



CREST GROUP BERHAD

Registration No. 202301031031 (1524954-M)
(Incorporated in Malaysia)

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

27 SEPTEMBER 2024

INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2024¹

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2024 (Unaudited) RM'000	30 June 2023 ² (Unaudited) RM'000	30 June 2024 (Unaudited) RM'000	30 June 2023 ² (Unaudited) RM'000
Revenue	39,626	N/A	79,280	N/A
Cost of sales	(28,105)	N/A	(55,825)	N/A
Gross profit	11,521	N/A	23,455	N/A
Other income	131	N/A	1,041	N/A
Administrative expenses ³	(4,254)	N/A	(10,807)	N/A
Sales and marketing expenses	(2,395)	N/A	(4,657)	N/A
Finance costs	(31)	N/A	(62)	N/A
Profit before tax	4,972	N/A	8,970	N/A
Tax expenses	(1,272)	N/A	(2,354)	N/A
Profit for the financial period	3,700	N/A	6,616	N/A
Other comprehensive income, net of tax <i>Item that may be subsequently reclassified to profit or loss:</i>				
Exchange differences on translation of foreign operations	(106)	N/A	(52)	N/A
Other comprehensive loss for the financial period	(106)	N/A	(52)	N/A
Total comprehensive income for the financial period	3,594	N/A	6,564	N/A
Profit attributable to:				
Owners of the Group	3,642	N/A	6,364	N/A
Non-controlling interests	58	N/A	252	N/A
	3,700	N/A	6,616	N/A
Total comprehensive income attributable to:				
Owners of the Group	3,551	N/A	6,280	N/A
Non-controlling interests	43	N/A	284	N/A
	3,594	N/A	6,564	N/A
Earnings per share:				
Basic and diluted ⁴ (sen)	0.42	N/A	0.74	N/A



**INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2024**

Notes:

N/A – Not Applicable

- (1) The basis of preparation of the Unaudited Condensed Combined Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 of the notes to this interim financial report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of Crest Group Berhad ("**Company**") dated 18 September 2024 ("**Prospectus**") and the accompanying explanatory notes attached in this interim financial report.
- (2) There are no available comparative figures as no interim financial report was prepared for the comparative financial period announced, in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").
- (3) Administrative expenses included one-off initial public offering ("**IPO**") expenses of RM0.29 million and RM2.09 million incurred during the individual and cumulative quarter ended 30 June 2024 respectively.
- (4) Basic and diluted earnings per share is calculated based on the expected number of ordinary shares in the Company ("**Shares**") comprising of 865,598,000 Shares upon completion of the Listing.

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UNAUDITED INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024¹

	30 June 2024 (Unaudited) RM'000	31 December 2023 (Audited) RM'000
Non-current assets		
Property, plant and equipment	7,512	5,488
Deferred tax assets	764	799
Total non-current assets	8,276	6,287
Current assets		
Inventories	25,736	15,316
Current tax assets	2,260	1,705
Trade and other receivables	47,505	43,641
Contract assets	-	243
Cash and short-term deposits	32,434	48,118
Total current assets	107,935	109,023
TOTAL ASSETS	116,211	115,310
EQUITY AND LIABILITIES		
Equity attributable to owners of the Group		
Invested equity*	3,969	3,969
Irredeemable preference shares	911	911
Other reserves	1,178	1,134
Retained earnings	52,272	51,237
	58,330	57,251
Non controlling interests	3,581	3,321
TOTAL EQUITY	61,911	60,572
Non-current liabilities		
Lease liabilities	1,885	1,507
Provision	672	668
Deferred tax liabilities	20	33
Total non-current liabilities	2,577	2,208
Current liabilities		
Lease liabilities	828	594
Current tax liabilities	1,536	3,314
Trade and other payables	38,448	37,555
Contract liabilities	10,911	11,067
Total current liabilities	51,723	52,530
TOTAL LIABILITIES	54,300	54,738
TOTAL EQUITY AND LIABILITIES	116,211	115,310
Net assets per share attributable to owners of the Group (RM) ²	0.07	0.07



**INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2024**

Notes:

- (1) The basis of preparation of the Condensed Combined Statement of Financial Position is disclosed in Note A1 of the notes to this interim financial report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached in this interim financial report.
 - (2) Net assets per share is calculated based on the expected number of ordinary shares in the Company, comprising of 865,598,000 Shares upon completion of the Listing.
- * represent the aggregate number of issued shares of all operating entities within the Group

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INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED COMBINED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2024^{1 & 2}

	Attributable to owners of the Group				Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Invested equity RM'000	Preference shares RM'000	Other reserves RM'000	Retained earnings RM'000			
At 1 January 2023	3,625	-	660	46,770	51,055	3,340	54,395
Total comprehensive income for the financial year							
Profit for the financial year	-	-	-	18,225	18,225	1,871	20,096
Other comprehensive income for the financial year	-	-	465	-	465	72	537
	-	-	465	18,225	18,690	1,943	20,633
Transaction 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)
	344	911	9	(13,758)	(12,494)	(1,962)	(14,456)
At 31 December 2023	3,969	911	1,134	51,237	57,251	3,321	60,572

INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED COMBINED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2024^{1 & 2} (Continued)

	Attributable to owners of the Group				Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Invested equity RM'000	Preference shares RM'000	Other reserves RM'000	Retained earnings RM'000			
At 1 January 2024	3,969	911	1,134	51,237	57,251	3,321	60,572
Total comprehensive income for the financial period							
Profit for the financial period	-	-	-	6,364	6,364	252	6,616
Other comprehensive income for the financial period	-	-	(84)	-	(84)	32	(52)
	-	-	(84)	6,364	6,280	284	6,564
Transaction with owners							
Transfer to statutory reserve	-	-	128	(128)	-	-	-
Dividend paid on shares	-	-	-	(5,201)	(5,201)	(24)	(5,225)
	-	-	128	(5,329)	(5,201)	(24)	(5,225)
At 30 June 2024	3,969	911	1,178	52,272	58,330	3,581	61,911

Notes:

- (1) The basis of preparation of the Unaudited Condensed Combined Statement of Changes in Equity is disclosed in Note A1 of the notes to this interim financial report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
 - (2) There are no available comparative figures as no interim financial report was prepared for the comparative financial period announced, in compliance with the Listing Requirements of Bursa Securities.
- * Less than RM1,000

INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED COMBINED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2024^{1 & 2}

	Current period to-date (Unaudited) RM'000	Preceding period to-date (Unaudited) RM'000
Cash flows from operating activities		
Profit before tax	8,970	N/A
Adjustment for:		
Depreciation of property, plant and equipment	1,346	N/A
Finance cost	62	N/A
Finance income	(199)	N/A
Gain on disposal of plant and equipment	(394)	N/A
Reversal of impairment losses on trade receivables	(23)	N/A
Unrealised gain on foreign exchange	(244)	N/A
Operating profit before changes in working capital	9,518	N/A
Changes in working capital:		
Inventories	(10,520)	N/A
Trade and other receivables	(3,420)	N/A
Contract assets	237	N/A
Trade and other payables	1,021	N/A
Contract liabilities	(354)	N/A
Net cash used in operations	(3,518)	N/A
Income tax paid	(4,685)	N/A
Interest received	199	N/A
Net cash used in operating activities	(8,004)	N/A
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,473)	N/A
Proceeds from disposal of property, plant and equipment	408	N/A
Change in pledged deposits	(54)	N/A
Net cash used in investing activities	(2,119)	N/A
Cash flows from financing activities		
Dividend paid	(5,225)	N/A
Interest paid	(62)	N/A
Repayment of lease payment	(325)	N/A
Net cash used in financing activities	(5,612)	N/A

INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED COMBINED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2024^{1 & 2} (Continued)

