

CORPORATE GOVERNANCE STATEMENT

Asia Media Group Berhad ("AMEDIA" or "the Company") and its group of companies ("Asia Media Group" or "the Group") practice high standards of corporate governance and operate within a governance framework that is formulated based on the recommendations of the Malaysian Code on Corporate Governance 2012 ("the Code") issued by the Securities Commission of Malaysia.

The Board believes that maintaining such level of corporate governance with the concepts of integrity, transparency, accountability and professionalism, is a fundamental part of its responsibilities in managing the business and affairs Asia Media Group and discharging its responsibilities to the Shareholders.

The disclosure statement below sets out the manner which the Company has applied the principles of the Code and the extent of compliance with Best Practices advocated therein pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") throughout the twelve months ended 31 December 2016.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1. Clear functions of the Board and Management

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.

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 fulfill a crucial role in corporate accountability.

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 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. He always provides constructive and pertinent advice to Board's matters.

Corporate Governance Statement

(continued)

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.1. Clear functions of the Board and Management (cont'd)

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.

1.2. Clear Roles and Responsibilities of the Board

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.

Corporate Governance Statement (continued)

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.2. Clear Roles and Responsibilities of the Board (cont'd)

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.

These Committees examine specific issues and report to the Board with their recommendations. The ultimate responsibility for decision-making lies with the Board.

1.3. Ethical Standards and Code of Conduct

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, avoids conflicts of interest, set metrics and reports results accurately.

The Board will be formalising 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.

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.

1.4. Strategies Promoting Sustainability

The Board promotes good corporate governance in the application of sustainability practices throughout the Company, the benefits of which are believed to translate into better corporate performance and its growing impact to the Group including emphasis in the social and environment impact of its business operations.

Asia Media Group is committed to the continuous efforts in maintaining a delicate balance between its sustainability agenda and the shareholders' interest.

The details of the sustainability efforts are set out in the Corporate Sustainability Statement in this Annual Report.

Corporate Governance Statement

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1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.5. Access to Information and Advice

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. 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.

The Board may seek independent professional advice at the Company's expense on specific issue to enable it to discharge its duties in relation to matters being deliberated. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to the approval of the Board, depending on the quantum of the fees involved.

1.6. Company Secretaries

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.

2. STRENGTHEN COMPOSITION OF THE BOARD

During the financial year under review, the Board consisted of four (4) Board Members with various experience and expertise. The composition of the Board Members comprising of one (1) Independent Non-Executive Chairman, one (1) Executive Director and two (2) Independent Non-Executive Directors. The composition fulfils the Main Market Listing Requirements of Bursa Securities, which stated that at least two (2) or one-third (1/3) of the Board, whichever is higher, must be Independent Directors. The profile of each Director is set out under the Board of Directors' profile in this Annual Report.

2.1. Nomination Committee

The Nomination Committee is responsible to recommend appointment of new candidates to the Board of Directors, reviews the effectiveness and its performance assessment of the Board of Directors and the Board Committees.

Corporate Governance Statement (continued)

2. STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)

2.1. Nomination Committee (cont'd)

The current Nomination Committee comprises entirely of Independent Non-Executive Directors. The following is the Members of the Nomination Committee:

Name	Designation	Directorship
Ms. Yeong Siew Lee	Chairperson	Senior Independent Non-Executive Director
Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee	Member	Independent Non-Executive Director
Mr. Paul Jong Jun Hian	Member	Independent Non-Executive Director

The Terms of Reference of Nomination Committee is available on the Company's website.

For the financial year ended 31 December 2016, the Nomination Committee has met once with full attendance of its Members and has carried out the following key activities:

- Proposed re-election of Members of the Board at the AGM for the Shareholders' approval, pursuant to Article 70 of the Articles of Association of the Company.
- Review the evaluation on company's directors and board members.
- Review the Terms of Office and performance of the Audit Committee and each of its members.

The Company Secretaries ensure that all appointments are properly made and that all necessary information is obtained from the Directors, both for the Company's records and meeting the statutory obligations, as well as regulations arising from the Main Market Listing Requirements of Bursa Securities.

Corporate Governance Statement

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2. STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)

2.2. Recruitment of Directors and Annual Assessment

The following salient points were taken into consideration pertaining to the recruitment of Directors and annual assessment:

- 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.

The Board currently consists of 4 members of which one (1) member is female director. The Board recognizes the initiative by government to enlarge the women's representation at boardroom. In addition, the Board is satisfied with the contribution of each member of the Board through the annual assessment by the Nomination Committee.

2.3. Remuneration Committee

The Remuneration Committee is responsible to assist the Board on fair remuneration practices in attracting, retaining and motivating Directors. The composition of the Remuneration Committee comprises with wholly Independent Non-Executive Directors.

The following is the current members of the Remuneration Committee:

Name	Designation	Directorship
Ms. Yeong Siew Lee	Chairperson	Senior Independent Non-Executive Director
Dato' Wong Shee Kai	Member	Executive Director
Mr. Paul Jong Jun Hian	Member	Independent Non-Executive Director

For the financial year ended 31 December 2016, the Remuneration Committee has met once with full attendance of its Members to review and recommend the payment of Directors' fees in FYE 2016.

Corporate Governance Statement

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2. STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)

2.3. Remuneration Committee (cont'd)

The Remuneration Committee had carried out its duty in reviewing and assessing the remuneration for the Directors of the Board to ensure that the remuneration is linked to the level of responsibilities undertaken, performance and contribution to the effective functioning of the Board. The individual Directors do not participate in the discussion of their own remuneration during the Remuneration Committees' Meeting.

