Non-Executive Director

The Chairperson of the Committee, Ms. Teo Yeling, is a member of the Malaysian Institute of Accountants and member of Certified Practising Accountant, meeting the requirement of ACE LR which requires that at least one member of the Committee to fulfill the financial expertise requisite of Rule 15.09(c) of the ACE LR.

If a member of the ARMC resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members. No former key audit partner shall be appointed as a member of the Committee before observing a cooling-off period of at least three (3) years. When a member ceases to be a director of the Board, her membership in the Committee shall also cease accordingly.

ATTENDANCE OF MEETINGS

A total of three (3) meetings were held during the financial year ended 31 December 2024. The attendance records of the members of the ARMC are as follows:

Name of Directors	Number of meetings attended	%
Teo Yeling Chairperson (Independent Non-Executive Director)	3/3	100
Ilham Fadilah Binti Sunhaji Member (Independent Non-Executive Director)	3/3	100
Moo Eng Thing Member (Independent Non-Executive Director)	3/3	100

The Company Secretary and/or her representatives were present at all the meetings. Upon invitation, representatives of the External Auditors and the Senior Management also attended specific meetings to facilitate direct communication and to provide clarifications on significant audit findings and issues and the operations of the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

The Chairman of the ARMC reported to the Board on matters deliberated during the ARMC meetings and minutes of ARMC meetings were circulated to all the members of the Board.

For the financial year under review, the ARMC met with the Internal Auditors and the External Auditors without the presence of the Executive Director and Management to discuss any issues or significant matters.

SUMMARY OF ACTIVITIES

Since the listing of the Company on the ACE Market of Bursa Securities, the main activities undertaken by the ARMC up to the date of this ARMC Report were as follows:

Date of Meeting	Subject Matter
21 August 2024	Proposed transaction with ALY Venture Sdn. Bhd. and Matrix Optics (M) Sdn. Bhd. for renewal of tenancy agreements.
27 September 2024	Reviewed the unaudited quarterly financial results for the financial period ended 30 June 2024 of the Group prior to the recommendation to the Board for approval and subsequent release to Bursa Securities.
28 November 2024	<p data-bbox="432 978 655 1005">Financial Reporting</p> <p data-bbox="432 1034 1439 1120">Reviewed the unaudited quarterly financial results for the financial period ended 30 September 2024 of the Group prior to the recommendation to the Board for approval and subsequent release to Bursa Securities.</p> <p data-bbox="432 1149 596 1176">External Audit</p> <p data-bbox="432 1205 1439 1261">Reviewed the audit plan of the Group's financial statements for the financial year ended 31 December 2024 as presented by the External Auditors.</p> <p data-bbox="432 1290 588 1317">Internal Audit</p> <p data-bbox="432 1346 1439 1429">Discussed and reviewed the Internal Audit Plan of the Group for financial year ended 31 December 2024 to 31 December 2026 and recommended it to the Board for approval, as appropriate.</p> <p data-bbox="432 1458 1439 1514">Considered the appointment of Messrs Sterling Business Alignment Consulting Sdn. Bhd. as Internal Auditor, and recommended to the Board for approval.</p> <p data-bbox="432 1543 667 1570">Property Acquisition</p> <p data-bbox="432 1599 1439 1751">Considered and reviewed the acquisition of a 3-storey detached factory with an office annex and guardhouse at No. 20, Jalan Industri PBP 9, Taman Industri Pusat Bandar Puchong, Selangor, measuring approximately 2,462.77 square meters (H.S. (D) 121082, No. PT 39502, Mukim Petaling, Daerah Petaling, Negeri Selangor), and recommended such to the Board for approval.</p>

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

Date of Meeting	Subject Matter
28 November 2024	<p data-bbox="432 439 783 461">Tenancy Agreement Renewals</p> <p data-bbox="432 495 1445 551">Reviewed the renewal of tenancy agreements for the following properties and recommended such to the Board for approval:</p> <ul data-bbox="432 573 1201 629" style="list-style-type: none"> <li data-bbox="432 573 1142 595">• No. 1, Jalan OP 1/2, One Puchong Business Park, Selangor <li data-bbox="432 600 1201 622">• 70-3-57, D’Piazza Mall, Jalan Mahsuri, Bayan Baru, Pulau Pinang <p data-bbox="432 663 746 685">Related Party Transactions</p> <p data-bbox="432 712 1342 734">Reviewed the related party transactions entered and/or to be entered by the Group.</p> <p data-bbox="432 768 948 790">Conflict of Interest (“COI”) and Potential COI</p> <p data-bbox="432 824 1110 846">Reviewed and noted that there was no actual or potential COI.</p> <p data-bbox="432 880 695 902">Whistle Blowing Policy</p> <p data-bbox="432 936 1106 958">There was no case reported under the Whistle Blowing Policy.</p> <p data-bbox="432 992 512 1014">Others</p> <p data-bbox="432 1048 1445 1099">Reported to the Board on significant issues and concerns discussed during the ARMC meeting.</p>
24 February 2025	<p data-bbox="432 1133 587 1155">Internal Audit</p> <p data-bbox="432 1189 1445 1245">Discussed and reviewed the internal audit report as prepared by Messrs Sterling Business Alignment Consulting Sdn. Bhd.</p> <p data-bbox="432 1267 596 1290">External Audit</p> <p data-bbox="432 1323 1445 1379">Discussed and reviewed the Audit Committee Memorandum for financial year ended 31 December 2024.</p> <p data-bbox="432 1406 1445 1485">Had private session with the External Auditors without the presence of the Executive Directors and Management to discuss further with them any issues of concern, if any, arising from the audit.</p> <p data-bbox="432 1518 655 1541">Financial Reporting</p> <p data-bbox="432 1574 1445 1653">Reviewed the unaudited quarterly financial results of the Group for the financial year ended 31 December 2024 of the Company prior to the recommendation to the Board for approval and subsequent release to Bursa Securities.</p> <p data-bbox="432 1686 746 1709">Related Party Transactions</p> <p data-bbox="432 1742 1342 1765">Reviewed the related party transactions entered and/or to be entered by the Group.</p> <p data-bbox="432 1798 687 1821">COI and Potential COI</p> <p data-bbox="432 1854 1110 1877">Reviewed and noted that there was no actual or potential COI.</p> <p data-bbox="432 1910 695 1933">Whistle Blowing Policy</p> <p data-bbox="432 1966 1106 1989">There was no case reported under the Whistle Blowing Policy.</p> <p data-bbox="432 2022 512 2045">Others</p> <p data-bbox="432 2078 1445 2134">Reported to the Board on significant issues and concerns discussed during the ARMC meeting.</p>

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

Date of Meeting	Subject Matter
17 April 2025	<p data-bbox="432 439 596 465">External Audit</p> <ul data-bbox="432 495 1447 712" style="list-style-type: none"> • Received updated audit findings as presented by external auditors. • Reviewed the audited financial statements of the Company and the Group for the financial year ended 31 December 2024 and to recommend approval of the financial statements and submission to Bursa Securities, as part of the Annual Report, to the Board. • Reviewed and recommended the submission of the Management Representation Letter to the Board for approval. • Assessed the evaluation on the external auditor's performance and independence. <p data-bbox="432 741 588 768">Internal Audit</p> <p data-bbox="432 797 1027 824">Assessed the evaluation on the Internal Audit Function.</p> <p data-bbox="432 853 600 880">Annual Report</p> <p data-bbox="432 909 1447 965">Reviewed and endorsed the Statement on Risk Management and Internal Control, ARMC report and disclosure of recurring related party transactions.</p> <p data-bbox="432 994 746 1021">Related Party Transactions</p> <p data-bbox="432 1050 1342 1077">Reviewed the related party transactions entered and/or to be entered by the Group.</p> <p data-bbox="432 1106 687 1133">COI and Potential COI</p> <p data-bbox="432 1162 1110 1189">Reviewed and noted that there was no actual or potential COI.</p> <p data-bbox="432 1218 695 1245">Whistle Blowing Policy</p> <p data-bbox="432 1274 1107 1301">There was no case reported under the Whistle Blowing Policy.</p> <p data-bbox="432 1330 512 1357">Others</p> <ul data-bbox="432 1386 1447 1487" style="list-style-type: none"> • Received and assessed the results of the performance evaluation on the Audit Committee and Audit Committee Members. • Reported to the Board on significant issues and concerns discussed during the ARMC meeting.

INTERNAL AUDIT FUNCTION

Subsequent to the successful listing of the Company on the ACE Market of Bursa Securities, the Company had appointed Messrs Sterling Business Alignment Consulting Sdn. Bhd., as an outsourced Internal Auditor, which is independent of the activities and operations of the Group to review the adequacy and sufficiency of systems, procedures and controls of the Group.

Messrs Sterling Business Alignment Consulting Sdn. Bhd. reports directly to the ARMC on the adequacy and effectiveness of the risk management and internal control systems of the Group. The ARMC has reviewed the adequacy of scope, function, competency and resources of the outsourced internal auditors to ensure that they are able to fully discharge their responsibilities.

For the financial year ended 2024, the ARMC noted that the internal audit function is independent and Messrs Sterling Business Alignment Consulting Sdn. Bhd. has performed its audit assignments with impartiality, independently and with due professional care.

The risk management and internal controls are ongoing, which are undertaken by each department within the Company. The Company will continuously enhance the existing system of risk management and internal control by taking into consideration the changing business environment.

This report is made in accordance with the resolution of the Board dated 17 April 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“**Board**”) of Crest Group Berhad (“**Crest**” or “**Company**”) is pleased to present the Statement on Risk Management and Internal Control (“**Statement**”) for the financial year ended 31 December 2024 (“**FYE 2024**”) prepared pursuant to Rule 15.26(b) of the ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and Practice 10.2 of the Malaysian Code on Corporate Governance (“**Code**”).

Board’s Responsibility

The Board is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers in making disclosures concerning main features of the Risk Management Framework and Internal Control System of the Group and is committed to fulfilling its responsibility of maintaining a sound system of risk management and internal control in the Group. This Statement outlines the nature and scope of risk management and internal control of the Group during the financial year.

The Board recognises the importance of maintaining a sound system of internal control and the proper identification and management of risks affecting the operations of the Group in order to safeguard shareholders’ investments and other stakeholders’ interests.

Accordingly, the Board affirms its overall responsibilities for the Group’s system of risk management and internal control which is vital to managing principal risk which may impede the achievement of the Group’s corporate and business objectives. These responsibilities include reviewing the adequacy and integrity of this system which covers enterprise risk management, financial, organisational, operational and compliance controls. Given that there are inherent limitations in any system of risk management and internal control, the said system is designed to manage risks within tolerable and knowledgeable limits in an efficient manner, rather than eliminating the risk of failure to achieve business objectives of the Group. The system can therefore only provide reasonable, but not absolute assurance, against material misstatements of management and financial information, financial losses, defalcations, fraud and breaches of laws or regulations.

Risk Management Framework

The Group has adopted the COSO – ERM 2017 framework in its risk management framework. The framework aims to strengthen decision making by incorporating risk considerations, enhance the Group’s ability to anticipate and respond to risks and opportunities, enhance resources allocation and risk mitigation strategies as well as foster a culture of accountability and transparency.

The Board regards the management of core risks as an integral and critical part of the day-to-day operations of the Group.

The management of risk is an on-going process to identify, evaluate and manage the significant risks faced by the Group. Day-to-day operations of the Group are managed by the respective Head of Departments.

As part of our Risk Management process, a Risk Management Handbook and Registry of Risk were adopted. The Registry of Risk is maintained to identify key risk areas, impact, likelihood of occurrence, risk owner and risk control actions. The Risk Management Handbook summarises risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts.

The respective risk owners are assigned and responsible for identifying risks as well as ensuring that adequate control systems are implemented to mitigate risks faced by the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

Internal Control System

Internal controls are important to support the function of the risk management system. The Group continually reviews and enhances its internal control procedures with the recommendations of auditors.

The key features of the control framework and procedures in the Group are as follows:-

- Management organisation structure defining the management's responsibilities and hierarchical structure of reporting lines and accountability;
- Delegation and separation of responsibilities between the Board and the Management and the establishment of various Board Committees and the presence of Independent Non-Executive Directors to oversee the financial, compliance and operational performance of the Management;
- Standard operating procedures ("SOP") guiding employees of the Group in carrying out their duties and functions effectively. These SOP cover the monitoring of nonconformity controls and risk-based action.
- Whistle-blowing policies and procedures are put in place as a mechanism for employees of the Group and external parties to raise genuine concerns in relation to any improper conduct by any employee or Director of the Group (including any misconduct, wrongdoings, corruption, fraud and/or abuse of power) at the earliest opportunity without being subject to reprisals and/or retaliation (including victimization, harassment or discriminatory treatment) and to have such concerns properly investigated and appropriate actions to be taken;
- Code of Conduct and Ethics which sets out the ground rules and guidance for proper standard of conduct and ethical behaviour for the Directors and employees of the Group, based on the principles of integrity, accountability and professionalism;
- Anti-bribery and Anti-Corruption Policy which outlines the Group's commitment towards its ethical business practices in compliance with the Malaysian Anti-Corruption Commission Act 2009. The Group adopts a zero-tolerance against corruption and bribery, and the Group is committed to carry out all of its business practices with transparency, accountability and integrity.

Internal Audit Function

In preparation for the listing of the Company on the ACE Market of Bursa Securities ("**Listing**"), the Board had engaged Messrs Sterling Business Alignment Consulting Sdn. Bhd. ("**Sterling**"), to conduct a comprehensive review on the adequacy of systems, procedures and controls of the Group in respect of various areas such as business development, sales and marketing, purchasing, inventory management, logistics, after sales and support, human resources and administration functions.

The internal control review uses the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the Group's internal control systems.

Subsequent to the successful listing on the ACE Market of Bursa Securities, the Company has also outsourced its internal audit function to Sterling acting as the Internal Auditor, reporting directly to the ARMC. The role of the Internal Auditor is to provide independent and objective reports on the effectiveness of the system of internal controls within the business units of the Group to the ARMC for review and deliberation, on a regular basis or as and when directed by the ARMC.

The audit reports are forwarded to the Management for response and the necessary actions. The Management is responsible to provide a written reply on action plans proposed to be taken to address the audit findings. The Internal Auditor is required to report directly to the ARMC.

During the FYE 2024, the Internal Auditors carried out the reviews of Business Development, Sales and Marketing functions of Crest Lab Sdn. Bhd., Crest Systems (M) Sdn. Bhd. and Crest Analytic Sdn. Bhd.. The total cost incurred in maintaining the internal audit function for FYE 2024 was RM15,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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Board's Comments on the Adequacy and Operating Effectiveness of the Group's Risk Management and Internal Control System

During the financial year under review, the Board assisted by the ARMC has reviewed the adequacy and operating effectiveness of the Group's risk management and internal control system, and that relevant actions have been or were being taken, as the case may be, to remedy the internal control weaknesses identified from the review. The Board is of the view that the system of risk management and internal control, in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Company's Annual Report 2024, is sound and sufficient to safeguard the interest of shareholders, customers, employees and the Group's assets.

