

### 3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

#### 3.1 PRINCIPAL DETAILS OF OUR IPO

Our IPO entails an offering of 234,595,300 IPO Shares at an IPO Price of RM[●] per IPO Share.

In summary, our IPO Shares will be allocated in the following manner, as set out in Section 4.3.4 of this Prospectus:

	Public Issue		Offer for Sale		Total	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
Malaysian Public via balloting	43,280,000	5.00	-	-	43,280,000	5.00
Eligible Persons	12,984,000	1.50	-	-	12,984,000	1.50
Private placement to selected investors	-	-	70,131,300	8.10	70,131,300	8.10
Private placement to identified Bumiputera investors approved by MITI	74,441,300	8.60	33,758,700	3.90	108,200,000	12.50
<b>Total</b>	<b>130,705,300</b>	<b>15.10</b>	<b>103,890,000</b>	<b>12.00</b>	<b>234,595,300</b>	<b>27.10</b>

**Note:**

(1) Based on our enlarged issued Shares of 865,598,000 Shares after our IPO.

Enlarged issued share capital upon Listing	865,598,000
IPO Price per Share	RM[●]
Market capitalisation upon Listing based on the IPO Price and enlarged number of issued Shares upon the Listing	RM[●]
Total gross proceeds to be raised by our Company from the Public Issue	RM[●]
Total gross proceeds to be raised by our Selling Shareholders from the Offer for Sale <sup>(1)</sup>	RM[●]

**Note:**

(1) The gross proceeds from the Offer for Sale will accrue entirely to our Selling Shareholders.

Please refer to Section 4.3 of this Prospectus for further details of our IPO.

Shares held by LSW, ACM and YKM, who are our Promoters, specified shareholders, substantial shareholders, Non-Independent Executive Directors and Key Senior Management, will be subject to moratorium. In addition, Shares held by KWY, who is a Key Senior Management, excluding his Pink Form Shares, will be subject to moratorium on a voluntary basis. Further information on moratorium restrictions is disclosed under Section 2.5 of this Prospectus.

#### 3.2 BACKGROUND INFORMATION OF OUR GROUP AND BUSINESS OPERATIONS

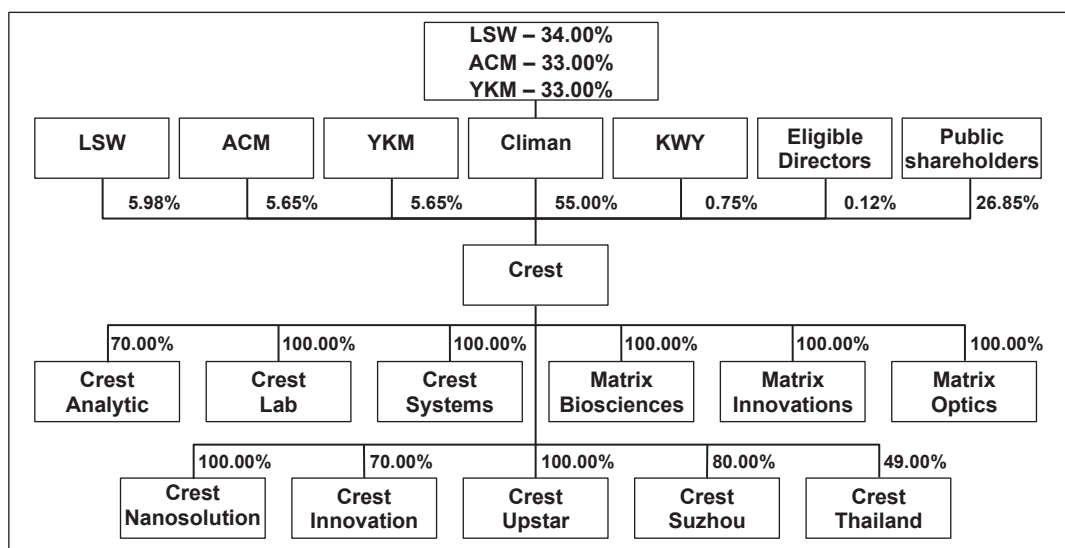
Our Company was incorporated in Malaysia on 9 August 2023 under the Act as a private limited company under the name of Crest Group Sdn Bhd and was subsequently converted to a public limited company on 8 December 2023 to facilitate the Listing.

