

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0323
COMPANY NAME : CREST GROUP BERHAD
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	: Applied
Explanation on application of the practice	<p>Crest Group Berhad ("Crest" or "Company") is collectively headed by an experienced and effective Board of Directors ("the Board") which is responsible for the stewardship and business affairs of the Group.</p> <p>The Board plays an important role in determining the long-term and strategic direction of the Group for the purpose of enhancing shareholders' value and to ensure long-term sustainability of the Group.</p> <p>The Board is guided by its Board Charter in discharging its fiduciary duties and responsibilities. The Board Charter has clearly set out a structured guideline that includes, but not limited to the following:-</p> <ul style="list-style-type: none">• the composition of the Board;• the roles and responsibilities of Board including formal schedule of matters reserved for the Board's Decision;• delegation of its authority to various Board Committees; and• Board practices pertaining to meetings, code of conduct, gender diversity and Whistle-Blowing Policy. <p>To ensure effective discharge of its stewardship role, the Board delegates specific responsibilities to the Board Committees, namely Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC"), to support the Board with oversight functions in selected responsibilities areas. The Board Committees are guided by their respective Terms of Reference ("TOR") approved by the Board on 17 January 2024. The Board Committees report to the Board on matters considered and their recommendations thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board.</p>

	<p>The Directors promote sustainability through appropriate Economic, Environmental, Social and Governance (“EESG”) considerations in the Company’s business strategies. The Board delegates the oversight of sustainability risk and opportunities to ARMC.</p> <p>The Board Charter and TOR for all Board Committees are published on the website of the Company https://www.crest-group.net/.</p>	
<p>Explanation for departure</p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	:	
<p>Timeframe</p>	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	: Applied
Explanation on application of the practice	<p>Encik Ahmad Tajudin Bin Omar, an Independent Non-Executive Chairman, is the Chairman of the Board.</p> <p>He plays a vital role in leading the Board in oversight of management, representing the Board to shareholders and chairing general meeting of shareholders. He regularly seeks the opinions of Board members on matters being deliberated during meetings and ensures that the decisions made are a representation of the Board as a whole.</p> <p>The responsibilities of the Chairman of our Board include, but are not limited to, the following:-</p> <ul style="list-style-type: none">• providing leadership for the board so that the board can perform its responsibilities effectively;• setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner;• leading board meetings and discussions;• encouraging active participation and allowing dissenting views to be freely expressed;• managing the interface between board and management;• ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole; and• leading the board in establishing and monitoring good corporate governance practices in the company. <p>The detailed roles and responsibilities of the Chairman of the Board are stated in the Board Charter, which is published on the website of the Company at https://www.crest-group.net/. and is subject to periodic review.</p>