Whilst the Board is of the view that there were no material losses incurred during the financial year as a result of weaknesses in the risk management and internal control system, the Board believes that this system shall continuously evolve to meet the changing business landscape and environment that the Group operates in. Therefore, the Board continues to put in place action plans, as deemed appropriate, to strengthen the system of risk management and internal control from time to time towards achieving the Group's corporate strategies.

Assurance by the Group Managing Director, Executive Directors and Financial Controller

The Board has received assurance from the Managing Director, Executive Directors and Financial Controller stating that the Group's risk management and internal control systems operated adequately and effectively, in all material aspects, based on the risk management framework adopted by the Group. For the financial year ended 31 December 2024, there was no material control failure or adverse compliance event that has directly resulted in any material loss to the Group. The Board is satisfied that there is an ongoing and effective process for identifying, evaluating and managing the risk and internal control of the Group to safeguard the Group's assets and stakeholders' interests.

Review of Statement by the External Auditors

In accordance to Rule 15.23 of the ACE LR of Bursa Securities, the External Auditors Messrs, Baker Tilly Monteiro Heng PLT have reviewed this Statement for inclusion in the Company's Annual Report 2024. Their review was performed in accordance with Malaysian Approved Standard on Assurance Engagement, ISAE 3000 (Revised), Assurance Engagement Other than Audits or Reviews of Historical Historical Financial Information and Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

The external auditors have reported to the Board that based on their review procedures performed and evidence obtained, nothing has come to their attention that has caused them to believe that this Statement was not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

Conclusion

The Board is of the view that the current system of internal controls and risk management is adequate and effective to safeguard the Group's assets, as well as shareholders' investments. The Board will continue to monitor and review the framework on an ongoing basis to ensure that it remains effective.

The system of internal controls and risk management was satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report 2024.

This statement was approved by the Board on 17 April 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act, 2016 to prepare the financial statements for each financial year in accordance with applicable accounting standards and the requirements of the Companies Act, 2016 in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of Crest Group Berhad ("**Company**") and its group of subsidiary companies ("**Group**") at the end of the financial year, and of the results and cash flows of the Company and of the Group for the financial year.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Company and the Group keep accounting records which disclose the financial position and performance of the Company and of the Group with reasonable accuracy, enabling them to ensure that the financial statements comply with the Companies Act, 2016. The Directors are responsible for taking such reasonable steps to safeguard the assets of the Company and of the Group, and detect and prevent fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM A CORPORATE PROPOSAL

The Company was listed on the ACE Market of Bursa Malaysia on 9 October 2024 (“Listing”). In conjunction with the Listing, the Company undertook a public issue of 130,705,300 new ordinary shares at an issue price of RM0.35 per share, raising a total gross proceed of approximately RM45.75 million (“IPO Proceeds”).

As of 10 April 2025, the status of the utilisation of the IPO Proceeds are as follows:

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)	Intended timeframe for utilisation from the date of listing
Setup of a new centralised headquarters	15,762	1,650	14,112	Within 36 months
Business expansion	14,517	288	14,229	Within 36 months
Purchase of additional demonstration equipment	5,868	1,220	4,648	Within 36 months
Expansion of technical support and maintenance team	3,600	201	3,399	Within 36 months
Estimated listing expenses	6,000	6,000	-	Within 3 months
TOTAL	45,747	9,359	36,388	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 18 September 2024.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the Group’s external auditors and a firm affiliated to the external auditors’ firm by the Group and the Company for the FYE 2024 were as follows:

	Group (RM'000)	Company (RM'000)
Audit fees	570	56
Non-audit fees	576	554

The non-audit fees includes services performed in connection with the Company’s initial public offering, review of Statement on Risk Management and Internal Control as well as computation and submission of tax.

3. MATERIAL CONTRACTS INVOLVING DIRECTORS’ AND/ OR MAJOR SHAREHOLDERS’ INTEREST

There were no material contracts entered into by the Group involving the interests of the directors and/ or major shareholders which were still subsisting at the end of the FYE 2024 or which were entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS

The recurrent related party transactions incurred by the Group during the FYE 2024 did not exceed threshold prescribed under Rule 10.09(1) of the ACE Market Listing Requirements of Bursa Securities.

FINANCIAL **STATEMENTS**

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of its subsidiaries are engaged in distribution, installation and commissioning of scientific equipment and provision of advance imaging, and analytical solutions as well as after sales services such as training and technical support. Some entities within the group remain dormant.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group	Company
	RM'000	RM'000
Profit/(Loss) for the financial year, net of tax	12,003	(3,398)
Attributable to:		
Owners of the Company	10,745	(3,398)
Non-controlling interests	1,258	-
	<u>12,003</u>	<u>(3,398)</u>

DIVIDENDS

Subsequent to financial year end, an interim single-tier tax-exempt dividend in respect of the financial year ending 31 December 2025, of 0.38 sen per share on 865,598,000 ordinary shares, amounting to RM3,289,272 was declared on 17 April 2025.

The financial statements for the current financial year do not reflect this dividend. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ended 31 December 2025.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT

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CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial year were RM1,124,482 and RM610,348 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

DIRECTORS' REPORT

cont'd

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company had increased its issued and paid-up ordinary share capital from RM100 to RM79,429,665 by way of issuance of:

- (i) 734,891,700 new ordinary shares in the Company amounting to RM36,744,585 to satisfy the purchase consideration for the acquisition of Crest Systems (M) Sdn. Bhd. ("Crest Systems"), Crest Analytic Sdn. Bhd. ("Crest Analytic"), Matrix Optics (M) Sdn. Bhd. ("Matrix Optics"), Crest Lab Sdn. Bhd. ("Crest Lab"), Matrix Innovations (M) Sdn. Bhd. ("Matrix Innovations"), Crest Nanosolutions (M) Sdn. Bhd. ("Crest Nanosolutions"), Crest Innovation (S) Pte. Ltd. ("Crest Innovation"), Crest Nanosolution (Thailand) Co. Ltd. ("Crest Thailand"), and Crest Systems (Suzhou) Co., Ltd. ("Crest Suzhou").
- (ii) 130,705,300 new ordinary shares at a price of RM0.35 per ordinary shares for a total cash consideration of RM45,746,855 pursuant to the Initial Public Offering ("IPO") exercise of the Company on the Ace Market of Bursa Malaysia Securities Berhad on 9 October 2024.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Lim Siong Wai*
Yap Kian Meng*
Au Chun Mun*
Moo Eng Thing
Ahmad Tajudin Bin Omar
Teo Yeling
Ilham Fadilah binti Sunhaji

* *Directors of the Company and certain subsidiaries*

Other than as stated above, the names of directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Kwong Wing Yew
Liu Lei
Thomas Koh Chee Chung
Wibool Samitthithien
Wong Kam Fui

DIRECTORS' REPORT

cont'd

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	At 1.1.2024	Bought	Sold	At 31.12.2024
The Company				
Direct interests:				
Lim Siong Wai	340	248,219,080	(196,496,820)	51,722,600
Au Chun Mun	330	240,639,410	(191,736,040)	48,903,700
Yap Kian Meng	330	240,639,410	(191,736,040)	48,903,700
Teo Yeling	-	170,000	-	170,000
Ilham Fadilah Binti Sunhaji	-	50,000	-	50,000
Indirect interests:				
Lim Siong Wai	-	477,078,900	-	477,078,900 ⁽¹⁾
Au Chun Mun	-	477,078,900	-	477,078,900 ⁽¹⁾
Yap Kian Meng	-	477,078,900	-	477,078,900 ⁽¹⁾
Ultimate holding company				
Direct interests:				
Lim Siong Wai	340	-	-	340
Au Chun Mun	330	-	-	330
Yap Kian Meng	330	-	-	330

⁽¹⁾ Shares held through company in which the director has substantial financial interests.

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Lim Siong Wai, Au Chun Mun and Yap Kian Meng are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.

DIRECTORS' REPORT

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DIRECTORS' BENEFITS

Since the end of the previous financial year, no directors of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, other than any deemed benefit which arise from transactions as shown below.

The directors' benefits of the Group and of the Company were as follows:

	Group RM'000	Company RM'000
Directors of the Company		
Executive directors:		
- Salaries, allowances and bonuses	2,139	-
- Defined contribution plans	406	-
- Other staff related benefits	8	-
	2,553	-
Non-executive directors:		
- Fees	234	234
- Other emoluments	8	8
	242	242
Total directors' remuneration	2,795	242

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object was to enable the directors to acquire benefits by means of the acquisition of ordinary shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, no indemnity was given to or insurance effected for, any director or officer of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2024 %	2023# %	
Subsidiaries				
Crest Systems (M) Sdn. Bhd.	Malaysia	100	100	Engaged in distribution, installation and commissioning of scientific equipment and provision of advance imaging, and analytical solutions as well as after sales services such as training and technical support.
Crest Nanosolutions (M) Sdn. Bhd.	Malaysia	100	95	Engaged in distribution, installation and commissioning of analytical and imaging equipment and provision of after sales service such as training and technical support.

DIRECTORS' REPORT

cont'd

SUBSIDIARIES cont'd

The details of the Company's subsidiaries are as follows: cont'd

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2024 %	2023# %	
Crest Analytic Sdn. Bhd.	Malaysia	70	70	Engaged in distribution, installation and commissioning of analytical and imaging equipment and provision of after sales services such as training and technical support.
Crest Lab Sdn. Bhd.	Malaysia	100	100	Engaged in distribution, installation and commissioning of laboratory equipment, quality control scanning services and provision of after sales services such as training and technical support.
Matrix Optics (M) Sdn. Bhd.	Malaysia	100	100	Engaged in distribution, installation and commissioning of healthcare and life science related equipment and provision of after sales services such as training and technical support.
Matrix Innovations (M) Sdn. Bhd.	Malaysia	100	100	Engaged in distribution, installation and commissioning of optical and portable imaging equipment and provision of after sales services such as training and technical support.
Matrix Biosciences (M) Sdn. Bhd.	Malaysia	100	100	Dormant.
Crest Systems (Suzhou) Co., Ltd.*	China	80	80	Engaged in distribution, installation and commissioning of scientific equipment and provision of advanced imaging and analytical solutions as well as after sales services such as training and technical support.
Crest Innovation (S) Pte. Ltd.*	Singapore	70	70	Engaged in distribution, installation and commissioning of scientific equipment and provision of advanced imaging and analytical solutions as well as after sales services such as training and technical support.
Crest Upstar Pte. Ltd.*	Singapore	100	100	Dormant.
Crest Nanosolutions (Thailand) Co., Ltd.*	Thailand	100	100	Engaged in distribution, installation and commissioning of imaging and analytical equipment and provision of after sales services such as training and technical support.

* Audited by an independent member firm of Baker Tilly International.

The Group applies merger method of accounting for the acquisitions of subsidiaries during the financial year 31 December 2024 and comparative are presented as if the entities had always been combined since the date for which the entities had come under common control.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

DIRECTORS' REPORT

cont'd

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Acquisitions of subsidiaries

- (i) Acquisitions of Crest Systems, Crest Analytic, Matrix Optics, Crest Lab, Matrix Innovations, Crest Nanosolutions, Matrix Biosciences (M) Sdn. Bhd. ("Matrix Biosciences"), Crest Innovation, Crest Upstar Pte. Ltd ("Crest Upstar"), Crest Thailand and Crest Suzhou.

On 17 January 2024, the Company had entered into a conditional share sale agreement for the following:

- (a) acquisition of the entire issued share capital of Crest Systems comprising 1,000,000 ordinary shares from the shareholders of Crest Systems for a total purchase consideration of RM12,680,062 to be satisfied entirely via the allotment and issuance of 253,601,240 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (b) acquisition of 70% of the issued share capital of Crest Analytic comprising 350,000 ordinary shares from the shareholders of Crest Analytic for a total purchase consideration of RM1,105,030 to be satisfied entirely via the allotment and issuance of 22,100,600 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (c) acquisition of the entire issued share capital of Matrix Optics comprising 500,000 ordinary shares from the shareholders of Matrix Optics for a total purchase consideration of RM8,524,849 to be satisfied entirely via the allotment and issuance of 170,496,980 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (d) acquisition of the entire issued share capital of Crest Lab comprising 1,000 ordinary shares from the shareholders of Crest Lab for a total purchase consideration of RM911,459 to be satisfied entirely via the allotment and issuance of 18,229,180 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (e) acquisition of the entire issued share capital of Matrix Innovations comprising 100,000 ordinary shares from the shareholders of Matrix Innovations for a total purchase consideration of RM2,762,879 to be satisfied entirely via the allotment and issuance of 55,257,580 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (f) acquisition of the entire issued share capital of Crest Nanosolutions comprising 500,000 ordinary shares from the shareholders of Crest Nanosolutions for a total purchase consideration of RM5,393,837 to be satisfied entirely via the allotment and issuance of 107,876,740 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (g) acquisition of the entire issued share capital of Matrix Biosciences comprising 100 ordinary shares from the shareholders of Matrix Biosciences for a total purchase consideration of RM3 to be satisfied by way of cash;
- (h) acquisition of 70% of the issued share capital of Crest Innovation of comprising 40,000 ordinary shares from the shareholders of Crest Innovation for a total purchase consideration of RM1,123,777 to be satisfied entirely via the allotment and issuance of 22,475,540 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (i) acquisition of the entire issued share capital of Crest Upstar comprising 1,500 ordinary shares from the shareholders of Crest Upstar for a total purchase consideration of SGD3 (equivalent to approximately RM10) to be satisfied by way of cash;
- (j) acquisition of 100% of the ordinary shares of Crest Thailand comprising 60,000 ordinary shares from the shareholders of Crest Thailand for a total purchase consideration of RM409,375 to be satisfied entirely via the allotment and issuance of 8,187,500 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (k) acquisition of 80% of the equity interest of Crest Suzhou comprising 4,101,085 ordinary shares from the shareholders of Crest Suzhou for a total purchase consideration of RM3,833,317 to be satisfied entirely via the allotment and issuance of 76,666,340 new ordinary shares of the Company at an issue price of RM0.05 per share.

The acquisitions were completed on 8 August 2024.

DIRECTORS' REPORT

cont'd

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR cont'd

(b) Listing on ACE Market of Bursa Securities

On 18 September 2024, the Company issued its Prospectus for its Initial Public Offering ("IPO") entailing the public issue of 130,705,300 new ordinary shares, that were allocated and allotted in the following manner:

- (i) 42,280,000 new ordinary shares made available to the Malaysian Public;
- (ii) 12,984,000 new ordinary shares made available to for application by the eligible directors and employees, and
- (iii) 74,441,300 new ordinary shares made available by way of private placement to selected investors.

On 9 October 2024, the Company was successfully admitted to the Official List of Bursa Securities and the Company's entire enlarged issued shares of 865,598,000 ordinary share was listed and quoted on the ACE Market of Bursa Securities.