	Current period to-date (Unaudited) RM'000	Preceding period to-date (Unaudited) RM'000
Net changes in cash and cash equivalents	(15,735)	N/A
Cash and cash equivalents at the beginning of the financial period	42,278	N/A
Effects of foreign exchange translation	(3)	N/A
Cash and cash equivalents at the end of the financial period	26,540	N/A
Cash and cash equivalents comprise:		
Fixed deposits	5,894	N/A
Cash and bank balances	26,540	N/A
	32,434	N/A
Less: Fixed deposits pledged with licensed banks	(5,894)	N/A
	26,540	N/A

Notes:

N/A - Not Applicable

- (1) The basis of preparation of the above Unaudited Condensed Combined Statement of Cash Flows is disclosed in Note A1 of the notes to this interim financial report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no available comparative figures as no interim financial report was prepared for the comparative financial period announced, in compliance with the Listing Requirements of Bursa Securities.

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INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

A COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS) 134: INTERIM FINANCIAL REPORTING AND THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) (“LISTING REQUIREMENTS”)

A1 Basis of preparation

The interim financial report of Crest Group Berhad (the “**Company**”) and its entities under common control (collectively, the “**Group**”) is unaudited and had been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“**MFRSs**”) 134 “Interim Financial Reporting” and Appendix 9B of the ACE Market Listing Requirements of Bursa Securities.

This is the first interim financial report for the second quarter ended 30 June 2024 announced by the Group in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding quarter.

The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying explanatory notes to this interim financial report.

Statement of compliance

The accounting policies adopted by the Group in these unaudited condensed combined interim financial statements are consistent with those adopted in the Accountants’ Report as disclosed in the Prospectus, except for the adoption of the following new MFRS and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board (“**MASB**”):

Adoption of new MFRS and amendments to MFRSs

For the preparation of the financial statement, the Group has adopted the following applicable new MFRS and amendments to MFRSs for the current financial period:

New MFRS

- MFRS 17 Insurance Contracts Amendments to MFRSs

Amendments to MFRSs

- MFRS 101 Presentation of Financial Statements
- MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- MFRS 112 Income Taxes

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group’s existing accounting policies.

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

The Group has not adopted the following new MFRSs and amendments to MFRSs effective for financial periods beginning on or after 1 January 2025:

New MFRSs

- MFRS 18 Presentation and Disclosure in Financial Statements
- MFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments to MFRSs

- MFRS 7 Financial Instruments: Disclosures
- MFRS 9 Financial Instruments
- MFRS 121 The Effects of Changes in Foreign Exchange Rates

**INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2024**

A1 Basis of preparation (Continued)

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect on the financial statements of the Group upon their initial application.

A2 Auditors' report on preceding annual financial statements

Crest Group Berhad was incorporated in Malaysia on 9 August 2023 under the Companies Act, 2016, as a private limited company under the name of Crest Group Sdn. Bhd.. On 8 December 2023, the Company was converted to a public limited company. The Company completed the Acquisitions (as defined in B6 of this interim financial report) on 8 August 2024.

There was no consolidated auditors' report on the Group for preceding annual financial statements. However, the auditors' report for the financial year ended 31 December 2023 of the Company, Crest Group Berhad, 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**"), Matrix Biosciences (M) Sdn. Bhd. ("**Matrix Biosciences**"), Crest Innovation (S) Pte. Ltd. ("**Crest Innovation**"), Crest Upstar Pte. Ltd. ("**Crest Upstar**"), Crest Nanosolution (Thailand) Co., Ltd. ("**Crest Thailand**") and Crest Systems (Suzhou) Co., Ltd. ("**Crest Suzhou**") were not subject to any qualification. The preceding annual combined financial statements are prepared based on combination or aggregation of all the audited financial statements of respective companies of the Group.

A3 Seasonal or cyclical factors

The Group's business operations were not subjected to any significant seasonal or cyclical factors.

A4 Material unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter.

A5 Material changes in estimates

There were no material changes in estimates which have a material effect on the results for the current financial quarter.

A6 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter.