	The 2024 Board evaluation results demonstrated the Directors' trust in and belief that the Chairman has displayed good leadership and effective in establishing excellent board dynamics which contributed to the Board working well together as a team.	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has ensured that the position of Board Chairman and Managing Director (whom has similar duties of a Chief Executive Officer) are held by different individuals. A clear division of roles and responsibilities between Board Chairman and Managing Director has been established and provided in Board Charter to ensure there is a balance of power and authority.</p> <p>The Chairman of the Company is En. Ahmad Tajudin Bin Omar whose primary responsibility is to provide leadership to the Board, lead discussion on strategies and policies recommended by the Management, facilitate the orderly resolution of matters reserved for the board, and ensuring board effectiveness and its collective oversight over the Group.</p> <p>The Group Managing Director is Mr. Lim Siong Wai, whose primary responsibilities are to oversee the day-to-day running of business and operations of the Group and to implement the strategies and policies of the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman of our Board is En. Ahmad Tajudin Bin Omar, an Independent Non-Executive Chairman who is not a member of any of the Board Committees and does not participate in any of the Board Committees' meeting by way of invitation. This ensures that the objectivity of the Chairman and the Board is not impaired when deliberating on observations and recommendations put forth by the Board Committees.</p> <p>The Chairman of the Board has not attended any of these Board Committees' meeting by way of invitation during the year under review. This ensures that the objectivity of the Chairman and the Board is not impaired when deliberating on observations and recommendations put forth by the Board Committees.</p> <p>The Company has set out in its Board Charter that the Chairman should not be involved in the Board Committees of the Company to ensure there is check and balance as well as objectives review by the Board.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>Presently, the Board is supported by the Company Secretaries who are qualified to act pursuant to Section 235(2) of the Companies Act 2016.</p> <p>The Company Secretaries advise our Board on its roles and responsibilities and keep our Board updated on matters relating to new statutory and regulatory requirements and corporate governance and promptly disseminate communications received from the relevant regulatory / governmental authorities.</p> <p>Our Company Secretaries attended all Board and Board Committee meetings and are responsible for ensuring the meeting procedures are in place, including disseminating complete and accurate meeting materials in a timely manner to allow our Board members to have sufficient time to review the relevant documents prior to meetings. The Companies Secretaries also facilitate the communication of key decisions and policies between our Board, Board Committees and Management.</p> <p>Our directors have unrestricted access to the advice and services of our Company Secretaries to enable them to discharge their duties effectively. The appointment and removal of the Company Secretaries must be approved by the Board.</p> <p>The roles and responsibilities of Company Secretaries are set out in the Board Charter, which is accessible on the Company's website at https://www.crest-group.net/.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>In order to facilitate the Directors' time planning, the annual meeting calendar is prepared and circulated to the Board meeting at the beginning of the year. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees, and the Annual General Meeting of the Company.</p> <p>The Board members have full and unrestricted access to all information within the Group. The Notice of the Board Meeting is served at least seven (7) days prior to the Board Meeting. Relevant Board papers were circulated to all Directors at least five (5) business days prior to the Board Meeting so that the Board has sufficient time to deliberate on the issues to be raised at the meeting so as to discharge their duties diligently.</p> <p>The Management would be invited to attend the Board and Board Committee meetings as and when necessary to provide clarifications or further details or updates concerning on the issues raised to enable the Board in making an informed decisions and discharge its duties effectively.</p> <p>In addition to the provision of meeting materials, Directors may seek independent professional advice, if necessary, at the Company's expenses in the furtherance of their duties.</p> <p>The Board papers which include the agenda and reports cover amongst others, areas of strategic, financial, operational and regulatory compliance matters that require the Board's approval.</p> <p>All proceedings of the Board meetings are duly minuted and circulated to all Directors for their perusal prior to confirmation of the minutes by the Chairman as a correct record. If one or more Directors request for their opinion to be noted, the Company Secretaries shall comply with such request.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter was adopted by the Board on 17 January 2024 in preparation for the listing of the Company. The Company was listed on the ACE Market of Bursa Securities on 9 October 2024.</p> <p>The Board Charter adopted by the Board serves as a source of reference and primary guide to the Board as it sets out the role, functions, composition, operation, and processes of the Board. There is a schedule of matters specifically reserved for the Board's decision set out in the Board Charter.</p> <p>The purpose of the Board Charter is to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and management with regard to the role of the Board and its committees.</p> <p>The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulators and remains consistent with the policies and procedures of the Board. The Board Charter is accessible on the website of the Company at https://www.crest-group.net/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted a Code of Conduct for its Directors, management and all levels of employees of the Group ("Personnel") in discharging their duties and responsibilities. The Code is to ensure that the Group's business interactions should not in any circumstances, tainted by malpractices.</p> <p>The Code includes, inter alia, matters relating to conflicts of interest, proper use of Group's assets and properties and prohibited activities or misconduct.</p> <p>The Board had also established the Anti Bribery and Corruption Policy ("ABAC Policy") and the Whistleblowing Policy which are aimed at promoting good business practices, ethical behaviour and healthy corporate culture within the Company.</p> <p>The Company promotes high standards of care, skill and fair dealing to ensure that conflict of interest is properly managed and mitigated to achieve the Group's business standards. In pursuit of this, the agenda with regards to disclosure of conflict of interests or potential conflict of interests is a fixed agenda for our quarterly ARMC and Board meetings to serve as a reminder for Directors to disclose any conflict of interests or relationships that could affect the execution of their role as Director of the Company.</p> <p>The Code, ABAC Policy and Whistleblowing Policy are available at the website of the Company at https://www.crest-group.net/.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied	
