

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises the importance of good corporate governance in discharging its responsibilities, protecting and enhancing shareholders' value through promoting and practicing high standards of corporate governance throughout the Group. The Board adopts and applies the principles and best practices as governed by the ACE Market Listing Requirements of Bursa Securities ("LR") and Malaysian Code on Corporate Governance ("Code"). Where there are gaps in the Company's observation of any of the recommendations of the Code, these are disclosed herein with explanations.

The Corporate Governance Report ("CG Report") provides the details on how UCrest has applied each Practice as set out in the Code during the financial year ended 31 May 2021 ("FYE 2021"). The CG Report is available on our corporate website at www.crest.net.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1.1 Board's Role and Responsibilities

The Board has the overall responsibility for the performance of the Group by maintaining full and effective control over strategic, financial, operational, compliance and governance issues. The Board is responsible in formulating and reviewing of strategic plans, key policies and monitoring the Group's business operations. The Board delegates the day-to-day management of the Company's business to the management team but reserves for its consideration of significant matters such as the following:-

- Approval of financial results;
- Declaration of dividends;
- Risk appetite setting;
- Credit policy;
- Business (Acquisitions/Disposal);
- Capital Expenditures;
- Corporate Proposal; and
- Budget.

The Board's role is to oversee the performance of the Management to determine whether the business is properly managed. The Board gets updates from Management at the quarterly Board Meetings when reviewing the unaudited quarterly results. During the meeting, the Board participates in the discussion on the performance of the Group.

The Board assumes the following responsibilities:-

- Reviewing, adopting and monitoring strategic plan for the Group
- Overseeing the conduct of the Company's business
- Identifying risks and assume active role in ensuring the implementation of appropriate systems to manage or mitigate these risks
- Succession planning, including appointing, training, fixing the compensation of the key managements
- Ensuring measures are in place to assess and oversee Management's performance
- Developing and implementing an investor relations programme or shareholder communications policy for the Group
- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including system for compliance with applicable laws, regulations, rules, directives and guidelines.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

In furtherance of the above and to ensure orderly and effective discharge of its functions and responsibilities, the Board has established the following Board committees:

- Audit Committee (“AC”)
- Nomination Committee (“NC”)
- Remuneration Committee (“RC”)
- Option Committee (“OC”)

The Board has defined the terms of reference for each Committee and the Chairman of these respective committees report and update the Board on significant matters and salient matters deliberated by the Committees.

1.2 Chairman of the Board

The Chairman leads the strategic planning at the Board level. He ensures that all the Directors are briefed on issues arising at Board meetings and sufficient time is allowed for discussion.

The position of Chairman is currently headed by the Managing Director, Eg Kah Yee. During this period, the Managing Director undertakes the roles and functions of the Chairmanship:-

- (a) Act as Advisor to the Senior Management by providing support and guidance;
- (b) Chairing the Board meetings;
- (c) Providing leadership to the Board and is responsible for the developmental needs of the Board;
- (d) Ensuring that guidelines and procedures are in place to govern the Board’s operation and conduct;
- (e) Ensuring the smooth functioning of the Board and the Governance structure and inculcating positive culture in the Board; and
- (f) Sets the objective, maintains good corporate governance for the Board to focus towards the Company’s goals.

1.3 Separation of Position of Chairman and Managing Director

There is a division of responsibilities between the Chairman and the Managing Director (“MD”) to ensure that there is balance of power and authority ever since the first Executive Director (“ED”) of the Group has been appointed. The Chairman is responsible for the Board’s effectiveness and conduct, whilst the ED has overall responsibilities over the business and operation of the Group. The ED is responsible to formulate business and operations strategies and is empowered to structure the management team in discharging his duties to achieve the goals that has been assigned to him by the Board. The Board is still in favour of the abovementioned division of responsibilities despite the Chairman has assumed the role of ED.