The principal activity of our Company is investment holding while our Subsidiaries are principally involved in the provision of imaging, analytical and test solutions used primarily for quality inspection, sample analysis and R&D. We provide our solutions to a wide range of industries including semiconductor, E&E, academic, automotive, oil and gas, aviation, life sciences and healthcare.

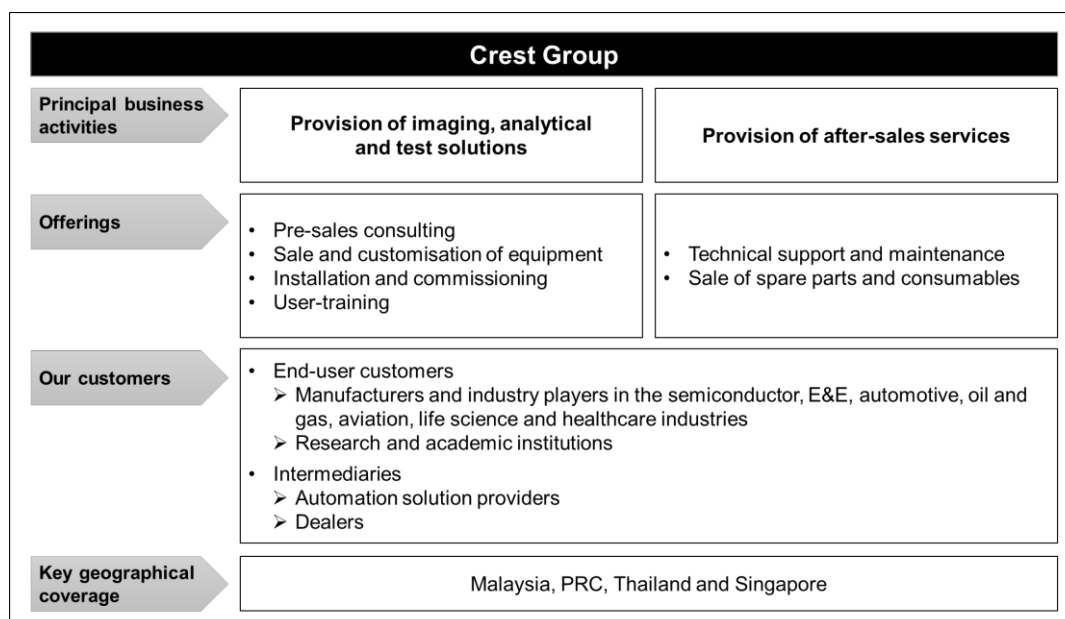
We presently have offices in Malaysia, the PRC, Singapore and Thailand.

### 3. PROSPECTUS SUMMARY (Cont'd)

Our Group structure upon Listing is set out below:



A summary of our business activities and business model is set out in the following diagram:



For the Financial Years under Review and FPE 2023, the provision of imaging, analytical and test solutions was the largest revenue contributor to our Group, contributing 73.74%, 78.11% and 83.57% to our Group's total revenue respectively.

For the Financial Years Under Review and FPE 2023, revenue from Malaysia was the largest contributor to our Group as it contributed 49.59%, 45.73%, 46.96%, and 37.96% to our Group's total revenue respectively. For FYE 2020, FYE 2021 and FPE 2023, revenue from Thailand was the second largest contributor, followed by revenue contributions from PRC and Singapore. For FYE 2022, revenue from PRC was the second largest contributor, followed by revenue contributions from Thailand and Singapore.

Further details of our Group and business are set out in Section 6 and 7 of this Prospectus.