A7 Dividends paid

The amount of dividends paid during the financial period ended 30 June 2024:

On 29 April 2024, Crest Thailand declared a single-tier final dividend of THB90.03 per ordinary share in respect of the financial year ended 31 December 2023, paid on 28 May 2024.

On 10 June 2024, Crest Systems declared a single-tier final dividend of RM3.53 per ordinary share in respect of the financial year ended 31 December 2023, paid on 11 June 2024.

On 10 June 2024, Crest Analytic declared a single-tier final dividend of RM0.14 per ordinary share in respect of the financial year ended 31 December 2023, paid on 11 June 2024.

**INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2024**

A7 Dividends paid (Continued)

On 10 June 2024, Crest Nanosolutions declared a single-tier final dividend of RM0.13 per ordinary share in respect of the financial year ended 31 December 2023, paid on 11 June 2024.

On 10 June 2024, Matrix Optics declared a single-tier final dividend of RM1.15 per ordinary share in respect of the financial year ended 31 December 2023, paid on 11 June 2024.

On 10 June 2024, Crest Lab declared a single-tier final dividend of RM166.49 per ordinary share in respect of the financial year ended 31 December 2023, paid on 11 June 2024.

On 10 June 2024, Matrix Innovations declared a single-tier final dividend of RM1.06 per ordinary share in respect of the financial year ended 31 December 2023, paid on 11 June 2024.

The total amount of RM5.23 million was paid during the financial period ended 30 June 2024.

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INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

A8 Segment information

The unaudited revenue by business segment information for the individual and cumulative quarter ended 30 June 2024 is as follows:

	Individual Quarter 3 months ended				Cumulative Quarter 6 months ended			
	30 June 2024 (Unaudited) RM'000	%	30 June 2023 ¹ (Unaudited) RM'000	%	30 June 2024 (Unaudited) RM'000	%	30 June 2023 ¹ (Unaudited) RM'000	%
Provision of imaging, analytical and test solutions	32,768	82.69	N/A	N/A	64,929	81.90	N/A	N/A
Provision of after- sales services	6,858	17.31	N/A	N/A	14,351	18.10	N/A	N/A
	<u>39,626</u>	<u>100.00</u>	<u>N/A</u>	<u>N/A</u>	<u>79,280</u>	<u>100.00</u>	<u>N/A</u>	<u>N/A</u>

Notes:

N/A – Not applicable.

- (1) There are no available comparative figures as no interim financial report was prepared for the comparative financial period announced, in compliance with the Listing Requirements of Bursa Securities.

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INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

A9 Valuation of property, plant and equipment

There was no valuation of property, plant and equipment during the current financial quarter.

A10 Significant events subsequent to the end of the quarter

Save as disclosed in Note B6, there was no material event subsequent to the end of the financial quarter.

A11 Changes in the composition of the Group

Save as disclosed in Note B6, there were no changes to the composition of the Group for the current financial quarter.

A12 Contingent liability

	30 June 2024 RM'000	31 December 2023 RM'000
Contingent liability		
Secured performance guarantee given to customers for sales and equipment and spare parts	2,297	2,183

A13 Capital commitments

There were no capital commitments in the Group for the current financial quarter.

A14 Related party transactions

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2024 (Unaudited) RM'000	30 June 2023 ¹ (Unaudited) RM'000	30 June 2024 (Unaudited) RM'000	30 June 2023 ¹ (Unaudited) RM'000
Rental expenses				
Entity in which directors have interests	158	N/A	316	N/A

Notes:

N/A – Not applicable.

(1) There are no available comparative figures as no interim financial report was prepared for the comparative financial period announced, in compliance with the Listing Requirements of Bursa Securities.

A15 Fair value of financial instruments

There were no gain or loss arising from fair value changes of the Group's financial assets and liabilities for the current financial quarter.

INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

B ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET

B1 Review of performance

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 June 2024 (Unaudited) RM'000	30 June 2023 ¹ (Unaudited) RM'000	30 June 2024 (Unaudited) RM'000	30 June 2023 ¹ (Unaudited) RM'000
Revenue	39,626	N/A	79,280	N/A
Gross profit (" GP ")	11,521	N/A	23,455	N/A
Profit before tax (" PBT ")	4,972	N/A	8,970	N/A
Profit after tax (" PAT ")	3,700	N/A	6,616	N/A

Notes:

N/A – Not applicable.

- (1) There are no available comparative figures as no interim financial report was prepared for the comparative financial period announced, in compliance with the Listing Requirements of Bursa Securities.

Current quarter (3 months)

The Group recorded revenue of RM39.63 million for the current financial quarter ended 30 June 2024 which was derived from the provision of imaging, analytical and test solutions segment and the provision of after-sales services segment, which contributed RM32.77 million or 82.69% and RM6.86 million or 17.31% of the total revenue for the current financial quarter, respectively.

Sales of advanced imaging equipment remained the largest contributor of the Group's revenue, contributing RM11.85 million or 29.91% of the total revenue, followed by the sale of optical and portable equipment which contributed RM9.91 million or 25.02% and sale of advanced analytical and testing equipment contributed RM5.27 million or 13.29% of the Group's total revenue for the current financial quarter.

The Group registered a GP and GP margin of RM11.52 million and 29.07% respectively in the current financial quarter. The GP margin in the current financial quarter of 29.07% is within the average range of GP margins recorded over the past 4 financial years (FYE 31 December 2020 to FYE 31 December 2023), which ranges from 26.85% to 29.37% as disclosed in the Prospectus.

The Group also registered a PBT and PAT of RM4.97 million and RM3.70 million, respectively, in the current financial quarter.

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INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

B1 Review of performance (Continued)

Cumulative quarter (6 months)

The Group recorded revenue of RM79.28 million for the 6-months financial period ended 30 June 2024 which was mainly derived from the provision of imaging, analytical and test solutions segment and the provision of after-sales services segment, which contributed RM64.93 million or 81.90% and RM14.35 million or 18.10% of the total revenue for the 6-months financial period ended 30 June 2024, respectively.

The Group's operation in Malaysia remained as the major revenue contributor, which contributed RM45.36 million or 57.22% of the Group's total revenue for the 6-months financial period ended 30 June 2024.

The Group registered a GP and GP margin of RM23.46 million and 29.59% respectively in the current financial period ended 30 June 2024.

The Group also registered PBT and PAT of RM8.97 million and RM6.62 million, respectively, in the cumulative 6-month financial period ended 30 June 2024.

During the cumulative 6-month financial period ended 30 June 2024, the Group recorded higher administrative expenses (mainly due to expenses relating to the IPO exercise amounting to RM2.09 million which are not recurring in nature). The normalised profit before tax and profit after tax for the current financial period excluding the listing expenses of RM2.09 million, would be RM11.06 million and RM8.71 million, respectively.

For the cumulative 6-month financial period ended 30 June 2024, the Group recorded operating profit before changes in working capital of RM9.52 million and net cash used in operating activities of RM8.0 million. The net operating cash outflow was mainly due to increase in inventories of RM10.2 million, primarily due to equipment pending installation as at 30 June 2024 being recognised as inventories. The said inventories comprise mainly of four units of equipment for which upfront payments were made to suppliers before the delivery.

B2 Comparison with immediate preceding quarter's results

There are no available comparison figures for the immediate preceding quarter as this is the first interim financial report announced by the Company in compliance with the Listing Requirements of Bursa Securities.

B3 Prospects

The imaging, analysis and testing industry in Malaysia has grown from RM4,333 million in 2020 to RM7,251 million in 2023 at a compound annual growth rate of 18.72%. The growth prospects in the imaging, analysis and testing industry in Malaysia is expected to be driven by the growth of various industries that utilise such equipment and services such as electrical and electronics ("E&E"), semiconductor, automotive, aerospace, healthcare, life science, material science as well as oil and gas, in addition to government support and initiatives, as well as the rising adoption of Internet of Things ("IoT") and Industry 4.0 technologies.