(c) Acquisition of property by a subsidiary

On 16 December 2024, Crest Systems, a wholly-owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement ("SPA") with Dolphin Applications Sdn Bhd., a wholly-owned subsidiary of Oasis Harvest Corporation Berhad (formerly known as Dolphin International Berhad), for the acquisition of a parcel of freehold industrial land held under H.S.(D) 121082, No. PT 39502, Mukim Petaling, Daerah Petaling, Negeri Selangor, measuring approximately 2,462.77 square meters, for a total cash consideration of RM16,500,000.

The SPA became unconditional on 26 March 2025 upon the fulfillment of all conditions precedent stipulated in the agreement.

ULTIMATE HOLDING COMPANY

The directors regard Climan Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company of the Company.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

LIM SIONG WAI
Director

YAP KIAN MENG
Director

Kuala Lumpur

Date: 17 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		Unaudited		2024	2023
		2024	2023	RM'000	RM'000
		RM'000	RM'000	RM'000	RM'000
		(Note 32)			
ASSETS					
Non-current assets					
Property, plant and equipment	5	5,702	4,627	-	-
Right-of-use assets	6	430	861	-	-
Deferred tax assets	7	166	799	-	-
Investment in subsidiaries	8	-	-	36,745	-
Trade and other receivables	9	476	-	-	-
Total non-current assets		6,774	6,287	36,745	-
Current assets					
Inventories	10	9,586	15,316	-	-
Current tax assets		4,671	1,705	-	-
Trade and other receivables	9	55,648	43,641	7	-
Contract assets	11	-	243	-	-
Cash and short-term deposits	12	78,657	48,118	41,870	*
Total current assets		148,562	109,023	41,877	*
TOTAL ASSETS		155,336	115,310	78,622	*

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024
cont'd

	Note	Group		Company	
		Unaudited		2024	2023
		2024	2023	RM'000	RM'000
		RM'000	RM'000	RM'000	RM'000
			(Note 32)		
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital/Invested equity	13	79,430	3,969	79,430	*
Irredeemable preference shares	14	911	911	-	-
Reorganisation reserve	13	(32,751)	-	-	-
Other reserves	15	1,494	1,134	-	-
Retained earnings		55,780	51,237	(4,513)	(1,115)
		104,864	57,251	74,917	(1,115)
Non-controlling interests	8(b)	4,008	3,321	-	-
TOTAL EQUITY		108,872	60,572	74,917	(1,115)
Non-current liabilities					
Loans and borrowings	16	1,595	1,507	-	-
Provisions	17	729	668	-	-
Deferred tax liabilities	7	418	33	-	-
Total non-current liabilities		2,742	2,208	-	-
Current liabilities					
Loans and borrowings	16	1,599	594	-	-
Trade and other payables	18	38,917	37,555	3,705	1,115
Current tax liabilities		2,779	3,314	-	-
Contract liabilities	11	427	11,067	-	-
Total current liabilities		43,722	52,530	3,705	1,115
TOTAL LIABILITIES		46,464	54,738	3,705	1,115
TOTAL EQUITY AND LIABILITIES		155,336	115,310	78,622	*

* Representing amount less than RM1,000.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		01.01.2024 to 31.12.2024 (12 Months) RM'000	Unaudited 01.01.2023 to 31.12.2023 (12 Months) RM'000 (Note 32)	01.01.2024 to 31.12.2024 (12 Months) RM'000	09.08.2023 to 31.12.2023 (5 Months) RM'000
Revenue	19	182,987	187,619	-	-
Cost of sales		(136,575)	(134,089)	-	-
Gross profit		46,412	53,530	-	-
Other income		1,483	1,748	249	-
Administrative expenses		(17,782)	(17,984)	(3,592)	(1,115)
Sales and marketing expenses		(13,908)	(10,732)	(22)	-
Net impairment losses on financial instruments		(144)	(46)	-	-
Operating profit/(loss)		16,061	26,516	(3,365)	(1,115)
Finance costs	20	(125)	(50)	(33)	-
Profit/(Loss) before tax	21	15,936	26,466	(3,398)	(1,115)
Income tax expense	23	(3,933)	(6,370)	-	-
Profit/(Loss) for the financial year/period		12,003	20,096	(3,398)	(1,115)
Other comprehensive (loss)/income for the financial year/period, net of tax:					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation on foreign operations		(770)	537	-	-
Total comprehensive income/(loss) for the financial year/period		11,233	20,633	(3,398)	(1,115)
Profits/(Loss) attributable to:					
Owners of the Company		10,745	18,225	(3,398)	(1,115)
Non-controlling interests	8(b)	1,258	1,871	-	-
		12,003	20,096	(3,398)	(1,115)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		10,117	18,690	(3,398)	(1,115)
Non-controlling interests	8(b)	1,116	1,943	-	-
		11,233	20,633	(3,398)	(1,115)
Profit per ordinary share attributable to owners of the Company (sen):					
- Basic	24(a)	3.31	2.11		
- Diluted	24(b)	3.31	2.11		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Attributable to owners of the Company							Total equity RM'000
	Invested equity/ Share capital RM'000	Preference shares RM'000	Reorganisation reserve RM'000	Other reserves RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	
At 1 January 2024 (Unaudited)	3,969	911	-	1,134	51,237	57,251	3,321	60,572
Total comprehensive income for the financial year								
Profit for the financial year	-	-	-	-	10,745	10,745	1,258	12,003
Other comprehensive loss for the financial year	-	-	-	(628)	-	(628)	(142)	(770)
Total comprehensive (loss)/income	-	-	-	(628)	10,745	10,117	1,116	11,233
Transactions with owners								
Issuance of ordinary shares pursuant to:								
- Acquisitions of subsidiaries in business combinations under common control	36,745	-	-	-	260	37,005	(285)	36,720
- Initial Public Offering	45,747	-	-	-	-	45,747	-	45,747
Reorganisation reserve	(3,969)	-	(32,751)	-	-	(36,720)	-	(36,720)
Transfer to statutory reserve	-	-	-	988	(988)	-	-	-
Dividend paid on shares by entities under common control	-	-	-	-	(5,474)	(5,474)	(144)	(5,618)
Transaction costs on shares issued	(3,062)	-	-	-	-	(3,062)	-	(3,062)
Total transactions with owners	75,461	-	(32,751)	988	(6,202)	37,496	(429)	37,067
At 31 December 2024	79,430	911	(32,751)	1,494	55,780	104,864	4,008	108,872

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

cont'd

	Attributable to owners of the Company					Total equity	
	Invested equity	Preference shares	Other reserves	Retained earnings	Sub-total		Non-controlling interests
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2023 (Unaudited)	3,625	-	660	46,770	51,055	3,340	54,395
Total comprehensive income for the financial year	-	-	-	18,225	18,225	1,871	20,096
Profit for the financial year	-	-	465	-	465	72	537
Other comprehensive income for the financial year	-	-	465	18,225	18,690	1,943	20,633
Total comprehensive income	-	-	465	18,225	18,690	1,943	20,633
Transactions with owners							
Issuance of ordinary shares	-	-	-	-	-	270	270
Issuance of preference shares	-	911	-	-	911	-	911
Issuance of share capital upon incorporation	*	-	-	-	*	-	*
Transfer to statutory reserve	-	-	9	(9)	-	-	-
Dividends paid on shares	-	-	-	(15,112)	(15,112)	(322)	(15,434)
Change in ownership interests in the combining entities	344	-	-	1,363	1,707	(1,910)	(203)
Total transactions with owners	344	911	9	(13,758)	(12,494)	(1,962)	(14,456)
At 31 December 2023 (Unaudited)	3,969	911	1,134	51,237	57,251	3,321	60,572

* Representing amount less than RM1,000.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
cont'd

	← Attributable to owners of the Company →		
	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
Company			
At date of incorporation	*	-	*
Total comprehensive loss for the financial period			
Loss for the financial period	-	(1,115)	(1,115)
At 31 December 2023	*	(1,115)	(1,115)
Total comprehensive loss for the financial year			
Loss for the financial year	-	(3,398)	(3,398)
Total comprehensive loss for the financial year	-	(3,398)	(3,398)
Transactions with owners			
Issuance of ordinary shares pursuant to:			
- Acquisitions of subsidiaries in business combinations under common control	36,745	-	36,745
- Initial Public Offering	45,747	-	45,747
Transaction costs on shares issued	(3,062)	-	(3,062)
Total transactions with owners	79,430	-	79,430
At 31 December 2024	79,430	(4,513)	74,917

* Representing amount less than RM1,000.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		01.01.2024 to 31.12.2024 (12 Months) RM'000	Unaudited 01.01.2023 to 31.12.2023 (12 Months) RM'000 (Note 32)	01.01.2024 to 31.12.2024 (12 Months) RM'000	09.08.2023 to 31.12.2023 (5 Months) RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		15,936	26,466	(3,398)	(1,115)
Adjustments for:					
Depreciation of:					
- property, plant and equipment		2,047	1,627	-	-
- right-of-use assets		409	457	-	-
Remeasurement of lease contract		4	-	-	-
Finance costs		125	50	33	-
Gain on disposal of:					
- property, plant and equipment		(670)	(253)	-	-
Interest income		(496)	(496)	(173)	-
Inventories written down		1,740	-	-	-
Net unrealised foreign exchange gain		(84)	(632)	(76)	-
Net impairment losses on trade receivables		144	46	-	-
Written off of:					
- property, plant and equipment		6	*	-	-
Operating profit/(loss) before changes in working capital		19,161	27,265	(3,614)	(1,115)
<u>Changes in working capital:</u>					
Inventories		3,761	1,148	-	-
Trade and other receivables		(13,814)	(2,412)	(7)	-
Contract assets		234	55	-	-
Trade and other payables		2,200	(2,465)	2,633	1,115
Contract liabilities		(10,602)	9,914	-	-
Net cash from/(loss) operations		940	33,505	(988)	-
Interest received		496	496	173	-
Income tax paid		(6,317)	(7,197)	-	-
Net cash (used in)/from operating activities		(4,881)	26,804	(815)	-

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
cont'd

	Note	Group		Company	
		01.01.2024 to 31.12.2024 (12 Months) RM'000	Unaudited 01.01.2023 to 31.12.2023 (12 Months) RM'000 (Note 32)	01.01.2024 to 31.12.2024 (12 Months) RM'000	09.08.2023 to 31.12.2023 (5 Months) RM'000
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		926	284	-	-
Purchase of property, plant and equipment	(a)	(2,579)	(1,178)	-	-
Proceeds from issuance of preference shares		-	911	-	-
Proceeds from acquisition of equity interest by non- controlling interests		-	270	-	-
Net proceed from issuance of shares		42,685	*	42,685	*
Change in pledged deposits		(111)	429	-	-
Net cash from investing activities		40,921	716	42,685	*
Cash flows from financing activities					
Dividend paid by entities under common control		(5,618)	(15,434)	-	-
Drawdown of loan		975	-	-	-
Interest paid		(125)	(50)	-	-
Net repayment of hire purchase	(b)	(278)	(335)	-	-
Net repayment of lease liabilities	(b)	(424)	(316)	-	-
Net cash used in financing activities		(5,470)	(16,135)	-	-
Net changes in cash and cash equivalents		30,570	11,385	41,870	*
Effects of exchange rate changes		(142)	336	-	-
Cash and cash equivalents at the beginning of the financial year		42,278	30,557	*	-
Cash and cash equivalents at the end of the financial year	12	72,706	42,278	41,870	*

* Representing amount less than RM1,000.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
cont'd

(a) Purchase of property, plant and equipment

	Group	
	2024	2023
	RM'000	RM'000
Purchase of property, plant and equipment	3,412	3,170
Operating lease recognised as right-of-use assets	-	(855)
Financed by way of lease arrangements	(833)	(1,137)
Cash payments on purchase of property, plant and equipment	2,579	1,178

(b) Reconciliation of changes in liabilities arising from financing activities are as follows:

Group	At	Non-cash		Cash flows	At
	1.1.2024	Acquisition	Others		31.12.2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Hire purchase payables	1,216	833	(5)	(278)	1,766
Lease liabilities	885	-	(18)	(424)	443
Term loan	-	-	10	975	985
	2,101	833	(13)	1,106	3,194

	Unaudited	Non-cash		Cash flows	Unaudited
	At	Acquisition	Others		At
	1.1.2023	RM'000	RM'000	RM'000	31.12.2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Hire purchase payables	402	1,137	12	(335)	1,216
Lease liabilities	330	855	16	(316)	885
	732	1,992	28	(651)	2,101

(c) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM1,064,000 (2023: RM956,000).

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Crest Group Berhad (“the Company”) is a public limited company, incorporated and domiciled in Malaysia, and is listed on the Ace Market of Bursa Malaysia Securities Berhad on 9 October 2024.

The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor. The principal place of business of the Company is located at 1, Jalan OP 1/2, One Puchong Business Park, 47160 Puchong, Selangor, Malaysia.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are engaged in distribution, installation and commissioning of scientific equipment and provision of advance imaging, and analytical solutions as well as after sales services such as training and technical support. Some entities within the group remain dormant.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

The financial statements of the Group and of the Company were authorised for issuance by the Board of Directors in accordance with a resolution of the directors on 17 April 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysia Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments to MFRSs

The Group and of the Company have adopted the following applicable amendments to MFRSs for the current financial year:

Amendments to MFRSs

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

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies, except as discussed below.

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right-of-use it retains. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. BASIS OF PREPARATION cont'd

2.2 Adoption of amendments to MFRSs cont'd

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of a liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 107 and MFRS 7 respond to investors' concerns that some supplier finance arrangements – also referred to as supply chain finance, trade payables finance or reverse factoring arrangements – used by entities are not sufficiently visible, hindering investors' analysis.

The disclosure requirements require entities to disclose information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effects supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. The new disclosure requirements would also inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.

2.3 New MFRSs and amendments to MFRSs that have been issued, but are yet to be effective

- (a) The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but are yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. BASIS OF PREPARATION cont'd

2.3 New MFRSs and amendments to MFRSs that have been issued, but are yet to be effective cont'd

- (b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity’s financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

Amendments to MFRS 121 respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the Amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities’ financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the classification and measurement requirements, including:

- clarify how the contractual cash flows on financial assets with environmental, social and corporate governance and similar features should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. BASIS OF PREPARATION cont'd

2.3 New MFRSs and amendments to MFRSs that have been issued, but are yet to be effective cont'd

- (c) The Group and the Company are currently performing analysis to quantify the financial effects arising from adoption of the new MFRS and amendments/improvements to MFRSs.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and the Company have been prepared on the historical cost basis, except as otherwise disclosed.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of consolidation

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

(a) Subsidiaries and business combination

The Group applies the acquisition method of accounting except for those business combinations which were accounted for using merger method of accounting.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Under the merger method of accounting, the results of subsidiaries are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to merger reserve or merger deficit.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at their acquisition-date fair values.

