

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 ("Bursa Securities") ("Listing Requirements") and the Malaysian Code on Corporate Governance ("Code").

The Corporate Governance Report ("CG Report") provides the details on how U Crest has applied each Practice as set out in the Code during the financial year ended 31 May 2024 ("FYE 2024"). The CG Report is available on our corporate website at www.ucrest.net. Where there are gaps in the Company's observation of any of the recommendations of the Code, these are disclosed in the CG Report with explanations.

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 plans for the Group to ensure that the Group's goals are clearly established;
- 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 and to review the Succession Policy from time to time;
- Ensuring measures are in place to assess and oversee Management's performance for strengthening the Group's performance;
- Developing and implementing an investor relations programme or shareholder communications policy for the Group; and
- 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)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board's Role and Responsibilities (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")
- Sustainability Committee ("SC")

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. During the FYE 2023, the SC was newly formed on 19 January 2023 to oversee the implementation of the sustainability targets and strategy within the Group.

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 following roles and functions of the Chairmanship:

- (a) Providing support and guidance to Senior Management Offices to assist and facilitate management succession planning;
- (b) Grooming and mentoring Senior Management Offices to achieve consistently high levels of professionalism and excellent performance;
- (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;
- (f) Ensuring that procedures and processes are in place to facilitate effective conduct of business by the Board; and
- (g) Chairing Board meetings and ensures the following:
 - i. All relevant issues are on the agenda of Board meetings;
 - ii. Board debates strategic and critical issues;
 - iii. Board receives the necessary management reports relating to the Company's business on a timely basis;
 - iv. All directors are able to participate openly in discussions at Board meetings;
 - v. Providing leadership to the Board and is responsible for the developmental needs of the Board;
 - vi. Chairing general meetings of the Company and provide clarification on issues that may be raised by shareholders; and
 - vii. Encouraging active participation and allowing dissenting views to be freely expressed.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

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.

Currently, the Chairman of the Board is not a member of all the Board committees except the SC to ensure there is check and balance as well as objective review by the Board.

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 Secretary has attended the Board and Committee meetings and ensured that all procedures are adhered.

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

The Company Secretaries also attend regular conferences, trainings and seminar programmes 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 five (5) business 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 any dissenting views and matters where Directors abstained from voting or deliberation. The Company Secretaries will circulate the draft minutes of meetings for the Board and Board Committee’s review in a timely manner.

The Board collectively, and each Director individually, has the right to seek independent professional advice in furtherance of their duties, at the Company’s expense subject to the approval by the Board.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

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. The Board Charter was last reviewed and updated on 31 May 2023 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 and Ethics, 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 the Code of Conduct and Ethics 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.

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 Group adopts a zero-tolerance approach against all forms of bribery and corruption. The Board has formalised an Anti-Bribery & Corruption Policy to prevent, detect and address bribery and corruption via establishing a good corporate governance culture and ethical behavior amongst the Directors and employees of the Group. This policy is applicable to all Directors, employees, business partners of the Group.

The Anti-Bribery & Corruption policy adopted 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.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.8 Sustainability Governance

The Board believes that sustainable business practices are essential to the creation of long-term value, and that running the business in a responsible manner is intrinsically tied to achieving operational excellence.

In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to Environmental, Social and Governance factors as part of the Group's corporate strategy.

As fiduciary to the Company's shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company's internal and external stakeholders are well informed on the sustainability strategies, priorities, targets as well as overall performance which the Sustainability Statement has provided a detailed articulation in this Annual Report.

The Board has formed Sustainability Committee on 19 January 2023 led by Mr Eg Kah Yee, the Managing Director of the Group together with 4 members, to manage the integration of sustainability considerations in the operation of the Company.

1.9 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 2024, four (4) board meetings were held and the details of each Director's attendance are set out as follows:-

Directors	Meeting Attendance
Eg Kah Yee (Chairman)	4/4
Eg Kaa Chee	4/4
Abdul Razak Bin Dato' Haji Ipap	4/4
Chuan Tsui Ju	4/4
Prof. Low Teck Seng	3/4
Dato' Dr. Mohd Fikri Bin Abdullah	3/4
N Chanthiran A/L Nagappan	4/4

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities. This is demonstrated by among others, the satisfactory attendance and time spent by the Directors at the Board and Board Committees meetings during the financial year.

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. 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.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.0 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>Non-Independent Non-Executive Director</i>
N Chanthiran A/L Nagappan	<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 profile of each Director is presented in the Profile of Directors section on pages 3 to 8 of this Annual Report.

