

**Statement of Compliance with Listed Companies  
(Code of Corporate Governance) Regulations, 2019  
For the year ended 30 June 2025**

Crescent Cotton Mills Limited (the "company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019 (the "Regulations") in the following manner:

1. The total numbers of directors are Seven(7) as per the following.
  - a. Male: 5 (Five)
  - b. Female: 2 (Two)
2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Salman Rafi
	Mrs. ShameenAzfar (female)
Executive Directors	Mr. NaveedGulzar
	Mr. AbidMehmood (Chief Executive Officer)
Non-Executive Directors	Mr.TaimurAmjad (Chairman)
	Mr. Adnan Amjad
	MissNazishArshad (female)

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. Five of the seven board members have either completed directors' training programme or are exempt due to the criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies;
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:
- a) Audit Committee
- |                  |            |
|------------------|------------|
| Mr. Salman Rafi  | (Chairman) |
| Mr. Adnan Amjad  | (Member)   |
| Mr. Taimur Amjad | (Member)   |
- b) HR and Remuneration Committee
- |                    |               |
|--------------------|---------------|
| Mrs. Shameen Azfar | (Chairperson) |
| Mr. Adnan Amjad    | (Member)      |
| Miss.Nazish Arshad | (Member)      |
- c) Sustainability Committee
- |                     |               |
|---------------------|---------------|
| Mrs. Shameen Azfar  | (Chairperson) |
| Mr. Adnan Amjad     | (Member)      |
| Miss. Nazish Arshad | (Member)      |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the aforesaid committees were as per following:
- a) Audit Committee: Four meetings during the financial year ended 30 June, 2025.
- b) HR and Remuneration Committee: One meeting during the financial year ended 30 June, 2025.
- c) Sustainability Committee: One meeting during the financial year ended 30 June, 2025.
15. The Board has outsourced the internal audit function to RSM Avas Hyder Liaquat Nauman, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with, except for the independent directors for which Board of Directors is of the view that considering the volume of business, independent directors should not be more than two as required by these Regulations. Hence, the fraction of independent directors has not been rounded up.

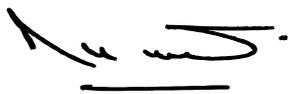
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr No.	Requirement	Explanation for Non-compliance	Reg. No.
1	<b>Qualification of Company Secretary:</b> The same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company.	The Company is in the process of hiring the suitable individual for the company secretary.	24
2	<b>Nomination Committee:</b> The Board may constitute a separate committee, designated as the Nomination Committee (NC) of such number and class of directors, as it may deem appropriate in its circumstances.	Currently the Board has not constituted a separate NC and the functions are being performed by the HR Remuneration and Committee.	29(1)
3	<b>Risk Management Committee:</b> The Board may constitute the Risk Management Committee (RMC), of such number and class of directors, as it may deem appropriate in its circumstances, to carry out review of effectiveness of risk management procedures and present a report to the Board.	Currently the Board has not constituted the RMC and the Company's Risk Manager performs the requisite functions and apprises the Board accordingly.	30(1)
4	<b>Directors' Training for directors:</b> By June 30, 2022, all the directors on the Board have participated in directors training program.	Directors' Training Program for its remaining two directors has been planned by the Company to arrange in next year.	19(1)(iii)
5	<b>Directors' Training for female executive:</b> Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training program from July 2020.	Directors' Training Program has been planned by the Company to arrange in next year, for at least one female executive.	19(3)(i)
6	<b>Directors' Training for Head of Department:</b> Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training program from July 2022.	Directors' Training Program has been planned by the Company to arrange in next year, for at least one head of department.	19(3)(ii)



**CHAIRMAN**

Faisalabad  
September 29, 2025.



**CHIEF EXECUTIVE OFFICER**

**INDEPENDENT AUDITOR'S REVIEW REPORT****To the members of Crescent Cotton Mills Limited****Review Report on the Statement of Compliance contained in Listed Companies  
(Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Crescent Cotton Mills Limited (the Company) for the year ended 30 June 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2025.

**RIAZ AHMAD & COMPANY**  
Chartered Accountants



Faisalabad

October 06, 2025

UDIN: CR202510158wnHGCaxP3