Explanation on application of the practice	:	The Company has formalised Whistleblower Policy and Procedures (" Whistleblowing Policy ") which is available on the website of the Company at https://www.crest-group.net/ . The Whistleblowing Policy provides an avenue for all Directors, employees, and stakeholders of the Group to disclose or report any improper conduct and to provide protection for them who report such allegations.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>One of the key responsibilities of the Board under its Board Charter is to review and adopt strategic plan and direction of the Group including restructuring or streamlining corporate business and strategic alliances to support the long-term value creation by taking into account the economic, environment and social ("EES") considerations underpinning sustainability and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced.</p> <p>Therefore, the Board takes into account sustainability considerations when exercising its duties including among others the development and implementation of Company strategies, business plans, major plans of action and risk management. Meanwhile, the senior management will guide the strategic direction of the sustainability pursuits based on EES and so of the Group, while representatives from various business units are tasked to implement identified sustainability initiatives.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board, via its disclosures in its Sustainability Statement in Annual Report 2024, strives to keep external stakeholders informed on the Group’s sustainability strategies, targets, priorities as well as performance against these targets.</p> <p>The Sustainability Statements in Annual Report 2024 of the Company are available at the website of the Company at https://www.crest-group.net/.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to staying abreast with sustainability issues associated with the ever-evolving operating environment which are relevant to its business.</p> <p>This may include, but is not limited to internal and external training and development programmes to be provided for the Board, as well as reading materials from international guidance and standards released.</p> <p>The Company Secretaries will also update the Board on the changes of the Listing Requirements upon receiving the circulars from Bursa Malaysia Securities Berhad (“Bursa Securities”), which are relevant to the Company and provide advice on corporate disclosures and compliances which includes understanding of sustainability issues.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As our Company was newly listed on the ACE Market of Bursa Securities on 9 October 2024 and is having financial period ended 31 December, the Company is still in the initial stage of managing the material sustainability risks and opportunities.</p> <p>The annual evaluation conducted for our Board for the financial period ended 31 December 2024 mainly focused on the role, responsibilities of the Board members and Board Committee.</p> <p>Once the Board and senior management gain a real insight on the Company's material sustainability risks and opportunities, the annual evaluation of the Board and senior management will include the performance evaluations in addressing these.</p> <p>The Board with the assistance of the Nomination Committee is looking at developing a Directors' Performance Assessment Framework with the Head of Human Resource to set and monitor its sustainability Key Performance Indicators ("KPIs") targets.</p> <p>This would also include setting material sustainability risks and opportunities for the Key Senior Management through the criteria assessment under their Key Performance Indicators ("KPI"), inter alia, the execution of the Company's strategies through the efficient and effective implementation and the achievement of the Company's pre-set performance objectives based on qualitative and quantitative measures whereby these objectives form part of the KPIs and performance evaluation.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	Not Applicable.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is entrusted by the Board to annually review the required mix of skills, knowledge, qualification, experience and other requisite qualities of Director through the annual assessment of the effectiveness of the Board as a whole, its Committee and the contribution of each individual Director.</p> <p>The NC is guided by its TOR which, inter alia, sets out the purpose, composition, roles and responsibilities, authority as well as the internal procedural matters for the NC, including to assess that the composition of the Board is refreshed periodically. A copy of the TOR is available on the Company's website at https://www.crest-group.net/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	Presently, the Board has seven (7) members, comprising of one (1) Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors and three (3) Executive Directors. The Independent Directors constitute majority of the Board. The Board composition also complies with the ACE Market Listing Requirement (“ AMLR ”) of Bursa Securities that require a minimum of two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors. This also fulfils Practice 5.2 to have a board that comprises a majority of independent directors.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	None of the Independent Directors has served the Board exceeding a cumulative period of nine (9) years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, assisted by the NC, is committed to ensuring that the Board and Senior Management are sufficiently diverse and appropriately balanced.</p> <p>In making recommendation to the Board on the suitable candidature of Directors, the NC shall assess and consider the candidates’:</p> <ul style="list-style-type: none">• skills, knowledge, expertise and experience• commitment (including time commitment) to effectively discharge his/her role as a Director (including, among others, attendance at Board or Committee meetings, participation in continuing training programmes, after consideration of the candidate’s directorships in other listed issuers, public companies and corporations incorporated and listed outside Malaysia)• professionalism• on merits and against objective criteria with due regard for the benefits of boardroom diversity including gender, age and ethnicity, experience, cultural background, skill, character, integrity and competence• In case of candidates for the position of Independent Non-Executive Directors, NC shall also evaluate the candidates’ ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors; and• In considering independence, it is necessary to focus not only a Director’s background and current activities qualify him or her as Independent but also whether the Director can act independently of management. <p>An annual assessment will be carried out annually to review the contribution of each Director. A summary of the assessment will be presented to the NC for consideration and to develop recommendations and/or action plan were determined necessary or desirable.</p>

