

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 0159  
**COMPANY NAME** : Asia Media Group Berhad  
**FINANCIAL YEAR** : March 31, 2021

### **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 PERSUANT 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group recognizes the importance of having an effective and dynamic Board to lead and control Asia Media Group in enhancing long term shareholder value and the interests of other stakeholders. To that end, Asia Media Group maintains its current mix of Board Members who have a wealth of experience, skills and expertise in areas relevant to steering Asia Media Group's businesses to the next level.</p> <p>The Executive Director's duties include the implementation of the Board's decisions and policies, also coordinating business and strategic decisions.</p> <p>The Non-Executive Directors provide effective and independent judgement and constructive opinions to the deliberation and decision-making of the Board thereby fulfil a crucial role in corporate accountability.</p> <p>It is worth noting that on the 20 May 2021, Mr. Tan Chia Hong @ Gan Chia Hong was appointed to the Board as Executive Director and on the 27 May 2021, he was re-designated as Chief Executive Office of the Company.</p> <p>The Chief Executive Office is to execute the board decision, policies, overseeing the Group's operation and coordinating business and strategic decisions.</p> <p>The Board takes into consideration the interests of all stakeholders in their decision making so as to ensure the Group's objectives of creating long term shareholder value are met. The key matters reserved specifically for the Board's deliberation and decision to ensure the direction and control of the Group would include reports and financial statements, business strategy formulation and planning, business issues, regulatory changes, material transactions, investments, major acquisitions or disposal of a business or assets, appointment of Board / Board Committee Members, declaration of dividends, recurring related party transactions of the Group. The Board also reviews issues and matters that have significant impact to the Group's operation.</p>

	<p>The Board has the overall responsibility in leading and determining the Group's strategic direction. It provides an effective oversight of the conduct of the Group's business, ensuring an appropriate risk management and internal control system is in place as well as regularly reviewing such system to ensure its adequacy and integrity.</p> <p>The Board assumes that following principal responsibilities in discharging its fiduciary and leadership functions:</p> <ul style="list-style-type: none"> <li>• Reviewing and adopting a strategic plan for the Company;</li> <li>• Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;</li> <li>• Identifying principal risks and ensure the implementation of appropriate systems to manage these risks;</li> <li>• Succession planning, including appointing, training, fixing of compensation and where appropriate, replacing Senior Management;</li> <li>• Developing and implementing an investor relations programme or shareholder communications policy for the Company; and</li> <li>• Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.</li> </ul> <p>The Board has delegated specific responsibilities to Board Committees as well as various sub-committees to assist the Board in the running of the Group. The functions and terms of reference of the Board Committees as well as authority delegated by the Board to these Committees have been clearly defined by the Board. The Board reviews the Board Committee's authority and terms of reference from time to time to ensure their relevance.</p> <p>There are four (4) Board Committees namely the Nomination Committee, Remuneration Committee, Audit Committee and the Corporate Governance Committee set up by the Board of Directors.</p> <p>These Committees examine specific issues and report to the Board with their recommendations. The ultimate responsibility for decision-making lies with the Board.</p> <p>The current Board is satisfied with the contribution of every member of the Board (past and present) who served during the financial year under review based on the annual assessment to be followed by the Nomination Committee in assessing the directors' performance and to further enhance the standard of the Boards and subcommittees.</p>
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Currently, the Board is chaired by an Independent Non-executive director, Dato' Prof Raja Munir Shah Bin Raja Mustapha, who was appointed as Director on 25 July 2019 and re-designated as Non-executive Chairman on 27 August 2019.</p> <p>On 23 June 2021, Dato' Prof Raja Munir Shah Bin Raja Mustapha has stepped down as Committee Member of Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee, which is in-line with the Corporate Governance 2021 recommendation.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:	Others	

