

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0159
COMPANY NAME : Asia Media Group Berhad
FINANCIAL YEAR : December 31, 2018

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.

Application	:	Applied
Explanation on application of the practice	:	<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, 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. After the resignation of Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee as Independent Non Executive Chairman on 14 April 2017, the Board was temporary chaired by an Executive Director. Subsequently, the Board has appointed Mr. Chow Zee Neng to be Non-Independent Non-Executive Chairman on 28 February 2019.</p> <p>It is worth noting that five (5) of the seven Board members was voted out in the Extraordinary General Meeting held on 25 July 2019. Out of the five (5) directors voted out, three (3) served the Board during the financial year under review, namely Dato' Wong Shee Kai, Mr. Ong Chooi Lee and Mr. Paul Jong Jun Hian. The other two (2) who was voted out, namely Mr. Chow Zee Neng and Mr. Ong Kar Kian were appointed on 28 February 2019.</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.

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.

The Board assumes that following principal responsibilities in discharging its fiduciary and leadership functions:

- Reviewing and adopting a strategic plan for the Company;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensure the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing of compensation and where appropriate, replacing Senior Management;
- Developing and implementing an investor relations programme or shareholder communications policy for the Company; and
- 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.

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.

There are four (4) Board Committees namely the Nomination Committee, Remuneration Committee, Audit Committee and the Option Committee setup up by the Board of Directors.

	<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 not 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 and raise the performance standard of the Board and the sub-committees.</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 1.2

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	:	After the resignation of Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee as Independent Non-Executive Chairman on 14 April 2017, the Board is temporary chaired by an Executive Director. Subsequently, the Board has appointed Mr. Chow Zee Neng to be Non-Independent Non-Executive Chairman on 28 February 2019. 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.	
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	:	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.

Application	:	Applied
Explanation on application of the practice	:	<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>After the resignation of Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee as Independent Non Executive Chairman on 14 April 2017, the Board is temporary chaired by an Executive Director. Dato' Wong Shee Kai was the Chief Executive Officer of the Company during the financial under review. Subsequently, the Board has appointed Mr. Chow Zee Neng to be Non-Independent Non-Executive Chairman on 28 February 2019.</p> <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>There is a clear and distinct division of responsibilities between the Chairman and Chief Executive Officer.</p> <p>The Board comprised of one (1) Non-Independent Executive Director, three (3) Independent Non-Executive Directors during the financial year under review.</p> <p>Currently, the Board comprises of two (2) Non-Independent Executive Directors and five (5) Independent Non-Executive Directors.</p>
Explanation for departure	:	<p>Please provide an alternative practice and explain how the alternative practice meets the 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	:	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.

Timeframe	:	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.

Application	:	Applied	
Explanation on application of the practice	:	The Company Secretaries are suitably qualified, competent and are members of a professional body. The Company Secretaries play 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. The Board has unrestricted access to the advice and services of the Company Secretaries, who are considered capable of carrying out the duties to which the post entails.	
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

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>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>
Explanation for departure	:	<p>The current Board is unable to confirm whether the previous Board has unrestricted access to information pertaining to the Company and the Group in the financial year under review.</p> <p>Mr. Liew Chee Keong, an Executive Director who was only appointed to the Board on 28 February 2019, was denied access to information that he requested to assess 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>		
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 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 www.asiamedia.net.my.</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 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 www.asiamedia.net.my.</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	:	<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> <p>The current Board however feels that the whistleblower policy of the Company has not been effective in allowing whistleblowers to raise any concerns and is in the midst of reviewing the mechanism.</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 4.1

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The current Board comprises of seven (7) directors, of which five (5) out of seven (7) directors are Independent Directors. The number of Director has met its maximum limit pursuant to Article 74 of the Constitution of the Company.	
<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 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.

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
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

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.

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 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.

Application	:	Applied
Explanation on application of the practice	:	<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"> • Required mix of skills, experience, independence and diversity, including gender, where appropriate; • Character, knowledge, expertise, professionalism, integrity, competence and time availability; and • The Independent Directors' abilities to discharge such responsibilities / functions as expected from the Independent Directors. <p>The current Board is not 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>
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 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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board was consisted one (1) women director, i.e. Ms Yeong Siew Lee. However, Ms Yeong Siew Lee resigned from the Board w.e.f 31 December 2018. 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.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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.

Application	:	Applied	
Explanation on application of the practice	:	The board does not solely rely on recommendations from existing board members, management or major shareholders. The board also utilises independent sources to identify suitably qualified candidates.	
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 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination & Remuneration Committees are currently chaired by Independent and Non-Executive Director: Nomination Committee Chairman – Datuk Kang Hua Keong Remuneration Committee – Datuk Chiw Tiang Chai	
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 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.

Application	:	Applied
Explanation on application of the practice	:	<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 2018 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 28 February 2019, 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>
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 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.