	<p>If the selection of candidates was based on recommendations made by existing Directors, management or major shareholders, the NC will explain why these sources suffice and other source were not used.</p> <p>The Board devotes sufficient time to serve the Board effectively and the current composition of the Board does not consist of any active politician i.e. a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.</p> <p>The Board has adopted the Gender Diversity Policy to promote diversity for the Board and workforce of the Group. A copy of the Gender Diversity Policy is available on the Company's website at https://www.crest-group.net/.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

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

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board through the NC is responsible for overseeing the screening and recruitment process and for making recommendations for new Director candidates. The nomination process for the appointment of Directors and the criteria used by NC in the selection process are provided in the TOR of NC.</p> <p>The Board may utilise a variety of independent sources including directors' registry, industry and professional association, open advertisement and independent search firm to identify suitably qualified candidates, if required.</p> <p>The current process with regards to the appointment of new Directors to our Board is based on the recommendation of NC. Our Board relies on the external sources and also considers referrals from existing Directors, Key Senior Management and major shareholders as primary means to source for new Directors as they represent a tried and tested method of sourcing for high-calibre Directors with sound understanding of the business.</p> <p>The Board is mindful on this Practice and would consider utilising the independent sources to identify suitable qualified candidate, when necessary.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>Shareholders are kept informed of the Board's decision in respect of the appointment of Director via announcement(s) to Bursa Securities and updates in the Company's website at https://www.crest-group.net/.</p> <p>The details of directors who are standing for re-election are set out in the section on Directors' Profile of the Annual Report.</p> <p>The performance, contribution and if applicable independence of the retiring Directors who are standing for re-election have been duly assessed by the NC and Board. The justifications to support the re-election of retiring Directors were provided in the Notice of Annual General Meeting ("AGM") for shareholders to make informed decision at the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Ms Moo Eng Thing, an Independent Non-Executive Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	Up to the date of this report, the Company has three (3) women directors, namely, Ms. Teo YeLing, Ms. Moo Eng Thing and Ms. Ilham Fadilah Binti Sunhaji are acting as board members of the Company, representing 42.85% female representation in the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is committed to ensuring that the appointments made to the Board is based on objective, criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</p> <p>The Board had also adopted the Diversity Policy for the Board and Management which is published on the Company's website at https://www.crest-group.net/.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>																						
Application	:	Applied																				
Explanation on application of the practice	:	<p>The Company has conducted an annual evaluation of the Board and Board Committee for the financial period ended 31 December 2024. The NC assesses the effectiveness of the Board as a whole, Board Committees, and contributions of each Director.</p> <p>The NC establishes criteria to appraise its Board members focusing on:</p> <ul style="list-style-type: none"> • Constructive interaction during board meetings; • Quality inputs and sharing of insights on board agenda; • Board meeting attendance and preparation; and • Independence for Independent Directors. <p>The current evaluation of the Board, Board Committee and individual Directors in the form of self-review and peer review has been objective and is deemed to have ensured the effectiveness of the Board.</p> <p>The NC assesses the composition of the Board based on an effective integration of competencies, skills, extensive experience, professionalism and knowledge in order to strengthen the Board and senior management. The Board and Board Committee possess a mix of financial and accounting, business administration and other backgrounds which when working in synergy, could provide the Company with considerable experience in a wide range of activities.</p> <p>The current diversity of the Board in terms of nationality, age, and gender is as follows:</p> <table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="2">Gender</th> <th colspan="2">Nationality</th> </tr> <tr> <th colspan="2"></th> <th>Male</th> <th>Female</th> <th>Malaysian</th> <th>Foreigner</th> </tr> </thead> <tbody> <tr> <td>No. of Directors</td> <td>4</td> <td>3</td> <td>7</td> <td>-</td> <td></td> </tr> </tbody> </table>					Gender		Nationality				Male	Female	Malaysian	Foreigner	No. of Directors	4	3	7	-	
		Gender		Nationality																		
		Male	Female	Malaysian	Foreigner																	
No. of Directors	4	3	7	-																		

	Age	40 to 50	50-60	60-70	
	No. of Directors	3	3	1	
Explanation for departure	:				
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>					
Measure	:				
Timeframe	:				

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company’s desire to attract and retain the right talent in the board and senior management to drive the company’s long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company’s website.