### 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.

<b>Application</b> :	Applied	
<b>Explanation on application of the practice</b> :	<p>The Group was recommended that the positions of the Chairman and CEO should be held by different individuals, and the Chairman must be a Non-Executive Director due to the roles of the Non-Executive Chairman and Executive Director of the Group are distinct and separate with individual responsibilities. Each of them has clearly defined duties and authority thus ensuring balance of power and greater capacity for independent decision-making.</p> <p>Currently, the Board is chaired by an Independent Non-Executive Director, Dato' Prof Raja Munir Shah Bin Raja Mustapha and Mr. Tan Chia Hong @ Gan Chia Hong was appointed as Chief Executive Officer of the Company.</p> <p>There is a clear and distinct division of responsibilities between the Chairman and Chief Executive Officer.</p> <p>Currently, the Board comprised of two (2) Executive Directors; two (2) Non-Independent Non-Executive Directors and three (3) Independent Non-Executive Directors.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :	Others	

**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 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company Secretary is suitably qualified, competent and is a member of a professional body. The Company Secretary plays an advisory role to the Board, in relation to the Group's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes, guidelines and legislations.</p> <p>The Board has unrestricted access to the advice and services of the Company Secretary, who are considered capable of carrying out the duties to which the post entails.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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**

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.

<b>Application</b> :	Applied	
<b>Explanation on application of the practice</b> :	<p>The Board recognized that the decision making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and the Group.</p> <p>All the Directors have full and timely access to information with the advance distribution of Board Papers prior to Meetings. The Board is regularly updated on new statutory and regulatory requirements relating to the duties and responsibilities of Directors.</p> <p>Members of senior management who may provide additional insights will present during the Board meetings.</p> <p>Minutes of the Board meetings are properly maintained by the Company Secretary.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board Charter has been established with the objectives to ensure that all members are aware of their respective roles and responsibilities.</p> <p>The Board Charter outlines processes and procedures for the Board and its Committees in discharging their roles efficiently.</p> <p>The Board Charter is subject to review from time to time to ensure that it remains consistent with the Board's objectives and current laws and practices is made available on the Company's website at <a href="http://www.asiamedia.my">www.asiamedia.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has in place a Code of Conduct for the Directors and employees. The Code of Conduct includes amongst others the respect for the individual, create a culture of open and honest communication, set tone at the top, uphold the law, avoid conflicts of interest, set metrics and reports results accurately.</p> <p>The Code of Conduct for Directors and Code of Ethics are available on <a href="http://www.asiamedia.my">www.asiamedia.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has formalised a whistleblower policy to provide a safe mechanism for whomever to come forward and raise any concerns about the actual or potential fraud or breach of trust involving employees, Management and the Directors of the Group.</p> <p>It allows the whistleblower the opportunity to raise concerns outside the Management line. The identity of the whistleblower will be kept confidential and protection is accorded to the whistleblower against any form of reprisal or retribution.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The current Board comprises of seven (7) directors, which are two (2) Executive Directors, two (2) Non-Independent Non-Executive Directors and three (3) out of seven (7) directors are Independent Directors.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.2**

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Not applicable – None of the independent director(s) serving beyond 9 years	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.3 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

**Intended Outcome**

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

**Practice 4.4**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The following salient points were taken into consideration pertaining to the recruitment of Directors and Senior Management and annual assessment:</p> <ul style="list-style-type: none"> <li>• Required mix of skills, experience, independence and diversity, including gender, where appropriate;</li> <li>• Character, knowledge, expertise, professionalism, integrity, competence and time availability; and</li> <li>• The Independent Directors' abilities to discharge such responsibilities / functions as expected from the Independent Directors.</li> </ul> <p>The current Board is satisfied with the contribution of every member of the previous Board who served during the financial under review and is looking at revamping the system of annual assessment to be followed by the Nomination Committee in assessing the directors' performance.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.5**

The board discloses in its annual report the company’s policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board recognizes the initiative by government to enlarge the women’s representation at boardroom and will endeavour to bring onboard a female director when the opportunity arises.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.6**

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.