Application	:	Applied	
Explanation on application of the practice	:	<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 www.asiamedia.net.my</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 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.

Application	:	Applied	
Explanation on application of the practice	:	<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 & Remuneration Committee's Terms of Reference is available on the Group's website, www.asiamedia.net.my.</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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>In line with best corporate governance practice, the disclosure of the directors' remuneration on a named basis has been made in the Annual Audited Financial Statements over the years.</p> <p>The current Board is not recommending any remuneration to be paid to all members of the previous Board, namely Dato' Wong Shee Kai, Mr. Ong Chooi Lee, Ms. Yeong Siew Lee and Mr. Paul Jong Jun Hian who served during the financial under review.</p> <p>However, the Board noted that there were payments already made to certain directors during the financial year under review. The Board reserves its right to claim back the fees from the affected directors.</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 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.

Application	:	Departure	
Explanation on application of the practice	:	Please provide an explanation on how the practice is being applied.	
Explanation for departure	:	Asia Media Group Berhad departs from disclosing the remuneration of top five senior management.	
		The current Board does not recommend the disclosure of senior management's remuneration is due to confidentiality and security reasons. The Board ensures that the remuneration of senior management commensurate with the performance of the Company.	
<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 7.3 - 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	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	The Audit Committee Chairman during the financial year under review was Mr Paul Jong Jun Hian, who is not the Chairman of the Board. He was however, removed through shareholders' voting in the Extraordinary General Meeting which was held on 25 July 2019. Current Audit Committee Chairman is Mr. Tony Koh Kok Beng who is an independent non-executive director of the Company and the Chairman of the Board is Dato' Prof Raja Munir Shah Bin Raja Mustapha who is also an independent non-executive director. Mr. Tony Koh was appointed as the Chairman of Audit Committee on 27 August 2019.	
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 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.

Application	:	Applied	
Explanation on application of the practice	:	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.	
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 8.3

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

Application	:	Applied
Explanation on application of the practice	:	<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 re-appointment of the External Auditors to the Directors at the annual general meeting.</p> <p>The previous Audit Committee met with the previous External Auditors twice during the financial year ended 31 December 2018 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. The previous External Auditors were invited to attend the 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> <p>The current Audit Committee has already met with the current External Auditors – STYL Associates PLT twice since their appointment on 17 September 2019 to the finalization of the Annual Report for financial year ended 31 December 2018 on 24 October 2019 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 11th 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>

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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee is made up of four (4) Independent Non-executive Directors 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.

Application	:	Applied
Explanation on application of the practice	:	<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">(a) To review the audit plan, evaluation of the system of internal controls and audit report with the external auditor;(b) To review the assistance given by the employees of the company to the external auditors;(c) To consider the appointment, resignation and dismissal of external auditors, the audit fee;(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(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">I. Changes in or implementation of major accounting policy changes;

	<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"> 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; 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; iii. Review any appraisal or assessment of the performance of members of the internal audit function; iv. Approve any appointment or termination of senior staff members of the internal audit function; and v. Take cognizance of resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning. <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>
--	--

	The current Board is not 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.	
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 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<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>
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

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Statement of Risk Management and Internal Control is disclosed in the Group’s annual report.</p> <p>The current Board wishes to emphasize that it 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>	
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 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.

Application :	Not Adopted
Explanation on adoption of the practice :	

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.

Application	:	Applied
Explanation on application of the practice	:	<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>Details of the activities of the internal audit function are provided in the Audit Committee Report section in the Annual Report.</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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>All Internal Audit activities were conducted by Kloo Point Consulting Group internal audit team.</p> <p>The internal audit assignment was led by a Senior individual in charge of the engagement and reported to the previous Executive Director who has now been removed. The internal audit review was carried out by internal audit personnel including the Senior individual. 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 Executive Director of Kloo Point is a Fellow Member of the Association of the Chartered Certified Accountants, United Kingdom (FCCA), Member of the Malaysian Institute of Accountants (MIA), a Certified Internal Auditor, United States of America (CIA) and Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA).</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 current Audit Committee is unable to give assurance on the adequacy and effectiveness of the Internal Audit review performed in the financial year under review.</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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<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 www.asiamedia.net.my 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>	
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 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	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>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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.

Application	:	Applied	
Explanation on application of the practice	:	The Company has issued the notice of Annual General Meeting in accordance to its Constitution and the Main Market Listing Requirements.	
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 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.

Application	:	Applied	
Explanation on application of the practice	:	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.	
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 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.

Application	:	Departure	
Explanation on application of the practice	:	Please provide an explanation on how the practice is being applied.	
Explanation for departure	:	The Company does not hold any meetings in a remote location and does not have a large number of shareholders for it to leverage on technology to facilitate shareholders voting in absentia or having remote shareholders’ participation at General Meetings. It is not cost effective for the Company to do so.	
<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.

Click here to enter text.