The outlook for certain end-user industries will benefit from strong support from the Government, which will positively impact the growth of the imaging, analysis and testing industry as the industry is driven by end-user industries such as E&E and aerospace. The Government support and initiatives include the extension of tax incentive given to manufacturing companies that relocate to Malaysia and the tax rate of 15% for C-suite until 2024, extension of income tax incentives and investment tax allowances for the aerospace sector until 31 December 2025, and allocation of RM10 million to the E&E technology field under MIMOS, aerospace technology field under MYSA as well as the drone and robotics technology field under MRANTI.

INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

B3 Prospects (Continued)

Given the growth of various industries that utilise imaging, analytical and test equipment and services, particularly the E&E and semiconductor industries, combined with government support and initiatives as well as the rising adoption of IoT and Industry 4.0 technologies, the imaging, analysis and testing industry is expected to experience positive prospects and outlook. Therefore, the prospects and outlook of Crest Group are expected to remain positive and favourable.

B4 Profit forecast / Profit guarantee

The Group did not issue any profit forecast or profit guarantee for the current financial quarter.

B5 Taxation

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2024 RM'000 (Unaudited)	30 June 2023 ¹ RM'000 (Unaudited)	30 June 2024 RM'000 (Unaudited)	30 June 2023 ¹ RM'000 (Unaudited)
Current tax	1,242	N/A	2,338	N/A
Deferred tax	30	N/A	16	N/A
Total	1,272	N/A	2,354	N/A
Effective tax rate ² (%)	25.58	N/A	26.24	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

N/A – Not applicable.

- (1) There are no available comparative figures as no interim financial report was prepared for the comparative financial period announced, in compliance with the Listing Requirements of Bursa Securities.
- (2) The effective tax rate of the Group's current tax charge for the current financial period was above the statutory tax rate due mainly to expenses incurred for our Listing which are non-deductible for tax purposes.

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**INTERIM REPORT ON UNAUDITED COMBINED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2024**

B6 Status of corporate proposals and utilisation of proceeds

On 17 January 2024, the Company had entered into the following conditional share sale agreements:

- (a) Acquisition of the entire issued share capital of Crest Systems of RM1,000,000 comprising 1,000,000 ordinary shares from the shareholders of Crest Systems for a total purchase consideration of RM12,680,062, which was satisfied entirely via the allotment and issuance of 253,601,240 new Shares at an issue price of RM0.05 each;
- (b) Acquisition of 70% of the issued share capital of Crest Analytic of RM350,000 comprising 350,000 ordinary shares from the shareholders of Crest Analytic for a total purchase consideration of RM1,105,030, which was satisfied entirely via the allotment and issuance of 22,100,600 new Shares at an issue price of RM0.05 each;
- (c) Acquisition of the entire issued share capital of Matrix Optics of RM500,000 comprising 500,000 ordinary shares from the shareholders of Matrix Optics for a total purchase consideration of RM8,524,849, which was satisfied entirely via the allotment and issuance of 170,496,980 new Shares at an issue price of RM0.05 each;
- (d) Acquisition of the entire issued share capital of Crest Lab of RM1,000 comprising 1,000 ordinary shares from the shareholders of Crest Lab for a total purchase consideration of RM911,459, which was satisfied entirely via the allotment and issuance of 18,229,180 new Shares at an issue price of RM0.05 each;
- (e) Acquisition of the entire issued share capital of Matrix Innovations of RM100,000 comprising 100,000 ordinary shares from the shareholders of Matrix Innovations for a total purchase consideration of RM2,762,879, which was satisfied entirely via the allotment and issuance of 55,257,580 new Shares at an issue price of RM0.05 each;
- (f) Acquisition of the entire issued share capital of Crest Nanosolutions of RM500,000 comprising 500,000 ordinary shares from the shareholders of Crest Nanosolutions for a total purchase consideration of RM5,393,837, which was satisfied entirely via the allotment and issuance of 107,876,740 new Shares at an issue price of RM0.05 each;
- (g) Acquisition of the entire issued share capital of Matrix Biosciences of RM100 comprising 100 ordinary shares from the shareholders of Matrix Biosciences for a total purchase consideration of RM3.
- (h) Acquisition of 70% of the issued share capital of Crest Innovation of USD29,700 (equivalent to RM97,015) comprising 40,000 ordinary shares from the shareholders of Crest Innovation for a total purchase consideration of RM1,123,777, which was satisfied entirely via the allotment and issuance of 22,475,540 new Shares at an issue price of RM0.05 each.
- (i) Acquisition of the entire issued share capital of Crest Upstar of USD1,114 (equivalent to RM3,511) comprising 1,500 ordinary shares from the shareholders of Crest Upstar for a total purchase consideration of SGD3 (equivalent to approximately RM10).
- (j) Acquisition of 100% of the ordinary shares of Crest Thailand of THB6,000,000 (equivalent to RM615,678) comprising 60,000 ordinary shares from the shareholders of Crest Thailand for a total purchase consideration of RM409,375, which was satisfied entirely via the allotment and issuance of 8,187,500 new Shares at an issue price of RM0.05 each;