The current Board has seven (7) members comprising the Managing Director (Chairman), two (2) Non-Independent Non-Executive Directors and four (4) Independent Non-Executive Directors. The composition of the Board comprises of a majority of Independent Non-Executive Directors. The Board members, with their diverse backgrounds, bring with them a wide range of competencies and experiences to provide stewardship to the Group.

The Board, through the NC review annually the structure, mix of skills, size and composition of the Board. The Board is satisfied that the current size and composition are effective for the proper functioning of the Board and the composition fairly reflects the investment of shareholders and balance in view of the Group's Business.

2.1 Independent Non-Executive Directors

The Independent Directors play a crucial supervisory function. Their presence is essential in providing unbiased views and impartiality to the Board's deliberation and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are fully discussed and examined, taking into account the interest of all stakeholders in the Group. In order to ensure the effectiveness of the Independent Directors, the Board undertakes an assessment of its Independent Directors on annual basis to ensure the Independent Director can continue to bring independent and objective judgement to Board deliberation.

All four (4) Independent Non-Executive Directors fulfil the criteria of independence as defined in the Listing Requirements.

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 Director after nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.1 Independent Non-Executive Directors (Cont'd)

The NC 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 for approval. However, the tenure of an Independent Director is limited to not more than a cumulative period of twelve (12) years. After serving for twelve (12) years, an Independent Director may continue to serve on the Board as a Non-Independent Director.

The details of the Independent Non-Executive Director who has served for a cumulative term of more than nine (9) years can be found in the CG Report and the Notice of the forthcoming AGM.

2.2 Appointments to the Board

As documented in the 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 which includes a fit and proper assessment and would take into consideration the evaluation of the candidates' abilities in terms of their character, skills, qualifications, knowledge, experience, expertise, professionalism, integrity and time commitment to discharge their responsibilities. In the case of candidates for the position of Independent Non-Executive Directors, evaluation will be made on the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

2.3 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 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.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.4 Re-election of Directors

In accordance with the Company's Constitution, Directors appointed during the year are required to retire and seek for re-election at the following 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 NC has considered the assessment of Abdul Razak Bin Dato' Haji Ipap and Dato' Dr. Mohd Fikri Bin Abdullah, the Directors standing for re-election at the forthcoming AGM and collectively agrees that they meet the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors. The NC had also conducted the fit and proper assessment on the Directors who are subject to re-election at the forthcoming AGM and was satisfied with the outcome of the assessments.

The resolution for the re-election of each Director is voted separately at the AGM.

2.5 Professional Developments

The NC had assessed the training needs of each Director on an annual basis by determining areas that would strengthen their contribution to the Board. From the assessment, the NC is satisfied that the Directors have attended adequate trainings to enable them to discharge their duties.

All the Directors have attended the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Securities for directors of public listed companies except for MAP part II in relation to sustainability and the related roles of a Director which shall be attended by all the existing Directors on or before 1 August 2025 based on the amendments to the Listing Requirements of Bursa Securities. The Directors will continue to undergo other relevant training sessions to further enhance their knowledge in the latest statutory and regulatory developments as well as to keep abreast with development in the business environment to enable them to discharge their responsibilities efficiently.

The Directors have attended the following trainings during the financial year 2024:-

Director	Trainings	Date
Eg Kah Yee	ESG Update and aligning ESG with your Business Strategies by Tricor Axcelasia Sdn. Bhd.	27 May 2024
Eg Kaa Chee	Legal Due Diligence on Foreign Committee, a Malaysia and Singapore Perspective by Bar Council Malaysia	21 September 2023
	e-Invoicing by YYC Tax Consultants Sdn. Bhd.	12 December 2023
	ESG Update and aligning ESG with your Business Strategies by Tricor Axcelasia Sdn. Bhd.	27 May 2024
Abdul Razak Bin Dato' Haji Ipap	ESG Update and aligning ESG with your Business Strategies by Tricor Axcelasia Sdn. Bhd.	27 May 2024

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.5 Professional Developments (Cont'd)

The Directors have attended the following trainings during the financial year 2024:- (Cont'd)