Currently, the Chairman of the Board is headed by the Managing Director, Eg Kah Yee. Although a separation of position of Chairman and the Managing Director is recommended, it is the collective view of the Board, based on the current state of affair of and his shareholdings in the company, Eg Kah Yee’s expertise is highly needed and the Board is confident that the current practice is best in maintaining the sustainability and the creativity of the Group in moving forward for Eg Kah Yee to remain as the Chairman.

In addition to the abovementioned, the current composition of the Board comprises of a majority of Independent Non-Executive Directors. This provides a check and balance on the Company management with a view to safeguarding and protects the interest of all shareholders as a whole.

1.4 Qualified and Competent Company Secretaries

The Board has direct access to the advice and services of the Company Secretaries. The Company Secretaries are qualified to act in accordance with the requirements of the Companies Act, 2016.

The Board is updated by the Company Secretaries on new statutes and directives issued by the regulatory authorities. The Company Secretaries has attended the Board and Committee meetings and ensured that all procedures are adhered.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

Roles and responsibilities of the Company Secretaries can be found in the CG Report.

The Company Secretaries also attend regular trainings to keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance.

1.5 Access to Information and Advice

In reviewing and analysing the quarterly interim financial results, the Board was provided with various corroborative information and data. Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors at least seven (7) days prior to the scheduled meetings via emails or physical copies to ensure sufficient time is given to the Directors to read the Board papers and seek clarification, if necessary, and enable them to deliberate issues raised during Board meetings more effectively. Additionally, management was also invited to brief and report in meetings of the Board and Board Committees.

The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation. The Company Secretaries will circulate the draft minutes of meetings for the Board and Board's Committee review in a timely manner.

1.6 Board Charter

A Board Charter had been established with the objectives to ensure that all Board Members are aware of their duties and responsibilities, the various legislations and regulations affecting their conduct, principles and practices of good corporate governance are applied accordingly. The Board Charter is reviewed periodically and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.

Roles and responsibilities of the board can be found in the CG Report.

The Board Charter was last reviewed and updated on 25 April 2018 and would be reviewed and updated periodically.

The Board Charter is available on the Company's website at www.ucrest.net

1.7 Code of Conduct, Whistle Blower Policy and the Anti-Bribery & Corruption Policy

The Board strongly believes in applying good working ethics and code of conduct in all business dealings. The Board established the Code of Conduct and Ethics based on the following principles:-

- (a) Conflicts of interest;
- (b) Corporate opportunities;
- (c) Protection of confidential information;
- (d) Protection and Proper Use of Company Assets;
- (e) Compliance with laws, rules and regulations;
- (f) Trading on inside information;
- (g) Bribery and Corruption;
- (h) Money Laundering;
- (i) Preventing the abuse of power;
- (j) Compliance with this Code and reporting of any illegal or unethical behavior; and
- (k) Waivers and amendments.

The Code of Conduct and Ethics was reviewed and updated on 25 April 2018 and will be reviewed and updated periodically.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

The Board recognises the importance of whistle-blowing and is committed to maintain the standards of ethical conduct within the Group. The Company is committed to operating in compliance with all applicable laws, rules and regulations, including those concerning accounting and auditing, and prohibits fraudulent practices by any of its board members, officers and/or employees. The Board had established a Whistle Blower policy which outlines procedures for employees to report actions that an employee reasonably believes violate a law, or regulation or that constitutes fraudulent accounting or other practices. This policy applies to any matter which is related to the Group's business. This policy has accordingly been inserted in the employee manual/handbook.

The Whistle Blower policy was reviewed and updated on 25 April 2018 and will be reviewed and updated periodically.

The Code of Conduct and Ethics, Whistle Blower policy and the Anti-Bribery & Corruption policy are available on the Company's website at www.ucrest.net

1.8 Time Commitments

The Board is primarily responsible for the strategic directions of the Group and is scheduled to meet at least four (4) times a year. However, additional meetings may be convened as and when deemed necessary as determined by the members of the Board.