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B6 Status of corporate proposals and utilisation of proceeds (Continued)

On 17 January 2024, the Company had entered into the following conditional share sale agreements: (Continued)

- (k) Acquisition of 80% of the equity interest of Crest Suzhou of RMB1,800,000 (equivalent to RM826,380) from the shareholders of Crest Suzhou for a total purchase consideration of RM3,833,317, which was satisfied entirely via the allotment and issuance of 76,666,340 new Shares at an issue price of RM0.05 each.

The above acquisitions are collectively referred as the “**Acquisitions**”.

The Acquisitions were completed on 8 August 2024.

On 18 September 2024, the Company issued its Prospectus in conjunction with the Company's listing on the ACE Market of Bursa Securities where it has undertaken an IPO comprising:-

- (i) Public issue of 130,705,300 new Shares (“**Public Issue**”) allocated in the following manner:
- 43,280,000 new Shares made available for application by the Malaysian public;
 - 12,984,000 new Shares made available for application by eligible directors and employees; and
 - 74,441,300 new Shares made available by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry, Malaysia (“**MITI**”); and
- (ii) Offer for Sale of 103,890,000 existing Shares allocated in the following manner :
- 33,758,700 existing Shares made available by way of private placement to Bumiputera investors approved by MITI; and
 - 70,131,300 existing Shares made available by way of private placement to selected investors,

at an IPO price of RM0.35 per Share (“**IPO Price**”).

The listing exercise is still pending completion as the Company is expected to be listed on the ACE Market of Bursa Securities on 9 October 2024.

The total gross proceeds to be raised from the IPO amounting to approximately RM45.75 million based on the IPO Price are intended to be utilised in the following manner:

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Estimated time frame for utilisation upon Listing
Setup of a new centralised headquarters	15,762	-	15,762	Within 36 months
Business expansion	14,517	-	14,517	Within 36 months
Purchase of additional demonstration equipment	5,868	-	5,868	Within 36 months
Expansion of technical support and maintenance team	3,600	-	3,600	Within 36 months
Estimated listing expenses	6,000	-	6,000	Within 3 months
	<u>45,747</u>	<u>-</u>	<u>45,747</u>	

The proposed utilisation of the proceeds as disclosed above should be read in conjunction with the Company's Prospectus. As at the date of this condensed combined interim financial report, the IPO is pending completion, and therefore, the proceeds have yet to be raised and utilised.