### 3. PROSPECTUS SUMMARY (*Cont'd*)

#### 3.3 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

**(i) Our industry knowledge as well as technical expertise enable us to propose suitable solutions for our customers**

LSW (our Managing Director), ACM (our Executive Director) and YKM (our Executive Director) have accumulated an average 28 years of experience in the imaging, analytical and test business, thus equipped with substantial industry knowledge and technical expertise to assist customers from numerous industries in providing solutions and solving problems as well as enhancing the quality and efficiency in quality inspection. Furthermore, to propose an optimised solution for a customer, thorough understanding of the customer's requirements as well as extensive knowledge on the functions of the equipment are required. Our sales and technical personnel are equipped with the aforementioned knowledge and expertise to propose optimised solutions that are tailored to the needs of our customers.

**(ii) We have business presence in 4 countries and a diversified customer base spanning across multiple industries and countries**

In 1999, we commenced operations in Malaysia, and subsequently expanded our footprints to PRC in 2005, Singapore in 2008 and Thailand in 2010. The expansion of our business into these countries is a testament to our growth and signifies our ability to simultaneously maintain our presence in domestic market whilst penetrating into foreign markets. Further, establishing physical presence in foreign markets has enabled us to improve our visibility and accessibility to customers in foreign markets and widen our customer base, which has resulted in an increase in our sales and business. We also have a diversified customer base spanning across multiple industries, whereby our customers are mainly manufacturers and industry players in the semiconductor, E&E, automotive, oil and gas, aviation, life science and healthcare industries.

**(iii) We have long-standing relationships with our wide network of equipment suppliers**

Part of our imaging, analytical and test solutions include imaging, analytical and test equipment which is purchased from equipment suppliers, comprising principals and dealers. As at the LPD, we are an active distributor of 21 principals from 7 countries, including France, Germany, Japan, Malaysia, Switzerland, UK and USA. Having a wide network of principals as our suppliers gives us a wide selection for the most suitable equipment as part of our solutions. Further, we have also established long-standing relationships with our equipment suppliers, whereby we have at least 5 years of business relationship with all our major suppliers, who are mainly principals, in the Financial Years Under Review and FPE 2023.

**(iv) We have an experienced key senior management team, led by our Managing Directors and Executive Directors with educational foundation in science**

Our Group is led by an experienced and technically-skilled key management team that has accumulated an average 28 years of industry experience and in-depth knowledge of our business operations. LSW (our Managing Director), ACM (our Executive Director) and YKM (our Executive Director) have the relevant background in science which they have leveraged on in building and expanding our Group's imaging, analytical and test business over the years. Our management team has strong industry and functional expertise as a result of years of experience in their respective fields. Further, they take an active, hands-on role in spearheading their respective departments to support the growth of our Group.

### 3. PROSPECTUS SUMMARY (*Cont'd*)

#### 3.4 BUSINESS STRATEGIES AND FUTURE PLANS

Our Group's business strategies and prospects are set out below:

**(i) We intend to set up a new headquarters ("New HQ") in Selangor to consolidate our operations in the Central region of Malaysia**

We plan to establish a New HQ in Selangor to streamline and centralise our operations in the Central region of Malaysia. As at LPD, our offices in Selangor are located at 3 rented premises i.e. 2 offices located in Puchong, Selangor and 1 office in Subang Jaya, Selangor, which we plan to relocate and centralise at the New HQ. Having a centralised location will also allow our management team to better manage our operations and resources. Presently, we are in the midst of identifying a suitable commercial / light industrial premise within Klang Valley with a built-up area of approximately 1,858 sq. m. for the setup of the New HQ and we expect to purchase the premises within 36 months after our Listing.

**(ii) We intend to purchase additional demonstration equipment for our demonstration room in our Malaysia, PRC and Thailand offices**

As part of our sales and marketing activities detailed in Section 7.11, we have set up demonstration rooms in our offices in Malaysia, Singapore, PRC and Thailand to display certain equipment for demonstration to our customers. By conducting equipment demonstration, we provide our customers with better insights and understanding on the features and capabilities of our solutions. We intend to purchase additional advanced imaging equipment and sample management equipment for our demonstration rooms in our Malaysia, PRC and Thailand offices. We expect to purchase the new demonstration equipment within 36 months after our Listing.