During the financial year ended 31 May 2021, six (6) board meetings were held and the details of each Director's attendance are set out as follows:-

Directors	Meeting Attendance
Eg Kah Yee (Chairman)	6/6
Eg Kaa Chee	6/6
Abdul Razak Bin Dato' Haji Ipap	6/6
Thong Kooi Pin	6/6
Chuan Tsui Ju	6/6
Prof. Low Teck Seng	6/6
Dato' Dr. Mohd Fikri Bin Abdullah	4/6

Currently, all Directors of the Company held less than five (5) directorships in other listed companies.

The Chairman of the Board and the Company Secretaries shall be notified of any new directorship by any Board members before accepting new directorship. The notification shall include an indication of time that will be spent on the new appointment. The Company does not have policy nor impose any time commitment on its independent and non-executive director's position to commit their time to the Company but the Board members are supportive of the Chairman whenever a board meeting is called to deliberate important matters related to the Group.

The Directors are required to notify the Chairman, prior to their acceptance of new directorships in other companies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

1.9 Board Composition

The existing composition of the Board is as set out below:-

Directors	Designation
Eg Kah Yee	<i>Chairman/Managing Director</i>
Eg Kaa Chee	<i>Non-Independent Non-Executive Director</i>
Abdul Razak Bin Dato' Haji Ipap	<i>Independent Non-Executive Director</i>
Thong Kooi Pin	<i>Independent Non-Executive Director</i>
Chuan Tsui Ju	<i>Independent Non-Executive Director</i>
Prof. Low Teck Seng	<i>Independent Non-Executive Director</i>
Dato' Dr. Mohd Fikri Bin Abdullah	<i>Independent Non-Executive Director</i>

The current Board has seven (7) members comprising the Managing Director (Chairman), one (1) Non-Independent Non-Executive Director and five (5) Independent Non-Executive Directors. The composition of the Board comprises of a majority of Independent Non-Executive Directors. The Board is satisfied with the current composition and the composition fairly reflects the investment of shareholders and balance in view of the Group's Business.

2.0 Independent Non-Executive Directors

The Company do not have a policy which limits the tenure of its independent directors to nine (9) years. However, the Board takes note that the Code recommends that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years unless shareholders' approval is obtained to retain such Director as an Independent Non-Executive Director. If the Board continues to retain the Independent Non-executive Director after the twelfth year, the Board should seek annual shareholders' approval through a two tier voting process.

Shareholders' approval would be sought if an Independent Director who has served in that capacity for more than nine (9) and twelve (12) years shall remain as an Independent Director. The Nomination Committee will assess the independence of the Independent Director based on the assessment criteria developed by the (NC), and recommend to the Board for recommendation to the shareholders. Justification for the approval would be provided.

The details of director who serve more than 9 years can be found in the CG Report.

2.1 Appointments to the Board

As documented in the approved Board Charter, the Board may exercise the power pursuant to the Constitution to appoint a person who is willing to act as a Director either to fill a casual vacancy or as an additional Director upon appropriate recommendation by the NC.

The appointment of new directorship would be through a formal and transparent selection process and would take into consideration the evaluation of the candidates' abilities in terms of their skills, knowledge, experience, expertise and integrity to discharge their responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

2.2 Boardroom and Gender Diversity

The Board recognises the importance of gender diversity and is committed to the extent practicable, to address the recommendation of the Code relating to the establishment of a policy formalising its approach to boardroom and workplace diversity.

The Board has on 25 April 2018 adopted a Gender Diversity Policy. Diversity which encompasses various areas such as gender, age, ethnicity and cultural background and the Board firmly believes that a well diversified workplace could benefit the Company to achieve:-

- (a) a good morale between the workforce that leads to a healthy work culture where employees motivate each other to perform at a higher level;
- (b) With a gender-diverse workforce, the company can expand its customer base and offer better services;
- (c) improved employment and career development opportunities for women;
- (d) a gender-balanced team brings with it greater industry knowledge and helps the company access more resources, as well as multiple channels of information; and
- (e) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The appointment of Chuan Tsui Ju on 22 November 2013 reflects that the Board recognises the value of a lady member of the Board and is a step taken by the Board towards achieving a more gender diversified Board.