Application	:	Applied
Explanation on application of the practice	:	<p>The RC is responsible for reviewing and recommending to the Board the remuneration policy and remuneration packages of Directors and Senior Management.</p> <p>The Executive Directors are remunerated based on the Group and individual performance as well as market benchmarking whilst the level of Non-Executive Directors remuneration is linked to their experience, scope of responsibilities assumed in the Board, special skills and expertise they bring to the Board. The remuneration of Directors is determined at levels which enables the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. All Directors shall abstain from participating in the decision making in respect of his or her own remuneration.</p> <p>The RC also oversees the Senior Management’s remuneration based on the Executive Directors’ evaluations and recommendations of their Key Performance Indicators and deliverables, business results, performance, experience, expertise, skills, and industry benchmarks. This remuneration is maintained at a level which enables the Company to attract, develop and retain high performing and talented individuals with the relevant experience, level of expertise and level of responsibilities.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application :	Applied		
Explanation on application of the practice	The RC comprises three (3) members, all of whom are Independent Non-Executive Directors. The composition of the RC is as follows:-		
	Name	Designation	Directorship
	Ms. Ilham Fadilah binti Sunhaji	Chairperson	Independent Non-Executive Director
	Ms. Moo Eng Thing	Member	Independent Non-Executive Director
	Ms. Teo Yeling	Member	Independent Non-Executive Director
	The roles and responsibilities of the RC are set out in the RC's TOR, which is published on the Company's website https://www.crest-group.net/ .		
Explanation for departure :			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure :			
Timeframe :			

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The disclosure on named basis for the remuneration of individual Director and breakdown of individual Director's remuneration such as fees, salary, bonus, benefits in-kind and other emoluments is made in the Corporate Governance Overview Statement in the Annual Report 2024.

No	Name	Directorate	Company ('000)						Group ('000)					
			Fees (RM)	Salaries (RM)	Bonuses (RM)	Other emoluments (RM)	Benefits-in-kind (RM)	Total (RM)	Fees (RM)	Salaries (RM)	Bonuses (RM)	Other emoluments (RM)	Benefits-in-kind (RM)	Total (RM)
1	Lim Siong Wai	Executive Director	-	-	-	-	-	-	-	630,000	105,000	143,667	28,000	906,667
2	Au Chun Mun	Executive Director	-	-	-	-	-	-	-	600,000	100,000	137,016	28,000	865,016
3	Yap Kian Meng	Executive Director	-	-	-	-	-	-	-	600,000	100,000	137,016	28,000	865,016
4	Ahmad Tajudin Bin Omar	Non-Executive Director	90,000	-	-	2,000	-	92,000	90,000	-	-	2,000	-	92,000
5	Ilham Fadilah Binti Sunhaji	Non-Executive Director	48,000	-	-	2,000	-	50,000	48,000	-	-	2,000	-	50,000
6	Teo Yeling	Non-Executive Director	48,000	-	-	2,000	-	50,000	48,000	-	-	2,000	-	50,000
7	Moo Eng Thing	Non-Executive Director	48,000	-	-	2,000	-	50,000	48,000	-	-	2,000	-	50,000
TOTAL			234,000	-	-	8,000	-	242,000	234,000	1,830,000	305,000	425,699	84,000	2,878,699

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure															
Explanation on application of the practice	:																
Explanation for departure	:	<p>Due to confidentiality and sensitivity of information, the Board is of the view that it would not be in its best interest to make such disclosure on named basis in view of the competitive nature of human resource market and the Company should maintain confidentiality on employees' remuneration packages.</p> <p>As an alternative, the Board decided to disclose the Key Senior Management's remuneration on an unnamed basis in bands of RM50,000, as follows: -</p> <table border="1"> <thead> <tr> <th>Range of Remuneration</th> <th>No. of Key Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM200,001-RM250,000</td> <td>1</td> </tr> <tr> <td>RM300,001-RM350,000</td> <td>1</td> </tr> <tr> <td>RM400,001-RM450,000</td> <td>1</td> </tr> <tr> <td>RM450,001-RM500,000</td> <td>1</td> </tr> <tr> <td>RM850,001-RM900,000</td> <td>2</td> </tr> <tr> <td>RM900,001-RM950,000</td> <td>1</td> </tr> </tbody> </table>		Range of Remuneration	No. of Key Senior Management	RM200,001-RM250,000	1	RM300,001-RM350,000	1	RM400,001-RM450,000	1	RM450,001-RM500,000	1	RM850,001-RM900,000	2	RM900,001-RM950,000	1
Range of Remuneration	No. of Key Senior Management																
RM200,001-RM250,000	1																
RM300,001-RM350,000	1																
RM400,001-RM450,000	1																
RM450,001-RM500,000	1																
RM850,001-RM900,000	2																
RM900,001-RM950,000	1																
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																	
Measure	:																
Timeframe	:																