**(iii) We plan to expand our business presence to Vietnam and to continue expanding our business presence in the PRC and Thailand**

We intend to further expand our presence overseas by establishing our presence in Vietnam and continue expanding our business presence in the PRC and Thailand.

**(a) Setup of new offices**

We plan to set up an office in Ho Chi Minh City for our expansion into Vietnam and one office each in Chengdu and Shenzhen for our expansion within PRC. We plan to rent office spaces in each of these locations with approximate build-up areas of 139 sq. m. each. We expect that the new offices in these locations will be fully established and operating within 36 months after our Listing.

**(b) Hiring of personnel for the new and/or existing offices**

We plan to hire new personnel to be stationed at the offices in the aforementioned locations. Additionally, we also plan to hire new personnel to form an additional team to offer our services and to secure new customers involved in the life science and healthcare industries, industries which we do not serve in Thailand as at the LPD. These new personnel will be stationed at our existing branch office in Bangkok, Thailand. The hiring of new personnel for our Ho Chi Minh City, Chengdu, Shenzhen and Bangkok offices is expected to take place gradually.

### 3. PROSPECTUS SUMMARY (Cont'd)

#### (iv) We intend to expand our services and support team for our technical support and maintenance services

For the Financial Years Under Review and FPE 2023, our provision of after-sales services, which include technical support and maintenance services, accounted for 26.26%, 21.89%, 16.43% and 15.65% of our Group's total revenue respectively. We intend to further expand this business segment by hiring additional headcount to handle our technical support and maintenance services. We plan to hire 2 new service managers, whereby 1 personnel will be based in Selangor and another personnel will be based in Penang. We also plan to hire 8 new service personnel, whereby 5 personnel will be based in Selangor, and the remaining 3 personnel will be based at our existing offices in the PRC, Thailand and Singapore respectively. By expanding our technical support and maintenance services, we will be able to generate additional recurring income and consequently improve our financial performance.

Further details on our business strategies and future plans are set out in Section 7.20 of this Prospectus.

### 3.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, certain risks and investment considerations (which may occur either individually or in combination, at the same time or around the same time) that may have a significant impact on our future financial performance.

The following are the key risks and investment considerations that we are currently facing or that may develop in the future:

#### (i) We depend on our ability to maintain our business relationship with our existing customers and to secure new customers

Our profitability and financial performance are dependent, to a large extent, on our ability to maintain and strengthen our business relationship with our existing customers and also to secure new customers. Our provision of equipment and imaging, analytical and test solutions to our pool of customers are mostly on a purchase order basis and there can be no assurance that purchase orders will continue to be issued. The purchases of our customers are, in addition, primarily dependent on individual capital expenditure, expansion plans and business strategies and therefore, our customers have no obligation to continue to engage us for provision of our solutions and services. In the event we are unsuccessful in adapting to factors such as rapid technological advances, unexpected changes in our customers' business and budget plans or any factors beyond our control in a timely manner, we may lose our customers and may face difficulty in securing sales from new customers, thus affecting our financial performance.

#### (ii) We are reliant on our equipment principals

Our Group relies on our equipment principals for the imaging, analytical and test equipment that we supply. As our Group does not manufacture or develop the equipment, our Group relies on the partnership with our equipment principals for our supply of a diverse range of equipment portfolio in order to meet our customers' demands. In the event our equipment principals decide to cease distribution of certain equipment or a change in their business direction, this may result in disruption to our business and operations. Under such circumstances, our Group will need to seek out alternative equipment principals. However, this may take time and affect our ability to continuously meet customers' demands. As at the LPD, we have not been informed of any potential changes in the business strategies of our product principals which may materially affect our supply chain nor have we encountered any dispute or disagreement with any of our suppliers which has materially affected or may materially affect our business operations.