2.3 Re-election of Directors

In accordance to the Company's Constitution, Directors appointed during the year is required to retire and seek election by shareholders at the following Annual General Meeting ("AGM") immediately after their appointment. The Constitution also require one-third (1/3) of the Directors to retire by rotation and seek re-election at each AGM and that each Director shall submit himself for re-election every three (3) years.

The Nomination Committee has considered the assessment of Abdul Razak Bin Dato' Haji Ipap and Dato' Dr. Mohd Fikri Bin Abdullah, the Directors standing for re-election and collectively agrees that they meet the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors.

2.4 Professional Developments

The Directors during financial year 2021, have attended the following trainings:-

Director	Trainings	Date
Eg Kah Yee	Related Party Transactions: How to Mitigate Transfer Pricing Risk by Tricor Hive Sdn Bhd	28 April 2021
Eg Kaa Chee	Corporate Fraud Recovery Strategies & Challenges by Bar Council	29 January 2021
	Price Action Manipulation by Piranha Pte Ltd	18 April 2021
	Related Party Transactions: How to Mitigate Transfer Pricing Risk by Tricor Hive Sdn Bhd	28 April 2021
Abdul Razak Bin Dato' Haji Ipap	Related Party Transactions: How to Mitigate Transfer Pricing Risk by Tricor Hive Sdn Bhd	28 April 2021

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

Director	Trainings	Date
Thong Kooi Pin	Related Party Transactions: How to Mitigate Transfer Pricing Risk by Tricor Hive Sdn Bhd	28 April 2021
Chuan Tsui Ju	Related Party Transactions: How to Mitigate Transfer Pricing Risk by Tricor Hive Sdn Bhd	28 April 2021
Prof Low Teck Seng	Opportunities in green energy (hydrogen) by Temasek Holdings	19 August 2020
	Board Transformation by PUB Singapore	23 March 2021
	Related Party Transactions: How to Mitigate Transfer Pricing Risk by Tricor Hive Sdn Bhd	28 April 2021
Dato' Dr. Mohd Fikri Bin Abdullah	ZP Therapeutics Diabetes Virtual Launch – “It’s Time to Truli – REWIND” by Malaysian Medical Association	23 January 2021
	Multidisciplinary Approach to LDL-C Management in Private Practice by Malaysian Medical Association	20 February 2021
	“Stable” HFREF; To Rock the Boat or Not? By Malaysian Medical Association	17 March 2021
	SGLT2i in the Treatment of HF with or without T2D by Malaysian Medical Association	20 March 2021
	Virtual Diabetes Workshop: What’s New in 2021 by Malaysian Medical Association	20 March 2021
	Serdang Virtual Thoracic MDT by Malaysian Medical Association	22 March 2021
	Related Party Transactions: How to Mitigate Transfer Pricing Risk by Tricor Hive Sdn Bhd	28 April 2021

2.5 Nomination Committee

The NC was established on 22 February 2013 and has been tasked with the responsibilities to recommend new appointment to the Board. The NC shall be appointed by the Board of Directors and shall comprise exclusively of non-executive directors, a majority of whom are independent directors. The NC has two (2) members, all of whom are Independent Directors:

Chairman

Thong Kooi Pin (Independent Non-Executive Director)

Member

Abdul Razak Bin Dato' Haji Ipap (Independent Non-Executive Director)

The Terms of Reference of the NC is available at the Company's website at www.ucrest.net

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

Summary of Activities undertaken by the Nomination Committee

During the financial year ended 2021, the following activities were undertaken by Nomination Committee:-