3.2 Separate financial statements

In the Company's statement of financial position and investment in subsidiaries are measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future are, in substance, considered as part of the Company's investment in the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION cont'd

3.3 Financial instruments

Financial assets - subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

The Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities - subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment (other than right-of-use assets) are measured at cost less accumulated depreciation and any accumulated impairment losses.

All other property, plant and equipment (other than right-of-use assets) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives using the following annual rates:

	Useful lives
Computer and software	10% - 30%
Electrical fittings	10% - 20%
Office equipment	10% - 20%
Furniture and fittings	10% - 20%
Renovation	10% - 20%
Motor vehicles	20%
Machine equipment	10% - 25%
Demonstration units	10% - 20%

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION cont'd

3.5 Leases

Lessee accounting

The Group presents right-of-use assets and lease liabilities that do not meet the definition of investment property as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost incurred in bringing the inventories to their present location and condition. The finished good costs are assigned on a weighted average cost basis.

3.7 Preference shares

Preference shares are classified as equity if it is non-redeemable, and any dividend payments are discretionary. Dividends thereon are recognised as distributions within equity.

3.8 Revenue and other income

Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components as the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Sale of goods

The Group distributes, installs and commissioning of scientific equipment to local and foreign customers. Revenue from sales of goods is recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term of cash term up to 30 to 120 days, which is consistent with market practice, therefore, no element of financing is deemed present.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION cont'd

3.8 Revenue and other income cont'd

(a) Sale of goods cont'd

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts where applicable. Accumulated experience with the customer's purchasing pattern is used to estimate and provide discounts, using the expected value method. The Group uses the expected value method because it is the method that the Group expects to better predict the estimated volume discounts to which it will be provided to the customers. The estimated volume discounts recognised is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Where consideration is collected from the customer in advance for sale of good, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon sale of goods to the customer.

Based on the terms of the customer, it is the Group's obligation to repair or replace the faulty products under different warranty terms to customers.

(b) Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously. This is determined based on the time elapsed (output method).

(c) Equipment rental income

Equipment rental income is recognised on a straight-line basis over the term of the lease.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Write-down of obsolete or slow-moving inventories

The Group write down their obsolete or slow-moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend when making a judgement to evaluate the adequacy of the write-down of obsolete or slow-moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 10.

(b) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's and the Company's financial assets is disclosed in Note 25(b)(i).

NOTES TO THE FINANCIAL STATEMENTS

cont'd

5. PROPERTY, PLANT AND EQUIPMENT

Group	Computer and software RM'000	Electrical fittings RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Motor vehicles RM'000	Machine equipment RM'000	Demonstration units RM'000	Total RM'000
2024									
Cost									
At 1 January 2024 (Unaudited)	1,540	159	1,623	779	2,058	5,435	4,289	4,279	20,162
Additions	117	6	26	13	9	945	476	1,820	3,412
Disposals	(5)	(1)	-	-	-	(1,049)	(487)	(285)	(1,827)
Written off	-	-	(5)	-	-	-	-	(6)	(11)
Exchange differences	(9)	-	(9)	(2)	(4)	(22)	(44)	(3)	(93)
At 31 December 2024	1,643	164	1,635	790	2,063	5,309	4,234	5,805	21,643
Accumulated depreciation									
At 1 January 2024 (Unaudited)	1,220	79	1,366	566	1,618	4,020	3,368	3,298	15,535
Charge for the financial year	124	13	68	44	89	498	597	614	2,047
Disposals	(2)	*	-	-	-	(1,049)	(251)	(269)	(1,571)
Written off	-	-	(4)	-	-	-	-	(1)	(5)
Exchange differences	(8)	-	(6)	(2)	(3)	(15)	(27)	(4)	(65)
At 31 December 2024	1,334	92	1,424	608	1,704	3,454	3,687	3,638	15,941
Carrying amount									
At 31 December 2024	309	72	211	182	359	1,855	547	2,167	5,702

* Representing amount less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

5. PROPERTY, PLANT AND EQUIPMENT cont'd

Group	Computer and software RM'000	Electrical fittings RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Motor vehicles RM'000	Machine equipment RM'000	Demonstration units RM'000	Work-in-progress RM'000	Total RM'000
2023										
(Unaudited)										
Cost										
At 1 January 2023	1,390	93	1,521	599	1,767	5,504	4,283	4,182	108	19,447
Additions	218	66	157	124	273	1,218	156	103	-	2,315
Disposals	(23)	-	(36)	-	-	(1,635)	(28)	(13)	-	(1,735)
Written off	(64)	-	(44)	-	(36)	-	(208)	-	-	(352)
Reclassification	-	-	12	51	45	-	-	-	(108)	-
Reclassification from ROU	-	-	-	-	-	332	-	-	-	332
Exchange differences	19	-	13	5	9	16	86	7	-	155
At 31 December 2023	1,540	159	1,623	779	2,058	5,435	4,289	4,279	-	20,162
Accumulated depreciation										
At 1 January 2023	1,180	72	1,359	529	1,540	5,494	2,669	2,885	-	15,728
Charge for the financial year	110	7	70	33	103	20	867	417	-	1,627
Disposals	(23)	-	(33)	-	-	(1,635)	(3)	(11)	-	(1,705)
Written off	(63)	-	(40)	-	(32)	-	(217)	-	-	(352)
Reclassification from ROU	-	-	-	-	-	129	-	-	-	129
Exchange differences	16	-	10	4	7	12	52	7	-	108
At 31 December 2023	1,220	79	1,366	566	1,618	4,020	3,368	3,298	-	15,535
Carrying amount										
At 31 December 2023	320	80	257	213	440	1,415	921	981	-	4,627

(a) Included in motor vehicles are RM1,846,000 (2023: RM1,405,000) under hire purchase arrangements.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

6. RIGHT-OF-USE ASSETS

	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Group			
Cost			
At 1 January 2023 (Unaudited)	1,392	322	1,714
Additions	855	-	855
Reclassification to property, plant and equipment	-	(332)	(332)
Exchange differences	62	10	72
At 31 December 2023 (Unaudited)	2,309	-	2,309
Expiration of lease contract	(309)	-	(309)
Remeasurement	(4)	-	(4)
Exchange differences	(79)	-	(79)
At 31 December 2024	1,917	-	1,917
Accumulated depreciation and impairment			
At 1 January 2023 (Unaudited)	1,013	61	1,074
Depreciation	391	66	457
Reclassification to property, plant and equipment	-	(129)	(129)
Exchange differences	44	2	46
At 31 December 2023 (Unaudited)	1,448	-	1,448
Depreciation	409	-	409
Expiration of lease contract	(309)	-	(309)
Exchange differences	(61)	-	(61)
At 31 December 2024	1,487	-	1,487
Carrying amount			
At 31 December 2023 (Unaudited)	861	-	861
At 31 December 2024	430	-	430

The Group leases buildings for their office space and operation site. The leases for office space and operation site generally have lease term between 2 to 6 years.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

7. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax relates to the following:

	At 1 January 2024 RM'000	Recognised in profit or loss RM'000	Exchange differences RM'000	At 31 December 2024 RM'000
Group				
Deferred tax assets:				
Property, plant and equipment	648	(646)	-	2
Unrealised profit	17	1	-	18
Provision for employee retirement benefit	130	16	-	146
Exchange difference	4	-	(4)	-
	<u>799</u>	<u>(629)</u>	<u>(4)</u>	<u>166</u>
Deferred tax liabilities:				
Property, plant and equipment	(33)	(385)	-	(418)
	<u>(33)</u>	<u>(385)</u>	<u>-</u>	<u>(418)</u>
	<u>766</u>	<u>(1,014)</u>	<u>(4)</u>	<u>(252)</u>
	Unaudited At 1 January 2023 RM'000	Recognised in profit or loss RM'000	Exchange differences RM'000	Unaudited At 31 December 2023 RM'000
Group				
Deferred tax assets:				
Property, plant and equipment	55	593	-	648
Unrealised profit	123	(106)	-	17
Provision for employee retirement benefit	-	130	-	130
Exchange difference	-	-	4	4
	<u>178</u>	<u>617</u>	<u>4</u>	<u>799</u>
Deferred tax liabilities:				
Property, plant and equipment	(183)	150	-	(33)
	<u>(183)</u>	<u>150</u>	<u>-</u>	<u>(33)</u>
	<u>(5)</u>	<u>767</u>	<u>4</u>	<u>766</u>

NOTES TO THE FINANCIAL STATEMENTS

cont'd

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2024	2023
	RM'000	RM'000
At cost		
Unquoted shares	36,745	-

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2024	2023 [#]	
		%	%	
Subsidiaries				
Crest Systems (M) Sdn. Bhd.	Malaysia	100	100	Engaged in distribution, installation and commissioning of scientific equipment and provision of advance imaging, and analytical solutions as well as after sales services such as training and technical support.
Crest Nanosolutions (M) Sdn. Bhd.	Malaysia	100	95	Engaged in distribution, installation and commissioning of analytical and imaging equipment and provision of after sales service such as training and technical support.
Crest Analytic Sdn. Bhd.	Malaysia	70	70	Engaged in distribution, installation and commissioning of analytical and imaging equipment and provision of after sales services such as training and technical support.
Crest Lab Sdn. Bhd.	Malaysia	100	100	Engaged in distribution, installation and commissioning of laboratory equipment, quality control scanning services and provision of after sales services such as training and technical support.
Matrix Optics (M) Sdn. Bhd.	Malaysia	100	100	Engaged in distribution, installation and commissioning of healthcare and life science related equipment and provision of after sales services such as training and technical support.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

8. INVESTMENT IN SUBSIDIARIES cont'd

Details of the subsidiaries are as follows: cont'd

Name of company	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2024	2023 [#]	
		%	%	
Matrix Innovations (M) Sdn. Bhd.	Malaysia	100	100	Engaged in distribution, installation and commissioning of optical and portable imaging equipment and provision of after sales services such as training and technical support.
Matrix Biosciences (M) Sdn. Bhd.	Malaysia	100	100	Dormant.
Crest Systems (Suzhou) Co., Ltd.*	China	80	80	Engaged in distribution, installation and commissioning of scientific equipment and provision of advanced imaging and analytical solutions as well as after sales services such as training and technical support.
Crest Innovation (S) Pte. Ltd.*	Singapore	70	70	Engaged in distribution, installation and commissioning of scientific equipment and provision of advanced imaging and analytical solutions as well as after sales services such as training and technical support.
Crest Upstar Pte. Ltd.*	Singapore	100	100	Dormant.
Crest Nanosolutions (Thailand) Co., Ltd.*	Thailand	100	100	Engaged in distribution, installation and commissioning of imaging and analytical equipment and provision of after sales services such as training and technical support.

* Audited by an independent member firm of Baker Tilly Monteiro International.

The Group applies merger method of accounting for the acquisitions of subsidiaries during the financial year 31 December 2024 and comparative are presented as if the entities had always been combined since the date for which the entities had come under common control.

(a) Acquisitions of subsidiaries

Acquisitions of Crest Systems, Crest Analytic, Matrix Optics, Crest Lab, Matrix Innovations, Crest Nanosolutions, Matrix Biosciences, Crest Innovation, Crest Upstar, Crest Thailand and Crest Suzhou.

On 17 January 2024, the Company had entered into a conditional share sale agreement for the following:

- acquisition of the entire issued share capital of Crest Systems comprising 1,000,000 ordinary shares from the shareholders of Crest Systems for a total purchase consideration of RM12,680,062 to be satisfied entirely via the allotment and issuance of 253,601,240 new ordinary shares of the Company at an issue price of RM0.05 per share;

NOTES TO THE FINANCIAL STATEMENTS

cont'd

8. INVESTMENT IN SUBSIDIARIES cont'd

(a) Acquisitions of subsidiaries cont'd

Acquisitions of Crest Systems, Crest Analytic, Matrix Optics, Crest Lab, Matrix Innovations, Crest Nanosolutions, Matrix Biosciences, Crest Innovation, Crest Upstar, Crest Thailand and Crest Suzhou. cont'd

On 17 January 2024, the Company had entered into a conditional share sale agreement for the following: cont'd

- acquisition of 70% of the issued share capital of Crest Analytic comprising 350,000 ordinary shares from the shareholders of Crest Analytic for a total purchase consideration of RM1,105,030 to be satisfied entirely via the allotment and issuance of 22,100,600 new ordinary shares of the Company at an issue price of RM0.05 per share;
- acquisition of the entire issued share capital of Matrix Optics comprising 500,000 ordinary shares from the shareholders of Matrix Optics for a total purchase consideration of RM8,524,849 to be satisfied entirely via the allotment and issuance of 170,496,980 new ordinary shares of the Company at an issue price of RM0.05 per share;
- acquisition of the entire issued share capital of Crest Lab comprising 1,000 ordinary shares from the shareholders of Crest Lab for a total purchase consideration of RM911,459 to be satisfied entirely via the allotment and issuance of 18,229,180 new ordinary shares of the Company at an issue price of RM0.05 per share;
- acquisition of the entire issued share capital of Matrix Innovations comprising 100,000 ordinary shares from the shareholders of Matrix Innovations for a total purchase consideration of RM2,762,879 to be satisfied entirely via the allotment and issuance of 55,257,580 new ordinary shares of the Company at an issue price of RM0.05 per share;
- acquisition of the entire issued share capital of Crest Nanosolutions comprising 500,000 ordinary shares from the shareholders of Crest Nanosolutions for a total purchase consideration of RM5,393,837 to be satisfied entirely via the allotment and issuance of 107,876,740 new ordinary shares of the Company at an issue price of RM0.05 per share;
- acquisition of the entire issued share capital of Matrix Biosciences comprising 100 ordinary shares from the shareholders of Matrix Biosciences for a total purchase consideration of RM3 to be satisfied by way of cash;
- acquisition of 70% of the issued share capital of Crest Innovation comprising 40,000 ordinary shares from the shareholders of Crest Innovation for a total purchase consideration of RM1,123,777 to be satisfied entirely via the allotment and issuance of 22,475,540 new ordinary shares of the Company at an issue price of RM0.05 per share;
- acquisition of the entire issued share capital of Crest Upstar comprising 1,500 ordinary shares from the shareholders of Crest Upstar for a total purchase consideration of SGD3 (equivalent to approximately RM10) to be satisfied by way of cash;
- acquisition of 100% of the ordinary shares of Crest Thailand comprising 60,000 ordinary shares from the shareholders of Crest Thailand for a total purchase consideration of RM409,375 to be satisfied entirely via the allotment and issuance of 8,187,500 new ordinary shares of the Company at an issue price of RM0.05 per share;
- acquisition of 80% of the equity interest of Crest Suzhou comprising 4,101,085 ordinary shares from the shareholders of Crest Suzhou for a total purchase consideration of RM3,833,317 to be satisfied entirely via the allotment and issuance of 76,666,340 new ordinary shares of the Company at an issue price of RM0.05 per share.