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**3. PROSPECTUS SUMMARY (Cont'd)**

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**(iii) We are dependent on our Key Senior Management for the continued success and growth of our Group**

We believe that our growth and success are, to a significant extent, dependent on the continued service, performance and efforts of our Executive Directors who play pivotal roles in our Group's day-to-day operations and who are adept and have extensive experience and market understanding in our business and industry. Our Executive Directors, LSW, ACM and YKM have been instrumental in the development of our business since our inception and have over the years, established long term relationships and built a network of customers and suppliers in the industry which significantly contribute to the continued success of our Group. We are also reliant on the continued service of our Key Senior Management who have in-depth technical and operational knowledge relevant to the demands of our business operations as well as the needs of our customers. However, there is no assurance that we will be able to retain our Key Senior Management. The loss of services from any of our Key Senior Management without suitable or timely recruit for replacements may result in an adverse effect on our Group's operations and financial conditions.

**(iv) We are exposed to fluctuations in foreign exchange rates**

We are exposed to fluctuations in foreign exchange rates as a certain part of our sales and purchases are transacted in foreign currencies. Our revenue denominated in foreign currencies accounted for 57.6%, 57.3%, 61.2% and 70.0% of our total revenue respectively, for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023. Our purchases denominated in foreign currencies accounted for 91.5%, 94.0%, 94.4% and 95.6% of our total purchases respectively, for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023. As such, any significant change in foreign exchange rates may affect our financial results. We coordinate our sales and purchases to be in the same currency as much as possible to minimise our foreign exchange exposure as a form of natural hedging. Notwithstanding that, there can be no assurance that the exchange rate fluctuations will not affect our Group's financial performance. Any adverse fluctuations in the foreign exchange rates may have an adverse impact on our Group's revenue and earnings.

**(v) We are subject to operational risks and the risk of inadequate insurance compensation**

Due to the nature of our business, we are susceptible to various operational risks such as accidents, outbreaks of fire or floods and natural disasters, which may cause disruption to our business operations and damage to our inventory, demonstration equipment, office and shipment. For the Financial Years Under Review up to the LPD, we have not encountered any major disruptions due to operational risks. However, there can be no assurance that any occurrence of major incident in the future would not adversely disrupt our business operations. Although the insurance we maintain are adequate coverage for our business and customary to our industry and level of operations, there can be no assurance that in the event of insurance claims, our insurance coverage would be sufficient to compensate in all circumstances the extent of losses, damages or liabilities incurred. Consequently, our business and financial performance may be materially and adversely affected.

Further details on the risks faced by our business and operations, the industry we operate in and investment in our Shares are set out in Section 9 of this Prospectus.

### 3. PROSPECTUS SUMMARY (Cont'd)

#### 3.6 IMPACT OF COVID-19 ON OUR GROUP

The outbreak of the COVID-19 pandemic since 2020 had led to minor interruptions to our business operations as our employees in our headquarters and branch offices were required to work from home for different periods and durations in adhering to the lockdown measures / movement restrictions imposed by the governments in the respective countries. Such lockdown measures / movement restrictions imposed led to minor delays in on-site installation, integration, commissioning as well as technical support and maintenance works as our employees were not allowed to travel to our customers' premises. Further, we also experienced minor delays in the receipt of equipment which we purchased from overseas countries due to the global supply chain disruptions.

As the lockdown measures / movement restrictions imposed by the governments in the respective countries in which we operate in have been uplifted, our business operations have since resumed to usual, we do not expect any further adverse impact to our business operations, cash flows, liquidity, financial position and financial performance moving forward.

#### 3.7 DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD. Our Directors and Key Senior Management are as follows:

<b>Name</b>	<b>Designation</b>
<b>Directors</b>	
Ahmad Tajudin bin Omar	Independent Non-Executive Chairman
LSW	Non-Independent Executive Director / Group Managing Director
ACM	Non-Independent Executive Director
YKM	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
<b>Key Senior Management</b>	
LSW	Non-Independent Executive Director / Group Managing Director
ACM	Non-Independent Executive Director
YKM	Non-Independent Executive Director
KWY	Vice President of Sales
Tan Chun Hau	General Manager of Technical Support
Lyn Meng Keong	General Manager
Khor Seng Chee	Financial Controller

Further details of our Directors and Key Senior Management are set out in Section 5 of this Prospectus.