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations.
The company’s financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The positions of the Chairman of the Board and the Audit and Risk Management Committee (“ARMC”) are held by separate individuals. The Chairman of the Board is En. Ahmad Tajudin Bin Omar, while the Chairperson of the ARMC is Ms. Teo Yeling.</p> <p>The Chairperson of the ARMC is a member of CPA Australia as a Certified Practising Accountant and has been a member of the Malaysian Institute of Accountants (MIA).</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>The ARMC recognises the importance to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. The ARMC has included in its TOR the cooling off period of at least three (3) years for a former key audit partner to observe before being appointed as a member of the ARMC.</p> <p>Presently, none of the members of our ARMC were former audit partners.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC is responsible for assessing the capabilities and independence of the External Auditors and to also recommend to the Board on their appointment, re-appointment or termination of their service to the Company.</p> <p>As stated in the TOR of the ARMC, the ARMC is to assess the competence, audit quality, independence and suitability of the External Auditors and the appropriateness of audit fees to support a quality audit.</p> <p>The ARMC satisfied with the external auditors’ performance, technical competence and independence, the ARMC recommended to the Board the re-election of Messrs. Baker Tilly Monteiro Heng PLT for shareholders’ approval at the forthcoming AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted		
Explanation on adoption of the practice	:	As to date of this report, the ARMC of the Company comprises solely of Independent Directors. The composition of the ARMC is as follows:-		
		Name	Designation	Directorship
		Ms. Teo Yeling	Chairperson	Independent Non-Executive Director
		Ms. Ilham Fadilah binti Sunhaji	Member	Independent Non-Executive Director
		Ms. Moo Eng Thing	Member	Independent Non-Executive Director

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	All members of the ARMC are financially literate and possess the necessary skills to discharge their duties and responsibilities effectively. The Chairman of ARMC, Ms Teo Yeling is a member of the MIA. The qualification and experience of the ARMC members are disclosed in the Board of Directors' Profile in the Annual Report. The training programs that the members of the ARMC have attended during the financial period ended 31 December 2024 are disclosed in the Corporate Governance Overview Statement of the Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board assumes its overall responsibility in establishing a risk management framework and maintaining a sound system of risk management and internal control throughout the Group which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations that is not limited to financial aspects of the business but also operational and regulatory compliance. The ARMC have been delegated with responsibilities of managing the risks and establishment of the internal control system and processes of the Group. The ultimate objectives of risk management and internal control system are to protect the Group's assets and safeguard shareholders' investments.</p> <p>The Board acknowledges that risk management and internal control system is devised to cater for particular needs of the Company and risk management system is to provide reasonable assurance against material misstatements or loss.</p> <p>Subsequent to the Listing, our Group has outsourced the internal audit function to an independent professional services firm, Messrs. Sterling Business Alignment Consulting Sdn Bhd ("Sterling" or "Outsourced Internal Auditors"), which reports directly to our ARMC. Activities of the outsourced Internal Audit Function are undertaken in accordance with the approved annual internal audit plan that was approved by the ARMC. findings of internal audits and recommendations for improvement to rectify any issue arising will be presented in ARMC Meeting.</p> <p>Any significant issue affecting the existing or emerging business risks, as well as changes to the action plans to address the identified risks, will be discussed during the ARMC meetings and brought to the attention of the board by the chairman of ARMC.</p> <p>The Statement of Risk Management and Internal Control as set out in this Annual Reports provides an overview of the state of risk management and internal controls within the Group.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The key features of the risk management and internal control system together with its adequacy and effectiveness are set out in the Statement of Risk Management and Internal Control in the Company's Annual Report 2024.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted		
Explanation on adoption of the practice	:	The Board establishes Audit and Risk Management Committee, which comprises solely of Independent Directors as follows, to oversee the Company's risk management framework and policies:-		
		Name	Designation	Directorship
		Ms. Teo Yeling	Chairperson	Independent Non-Executive Director
		Ms. Ilham Fadilah binti Sunhaji	Member	Independent Non-Executive Director
		Ms. Moo Eng Thing	Member	Independent Non-Executive Director