The acquisition was completed on 8 August 2024 and effectively become the subsidiaries of the Company.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

8. INVESTMENT IN SUBSIDIARIES cont'd

(b) Non-controlling interests in subsidiaries

The financial information of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows:

Equity interest held by non-controlling interests:

Name of company	Principal place of business/ Country of incorporation	Effective equity interest	
		2024	2023
		%	%
Crest Analytic	Malaysia	30	30
Crest Nanosolutions	Malaysia	-	5
Crest Innovation	Singapore	30	30
Crest Suzhou	China	20	20

Carrying amounts of material non-controlling interests are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Crest Analytic	578	544
Crest Nanosolutions	-	281
Crest Innovation	1,246	990
Crest Suzhou	2,184	1,506
	4,008	3,321

Profit or loss allocated to material non-controlling interests are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Crest Analytic	55	70
Crest Nanosolutions	8	11
Crest Innovation	407	367
Crest Suzhou	788	526
Crest Thailand	-	897
	1,258	1,871

NOTES TO THE FINANCIAL STATEMENTS

cont'd

8. INVESTMENT IN SUBSIDIARIES cont'd

(c) Summarised financial information of material non-controlling interests

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have material non-controlling interests are as follows:

	Crest Analytic RM'000	Crest Innovation RM'000	Crest Suzhou RM'000
Summarised statements of financial position			
As at 31 December 2024			
Current assets	3,519	13,643	18,736
Non-current assets	2	301	61
Current liabilities	(1,593)	(9,726)	(7,878)
Non-current liabilities	(1)	(63)	-
Net assets	<u>1,927</u>	<u>4,155</u>	<u>10,919</u>
Summarised statements of comprehensive income			
Financial year ended 31 December 2024			
Revenue	3,876	27,355	30,725
Profit for the financial year	185	1,356	3,940
Total comprehensive income	<u>185</u>	<u>1,252</u>	<u>3,389</u>
Summarised cash flows information			
Financial year ended 31 December 2024			
Cash flows from/(used in) operating activities	294	1,535	(3,601)
Cash flows used in investing activities	(1)	(15)	(23)
Cash flow used in financing activities	(70)	(668)	(151)
Net increase/(decrease) in cash and cash equivalents	<u>223</u>	<u>852</u>	<u>(3,775)</u>
Dividends paid to non-controlling interests	<u>(21)</u>	<u>(120)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

cont'd

8. INVESTMENT IN SUBSIDIARIES cont'd**(c) Summarised financial information of material non-controlling interests** cont'd

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have material non-controlling interests are as follows: cont'd

	Crest Analytic RM'000	Crest Nanosolutions RM'000	Crest Innovation RM'000	Crest Suzhou RM'000
Summarised statements of financial position				
As at 31 December 2023				
Current assets	3,151	6,372	13,166	19,235
Non-current assets	2	5	464	171
Current liabilities	(1,340)	(767)	(10,106)	(11,831)
Non-current liabilities	(1)	*	(222)	(45)
Net assets	1,812	5,610	3,302	7,530
Summarised statements of comprehensive income				
Financial year ended 31 December 2023				
Revenue	3,396	4,487	14,444	27,727
Profit for the financial year	234	216	1,295	2,628
Total comprehensive income	234	216	1,190	2,738
Summarised cash flows information				
Financial year ended 31 December 2023				
Cash flows from operating activities	841	1,280	129	2,382
Cash flows used in investing activities	(1)	-	(71)	(18)
Cash flow used in financing activities	-	(19)	(1,243)	(139)
Net increase/(decrease) in cash and cash equivalents	840	1,261	(1,185)	2,225
Dividends paid to non-controlling interests	-	-	(264)	-

* Representing amount less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Non-current:					
Trade					
Trade receivables	(a)	476	-	-	-
Total trade and other receivables (non-current)		476	-	-	-
Current:					
Trade					
Trade receivables	(b)	49,282	32,740	-	-
Less: Impairment losses		(194)	(53)	-	-
Total trade receivables (current)		49,088	32,687	-	-
Non-trade					
Other receivables		557	465	-	-
Amount owing by subsidiaries	(c)	-	-	6	-
Amount owing by a related party	(d)	1	-	-	-
Deposits		2,416	1,010	1	-
Prepayments		3,586	9,479	-	-
Total other receivables (current)		6,560	10,954	7	-
Total trade and other receivables (current)		55,648	43,641	7	-
Total trade and other receivables (non-current and current)		56,124	43,641	7	-

(a) Trade receivables (non-current)

The long-term trade receivables are due from purchases and which are to be settled based on instalment plans. These balances represent instalment due after 12 months. Therefore, these trade receivables are neither past due nor impaired.

(b) Trade receivables (current)

Trade receivables are non-interest bearing and normal credit terms offered by the Group and the Company range from 30 days to 120 days (2023: 60 days to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. TRADE AND OTHER RECEIVABLES cont'd

(b) Trade receivables (current) cont'd

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group	
	2024	2023
	RM'000	RM'000
At 1 January	53	7
Charge for the financial year	166	46
Reversal during the year	(22)	-
Exchange difference	(3)	*
At 31 December	194	53

* Representing amount less than RM1,000.

The information about the credit exposures is disclosed in Note 25(b)(i).

(c) Amounts owing by subsidiaries

The amounts owing by subsidiaries are unsecured, non-interest bearing and repayable on demand and are expected to be settled in cash.

(d) Amount owing by a related company

Amount owing by a related company is unsecured, non-trade in nature, repayable on demand and is expected to be settled in cash.

10. INVENTORIES

	Group	
	2024	2023
	RM'000	RM'000
At cost		
Trading goods	-	691
Finished goods	9,586	14,625
	9,586	15,316

(a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year is RM115,882,985 (2023: RM112,976,973).

(b) The cost of inventories of the Group recognised as an expense in administrative expenses during the financial year in respect of write-down of inventories to net realisable value was RM1,740,169 (2023: RM Nil).

NOTES TO THE FINANCIAL STATEMENTS

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11. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2024	Unaudited 2023
	RM'000	RM'000
Contract assets relating to rendering of services	-	243
Contract liabilities relating to rendering of services	(427)	(11,067)
	(427)	(10,824)

(a) Contract assets

The contract assets represent the Group's rights to consideration for the work performed but yet to be billed. Contract assets are transferred to receivables when the Group issue billings to the customers.

(b) Contract liabilities

The contract liabilities represent advances received from customers for which performance obligation have not been satisfied. The contract liabilities will be offset against future revenue made in the Group.

(c) Significant changes in contract balances

	2024		Unaudited 2023	
	Contract assets Increase/ (Decrease) RM'000	Contract liabilities (Increase)/ Decrease RM'000	Contract assets Increase/ (Decrease) RM'000	Contract liabilities (Increase)/ Decrease RM'000
Group				
Revenue recognised that was included in contract liabilities at the beginning of the financial year	-	10,871	-	1,153
Increase due to consideration received from customers, but revenue not recognised	-	(427)	-	(11,067)
Transfer from contract assets recognised at the beginning of the financial year to receivables	(237)	-	(55)	-
Exchange differences	(6)	196	14	(50)

NOTES TO THE FINANCIAL STATEMENTS

cont'd

11. CONTRACT ASSETS/(LIABILITIES) cont'd

(d) Revenue recognised in relation to contract balances

	Group Unaudited	
	2024	2023
	RM'000	RM'000
Revenue recognised that was included in contract liability at the beginning of the financial year	10,871	1,153
Exchange differences	190	(36)

12 CASH AND SHORT-TERM DEPOSITS

		Group Unaudited		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	(a)	32,676	42,278	1,840	*
Deposit	(b)	785	806	-	-
Short term-deposits	(b)	45,196	5,034	40,030	-
		<u>78,657</u>	<u>48,118</u>	<u>41,870</u>	*

* Representing amount less than RM1,000.

(a) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

		Group Unaudited		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances		32,676	42,278	1,840	*
Deposits		785	806	-	-
Short-term deposits with maturities of less than three months		45,196	5,034	40,030	-
Less: Pledged deposits		(785)	(806)	-	-
Pledged short-term deposits		(5,166)	(5,034)	-	-
Cash and cash equivalents		<u>72,706</u>	<u>42,278</u>	<u>41,870</u>	*

(b) Included in deposit and short-term deposits placed with licensed banks of the Group RM785,213 (2023: RM805,854) and RM5,166,616 (2023: RM5,034,258) respectively are pledged for credit facilities granted to the Group as disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

13. SHARE CAPITAL/INVESTED EQUITY

	Group			
	Number of ordinary shares		Amounts	
	Unaudited		Unaudited	
	2024	2023	2024	2023
	Units ('000)	Units ('000)	RM'000	RM'000
Ordinary shares Issued and fully paid up (no par value):				
At 1 January	4,329	4,267	3,969	3,625
Shares issued upon incorporation	-	1	-	*
Change in ownership in interest in the operating entities	-	61	-	344
Shares issued for acquisition of subsidiaries	734,892	-	36,745	-
Share issuance expenses pursuant to the initial public offering	-	-	(3,062)	-
Issuance of ordinary shares	130,705	-	45,747	-
Reorganisation deficit	(4,328)	-	(3,969)	-
At 31 December	865,598	4,329	79,430	3,969

	Company			
	Number of ordinary shares		Amounts	
	Unaudited		Unaudited	
	2024	2023	2024	2023
	Units ('000)	Units ('000)	RM'000	RM'000
Ordinary shares Issued and fully paid up (no par value):				
At 1 January	1	-	*	-
Shares issued upon incorporation	-	1	-	*
Shares issued for acquisition of subsidiaries	734,892	-	36,745	-
Share issuance expenses pursuant to the initial public offering	-	-	(3,062)	-
Issuance of ordinary shares	130,705	-	45,747	-
At 31 December	865,598	1	79,430	*

* Representing amount less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

13. SHARE CAPITAL/INVESTED EQUITY cont'd

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company:

- (i) issued 734,891,700 new ordinary shares in the Company amounting to RM36,744,585 to satisfy the purchase consideration for the acquisition of Crest Systems, Crest Analytic, Matrix Optics, Crest Lab, Matrix Innovations, Crest Nanosolutions, Crest Innovation, Crest Thailand, and Crest Suzhou as disclosed in Note 30 to the financial statements.
- (ii) issued 130,705,300 new ordinary shares at a price of RM0.35 per ordinary shares for a total cash consideration of RM45,746,855 pursuant to the IPO exercise of the Company.

The reorganisation deficit arose from the differences between the carrying value of the investments and the nominal value of the shares of the subsidiaries upon consolidation under the merger accounting policies.

14. IRREDEEMABLE PREFERENCE SHARES

On 21 September 2023, 62,449 preference shares at par value of THB100 with a premium of THB9.99 per preference shares were issued by Crest Thailand to a shareholder. The salient features of the preference shares are as follows:

- (a) The preference shares carry voting rights 1 vote per 20 preference shares;
- (b) The preference shares are not redeemable at a fixed date; and
- (c) The preference shares carry a dividend of 3% of the par value of the preference shares in the event the company has a profit after the legal reserve and other necessary reserves have been completed without accumulated loss.

15. OTHER RESERVES

	Note	Group	
		2024	2023
		RM'000	RM'000
Exchange reserve	(a)	496	1,124
Legal reserve	(b)	998	10
		<u>1,494</u>	<u>1,134</u>

(a) Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation or another currency.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

15. OTHER RESERVES cont'd

(b) Legal reserve

- (i) Under the provisions of the Civil and Commercial Code, Crest Thailand is required to set aside a legal reserve at least 5% of its net profit at each dividend declaration until the reserve reaches 10% of authorised capital.
- (ii) Under the Company Law of the People's Republic of China, Crest Suzhou is required to allocate 10% of its after-tax profits to a legal reserve each financial year, until the legal reserve reaches 50% of the it's registered capital.

The reserve is not available for dividend distribution.

As at 31 December 2024, Crest Thailand had set aside of THB346,000 (2023: THB73,000) (equivalent to RM44,000 (2023: RM9,617)) whereas Crest Suzhou had set aside of RMB1,560,586 (2023: Nil) (equivalent to RM954,000 (2023: Nil)) as legal reserve.

16. LOANS AND BORROWINGS

		Group	
		Unaudited	
		2024	2023
	Note	RM'000	RM'000
Non-current:			
Lease liabilities	(a)	130	476
Hire purchase payables	(b)	1,465	1,031
		1,595	1,507
Current:			
Term loan	(c)	985	-
Lease liabilities	(a)	313	409
Hire purchase payables	(b)	301	185
		1,599	594
		3,194	2,101
Total loans and borrowings:			
Term loan	(c)	985	-
Lease liabilities	(a)	443	885
Hire purchase payables	(b)	1,766	1,216
		3,194	2,101

NOTES TO THE FINANCIAL STATEMENTS

cont'd

16. LOANS AND BORROWINGS cont'd**(a) Lease liabilities**

Future minimum lease payments under leases together with the present value of net minimum lease payments are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Minimum lease payment:		
- Not later than one year	331	453
- Later than one year and not later than 5 years	133	498
	464	951
Less: Future finance charges	(21)	(66)
Present value of minimum lease payments	443	885
Present value of minimum lease payments:		
- Not later than one year	313	409
- Later than one year and not later than 5 years	130	476
	443	885
Less: Amount due within 12 months	(313)	(409)
Amount due after 12 months	130	476

The lease liabilities bear an interest rate of 0.67% to 6.70% (2023: 0.67% to 6.70%) per annum.

(b) Hire purchase payables

Hire purchase payables of the Group of RM1,766,000 (2023: RM1,216,000) bears interest ranging from 2.28% to 5.07% per annum and are secured by the Group's motor vehicles under hire purchase arrangements as disclosed in Note 5(a).

(c) Term loan

Term loan of the Group bear interest at 6.63% per annum. This short-term borrowing is guaranteed by pledged deposits with licensed bank as disclosed in Note 12(b).

NOTES TO THE FINANCIAL STATEMENTS

cont'd

17. PROVISIONS

		Group	
		2024	2023
	Note	RM'000	RM'000
Non-current:			
Defined benefit pension plan		729	668
Included in profit or loss			
Defined benefit pension plan	(a)	77	86

(a) Defined benefit pension plan

The Group's defined benefit pension plan requires contributions to be made to a separately administered fund. This plan provides benefits to members in the form of a guaranteed level of pension payable in perpetuity. The level of benefits provided depends on members' salary bases, their years of services leading up to retirement and the employee's turnover rate.

The provision of defined benefit pension plan is based on management's best estimate of the expenditure required to settle present obligation according to Thailand's labour law. Employees are not required to contribute to the plans.