### 3. PROSPECTUS SUMMARY

#### 3.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

Details of our Promoters and/or substantial shareholders, and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Nationality / Country of incorporation	After the Acquisitions and before our IPO			Before our IPO / After the Share Transfer		
		Direct	Indirect	( <sup>1</sup> )%	Direct	Indirect	( <sup>1</sup> )%
		No. of Shares	No. of Shares	( <sup>1</sup> )%	No. of Shares	No. of Shares	( <sup>1</sup> )%
<b><u>Promoters and substantial shareholders</u></b>							
LSW	Malaysian	248,219,420	-	33.78	86,352,600	( <sup>2</sup> )476,078,900	11.75
ACM	Malaysian	240,639,740	-	32.74	83,533,700	( <sup>2</sup> )476,078,900	11.37
YKM	Malaysian	240,639,740	-	32.74	83,533,700	( <sup>2</sup> )476,078,900	11.37
<b><u>Substantial shareholder</u></b>							
Climan	Malaysia	-	-	-	476,078,900	-	64.78
		After our IPO					
		Direct	Indirect	( <sup>3</sup> )%			
Name	Nationality / Country of incorporation	No. of Shares	No. of Shares	( <sup>3</sup> )%			
<b><u>Promoters and substantial shareholders</u></b>							
LSW	Malaysian	51,722,600	( <sup>2</sup> )476,078,900	5.98	55.00		
ACM	Malaysian	48,903,700	( <sup>2</sup> )476,078,900	5.65	55.00		
YKM	Malaysian	48,903,700	( <sup>2</sup> )476,078,900	5.65	55.00		
<b><u>Substantial shareholder</u></b>							
Climan	Malaysia	476,078,900	-	55.00	-		

**Notes:**

- (1) Based on our issued Shares of 734,892,700 Shares after the Acquisitions and before our IPO.
- (2) Deemed interested by virtue of Section 8(4) of the Act, through his shareholding in Climan.
- (3) Based on our enlarged issued Shares of 865,598,000 Shares after our IPO.

Further details of our Promoters and substantial shareholders are disclosed in Section 5.1 of this Prospectus.



### 3. PROSPECTUS SUMMARY (Cont'd)

#### 3.9 UTILISATION OF PROCEEDS

The total gross proceeds raised from our Public Issue amounting to approximately RM[●] million based on the IPO Price are intended to be used in the following manner:

Details of utilisation	Gross proceeds		Estimated timeframe for utilisation upon Listing
	RM'000	(%)	
Setup of a new centralised headquarters	[●]	[●]	Within 36 months
Business expansion	[●]	[●]	Within 36 months
Purchase of additional demonstration equipment	[●]	[●]	Within 36 months
Expansion of technical support and maintenance team	[●]	[●]	Within 36 months
Estimated listing expenses	[●]	[●]	Within 3 months
<b>Total</b>	<b>[●]</b>	<b>[●]</b>	

There is no minimum subscription in terms of the proceeds to be raised by us from our IPO. Further details on the utilisation of proceeds are set out in Section 4.8 of this Prospectus.

Based on the IPO Price, the total proceeds raised from the Public Issue of RM[●] million will accrue entirely to our Company.

The financial impact of the use of proceeds from our Public Issue of RM[●] million is illustrated in the Pro forma Combined Statements of Financial Position as at 31 July 2023 set out in Section 13 of this Prospectus.

The gross proceeds from the Offer for Sale of approximately RM[●] million will accrue entirely to our Selling Shareholders.

#### 3.10 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The key financial highlights of our historical audited combined statements of comprehensive income for the Financial Years Under Review and FPE 2023 are set out below:

	Audited			
	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000
Revenue	124,425	148,410	170,202	102,876
Cost of sales	(87,871)	(105,024)	(124,501)	(74,603)
GP	36,554	43,386	45,701	28,273
PBT	16,721	22,354	23,258	12,737
PAT	13,502	17,372	17,983	10,043
GP margin (%) <sup>(1)</sup>	29.4	29.2	26.9	27.5
PBT margin (%) <sup>(2)</sup>	13.4	15.1	13.7	12.4
PAT margin (%) <sup>(2)</sup>	10.9	11.7	10.6	9.8
Gearing ratio (times) <sup>(3)</sup>	*	*	*	*
Current ratio (times) <sup>(4)</sup>	2.4	1.9	2.2	2.1

**Notes:**

\* Represents less than 0.1.