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied	
Explanation on application of the practice	:	Following the Company's listing in October 2024, the Board has engaged Messrs. Sterling Business Alignment Consulting Sdn Bhd ("Sterling"), a professional consulting firm, which is independent of the activities and operations of the Group, to assist the ARMC in undertaking systematic and independent assessment on the adequacy and effectiveness of the Group's system of internal control. Sterling reports directly to the ARMC. Details of the Internal Audit function are set out in the ARMC Report in the Annual Report 2024.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>Subsequent to the Company’s listing on October 2024, the Company has outsourced its internal audit function to Messrs. Sterling Business Alignment Consulting Sdn Bhd (“Sterling” or “Outsourced Internal Audit Function”), an independent professional consulting firm, to provide internal audit services to the Group. Sterling is free from any relationship or conflict of interest that could impair its objectivity and independence.</p> <p>Brief profile of the internal auditor is as follows:</p> <p>Yap Sau Peng, a Certified Internal Auditor (CIA), a member of the Malaysian Institute of Accountants (MIA), a Professional Member of The Institute Internal Auditors Malaysia (CMIIA), a Master of Business Administration with more than 20 years of experience in business process improvement, internal control review, internal audit and risk management.</p> <p>Sterling is adequately resourced, with more than 20 personnel having the appropriate qualifications and experiences. The outsourced internal audit function is guided by the International Professional Practices Framework on Internal Auditing issued by the Institute of Internal Auditors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of effective, transparent, regular and timely communication with its shareholders and other stakeholders to keep them informed on the Group's latest financial performance, business and corporate developments.</p> <p>Our Group endeavours to provide as much information as possible to its shareholders and stakeholders. It is mindful of legal and regulatory framework governing the release of material and price-sensitive information. Such material and price-sensitive information will not be released unless it has been duly announced or made public through proper channels.</p> <p>The Group maintains a corporate website, https://www.crest-group.net/ with the intention of building communication channel between our Company with the stakeholders setting out:-</p> <ul style="list-style-type: none">(a) Announcements submitted to Bursa Securities(b) Investor Relations section which provides relevant corporate information(c) General telephone number, fax number and email address
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not under the category of a large company as defined under Malaysian Code of Corporate Governance.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>The 2nd AGM of the Company will be held on 12 June 2025 and the Notice of the 2nd AGM accompanying the Annual Report 2024 of the Company will be issued to the shareholders and published on a nationally circulated newspaper on 29 April 2025 (i.e., at least twenty-eight (28) days prior to the date of the forthcoming 2nd AGM). This also complies with the twenty-one (21) days' notice requirement as required under the Companies Act 2016.</p> <p>The Notice of AGM will be accompanied with explanatory notes to shareholders regarding their entitlement to attend the AGM and their rights to appoint a proxy as well as detailed explanations for each resolution to be tabled at the AGM to enable shareholders to make informed decision in exercising their voting right.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is listed on the ACE Market of Bursa Securities on 9 October 2024. The 2nd AGM is to be held on 12 June 2025. Nevertheless, all directors will be attending the forthcoming 2nd AGM.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company is listed on the ACE Market of Bursa Securities on 9 October 2024.</p> <p>The First Annual General Meeting was held physically on 30 June 2024. The Board has opted for a physical platform to hold its 2nd AGM to facilitate better engagement with shareholders as it allows better flow of two-way communication at general meeting. Adequate notice of meeting was provided to all shareholders, and shareholders who were unable to attend the general meeting were allowed to appoint their proxies to attend, participate, speak, and vote at the AGM in their stead.</p> <p>In line with the intended outcome of this practice, the Board will consider adopting technology to enable voting in absentia and remote participation for shareholders in future general meetings when necessary.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>The Company was listed on the ACE Market of Bursa Securities on 9 October 2024 and no meetings were held for discussions with shareholders during the period since then.</p> <p>Therefore, the forthcoming 2nd AGM, which will be conducted physically, will provide an opportunity for shareholders to participate and pose relevant questions to the Chairman and the Board in person, thus implementing this intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The first AGM of the Company was held physically on 30 June 2024 and the minutes of meeting was circulated within 30 business days after the meeting. The Company is listed on 9 October 2024 and the 2nd AGM will be conducted physically on 12 June 2025. The Minutes of the AGM together with the Company's responses to questions received will be posted on the Company's website at https://www.crest-group.net/ no later than 30 business days after the meeting.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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