Director	Trainings	Date
N Chanthiran A/L Nagappan	National Tax Conference 2023 by Chartered Tax Institute of Malaysia	1-2 August 2023
	Seminar Percukaian Kebangsaan 2023 by Lembaga Hasil Dalam Negeri	18 October 2023
	ISA 500 & 501 Audit Evidence and Specific Considerations for Selected Item by Malaysian Institute of Accountants	12 December 2023
	ISSA 5000 Proposed International Standard on Sustainability Assurance 5000 by Malaysian Institute of Accountants	18 December 2023
	MIA blended learning series. MPEs going concern, impairment and other issues by Malaysian Institute of Accountants	21 December 2023
	ESG Update and aligning ESG with your Business Strategies by Tricor Axcelasia Sdn. Bhd.	27 May 2024
Chuan Tsui Ju	ESG Update and aligning ESG with your Business Strategies by Tricor Axcelasia Sdn. Bhd.	27 May 2024
Prof. Low Teck Seng	Science of Cities by NUS Cities, College of Design and Engineering	31 August-1 September 2023
	Sustainability: the next challenge by NUS Business School	23-24 April 2024
	ESG Update and aligning ESG with your Business Strategies by Tricor Axcelasia Sdn. Bhd.	27 May 2024
Dato' Dr. Mohd Fikri Bin Abdullah	Basic Life Support (BLS) Training for Consultant by Gleneagles Kuala Lumpur	26 February 2024
	Disposable Vacuum Therapy by Smith & Nephews	29 February 2024
	NHAM Congress 2024 by National Heart Association of Malaysia	3 May 2024

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.6 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

N Chanthiran A/L Nagappan – Independent Non-Executive Director

Member

Chuan Tsui Ju – Independent Non-Executive Director

Terms of Reference

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

Summary of Activities undertaken by the Nomination Committee

During the FYE 2024, the following activities were undertaken by NC:-

- Reviewed the result of the performance evaluation of Directors;
- 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, recommended the findings to the Board;
- Assessed the term of office and performance of the Audit Committee and each individual member;
- Assessed the performance of the Nomination Committee and the Remuneration Committee;
- Assessed the independence of the Independent Directors based on criteria set out in the Listing Requirements;
- Reviewed and recommended the re-election of Eg Kaa Chee and Prof. Low Teck Seng as Directors at the Twenty-Sixth AGM;
- Reviewed and recommended the retention of Chuan Tsui Ju as Independent Non-Executive Director at the Twenty-Sixth AGM; and
- Reviewed the training needs of the Directors.

On 30 July 2024, the NC assessed the effectiveness of the Board as a whole, Board Committees and contributions of each individual Director as well as their character, experience, competence, 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 30 July 2024. Based on the summary as presented, the NC tabled its recommendations to the Board at the Board of Directors' Meeting held on 30 July 2024.

The NC had on 30 July 2024 conducted assessment (including fit and proper assessment) on the Directors, Abdul Razak Bin Dato' Haji Ipap and Prof. Low Teck Seng, who are subject to retirement by rotation at the forthcoming AGM. The NC was satisfied with the assessment of the abovementioned Directors and recommended the re-election of the said Directors for the Board's further recommendation to the shareholders for approval.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.6 Nomination Committee (Cont'd)

The NC had also on 30 July 2024 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 Chuan Tsui Ju, who has served for more than nine (9) years, as an Independent Non-Executive Director of the Company at the forthcoming AGM. A two-tier voting process would be adopted when seeking the shareholders' approval to retain Chuan Tsui Ju as an Independent Non-Executive Director of the Company.

The Board's proposal for continuation in office of Chuan Tsui Ju as Independent Non-Executive Director was based on the following:-

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

2.7 Directors' Fit and Proper Policy

The Company has established a Directors' Fit and Proper policy which serves as a guide to the NC and the Board in their review and assessment of candidates that are to be appointed onto the Board and its subsidiaries as well as Directors who are seeking for re-election.

The Board should consider the factors which includes but not limited to the following in assessing if a candidate meets the criteria under the policy:-

- (a) Character and integrity
 - (i) Probity
 - (ii) Personal integrity
 - (iii) Financial integrity
 - (iv) Reputation
- (b) Experience and competence
 - (i) Qualifications, training and skills
 - (ii) Relevant experience and expertise
 - (iii) Relevant past performance or track record
- (c) Time and commitment
 - (i) Ability to discharge role having regard to other commitments
 - (ii) Participation and contribution in the board or track record

The Directors' Fit and Proper policy was adopted by the Board on 27 April 2022. The Policy would be reviewed and updated periodically.

The Directors' Fit and Proper policy is available at the Company's website at www.ucrest.net.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.8 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 MD. The MD 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.

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.