- Assessed the effectiveness and required mix of skills and experience and other qualities, including core competencies of the Board as a whole, the committees of the Board and the contribution of each existing Director and thereafter, recommend the findings to the Board;
- Assessed the term of office and performance of the Audit Committee and each individual member;
- Assessed the independence of the Independent Directors based on criteria set out in the Listing Requirements;
- Reviewed and recommended the re-election of Abdul Razak Bin Dato' Haji Ipap and Dato' Dr. Mohd Fikri Bin Abdullah;
- Reviewed and recommended the retention of Thong Kooi Pin and Abdul Razak Bin Dato' Haji Ipap to continue in office as Independent Non-Executive Directors; and
- Reviewed the training needs of the Directors.

On 13 August 2021, the NC assessed the effectiveness of the Board as a whole, Board Committees and contributions of each individual Director as well as their character, integrity and time commitment, independence of Independent Directors. The NC reviews annually the required mix of skills and experience including core competencies which Non-Executive Directors should bring to the Board and other qualities for the Board to function effectively and efficiently.

The summary of the assessment and its findings was tabled to the NC on 13 August 2021. Based on the summary as presented, the NC tabled its recommendations to the Board of Directors at the Board of Directors' Meeting held on 13 August 2021.

The NC had on 13 August 2021, assessed the independence of the independent Directors and is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company. Based on the recommendations from the NC, the Board had also assessed and would be proposing to the shareholders' for approval the continuation in office of Thong Kooi Pin and Abdul Razak Bin Dato' Haji Ipap as Independent Non-Executive Directors of the Company at the AGM. A two-tier voting process would be adopted when seeking the shareholders' approval to retain Encik Abdul Razak bin Dato' Haji Ipap and Thong Kooi Pin as Independent Non-Executive Directors of the Company.

The Board's proposal for continuation in office as Independent Non-Executive Directors were based on the following:-

Thong Kooi Pin

- (i) He fulfilled the criteria under the definition of Independent Director as stated in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Thus, he would able to function as a check and balance and bring an element of objectivity to the Board;
- (ii) He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
- (iii) He has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his duties in the best interest of the Company and shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

Abdul Razak Bin Dato' Haji Ipap

- (i) He fulfilled the criteria under the definition of Independent Director as stated in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Thus, he would be able to function as a check and balance and bring an element of objectivity to the Board;
- (ii) He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
- (iii) He has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his duties in the best interest of the Company and shareholders.

Other than Directors' fees, options granted and allowances paid which had been the norm and been duly disclosed in the annual reports, no other incentives or benefits of whatsoever nature had been paid to the Independent Directors that would cause biases in their objective and independent judgement in board deliberation.

2.6 Remuneration Policy

The Company has established a remuneration policy for the Directors and Senior Management to support and drive business strategy and long-term objectives of the Company and its subsidiaries.

Among others, the following are some of the criteria adopted by the Company and its subsidiaries in considering the remuneration of the Senior Management:-

- The overall performance of the Company and its subsidiaries;
- General economic situation;
- Prevailing market practice;
- Salary position against market;
- Skills and experience; and
- Individual performance

In this regard, the RC is responsible to implement the policies and procedures on the remuneration for the Managing Director ("MD") whilst the Board is responsible for approving the policies and procedures which govern the remuneration of the employees including MD and Senior Management of the Company to ensure the same remain competitive, appropriate and in alignment with the prevalent market practices and the Company attracts, retains and motivates the Directors and Senior Management who are with strong credentials, high caliber and astute insights to run the business successfully.

The remuneration package is reflective of the individual Director's and Senior Management's experience and level of responsibilities and it is structured to link to corporate and individual performance. The RC is responsible for determining the level and make up of MD's remuneration and approved by the Board, with the presence of a majority of non-executive directors. The MD however, does not participate in any way when determining their respective remuneration package. The RC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors and Key Senior Management.