<b>Application</b> :	Departure	
<b>Explanation on application of the practice</b> :		
<b>Explanation for departure</b> :	Considering the PN17 status of the Company, the Company is unable to offer competitive remuneration, thus the Board has to solely rely on the recommendation of the existing board members, management and major shareholders for the time being.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

**Practice 4.7**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Nomination &amp; Remuneration Committees are currently chaired by Independent and Non-Executive Director:</p> <p>Nomination Committee Chairman: – Mr. Oh Teik Keng (Appointed as Chairman on 23 June 2021)</p> <p>Remuneration Committee: – Mr. Oh Teik Keng (Appointed as Chairman on 23 June 2021)</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.1**

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The annual evaluation to determine the effectiveness of the Board was conducted via annual review of the Board as a whole, the Committees of the Board and the contribution of each individual director including independent director. The assessment of individual director's performance had been carried through a board effectiveness evaluation on the quality of the Board's deliberation. The evaluation for year 2020-21 was conducted internally by using a questionnaire and rating assessment and collated by the Company Secretary.</p> <p>The Nomination Committee had at its meeting held on 29 January 2021, reviewed the composition of the Board in relation to the required mix of skills and independence.</p> <p>However, the current Board is not satisfied with the performance and contribution of every member of the previous Board who served during the financial under review and is looking at revamping the system of annual assessment to be followed by the Nomination Committee in assessing the directors' performance and their respective contributions.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 6.1**

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company has adopted the objectives as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts and retains directors of the quality needed to manage the business of the Group respectively.</p> <p>The policies and procedures are available in the board charter at <a href="http://www.asiamedia.my">www.asiamedia.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 6.2**

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>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.</p> <p>A copy of the Nomination &amp; Remuneration Committee's Terms of Reference is available on the Group's website <a href="http://www.asiamedia.my">www.asiamedia.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 7.1**

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.

<b>Application</b> :	Departure	
<b>Explanation on application of the practice</b> :		
<b>Explanation for departure</b> :	The current Board did not disclose the Directors' fee individually per name basis due to confidentiality and security reasons.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**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 7.2**

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.

<b>Application</b> :	Departure	
<b>Explanation on application of the practice</b> :		
<b>Explanation for departure</b> :	<p>Asia Media Group Berhad departs from disclosing the remuneration of top five senior management.</p> <p>The current Board does not recommend the disclosure of senior management's remuneration is due to confidentiality and security reasons.</p> <p>The Board ensures that the remuneration of senior management commensurate with the performance of the Company.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**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 7.3 - Step Up**

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

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

**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 8.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee Chairman during the financial year under review is Independent Non-Executive Director, who is not the Chairman of the Board.</p> <p>The current Audit Committee Chairman is Mr. Oh Teik Keng.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 8.2**

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

<b>Application</b> :	Applied	
<b>Explanation on application of the practice</b> :	The Audit Committee is aware that a former key audit partner is required to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**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 8.3**

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee would review and monitor the suitability and independence of the External Auditors. The Audit Committee has in place an assessment of the External Auditors and would assess them on an annual basis and report to the Board its recommendation for the reappointment of the External Auditors at the annual general meeting.</p> <p>The External Auditors have confirmed that they were, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The External Auditors can be engaged to perform non-audit services that are not perceived to be in conflict with their role as the External Auditors. The Audit Committee is satisfied with the competence and independence of the External Auditors and had recommended the reappointment of the External Auditors to the Directors at the annual general meeting.</p> <p>The current Audit Committee has met with the External Auditors – CAS Malaysia PLT to the finalization of the Annual Report for the financial period 1 October 2019 to 31 March 2021 to review the scope of audit process, the audit findings and the annual financial statements, without the presence of the Executive Director and the Management. They are also being invited to attend the upcoming 13<sup>th</sup> annual general meeting of the Company and are available to answer the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of their audit report.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Departure
<b>Explanation on adoption of the practice</b>	:	The current Audit Committee is made up of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director who satisfies the independence test under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

**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 8.5**

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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.