Movement in the defined benefit liability

The followings table illustrates a reconciliation of the net defined benefit liability and its components:

	Defined benefit liability RM'000
At 1 January 2023	551
Benefits expense	86
Effects of changes in foreign exchange rates	31
At 31 December 2023	668
Benefits expense	77
Effects of changes in foreign exchange rates	(16)
At 31 December 2024	729

NOTES TO THE FINANCIAL STATEMENTS

cont'd

18. TRADE AND OTHER PAYABLES

	Note	Group Unaudited		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current:					
Trade					
Trade payables	(a)	25,155	21,492	-	-
Non-trade					
Other payables	(b)	3,544	6,830	18	1,094
GST and SST payables		485	93	-	-
Accruals		5,377	4,070	74	21
Deposit		4,341	5,070	-	-
Amount owing to directors	(c)	15	-	-	-
Amount owing to subsidiaries	(c)	-	-	3,613	-
		13,762	16,063	3,705	1,115
Total trade and other payables		38,917	37,555	3,705	1,115

(a) Trade payables

Trade payables are non-interest bearing and are normally settled on the ranging from 30 days to 120 days (2023: 30 days to 90 days).

(b) Other payables

Included in the Company's other payables in the previous financial period are amount RM1,094,687 owing to a company in which certain directors have interests. These amounts are unsecured, interest-free, repayable on demand and are expected to be settled in cash.

(c) Amount owing to directors and subsidiaries

Amounts owing to directors and subsidiaries are unsecured, non-interest bearing, repayable upon demand and are expected to be settled in cash, except for amount owing to one of the subsidiaries represent advance from the subsidiary which is unsecured, subject to interest at rates 5.06% (2023: Nil) per annum and is expected to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

19. REVENUE

	Group	
	2024	2023
	RM'000	RM'000
Revenue from contract customers:		
Sales of goods	156,586	159,785
Services rendered	23,776	25,836
Rental income	2,625	1,998
	<u>182,987</u>	<u>187,619</u>
Timing of revenue recognition:		
At a point in time	159,211	161,783
Over time	23,776	25,836
	<u>182,987</u>	<u>187,619</u>

(a) Disaggregation of revenue

The Group report the following major segments: provision of imaging, analytical and test solutions and provision of after-sales service in accordance with MFRS 8 *Operating Segments*. For purpose of disclosure for disaggregation of revenue, it disaggregates revenue into major goods or services and timing of revenue recognition (i.e. goods transferred at a point in time, or services transferred over time).

For information about disaggregation of revenue into primary geographical market, refer to Note 31.

(b) Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient in Paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

20. FINANCE COSTS

	Group		Company	
	01.01.2024 to 31.12.2024 (12 Months)	01.01.2023 to 31.12.2023 (12 Months)	01.01.2024 to 31.12.2024 (12 Months)	09.08.2023 to 31.12.2023 (5 Months)
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- Hire purchase payables	75	12	-	-
- Lease liabilities	43	38	-	-
- Term loan	7	-	-	-
- Others	-	-	33	-
	<u>125</u>	<u>50</u>	<u>33</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

cont'd

21. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit before tax:

	Note	Group		Company	
		Unaudited			
		01.01.2024 to 31.12.2024 (12 Months) RM'000	01.01.2023 to 31.12.2023 (12 Months) RM'000	01.01.2024 to 31.12.2024 (12 Months) RM'000	09.08.2023 to 31.12.2023 (5 Months) RM'000
Auditors' remuneration					
- statutory audit					
- Baker Tilly Monteiro Heng PLT		249	200	56	4
- Member firms of Baker Tilly International		317	440	-	-
- Other auditor		4	3	-	-
- non-statutory audit					
- Baker Tilly Monteiro Heng PLT		428	161	428	-
- Member firms of Baker Tilly International		126	168	126	-
Other services					
- member firms of Baker Tilly International		22	32	-	1
Depreciation of:					
- property, plant and equipment		2,047	1,627	-	-
- right-of-use assets		409	457	-	-
Employee benefits expense	22	24,022	20,744	242	16
Inventories written down		1,740	-	-	-
Impairment loss on trade receivables		166	46	-	-
IPO expenses		2,133	1,998	3,328	1,040
Net realised foreign exchange loss		21	573	2	-
Expenses related to short-term leases		640	640	-	-
Written off of property, plant and equipment		6	*	-	-
Interest income		(496)	(496)	(173)	-
Gain on disposal of property, plant and equipment		(670)	(253)	-	-
Net unrealised foreign exchange gain		(84)	(632)	(76)	-
Reversal of impairment loss on trade receivables		(22)	-	-	-

* Representing amount less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

22. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	01.01.2024 to 31.12.2024 (12 Months) RM'000	Unaudited 01.01.2023 to 31.12.2023 (12 Months) RM'000	01.01.2024 to 31.12.2024 (12 Months) RM'000	09.08.2023 to 31.12.2023 (5 Months) RM'000
Salaries, allowances and bonuses	20,750	18,292	242	16
Defined contribution plans	2,654	2,070	-	-
Other staff related benefits	618	382	-	-
	<u>24,022</u>	<u>20,744</u>	<u>242</u>	<u>16</u>

Included in the employee benefits expenses are:

	Group		Company	
	01.01.2024 to 31.12.2024 (12 Months) RM'000	Unaudited 01.01.2023 to 31.12.2023 (12 Months) RM'000	01.01.2024 to 31.12.2024 (12 Months) RM'000	09.08.2023 to 31.12.2023 (5 Months) RM'000
Directors of the Company				
Executive directors:				
- Salaries, allowances and bonuses	2,139	3,619	-	-
- Defined contribution plans	406	494	-	-
- Other staff related benefits	8	5	-	-
	<u>2,553</u>	<u>4,118</u>	<u>-</u>	<u>-</u>
Non-executive directors:				
- Fees	234	-	234	16
- Other emoluments	8	-	8	-
	<u>242</u>	<u>-</u>	<u>242</u>	<u>16</u>
Total directors' remuneration	<u>2,795</u>	<u>4,118</u>	<u>242</u>	<u>16</u>

Directors' remuneration of the Group excludes estimated monetary value of benefits in kind of RM84,000 (2023: RM45,000).

NOTES TO THE FINANCIAL STATEMENTS

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23. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 December 2024 and 31 December 2023 are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Statements of comprehensive income		
Current income tax:		
- Current income tax charge	4,181	6,598
- Adjustments in respect of prior year	(1,262)	539
	2,919	7,137
Deferred tax:		
- Origination of temporary differences	991	(525)
- Adjustments in respect of prior year	23	(242)
	1,014	(767)
Income tax expense recognised in profit or loss	3,933	6,370

In the previous year, the income tax rate applicable to small and medium scale enterprise ("SME") incorporated in Malaysia with paid-up capital of RM2,500,000 and below and annual sales less than RM50,000,000 is subject to the statutory income tax rate of 15% on chargeable income up to RM150,000; 17% on chargeable income from RM150,001 up to RM600,000. For chargeable income in excess of RM600,000, statutory income tax rate of 24% is still applicable.

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rate prevailing in the respective jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS

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23. INCOME TAX EXPENSE cont'd

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	01.01.2024 to 31.12.2024 (12 Months) RM'000	Unaudited 01.01.2023 to 31.12.2023 (12 Months) RM'000	01.01.2024 to 31.12.2024 (12 Months) RM'000	09.08.2023 to 31.12.2023 (5 Months) RM'000
Profit/(Loss) before tax	15,936	26,466	(3,398)	(1,115)
Tax at Malaysian statutory income tax rate of 24%	3,825	6,352	(816)	(268)
Different tax rates in other countries	(114)	(221)	-	-
SME tax savings	-	(156)	-	-
Tax effects arising from:				
- Non-deductible expenses	1,499	444	816	268
- Income not subject to tax	(38)	(66)	-	-
- Deferred tax assets not recognised on previously unrecognised temporary differences	-	(280)	-	-
- Adjustment in respect of prior years:				
- income tax	(1,262)	539	-	-
- deferred tax	23	(242)	-	-
Income tax expense	3,933	6,370	-	-

24. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per share is based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2024	Unaudited 2023
Profit attributable to owners of the Company (RM'000)	10,745	18,225
Weighted average number of ordinary shares in issue (unit '000)	324,754	865,598
Basic earnings per ordinary share attributable to owners of the Company (sen)	3.31	2.11

In the calculation of earnings per share for the financial year ended 31 December 2023, it is assumed that 865,598,000 ordinary shares were in issue throughout the year as the acquisition of the subsidiaries was accounted for under the merger method of accounting.

(b) Diluted earnings per ordinary share

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

NOTES TO THE FINANCIAL STATEMENTS

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25. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The financial instruments in the statements of financial position are being assigned as financial assets and financial liabilities at amortised cost.

	Carrying amount RM'000	Amortised cost RM'000
Group		
2024		
Financial assets		
Trade and other receivables [^]	52,538	52,538
Cash and short-term deposits	78,657	78,657
	<u>131,195</u>	<u>131,195</u>
Financial liabilities		
Loans and borrowings	(3,194)	(3,194)
Trade and other payables*	(38,432)	(38,432)
	<u>(41,626)</u>	<u>(41,626)</u>
2023 (Unaudited)		
Financial assets		
Trade and other receivables [^]	34,162	34,162
Cash and short-term deposits	48,118	48,118
	<u>82,280</u>	<u>82,280</u>
Financial liabilities		
Loans and borrowings	(2,101)	(2,101)
Trade and other payables*	(37,462)	(37,462)
	<u>(39,563)</u>	<u>(39,563)</u>
Company		
2024		
Financial assets		
Trade and other receivables	7	7
Cash and short-term deposits	41,870	41,870
	<u>41,877</u>	<u>41,877</u>
Financial liabilities		
Trade and other payables	(3,705)	(3,705)

[^] Excludes prepayments

* Excludes GST and SST payables

NOTES TO THE FINANCIAL STATEMENTS

cont'd

25. FINANCIAL INSTRUMENTS cont'd

(a) Classification of financial instruments cont'd

The financial instruments in the statements of financial position are being assigned as financial assets and financial liabilities at amortised cost. cont'd

	Carrying amount RM'000	Amortised cost RM'000
Company		
2023		
Financial assets		
Cash and short-term deposits	*	*
Financial liabilities		
Trade and other payables	(1,115)	(1,115)

* Representing amount less than RM1,000.

(b) Financial risk management

The Group's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. The Group's overall financial risk management objective is to optimise value for their shareholders. The Group does not use derivative financial instruments to hedge certain exposures and do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposed to credit risk from their operating activities (primarily trade receivables) and from their investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit worthiness of a customer is assessed based on a set of evaluation criteria and individual credit limits are defined in accordance with this assessment.

The Group considers a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group in full, without taking into account any credit enhancements held by the Group; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

25. FINANCIAL INSTRUMENTS cont'd

(b) Financial risk management cont'd

(i) Credit risk cont'd

At the end of the reporting period, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group uses ageing analysis to monitor the credit quality of trade receivables. In managing credit risks of trade receivables, the Group also takes appropriate actions (including but not limited to legal actions) to recover long past due balances.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

25. FINANCIAL INSTRUMENTS cont'd

(b) Financial risk management cont'd

(i) Credit risk cont'd

Trade receivables and contract assets cont'd

Credit risk concentration profile

At the end of the reporting periods, the Group has no significant concentration of credit risk from its receivables.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's trade receivables is as follows:

	Gross carrying amount RM'000	Impairment loss RM'000	Net balance RM'000
Group			
2024			
Trade receivables			
Neither past due nor impaired	38,391	-	38,391
1 - 30 days past due	3,856	-	3,856
31 to 60 days past due	2,779	-	2,779
61 to 90 days past due	431	-	431
More than 90 days past due	4,301	(194)	4,107
	49,758	(194)	49,564
2023 (Unaudited)			
Trade receivables			
Neither past due nor impaired	18,310	-	18,310
1 - 30 days past due	5,233	-	5,233
31 to 60 days past due	1,678	-	1,678
61 to 90 days past due	3,211	-	3,211
More than 90 days past due	4,308	(53)	4,255
Contract assets	243	-	243
	32,983	(53)	32,930

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

25. FINANCIAL INSTRUMENTS cont'd

(b) Financial risk management cont'd

(i) Credit risk cont'd

Other receivables and other financial assets cont'd

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated, where applicable:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant increases in credit risk on other financial instruments of the same counterparty;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparties in the group and changes in the operating results of the counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany balances between entities within the Group comprise loans or advances which are repayable on demand. The Company regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorates significantly, the Company assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Company is able to determine the timing of repayment of the loans or advances, the Company will consider the loans or advances to be in default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Company determines the probability of default for these loans or advances using internally available information. The Company considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

As at the end of the reporting date, other than credit-impaired other receivables, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.

Finance lease receivables

The credit risk associated with finance lease receivables is mitigated by way of obtaining security over the leased equipment. At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amounts recognised in the statements of financial position.

As at the end of the reporting date, the Group considers the finance lease receivables as low credit risk and any loss allowance would be negligible.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

25. FINANCIAL INSTRUMENTS cont'd

(b) Financial risk management cont'd

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise costs on borrowed funds. The Group also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

	← Contractual cash flows →				Total RM'000
	Carrying amounts RM'000	On demand or within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	
Financial liabilities					
Group					
2024					
Trade and other payables*	38,432	38,432	-	-	38,432
Term loan	985	985	-	-	985
Lease liabilities	443	331	133	-	464
Hire purchase payables	1,766	365	1,288	317	1,970
	41,626	40,113	1,421	317	41,851
2023 (Unaudited)					
Trade and other payables*	37,462	37,462	-	-	37,462
Lease liabilities	885	453	498	-	951
Hire purchase payables	1,216	231	975	168	1,374
	39,563	38,146	1,473	168	39,787

NOTES TO THE FINANCIAL STATEMENTS

cont'd

25. FINANCIAL INSTRUMENTS cont'd

(b) Financial risk management cont'd

(ii) Liquidity risk cont'd

Maturity analysis cont'd

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: cont'd

	Carrying amounts RM'000	Contractual cash flows			Total RM'000
		On demand or within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	
Company					
2024					
Trade and other payables	3,705	3,705	-	-	3,705
2023					
Trade and other payables	1,115	1,115	-	-	1,115

* Excludes GST and SST payables

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as results of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales and purchases are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

Management has set up a policy that requires all companies within the Group and the Company to manage their treasury activities and exposures. The Group and the Company also take advantage of any natural effects of its foreign currencies revenues and expenses by maintaining current accounts in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

25. FINANCIAL INSTRUMENTS cont'd

(b) Financial risk management cont'd

(iii) Foreign currency risk cont'd

The Group's and the Company's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	Group	
	2024	Unaudited 2023
	RM'000	RM'000
Financial assets and liabilities not held in functional currencies:		
<u>Cash and short-term deposits</u>		
United States Dollar	9,192	13,602
Singapore Dollar	2,427	1,662
Euro	600	682
Japanese Yen	1,158	703
British Pound	92	17
	13,469	16,666
<u>Trade and other receivables</u>		
United States Dollar	10,734	10,640
Singapore Dollar	8,688	549
British Pound	-	8
	19,422	11,197
<u>Trade and other payables</u>		
United States Dollar	(11,125)	(9,091)
Singapore Dollar	(12,354)	(3,730)
Euro	-	3
Japanese Yen	(518)	(1,406)
British Pound	(2)	(1)
Renminbi	-	(10)
Thai Baht	-	(56)
	(23,999)	(14,597)

NOTES TO THE FINANCIAL STATEMENTS

cont'd

25. FINANCIAL INSTRUMENTS cont'd

(b) Financial risk management cont'd

Sensitivity analysis for foreign currency risk

The Group's and Company's principal foreign currency exposure relates mainly to United States Dollar ("USD"), Singapore Dollar ("SGD"), Euro ("EUR"), Japanese Yen ("JPY"), British Pound ("GBP") and Thai Baht ("THB").