All Directors are paid fixed monthly directors' fee except for the managing director. The managing director received annual remuneration package including but not limited to telecommunication facilities and other reimbursable/claimable benefits-in-kind as may be determined from time to time, for the purposes of carrying out his duty as MD. The determination of the monthly annual directors' fee for Directors is a matter for the Board as a whole, depending on any additional responsibilities taken. The monthly directors' fee payable to Directors is presented to the shareholders at the Annual General Meeting for their approval.

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The Remuneration Policy of Directors and Senior Management was adopted by the Board on 25 April 2018. The Policy would be reviewed and updated periodically.

Details of remuneration of Directors of the Company for the financial year ended 31 May 2021 are as follows:-

Director	Group (RM)	Company (RM)
Eg Kah Yee	120,000.00	120,000.00
Eg Kaa Chee	24,000.00	24,000.00
Thong Kooi Pin	24,000.00	24,000.00
Chuan Tsui Ju	24,000.00	24,000.00
Abdul Razak Bin Dato' Haji Ipap	24,000.00	24,000.00
Dato' Dr. Mohd Fikri Bin Abdullah	24,000.00	24,000.00
Prof Low Teck Seng	24,000.00	24,000.00

The Company respects the confidentiality of the remuneration of the Senior Management in view of the competitive nature of human resource market. Thus, the Company does not have the intention to adopt the recommendation to disclose the details of each member of senior management in bands of RM50,000 on a named basis.

However, the Company would endeavour to ensure that the remuneration package of the employees is in line with the industry practices and the annual increments and bonuses pay-out are based on individual performances.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1.1 Audit Committee

The Audit Committee (“AC”) was established with the primary objective to provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the corporate governance and practices for the Group, to improve the business efficiency and enhance the independent role of external and internal auditors.

The AC has three (3) members who are independent Non-Executive Directors. The following are the members of the AC:-

Chairman

Thong Kooi Pin – Independent Non-Executive Director

Members

Abdul Razak Bin Dato' Haji Ipap – Independent Non-Executive Director

Chuan Tsui Ju – Independent Non-Executive Director

The Chairman of the AC is not the Chairman of the Board.

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1.2 External Auditors

The Board has established a transparent relationship with the External Auditors through the AC, which has been accorded the authority to communicate directly with the external auditors. The auditors in turn are able to highlight matters which require the attention of the Board to the AC in terms of compliance with the accounting standards and other related regulatory requirements.

The AC has policies and procedures to review, assess and monitor the performances, suitability and independence of the external auditors.

The AC undertakes annual assessment of the suitability and independence of the External Auditors. The factors considered by the AC in its assessment include, adequacy of professionalism and experience of the staff, the resources of the External Auditors, the fees and the independence of and the level of non-audit services rendered to the Group.

The AC is satisfied with the external auditors' confirmation of independence and their conduct of the audit. These confirmations were made pursuant to the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

The AC had on 13 August 2021 conducted an assessment on the suitability and independence of the External Auditors. Based on the assessment, the AC was satisfied with Messrs UHY's competency, experience and independence. The Board, based on the AC's recommendation, would be tabling the re-appointment of Messrs UHY as the External Auditors of the Company at the Twenty-Fourth AGM.

The amounts of audit and non-audit fees paid to the External Auditors or a firm affiliated to the External Auditors by the Company and the Group for the financial year ended 31 May 2021 are as follows:-

	Group (RM)	Company (RM)
Audit	145,000	94,000
Non-Audit	5,000	5,000

1.3 Internal Audit Function

The internal audit function is independent of the operations of the Group and is outsourced to a competent consulting firm to provide its services to meet with the Group's required service level.

Internal auditor reports directly to the AC. The functions of the internal auditor are to ensure a regular review of the adequacy and integrity of its internal control system. The internal auditor will also be required to assist the Group in enhancing its existing risk management framework and adopting a risk-based approach based on COSO assessment model.