(1) GP margin is calculated based on GP over revenue.

(2) PBT or PAT margin is calculated based on PBT or PAT over revenue.

(3) Computed based on total interest-bearing borrowings (excluding lease liabilities for right-of-use assets) over total equity for each financial year/period.

(4) Computed based on current assets over current liabilities as at the end of each financial year/period.

### 3. PROSPECTUS SUMMARY (Cont'd)

#### Operational highlights

The breakdown of our Group's revenue by business segment for the Financial Years Under Review and FPE 2023 is as follows:

Revenue by business segment	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Provision of imaging, analytical and test solutions</b>	<b>91,752</b>	<b>73.74</b>	<b>115,920</b>	<b>78.11</b>	<b>142,239</b>	<b>83.57</b>	<b>86,778</b>	<b>84.35</b>
• Solutions using advanced imaging equipment	36,226	29.11	41,349	27.86	53,025	31.15	32,697	31.78
• Solutions using optical and portable equipment	27,894	22.42	30,046	20.25	38,544	22.65	22,967	22.32
• Solutions using advanced analytical and testing equipment	13,111	10.54	19,886	13.40	29,945	17.59	17,663	17.18
• Solutions using sample management equipment	4,584	3.68	12,603	8.49	10,631	6.25	7,284	7.08
• Other solutions	9,937	7.99	12,036	8.11	10,094	5.93	6,167	5.99
<b>Provision of after-sales services</b>	<b>32,673</b>	<b>26.26</b>	<b>32,490</b>	<b>21.89</b>	<b>27,963</b>	<b>16.43</b>	<b>16,098</b>	<b>15.65</b>
<b>Total</b>	<b>124,425</b>	<b>100.00</b>	<b>148,410</b>	<b>100.00</b>	<b>170,202</b>	<b>100.00</b>	<b>102,876</b>	<b>100.00</b>

Please refer to Section 12 of this Prospectus for further details on our financial information.

#### 3.11 DIVIDEND POLICY

It is our Group's intention to target a dividend payout ratio of not less than 30% of our annual PAT attributable to the shareholders of our Group. Our Board will consider, among others, the level of cash and level of indebtedness, required and expected interest expense, cash flows, profits, return on equity and retained earnings, as well as our projected levels of capital expenditure and other investment plans, when recommending dividends for approval by our shareholders or when declaring any interim dividends.

For the Financial Period Under Review and up to LPD, our Group declared and paid the following dividends to shareholders of the respective subsidiaries:

	FYE 2020	FYE 2021	FYE 2022	FPE 2023	1 August 2023 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Dividends declared / paid</b>	1,500	19,315	21,583	1,324	14,113 <sup>(1)</sup>

#### Note:

(1) The following dividends were declared subsequent to 1 August 2023:

- On 21 August 2023, Crest Thailand declared a dividend of THB14.2602 per ordinary share equivalent to RM1.8816 per ordinary share amounting to THB855,611 equivalent to RM112,893, which was paid on 11 September 2023.
- On 7 December 2023, Crest Systems declared a special dividend of RM14.00 per ordinary share amounting to RM14,000,000, which was paid on 12 December 2023.
- As at LPD, there is no outstanding dividends declared but remained unpaid.

Further, our Group intends to declare a final dividend of up to RM6.0 million for FYE 2023, upon the finalisation of the audited financial statements for FYE 2023. The timing of the payment is expected to be prior to the Listing of the Company. The above dividends were funded by internally generated funds sourced from our operations. The dividends paid will not affect the execution and implementation of our future plans or business strategies.

Further details of our dividend policy are set out in Section 12.15 of this Prospectus.