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The qualification and experience of the individual Audit Committee members are disclosed in the Board of Directors' Profile in the Annual Report. Pursuant to paragraph 15.20 of the main market listing requirements of Bursa Malaysia, the Board noted that the review of the composition of the Audit Committee ("AC") shall be conducted annually.</p> <p>The Board assesses the performance of the AC and its members through an annual Board Committee effectiveness evaluation. The members of Audit Committee have the relevant accounting or related experience and expertise in financial service or other industry to effectively perform their duties:</p> <ul style="list-style-type: none"> <li>(a) To review the audit plan, evaluation of the system of internal controls and audit report with the external auditor;</li> <li>(b) To review the assistance given by the employees of the company to the external auditors;</li> <li>(c) To consider the appointment, resignation and dismissal of external auditors, the audit fee;</li> <li>(d) To review and discuss the nature, scope and quality of external audit plan/arrangements with the internal and external auditors before audit commences; and</li> <li>(e) To review quarterly and annual financial statements of the Company and the Group set out below before submission to the Board:-             <ul style="list-style-type: none"> <li>I. Changes in or implementation of major accounting policy changes;</li> </ul> </li> </ul>

	<p>II. Significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and</p> <p>III. Compliance with accounting standards and other legal requirements.</p> <p>(f) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);</p> <p>(g) To review the external auditors' management letter and management's response;</p> <p>(h) To do the following, in relation to the internal audit function:-</p> <ul style="list-style-type: none"> <li>i. Review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;</li> <li>ii. Review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;</li> <li>iii. Review any appraisal or assessment of the performance of members of the internal audit function;</li> <li>iv. Approve any appointment or termination of senior staff members of the internal audit function; and</li> <li>v. Take cognizance of resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.</li> </ul> <p>(i) To consider any related-party transactions and conflicts of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;</p> <p>(j) To consider the major findings of internal investigations and management's response;</p> <p>(k) To consider other topics as defined by the Board of Directors; and</p> <p>(l) To recommend the nomination of a person or persons as external auditors.</p>
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	<p>The current Board is satisfied with the performance and contribution of the previous Audit Committee who served during the financial under review and is looking at revamping the system of annual assessment to be followed by the Board in assessing the Audit Committee members' performance and their respective contributions.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**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 9.1**

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

<b>Application</b> :	Applied	
<b>Explanation on application of the practice</b> :	<p>The Board recognizes and acknowledges that a sound risk management framework and internal control system play an important role in good corporate governance and efficient work processes.</p> <p>The system of internal control covers not only financial controls but also non-financial controls relating to the operational management, compliance controls and risk management. The internal control system can only provide reasonable and not absolute assurance against material misstatement of management and financial information or against loss or fraud.</p> <p>The current Board is unable to give assurance on the adequacy and effectiveness of the Risk Management and Internal Control of the Group as these are currently being assessed and reviewed. The current Board will take necessary measures to further strengthen and improve its internal control environment and processes.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**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 9.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Statement of Risk Management and Internal Control is disclosed in the Group's annual report.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 9.3 - 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.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

**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 10.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is outsourced to an independent professional consulting firm to carry out internal audit services for the Group.</p> <p>The Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.</p> <p>Internal Audit reports are issued to highlight any deficiency or findings requiring the management’s attention. Such reports include practical and cost effective recommendations as well as proposed corrective actions to be adopted by the management. The internal audit reports are then circulated to the Audit Committee for review and comments. Follow-up audits are then carried out to determine whether appropriate corrective actions have been taken by the management.</p> <p>It undertakes regular and systematic reviews of the system of internal control, risk management and governance processes to provide reasonable assurance that such system operates satisfactorily and effectively within the respective subsidiaries as well as across the Group.</p> <p>The Independent Internal Auditor would have performed audit visits to all relevant departments and subsidiary as per internal audit plan presented to the Board.</p> <p>Details of the activities of the internal audit function are provided in the Audit Committee Report section in the Annual Report.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 10.2**