The assessment of the internal audit is reported periodically to the AC. The recommendations arising from the internal audit and its implementations would be monitored.

The internal audit function is outsourced to an independent professional firm, Vaersa Advisory Sdn Bhd. The internal audit team is headed by Mr Quincy Gan who possesses the relevant qualification and experience and is assisted by four members.

The expenses incurred for the internal audit function for FYE 2021 is RM16,000.

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1.4 Risk Management and Internal Control Framework

The Group has put in place an Enterprise Risk Management framework (“ERM”) which comprises the following elements:

- Communicate and disseminate across the organisation the vision, role and direction of the Group;
- Provide guiding principles and approach towards risk management;
- Process of identification, assessment, evaluation and management of the various principal risks which affect the Group’s business;
- Creation of a risk-awareness culture and risk ownership for more effective management of risks;
- Regular review, tracking and reporting on keys risks identified and corresponding mitigation procedures; and
- Regular review of the effectiveness of the system of internal control.

The framework is applied to determine, evaluate and manage principal risks of the Group. This is complemented by the system of internal control that is integrated into the Group’s operations and processes.

During FYE 2021, the AC reviewed and updated the risk management function constantly to safeguard shareholders’ investments and the Group’s assets.

The Group’s internal audit function which includes the risk management function has been outsourced to external consultant which report directly to the AC.

The internal audit function currently reviews and appraises the risk management and internal control processes of the Group. The Statement on Risk Management and Internal Control set out on page 33 of this Annual Report provides an overview of the Group’s approach to ensure the effectiveness of the risk management and internal processes within the Group.

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

1.1 Communication

The Company is committed to provide clear, accurate and timely disclosure of all material information to its stakeholders and the general public. The Company will ensure compliance with the disclosure requirements as set out in the Listing Requirements (“LR”) at all times.

1.2 Leverage on Information Technology for Effective Dissemination of Information

The Company maintains various methods of dissemination of information and has established a website at www.ucrest.net from which shareholders and the general public may access among others, the latest information on the activities of the Group; product information; announcements made to Bursa Securities; Annual Report and Board Charter.

1.3 Encourage Shareholder Participation at General Meetings

As stated earlier, the Board recognises the importance of communications with its shareholders and will take additional measures to encourage shareholders’ participation at general meetings as recommended by the Code.

This includes the Chairman highlighting to shareholders and proxy holders, their right to speak up at general meetings, the conduct of poll voting for all resolutions tabled at general meetings and a review of the performance of the Group during the AGMs.

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In view of the COVID-19 pandemic and the strict Standard Operating Procedures enforced by the Government of Malaysia, the Twenty-Third Annual General Meeting ("23rd AGM") of the Company was held virtually through live streaming from the Broadcast venue at Lot 6.04, Level 6, KPMG Tower, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor. The 23rd AGM was carried out in accordance with the Companies Act 2016, the Company's Constitution and the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia. Shareholders and proxies participated at the 23rd AGM remotely using the Remote Participation and Electronic Voting services without the need to be physically present at the meeting venue.

Notice of the 23rd AGM together with the Company's Annual Report was issued to the shareholders on 30 September 2020, being more than 28 days in advance of the scheduled AGM which was held on 17 November 2020. This is to enable the shareholders have sufficient time to read and understand the Company's financial and non-financial performance before the meeting.

Pursuant to the ACE Market Listing Requirement, any resolution set out in the notice of any general meeting, or in any notice of resolutions which may properly be moved and is intended to be moved at any general meeting, must be voted by poll. Voting for all resolutions as set out in the Notice of AGM held on 17 November 2020 were voted by poll and validated by an Independent Scrutineer.

1.4 Effective Communication and Proactive Engagement

AGM also provides an effective means of face-to-face communication with the shareholders where they are encouraged to participate in the open question and answer session during the AGM.

This CG Overview Statement was approved by the Board of the Company on 20 September 2021.