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B7 Borrowings

The Group's borrowings as at 30 June 2024 and 31 December 2023 are secured and interest-bearing. Total outstanding borrowings (excluding lease liabilities arising from right-of-use assets of RM0.80 million and RM0.88 million) stood at RM1.91 million and RM1.22 million as at 30 June 2024 and 31 December 2023 respectively, details of which are set out below:

	As at 30 June 2024 (Unaudited) RM'000	As at 31 December 2023 (Audited) RM'000
Current liabilities		
Secured:		
Malaysia Ringgit	241	131
Thai Baht	53	54
	<u>294</u>	<u>185</u>
Non-current liabilities		
Secured:		
Malaysia Ringgit	1,526	911
Thai Baht	89	121
	<u>1,615</u>	<u>1,032</u>
Total borrowings	<u>1,909</u>	<u>1,217</u>

Borrowings denominated in foreign currencies are stated at Ringgit Malaysia equivalent as at the reporting date.

B8 Material litigation

The Group has no outstanding material litigation as at the date of this interim report.

B9 Dividends

On 29 April 2024, Crest Thailand declared a single-tier final dividend of THB90.03 per ordinary share in respect of the financial year ended 31 December 2023, paid on 28 May 2024.

On 17 May 2024, Crest Innovation declared a single-tier final dividend of US\$1.49 per ordinary share in respect of the financial year ended 31 December 2023, paid on 12 July 2024.

On 10 June 2024, Crest Systems declared a single-tier final dividend of RM3.53 per ordinary share in respect of the financial year ended 31 December 2023, paid on 11 June 2024.

On 10 June 2024, Crest Analytic declared a single-tier final dividend of RM0.14 per ordinary share in respect of the financial year ended 31 December 2023, paid on 11 June 2024.

On 10 June 2024, Crest Nanosolutions declared a single-tier final dividend of RM0.13 per ordinary share in respect of the financial year ended 31 December 2023, paid on 11 June 2024.

On 10 June 2024, Matrix Optics declared a single-tier final dividend of RM1.15 per ordinary share in respect of the financial year ended 31 December 2023, paid on 11 June 2024.

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B9 Dividend (Continued)

On 10 June 2024, Crest Lab declared a single-tier final dividend of RM166.49 per ordinary share in respect of the financial year ended 31 December 2023, paid on 11 June 2024.

On 10 June 2024, Matrix Innovations declared a single-tier final dividend of RM1.06 per ordinary share in respect of the financial year ended 31 December 2023, paid on 11 June 2024.

B10 Earnings per share

The basic and diluted earnings per share for the current financial quarter and financial period is calculated as follows:

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2024 (Unaudited)	30 June 2023 ¹ (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 ¹ (Unaudited)
Profit attributable to owners of the Company (RM'000)	3,642	N/A	6,364	N/A
Number of ordinary shares in issue ('000) ²	865,598	N/A	865,598	N/A
Basic and diluted earnings per Share (sen) ²	0.42	N/A	0.74	N/A

Notes:

N/A – Not applicable.

- (1) There are no available comparative figures as no interim financial report was prepared for the comparative financial period announced, in compliance with the Listing Requirements of Bursa Securities.
- (2) Basic and diluted earnings per share is calculated by dividing the profit after tax attributable to owners of the Company by the expected number of Shares upon completion of the Listing.

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30 JUNE 2024**

B11 Profit before taxation

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2024 (Unaudited) RM'000	30 June 2023 ¹ (Unaudited) RM'000	30 June 2024 (Unaudited) RM'000	30 June 2023 ¹ (Unaudited) RM'000
Profit before tax is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	702	N/A	1,346	N/A
Gain on disposal of property, plant and equipment	(15)	N/A	(394)	N/A
(Gain)/Loss on foreign exchange:				
- realised	(169)	N/A	52	N/A
- unrealised	132	N/A	(244)	N/A
Interest expense	31	N/A	62	N/A
Interest income	(46)	N/A	(199)	N/A
Other income - rebate	(3)	N/A	(3)	N/A
Other income - provident fund and payment in lieu	(15)	N/A	(34)	N/A
Reversal of impairment losses on trade receivables	(23)	N/A	(23)	N/A

Notes:

N/A – Not applicable.

(1) There are no available comparative figures as no interim financial report was prepared for the comparative financial period announced, in compliance with the Listing Requirements of Bursa Securities.

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements are not applicable.

By order of the Board of Directors
Crest Group Berhad
27 September 2024