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All Internal Audit activities were conducted by BPS Consult PLT internal audit team.</p> <p>The internal audit assignment was led by the Director in charge of the engagement and reported to the Audit Committee and to the Board of Directors. The internal audit review was carried out by internal audit personnel including the Director. The Internal Auditors team is free from any relationships with the Company or conflicts of interest. This will ensure that the internal audit function does not impair their objectivity and independence.</p> <p>The Director of BPS Consult PLT is a Chartered Member of the Institute of Internal Auditors, Malaysia and holds the prestigious professional qualification of a Certified Internal Auditor. He is also a trained and certified Quality Assurance Review Assessor of the Institute of Internal Auditors, USA (IIA Inc).</p> <p>The internal audit function has adopted the International Professional Practices Framework set by the Institute of Internal Auditors and ensures that staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review.</p> <p>The Audit Committee was informed by the Internal Auditors that, based on the scope of their audit, it is found to be satisfactory and, based on their observations, Asia Media Group Bhd has met with the necessary obligations in terms of the payment functions and also the limits of authority</p> <p>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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 11.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group recognizes the importance of having an effective and dynamic Board to lead and control the Group in enhancing long term shareholder value and the interests of other stakeholders.</p> <p>The Executive Director's duties include the implementation of the Board's decisions and policies, overseeing the operations and also coordinating business and strategic decisions. The Non-Executive Directors provide effective and independent judgement and constructive opinions to the deliberation and decision-making of the Board thereby fulfil a crucial role in corporate accountability.</p> <p>There is a division of responsibility at the control of the Board to ensure an appropriate balance of power and authority, with greater ability to make independent decision. The current Board is chaired by the Non-Executive Chairman who is responsible for effective and efficient functioning of the Board and ensuring that all Directors receive relevant information on all matters to enable them to participate actively in the Board's decisions.</p> <p>The current Board takes into consideration the interests of all stakeholders in their decision making so as to ensure the Group's objectives of creating long term shareholder value are met. The key matters reserved specifically for the Board's deliberation and decision to ensure the direction and control of the Group would include reports and financial statements, business strategy formulation and planning, business issues, regulatory changes, material transactions, investments, major acquisitions or disposal of a business or assets, appointment of Board / Board Committee Members, declaration of dividends, recurring related party transactions of the Group. The current Board also reviews issues and matters that have significant impact to the Group's operation.</p> <p>The Board has in place a Corporate Disclosure Policy in line with the Main Market Listing Requirements of Bursa Securities to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and investors.</p>

	<p>The Company's corporate website at <a href="http://www.asiamedia.my">www.asiamedia.my</a> serves as a key communication channel for shareholders, investors and the public to obtain up-to-date information on the Group's activities, financial results, major strategic developments and other matters affecting stakeholders' interests.</p> <p>The current Board and current Management are currently working together to strengthen the communication channel with the key stakeholders.</p>	
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

**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 11.2**

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

<b>Application</b> :	Departure	
<b>Explanation on application of the practice</b> :		
<b>Explanation for departure</b> :	The Company would consider adopting integrated reporting when the time is considered appropriate but there is no plan to adopt this in the short to medium term (12-36 months' timeframe).	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

**Practice 12.1**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Company has issued the notice of Annual General Meeting accordance to its Constitution and the Main Market Listing Requirements which requires 21 days' notice.</p> <p>The Meeting will be held fully virtual and the despatch of Notice of Annual General Meeting will be done via email and by post (whichever is available based on the Record of Depository), in addition to the above, shareholders are encourage to download the Annual Report and proxy form from the relevant websites.</p> <p>With the aid of information technology, the majority of the notice(s) are able to reach shareholders instantaneously which the Management believe the shareholders would have sufficient time to review and prepare for the forthcoming AGM.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 12.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chair or Representative of the Board, Audit, and Nomination & Remuneration Committees will be present on stage to provide response if there is any question raised from the floor. The senior management will also be present in the general meetings and will be required to provide response if necessary.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 12.3**

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate—

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As a result of the implementation of the Full Movement Control Order ("FMCO") due to Covid-19 pandemic, the Securities Commission Malaysia had revised the Guidance Note and FAQs on the conduct of General Meetings for Listed Issuers ("the Revised Guidance Note and FAQs") to state that effective 1 June 2021, any general meeting conduct during FMCO, is only allowed to conduct a fully virtual general meeting where all meeting participants including the Chairman of the meeting, board members, senior management and shareholders are required to participate in the meeting online. Physical gatherings no matter how small are prohibited.</p> <p>Members are to attend, speak (including posing questions via real time submission of typed texts) and vote (collectively, "participate") remotely via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor &amp; Issuing House Services Sdn. Bhd. via its TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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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