The Remuneration Policy is available at the Company’s website at www.ucrest.net.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.8 Remuneration Policy (Cont'd)

Details of remuneration of Directors of the Company for the financial year ended 31 May 2024 are as follows:-

Name of Directors	Directors' Fees (RM)	Directors' Remuneration				Grand Total (RM)
		Salary (RM)	Bonus (RM)	Benefits in Kind (RM)	Other emoluments (RM)	
Group						
Executive Director						
Eg Kah Yee	-	120,000	-	-	-	120,000
Non-Executive Directors						
Eg Kaa Chee	36,000	-	-	-	-	36,000
N Chanthiran A/L Nagappan	48,000	-	-	130,600	-	178,600
Abdul Razak Bin Dato' Haji Ipap	36,000	-	-	-	-	36,000
Chuan Tsui Ju	36,000	-	-	-	-	36,000
Prof. Low Teck Seng	36,000	-	-	-	-	36,000
Dato' Dr. Mohd Fikri Bin Abdullah	36,000	-	-	-	-	36,000
Total	228,000	120,000	-	130,600	-	478,600
Company						
Executive Director						
Eg Kah Yee	-	-	-	-	-	-
Non-Executive Directors						
Eg Kaa Chee	36,000	-	-	-	-	36,000
N Chanthiran A/L Nagappan	48,000	-	-	130,600	-	178,600
Abdul Razak Bin Dato' Haji Ipap	36,000	-	-	-	-	36,000
Chuan Tsui Ju	36,000	-	-	-	-	36,000
Prof. Low Teck Seng	36,000	-	-	-	-	36,000
Dato' Dr. Mohd Fikri Bin Abdullah	36,000	-	-	-	-	36,000
Total	228,000	-	-	130,600	-	358,600

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.8 Remuneration Policy (Cont'd)

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 comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, as follows:-

Chairman

N Chanthiran A/L Nagappan – Independent Non-Executive Director

Members

Chuan Tsui Ju – Independent Non-Executive Director

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

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

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 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.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

1.2 External Auditors (Cont'd)

The AC had on 30 July 2024 conducted an assessment on the suitability and independence of the External Auditors. Based on the assessment, the AC was satisfied with Messrs. UHY Malaysia's (formerly known as UHY) ("UHY") competency, experience and independence. The Board, based on the AC's recommendation, would be tabling the re-appointment of UHY as the External Auditors of the Company at the Twenty-Seventh 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 2024 are as follows:-

	Group (RM)	Company (RM)
Audit	152,813	110,000
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.

The 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 eight members. The internal audit personnel are free from any relationships or conflicts of interest with the Company which could impair their objectivity and independence during the internal audit review. The AC had assessed the performance of the internal auditor on 30 July 2024 and was satisfied with the adequacy of the scope, competency and resources of the internal auditor and that it has the necessary authority to carry out its work.

The expenses incurred for the internal audit function for FYE 2024 is RM16,000.

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.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

1.4 Risk Management and Internal Control Framework (Cont'd)

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 2024, 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 41 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 at all times.

The Company communicates with its shareholders through the timely release of financial results on a quarterly basis, annual report, press releases and announcements to Bursa Securities. Financial results and press releases are also placed on the corporate website to keep shareholders and investors informed of the Company's performance.

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; Board Charter and other policies of the Group.

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 and the conduct of poll voting for all resolutions tabled at general meetings.

The Twenty-Sixth AGM ("26th AGM") of the Company was held virtually through live streaming from the broadcast venue at 6th Floor, Unit 4, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan using the Remote Participation and voting facilities without the need to be physically present at the meeting venue.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

1.3 Encourage Shareholder Participation at General Meetings (Cont'd)

Notice of the 26th AGM together with the Company's Annual Report and the Circular to Shareholders were made available to the shareholders on 29 September 2023, being more than 28 days in advance of the scheduled AGM which was held on 15 November 2023. 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 Listing Requirements, 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 26th AGM held on 15 November 2023 were voted by poll and validated by an Independent Scrutineer.

1.4 Effective Communication and Proactive Engagement

The AGM also provides an effective means of communication with the shareholders where they are encouraged to participate in the open question and answer session during the AGM. The Chairman also provides sufficient time for the open question and answer session during the AGM. The Board responded to the questions submitted by Minority Shareholders Watch Group and the live questions posted from the shareholders at the 26th AGM. The minutes of the 26th AGM was uploaded to the Company's website within 30 business days from the date of the meeting.

Shareholders or potential investors can also send their enquiry to the Company via the Company's website at www.ucrest.net/contact-us/ or may contact the Company via the following:-

Tel No : +603-7728 9880
Fax No : +603-7728 1080
Email : info@ucrest.net

This CG Overview Statement was approved by the Board of the Company on 24 September 2024.