The following table demonstrates the sensitivity to a reasonably possible change in the USD, SGD, EUR, JPY, GBP and THB, with all other variables held constant on the Group's and the Company's total equity and profit or loss for the financial year.

	Change in rate	Effect on profit and equity for the financial year	
		Unaudited	
		2024	2023
		RM'000	RM'000
Group			
- USD	+ 10%	669	1,151
	- 10%	(669)	(1,151)
- SGD	+ 10%	(78)	(115)
	- 10%	78	115
- EUR	+ 10%	46	52
	- 10%	(46)	(52)
- JPY	+ 10%	49	53
	- 10%	(49)	(53)
- GBP	+ 10%	7	-
	- 10%	(7)	-
- THB	+ 10%	-	(27)
	- 10%	-	27

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between Level 1 and Level 2 during the financial year (2023: no transfer in either direction).

NOTES TO THE FINANCIAL STATEMENTS

cont'd

26. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	2024	Unaudited 2023
	RM'000	RM'000
Property, plant and equipment	14,850	-

27. CONTINGENT LIABILITIES

	Group	
	2024	Unaudited 2023
	RM'000	RM'000
Secured performance guarantee given to customers for sales of equipment and spare parts	1,985	2,183

28. RELATED PARTIES

(a) Identify of related parties

Parties are considered related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Entities in which directors have substantial financial interests; and
- (iii) Key management personnel of the Group's and the Company's comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group	
	01.01.2024 to 31.12.2024 (12 Months)	Unaudited 01.01.2023 to 31.12.2023 (12 Months)
	RM'000	RM'000
Rental expense		
Entities in which directors have interests	632	447

Significant outstanding balances with related parties at the end of the reporting period are disclosed in Note 9 and 18.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

28. RELATED PARTIES cont'd

(c) Compensation of key management personnel

	Group	
	01.01.2024 to 31.12.2024 (12 Months) RM'000	Unaudited 01.01.2023 to 31.12.2023 (12 Months) RM'000
Salaries, allowances and bonuses	3,437	3,619
Defined contribution plans	561	494
Other staff related benefits	13	5
	<u>4,011</u>	<u>4,118</u>

Compensation of key management personnel of the Group excludes estimated monetary value of benefits in kind of RM101,000 (2023: RM45,000).

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value.

The Group manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2024 and 31 December 2023.

The Group monitor capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity. The Group's policy is to keep the gearing ratio within reasonable levels. The gearing ratio as at 31 December 2024 and 31 December 2023 are as follows:

	Note	Group	
		2024 RM'000	Unaudited 2023 RM'000
Loans and borrowings/total debts	16	3,194	2,101
Total equity		108,872	60,572
Gearing ratio (times)		<u>0.03</u>	<u>0.03</u>

There were no changes in the Group's approach to capital management during the financial year.

The Group is not exposed to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Acquisitions of subsidiaries

Acquisitions of Crest Systems, Crest Analytic, Matrix Optics, Crest Lab, Matrix Innovations, Crest Nanosolutions, Matrix Biosciences, Crest Innovation, Crest Upstar, Crest Thailand and Crest Suzhou.

On 17 January 2024, the Company had entered into a conditional share sale agreement for the following:

- (a) acquisition of the entire issued share capital of Crest Systems comprising 1,000,000 ordinary shares from the shareholders of Crest Systems for a total purchase consideration of RM12,680,062 to be satisfied entirely via the allotment and issuance of 253,601,240 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (b) acquisition of 70% of the issued share capital of Crest Analytic comprising 350,000 ordinary shares from the shareholders of Crest Analytic for a total purchase consideration of RM1,105,030 to be satisfied entirely via the allotment and issuance of 22,100,600 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (c) acquisition of the entire issued share capital of Matrix Optics comprising 500,000 ordinary shares from the shareholders of Matrix Optics for a total purchase consideration of RM8,524,849 to be satisfied entirely via the allotment and issuance of 170,496,980 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (d) acquisition of the entire issued share capital of Crest Lab comprising 1,000 ordinary shares from the shareholders of Crest Lab for a total purchase consideration of RM911,459 to be satisfied entirely via the allotment and issuance of 18,229,180 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (e) acquisition of the entire issued share capital of Matrix Innovations comprising 100,000 ordinary shares from the shareholders of Matrix Innovations for a total purchase consideration of RM2,762,879 to be satisfied entirely via the allotment and issuance of 55,257,580 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (f) acquisition of the entire issued share capital of Crest Nanosolutions comprising 500,000 ordinary shares from the shareholders of Crest Nanosolutions for a total purchase consideration of RM5,393,837 to be satisfied entirely via the allotment and issuance of 107,876,740 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (g) acquisition of the entire issued share capital of Matrix Biosciences comprising 100 ordinary shares from the shareholders of Matrix Biosciences for a total purchase consideration of RM3 to be satisfied by way of cash;
- (h) acquisition of 70% of the issued share capital of Crest Innovation of comprising 40,000 ordinary shares from the shareholders of Crest Innovation for a total purchase consideration of RM1,123,777 to be satisfied entirely via the allotment and issuance of 22,475,540 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (i) acquisition of the entire issued share capital of Crest Upstar comprising 1,500 ordinary shares from the shareholders of Crest Upstar for a total purchase consideration of SGD3 (equivalent to approximately RM10) to be satisfied by way of cash;
- (j) acquisition of 100% of the ordinary shares of Crest Thailand comprising 60,000 ordinary shares from the shareholders of Crest Thailand for a total purchase consideration of RM409,375 to be satisfied entirely via the allotment and issuance of 8,187,500 new ordinary shares of the Company at an issue price of RM0.05 per share;
- (k) acquisition of 80% of the equity interest of Crest Suzhou comprising 4,101,085 ordinary shares from the shareholders of Crest Suzhou for a total purchase consideration of RM3,833,317 to be satisfied entirely via the allotment and issuance of 76,666,340 new ordinary shares of the Company at an issue price of RM0.05 per share.

The acquisitions were completed on 8 August 2024.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR cont'd

(b) Listing on ACE Market of Bursa Securities

On 18 September 2024, the Company issued its Prospectus for its Initial Public Offering (“IPO”) entailing the public issue of 130,705,300 new ordinary shares, that were allocated and allotted in the following manner:

- (i) 42,280,000 new ordinary shares make available to the Malaysian Public;
- (ii) 12,984,000 new ordinary shares make available to for application by the eligible directors and employees, and
- (iii) 74,441,300 new ordinary shares make available by way of private placement to selected investors.

On 9 October 2024, the Company was successfully admitted to the Official List of Bursa Securities and the Company’s entire enlarged issued shares of 865,598,000 ordinary share was listed and quoted on the ACE Market of Bursa Securities.

(c) Acquisition of property by a subsidiary

On 16 December 2024, Crest Systems, a wholly-owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement (“SPA”) with Dolphin Applications Sdn. Bhd., a wholly-owned subsidiary of Oasis Harvest Corporation Berhad (formerly known as Dolphin International Berhad), for the acquisition of a parcel of freehold industrial land held under H.S.(D) 121082, No. PT 39502, Mukim Petaling, Daerah Petaling, Negeri Selangor, measuring approximately 2,462.77 square meters, for a total cash consideration of RM16,500,000.

The SPA became unconditional on 26 March 2025 upon the fulfillment of all conditions precedent stipulated in the agreement.

31. SEGMENT INFORMATION

The Group prepared the segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports on the Group’s strategic business units which are regularly reviewed by the Board of Directors in order to allocate resources to the segments and to assess their performances. For management purposes, the Group is organised into business units based on the type of customers for its services.

The two reportable operating segments are as follows:

Segments	Products and services
Provision of imaging, analytical, test solutions and after-sales services	Offers pre-sales consulting, sale and customisation of equipment, installation and commissioning, user-training, technical support and maintenance and sale of spare parts and consumables.
Others	Investment holding and dormant.

Inter-segment pricing is determined on negotiated basis.

Segment results

Segment performance is used to measure performance as the Group’s directors believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets and liabilities

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

31. SEGMENT INFORMATION cont'd

Group	Provision of imaging, analytical, test solutions and after sales services				Others			Adjustments and Eliminations			Consolidated	
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Unaudited	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	182,987	187,619	-	-	-	-	-	-	-	-	182,987	187,619
External customers	11,300	14,830	-	-	(11,300)	(14,830)	-	-	-	-	-	-
Inter-segment revenue	194,287	202,449	-	-	(11,300)	(14,830)	-	-	-	-	182,987	187,619
Total revenue	46,412	53,530	-	-	-	-	-	-	-	-	46,412	53,530
Segment results	2,667	2,837	460	1	(1,644)	(1,090)	1,483	1,748	(28,937)	(29,913)	(3,689)	(31,834)
Other income	(125)	(50)	(33)	-	33	-	(125)	(50)	(3,934)	(6,010)	*	(3,933)
Unallocated expenses	(3,934)	(6,010)	*	(254)	1	(106)	(3,933)	(6,370)	16,083	20,394	(3,262)	(1,501)
Finance costs	127,668	123,339	79,239	185	(51,571)	(8,214)	155,336	115,310	56,954	62,319	4,214	1,329
Income tax expense	127,668	123,339	79,239	185	(51,571)	(8,214)	155,336	115,310	56,954	62,319	4,214	1,329
Profit/(Loss) for the financial year	127,668	123,339	79,239	185	(51,571)	(8,214)	155,336	115,310	56,954	62,319	4,214	1,329
Segment assets	56,954	62,319	4,214	1,329	(14,704)	(8,910)	46,464	54,738	56,954	62,319	4,214	1,329
Segment liabilities	56,954	62,319	4,214	1,329	(14,704)	(8,910)	46,464	54,738	56,954	62,319	4,214	1,329

NOTES TO THE FINANCIAL STATEMENTS

cont'd

31. SEGMENT INFORMATION cont'd

Group	Provision of imaging, analytical, test solutions and after sales services		Others		Adjustments and Eliminations		Consolidated	
	Unaudited		Unaudited		Unaudited		Unaudited	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Results:								
<i>Included in the measure of segment profit is:</i>								
Depreciation of:								
- property, plant and equipment	1,975	1,623	4	4	68	-	2,047	1,627
- right-of-use assets	409	457	-	-	-	-	409	457
Employee benefits expense	23,780	20,744	242	-	-	-	24,022	20,744
Inventories written down	1,740	-	-	-	-	-	1,740	-
Net impairment loss on trade receivables	144	46	-	-	-	-	144	46
Net realised foreign exchange loss	19	573	2	-	-	-	21	573
Expenses related to short-term lease	787	680	-	-	(147)	(40)	640	640
Written off of:								
property, plant and equipment	6	*	-	-	-	-	6	*
Interest income	(323)	(495)	(173)	(1)	-	-	(496)	(496)
Gain on disposal of property, plant and equipment	(655)	(253)	(15)	-	-	-	(670)	(253)
Net unrealised foreign exchange (gain)/loss	(97)	(808)	(76)	3	89	173	(84)	(632)

* Representing amount less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

31. SEGMENT INFORMATION cont'd

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment non-current assets (excluding financial instruments and deferred tax assets) are based on the geographical location of the assets.

	Total revenue RM'000	Total non-current assets RM'000
2024		
Malaysia	86,578	5,591
China	29,795	61
Thailand	24,224	655
Singapore	30,477	301
Others*	11,913	-
	182,987	6,608
2023		
Malaysia	70,538	3,733
China	45,035	171
Thailand	50,860	1,120
Singapore	16,305	464
Others*	4,881	-
	187,619	5,488

* Included in the segment are Hong Kong, Vietnam, Korea, United States, Japan, Indonesia and India.

Information about major customers

Information about major customers is not disclosed as the Group does not have customers with revenue more than 10% of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

32. COMPARATIVE FIGURES

(a) Group

The acquisition of the issued share capital of Crest Systems, Crest Nanosolutions, Crest Analytic, Crest Lab, Matrix Optics, Matrix Innovations, Matrix Biosciences, Crest Upstar, Crest Innovation, Crest Thailand and Crest Suzhou by the Company is a business combination involving entities under common control and did not result in any change in economic substance. Accordingly, the Group is a continuation of the acquired entities and accounted for as follows:

- (a) the assets and liabilities of acquired entities are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to the fair value;
- (ii) the retained earnings and other equity balances of acquired entities immediately before the business combination are those of the Group; and
- (iii) the equity structure, however, reflects the entity structure of the Company and the differences arising from the change in equity structure of the Group will be accounted for in reorganisation reserves; and

The comparative is not audited as the Group was not in existence in the previous financial year.

(b) Company

The comparative figures of the Company are stated for the financial period from 9 August 2023 (date of incorporation) to 31 December 2023. Accordingly, the statement of comprehensive income, statement of changes in equity, statements of cash flows and the related notes are not comparable to that for the current twelve (12) month financial year ended 31 December 2024.

STATEMENT BY DIRECTORS

(PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016)

We, **LIM SIONG WAI** and **YAP KIAN MENG**, being two of the directors of CREST GROUP BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 64 to 122 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.

LIM SIONG WAI
Director

YAP KIAN MENG
Director

Kuala Lumpur

Date: 17 April 2025

STATUTORY DECLARATION

(PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016)

I, **LIM SIONG WAI**, being the director primarily responsible for the financial management of CREST GROUP BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 64 to 122 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LIM SIONG WAI
Subscribed and solemnly declared
by the abovenamed
at Kuala Lumpur in the Federal Territory
on 17 April 2025.

Before me,

LEE CHIN HOCK (W 909)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CREST GROUP BERHAD

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Crest Group Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 64 to 122.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Inventory (Note 10 to the financial statements)

The Group's inventories are measured at the lower of cost and net realisable value. The directors are required to perform an assessment to determine whether these inventories are stated at the lower of cost and net realisable value and judgement is required in estimating their net realisable value.

We focused on this area because the review of saleability and valuation of these inventories at lower of cost and net realisable value by the directors are major source of estimation uncertainty.

Our response:

Our audit procedures include, among others:

- observing year end physical inventory count to observe physical existence and condition of the finished goods and understanding the design and implementation of controls during the count;
- checking subsequent sales and evaluating directors' assessment on estimated net realisable value on selected inventory items; and
- discussing with the Group whether the inventories have been written down to their net realisable value for inventory items with net realisable value lower than their cost.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CREST GROUP BERHAD

(Incorporated in Malaysia)
cont'd

Key Audit Matters *cont'd*

Group *cont'd*

Trade receivables (Note 9 to the financial statements)

The Group has significant trade receivables as at 31 December 2024 which include certain amounts which are long outstanding. We focused on this area because the Group made significant judgements over assumptions about risk of default. In making the assumptions, the Group selected inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

Our response:

Our audit procedures include, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding receivables and impairment calculation;
- understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports and other collection or legal reports prepared by the Group;
- obtaining confirmation of balances from selected receivables; and
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and management explanation on recoverability with significantly past due balances.

Company

We have determined that there are no key audit matters to communicate in our report which arose from the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CREST GROUP BERHAD

(Incorporated in Malaysia)

cont'd

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CREST GROUP BERHAD

(Incorporated in Malaysia)
cont'd

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

- (1) Without qualifying our report, we draw attention to Note 32 to the financial statements which states that the Group's comparative figures disclosed in the financial statements have not been audited.
- (2) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Paul Tan Hong
No. 03459/11/2025 J
Chartered Accountant

Kuala Lumpur

Date: 17 April 2025

ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025

ORDINARY SHARES

Total number of issued shares	:	865,598,000 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per ordinary share on a poll
Number of Shareholders	:	3,783

DISTRIBUTION OF ORDINARY SHAREHOLDERS

according to statistical summary of the Record of Depositors as at 2 April 2025

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100 issued shares	4	0.11	192	0.00
100 to 1,000 issued shares	240	6.34	123,500	0.01
1,001 to 10,000 issued shares	1,732	45.78	10,472,400	1.21
10,001 to 100,000 issued shares	1,526	40.34	54,688,300	6.32
100,001 to less than 5% of issued shares	277	7.32	173,704,708	20.07
5% and above of issued shares	4	0.11	626,608,900	72.39
Total	3,783	100.00	865,598,000	100.00

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS

according to the Record of Depositors as at 2 April 2025

No.	Name	No. of Shares Held	%
1.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CLIMAN SDN. BHD. (CTS-CSB0003C)	477,078,900	55.116
2.	LIM SIONG WAI	51,722,600	5.975
3.	AU CHUN MUN	48,903,700	5.650
4.	YAP KIAN MENG	48,903,700	5.650
5.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	22,000,000	2.542
6.	KWONG WING YEW	7,211,800	0.833
7.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD PMB INVESTMENT BERHAD FOR MAJLIS AMANAH RAKYAT	5,010,000	0.579
8.	PELABURAN MARA BERHAD	5,010,000	0.579
9.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHD DOM BIN AHMAD (MY4624)	4,750,000	0.549
10.	TAN CHEOW HAN	4,577,200	0.529
11.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR MAYBANK MALAYSIA SMALLCAP FUND	4,500,000	0.520
12.	BIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SENTOSA JAYA CAPITAL SDN BHD (MGNM83401)	4,044,700	0.467

ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025

cont'd

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS cont'd
according to the Record of Depositors as at 2 April 2025

No.	Name	No. of Shares Held	%
13.	PERBADANAN USAHAWAN JOHOR SDN BHD	3,491,200	0.403
14.	WONG SIU CHUNG	2,994,000	0.346
15.	LAI WEI KEAT	2,880,000	0.333
16.	KENANGA INVESTMENT BANK BERHAD EXEMPT AN FOR SENTOSA JAYA CAPITAL SDN BHD	2,535,600	0.293
17.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR FOO SHIEW KHIANG	2,220,000	0.256
18.	AMANAHRAYA TRUSTEES BERHAD PMB DANA BESTARI	2,000,000	0.231
19.	WOON OOI FUEY	2,000,000	0.231
20.	LAI POH CHIN	1,930,000	0.223
21.	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAI WEI KEAT	1,662,000	0.192
22.	LEE HOCK CHIN	1,617,000	0.187
23.	LEE BEE GEOK	1,507,700	0.174
24.	CHEW CHEE WAH	1,440,000	0.166
25.	YUEN TONG WAI	1,440,000	0.166
26.	LIU, LEI	1,341,908	0.155
27.	AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH TACTICAL FUND	1,320,000	0.152
28.	AMANAHRAYA TRUSTEES BERHAD FOR MALAYSIA FRANCE INSTITUTE SDN BHD	1,320,000	0.152
29.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAI THIAM SENG (E-KPG)	1,200,200	0.139
30.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHIN WAI HON (MY3984)	1,200,000	0.139
Total		717,812,208	82.927

ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025

cont'd

SUBSTANTIAL ORDINARY SHAREHOLDERS

according to the Register of Substantial Shareholders as at 2 April 2025

No.	Name	Direct Interest	No. of Shares Held		
			%	Deemed Interest	%
1	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CLIMAN SDN. BHD. (CTS-CSB0003C)	477,078,900	55.116	-	-
2	LIM SIONG WAI	51,722,600	5.975	477,078,900 ⁽¹⁾	55.116
3	AU CHUN MUN	48,903,700	5.650	477,078,900 ⁽¹⁾	55.116
4	YAP KIAN MENG	48,903,700	5.650	477,078,900 ⁽¹⁾	55.116

DIRECTORS' INTERESTS IN ORDINARY SHARES IN THE COMPANY

according to the Register of Directors' Shareholdings as at 2 April 2025

Director	Direct Interest	No. of Shares Held		
		%	Deemed Interest	%
1. AHMAD TAJUDIN BIN OMAR	-	-	-	-
2. AU CHUN MUN	48,903,700	5.650	477,078,900 ⁽¹⁾	55.116
3. ILHAM FADILAH BINTI SUNHAJI	50,000	0.006	-	-
4. LIM SIONG WAI	51,722,600	5.975	477,078,900 ⁽¹⁾	55.116
5. MOO ENG THING	-	-	-	-
6. TEO YELING	170,000	0.020	-	-
7. YAP KIAN MENG	48,903,700	5.650	477,078,900 ⁽¹⁾	55.116

Note:

(1) Deemed interest by virtue of their interest in Climan Sdn. Bhd. pursuant to Section 8(4)(c) of the Companies Act 2016 in Malaysia.

NOTICE OF 2ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting (“2nd AGM”) of Crest Group Berhad (“Crest” or “Company”) will be held at Ground Floor, Lobby 1 Crystal Plaza, No. 4, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan on Thursday, 12 June 2025 at 10.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

- | | | |
|----|---|-------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. | Please refer to Note A |
| 2. | To approve the payment of Directors’ fees and benefits of RM274,000 only for the period from 13 June 2025 until the conclusion of next AGM. | Ordinary Resolution 1 |
| 3. | To approve the payment of the meeting allowance (benefits payable) of RM500 per Board meeting for the Independent Non-Executive Directors for the period from 13 June 2025 until the conclusion of the next AGM of the Company. | Ordinary Resolution 2 |
| 4. | To re-elect the following Directors who retire in accordance with Clause 95 of the Constitution of the Company: | |
| | (a) Encik Ahmad Tajudin Bin Omar | Ordinary Resolution 3 |
| | (b) Mr Lim Siang Wai | Ordinary Resolution 4 |
| 5. | To re-appoint Messrs Baker Tilly Monteiro Heng PLT as auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

As Special Business

To consider and, if thought fit, to pass the following resolutions:

- | | | |
|----|---|------------------------------|
| 6. | Authority under Section 76 of the Companies Act 2016 (“the Act”) for the Directors to allot and issue shares | |
| | <p>“THAT subject always to the Act, the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other government/ regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 of the Act to issue and allot not more than ten percent (10%) of the total number of issued shares of the Company at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Act (“Mandate”).</p> <p>THAT such approval on the Mandate shall continue to be in force until:-</p> <p>(a) the conclusion of the next Annual General Meeting of the Company held after the approval was given;</p> <p>(b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or</p> <p>(c) revoked or varied by resolution passed by shareholders of the Company in a general meeting.</p> | Ordinary Resolution 6 |

NOTICE OF 2ND ANNUAL GENERAL MEETING

cont'd

THAT the Directors of the Company be and are hereby also authorised and empowered to give effect to the proposed Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities and to obtain the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT pursuant to Section 85 of the Companies Act 2016, read together with Clause 13 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this Mandate.

AND THAT the new shares to be issued shall upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid before the date of allotment of such new shares."

Any Other Business

7. To transact any other business of which due notice shall have been given in accordance with the Act and the Constitution of the Company.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143) (SSM PC NO.: 202008001023)
TAN AI NING (MAICSA 7015852) (SSM PC No.: 202008000067)
TAN SIEW HONG (MAICSA 7066226) (SSM PC No.: 201908001915)
COMPANY SECRETARIES

SELANGOR DARUL EHSAN
29 APRIL 2025

Explanatory Notes

(A) Audited Financial Statements

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders. Hence, this item is not put forward for voting.

(B) Ordinary Resolutions 1 & 2 Payment of Directors' fees and benefits payable to the Directors

Section 230 of the Act, provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

NOTICE OF 2ND ANNUAL GENERAL MEETING

cont'd

In this respect, the Board wishes to seek shareholders' approval at the 2nd AGM for the payment of Directors' fees and benefits payable to the Directors in two (2) separate resolutions as below:-

- (i) Resolution 1 on the proposed Directors' fees and benefits of RM274,000 only for the period from 13 June 2025 until the conclusion of next AGM.
- (ii) Resolution 2 on the payment of Directors' Meeting Allowances (excluding Directors' Fees) payable to the Directors of the Company and its subsidiaries at RM500 per Board meeting from 13 June 2025 to the next Annual General Meeting of the Company. The meeting allowances will be accorded based on actual attendance of meetings by the Directors.

Ordinary Resolution 3 and 4 – Re-election of Directors Re-election of Directors who retire in accordance with Clause 95 of the Company's Constitution

No individual is seeking election as a Director at the forthcoming 2nd AGM of the Company.

Pursuant to Clause 95 of the Constitution of the Company, Encik Ahmad Tajudin Bin Omar and Mr Lim Siong Wai are standing for re-election as Directors of the Company and being eligible offered themselves for re-election at this 2nd AGM of the Company. The profiles of the Directors who are standing for re-election are set out in the Board of Directors' profile of the Annual Report 2024.

Based on the recommendation of the Nominating Committee, the Board is satisfied with the performance and contributions of the Directors and supports the re-election.

(C) Ordinary Resolution 6 – Authority pursuant to Section 76 of the Act for the Directors to Allot and Issue Shares

The Ordinary Resolution 6 of the Agenda is to obtain a general mandate for issuance of shares by the Company under Section 76 of the Act. The Ordinary Resolution 6, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for purpose of working capital or provide funding for future investments or undertakings. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

Notes:

1. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 3 June 2025 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting and entitled to appoint proxy or proxies.
2. A member entitled to attend and vote at the 2nd AGM of the Company is entitled to appoint not more than two (2) proxies to attend and vote at the general meeting. Where a member of the Company appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company. There shall be no restrictions as to the qualification of the proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

NOTICE OF 2ND ANNUAL GENERAL MEETING

cont'd

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under Seal or under the hand of an officer or an attorney duly or under the hand of an officer or attorney duly authorized, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

Alternatively, the instrument appointing proxy may be electronically submitted to Boardroom Share Registrars Sdn. Bhd. via Boardroom Smart Investor Online Portal (applicable to individual shareholder only) at <https://investor.boardroomlimited.com>.

6. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING

NOTICE OF 2ND ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.29(2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

A. Details of the individuals who are standing for election as Directors (excluding Directors standing for re-election)

No individual is standing for election as a Director (excluding Directors standing for re-election) at the 2nd Annual General Meeting (AGM) of the Company.

B. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements

The resolution in relation to the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016, is a general mandate for the issue of new ordinary shares in the Company.

The resolution, if passed, would provide flexibility to the Directors to undertake fund-raising activities, including but not limited to placement of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time, as the Directors consider it to be in the best interests of the Company. Any delay arising from and cost involved in convening a general meeting to approve such issuance of shares should be eliminated.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

CREST GROUP BERHAD
(Registration No.: 202301031031 (1524954-M))
(Incorporated in Malaysia)

No. of shares held	
CDS Account No.	

PROXY FORM

I/We*, _____ (full name of shareholder, in capital letters)

NRIC No./Passport No./Company No.* _____

of _____ (full address) telephone no. _____

and email address _____

being a member/ members* of CREST GROUP BERHAD hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

and/ or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Second Annual General Meeting of the Company to be held at at Ground Floor, Lobby 1 Crystal Plaza, No. 4, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan on Thursday, 12 June 2025 at at 10.00 a.m. or at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

No.	RESOLUTION		FOR	AGAINST
1.	To approve the payment of Directors' fees and benefits of RM274,000 only for the period from 13 June 2025 until the conclusion of next AGM.	Ordinary Resolution 1		
2.	To approve the payment of the meeting allowance (benefits payable) of RM500 per Board meeting for the Independent Non-Executive Directors for the period from 13 June 2025 until the conclusion of the next Annual General Meeting ("AGM") of the Company.	Ordinary Resolution 2		
3.	To re-elect Encik Ahmad Tajudin Bin Omar as Director.	Ordinary Resolution 3		
4.	To re-elect Mr Lim Siong Wai as Director.	Ordinary Resolution 4		
5.	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5		
6.	To approve the authority pursuant to Section 76 of the Companies Act 2016 for the Directors to allot and issue shares.	Ordinary Resolution 6		

* Strike out whichever is not desired.

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Signature/Common Seal of Member/(s)

Number of shares held: _____

Date: _____

Fold this flap for sealing

Notes:

1. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 3 June 2025 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting and entitled to appoint proxy or proxies.
2. A member entitled to attend and vote at the 2nd AGM of the Company is entitled to appoint not more than two (2) proxies to attend and vote at the general meeting. Where a member of the Company appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company. There shall be no restrictions as to the qualification of the proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under Seal or under the hand of an officer or an attorney duly or under the hand of an officer or attorney duly authorized, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
Alternatively, the instrument appointing proxy may be electronically submitted to Boardroom Share Registrars Sdn. Bhd. via Boardroom Smart Investor Online Portal (applicable to individual shareholder only) at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide for further information on electronic submission of Proxy Forms.
6. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

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AFFIX
STAMP

The Share Registrar
CREST GROUP BERHAD
(Registration No.: 202301031031 (1524954-M))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
2. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Alternatively, the instrument appointing proxy may be electronically submitted to Boardroom Share Registrars Sdn. Bhd. via Boardroom Smart Investor Online Portal (applicable to individual shareholder only) at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide for further information on electronic submission of Proxy Forms.
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Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 2nd AGM dated 29 April 2025.

www.crest-group.net



CREST GROUP BERHAD
(Registration No.: 202301031031 (1524954-M))
(Incorporated in Malaysia under the Companies Act 2016)

1, Jalan OP 1/2, One Puchong Business Park,
47160 Puchong, Selangor, Malaysia.

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Fax : +603 8076 9998