Further, 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

The aggregate remuneration of the Directors of the Group paid or payable by the Group for the financial year under review are as follows:

Company

CATEGORY	FEE (RM)	SALARIES & OTHER EMOLUMENTS (RM)
EXECUTIVE DIRECTOR	—	—
NON-EXECUTIVE DIRECTORS	156,000	—
	156,000	—

Group

CATEGORY	FEE (RM)	SALARIES & OTHER EMOLUMENTS (RM)
EXECUTIVE DIRECTOR	—	200,400
NON-EXECUTIVE DIRECTORS	156,000	—
	156,000	200,400

Corporate Governance Statement

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2. STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)

2.3. Remuneration Committee (cont'd)

The aggregate remuneration of the Directors of the Group paid or payable by the Group for the financial year under review are as follows: (cont'd)

RANGE OF REMUNERATION	NUMBER OF DIRECTORS	
	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
Below RM50,000	–	2
RM50,001 – RM100,000	–	–
RM100,001 – RM200,000	–	1
RM200,001 – RM300,000	1	–

Note:

For security and confidentiality reasons, the details of the Directors' remuneration are not shown with reference to Directors individually. The Board is of the view that the transparency and accountability aspect of the corporate governance on Directors' remuneration are appropriately served by the band disclosure made.

The Board recommends the Directors' fees and other emoluments payable for the financial year ended 31 December 2016 which are subject to the shareholders' approval at the forthcoming AGM.

3. REINFORCE INDEPENDENCE

The Board recognises that Independent Non-Executive Directors play an important role in ensuring impartiality of the Board's deliberations and decision-making process.

3.1. Annual Assessment of Independent Directors

During the financial year under review, the Nomination Committee had assessed the contribution and performance of the Independent Non-Executive Directors, upon appointment, re-election and their independence. Moving forward, the independence assessments shall be performed on an annual basis. The Board is satisfied with the assessment of the Independent Directors especially with the level of independence demonstrated by all the Independent Directors of the Company and their ability to provide objective judgement to the Board, which mitigate conflict of interest and undue influence from interested parties.

Corporate Governance Statement (continued)

3. REINFORCE INDEPENDENCE (CONT'D)

3.2. Tenure of Independent Directors

The Board takes cognisance of the Code's recommendation on the tenure of an Independent Non-Executive Director which shall not exceed a cumulative term of nine (9) years. Under the Code, upon completion of the nine (9) years of service, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. However, subject to the assessment of the Nomination Committee, an Independent Director after serving a cumulative nine (9) years are subject to the Shareholders' approval in a general meeting.

None of the Independent Non-Executive Directors had served more than nine (9) years in the Company.

3.3. Separation of positions of the Chairman and Chief Executive Officer ("CEO") to be held by different individuals

It is recommended that the positions of the Chairman and CEO should be held by different individuals, and the Chairman must be a Non-Executive Director. The Board continues to support the role of Datuk Seri Syed Ali Bin Tan Seri Abbas Alhabshee as the Group Chairman who has been the Non-Executive Chairman for seven (7) years. His leadership skills and guidance to the Board has added value to the Group. The Board currently comprises one (1) Non-Executive Chairman, one (1) Executive Director and two (2) Independent Non-Executive Directors, there exist a strong independence element in its composition.

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.

4. FOSTER COMMITMENT

4.1. Time commitment and directorship in other companies

The Board ordinarily meets at least quarterly, to consider all matters relating to the overall control, business performance and strategy of the Company. Additional meetings will be convened, when and if necessary, especially urgent and important decisions need to be taken between scheduled Meetings. The relevant reports, Meeting agenda and Board Papers are distributed to all Directors in advance of the Board Meeting to allow the Directors sufficient time to peruse for effective discussion and decision making during the meetings. Directors shall notify the Chairman before accepting any new directorships.

Corporate Governance Statement

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4. FOSTER COMMITMENT (CONT'D)

4.1. Time commitment and directorship in other companies (cont'd)

All pertinent issues, decision and conclusions discussed at the Meetings are properly recorded in the discharge of the Board's duties and responsibilities.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. The attendance record of the Directors for the financial year ended 31 December 2016 with satisfactory attendance.

The attendance record of the Board for the financial year ended 31 December 2016 is set out below:

Name	Designation	Attendance	%
Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee	Non-Executive Chairman	4/4	100%
Dato' Wong Shee Kai	Executive Director	4/4	100%
Paul Jong Jun Hian	Independent Non-Executive Director	4/4	100%
Yeong Siew Lee	Senior Independent Non-Executive Director	4/4	100%

Based on the above, all the Directors of the Company have attended more than 50% of the attendance required by the Listing Requirements. In the intervals between Board Meetings, for any matters requiring Board's decisions, the Board's approvals are obtained through circular resolutions. The resolutions passed by way of such circular resolutions are then noted at the next Board Meeting.

4.2. Directors' Training

The Directors continue to attend relevant training programmes and seminars to keep abreast with the various issues facing the changing business environment within which the Group operates and further enhance their professionalism in discharging their fiduciary duties to the Company.

Corporate Governance Statement (continued)

4. FOSTER COMMITMENT (CONT'D)

4.2. Directors' Training (cont'd)

For the year ended 31 December 2016, the training programmes and seminars attended by the Directors are as follows:-

Directors	Seminar / Trainings
Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee	❖ Bursa Malaysia GC Breakfast Series with Directors: How to Maximize Internal Audit
Dato' Wong Shee Kai	❖ CG Breakfast Series with Directors – "Anti-Corruption & Integrity – Foundation of Corporate Sustainability
Paul Jong Jun Hian	❖ Audit Committee Conference 2016. ❖ GST – Practical Issues & Recent Developments ❖ Risk Management & Internal Control : Workshop for Audit Committee Members ❖ Strategic Tax Considerations for Corporate Restructuring
Yeong Siew Lee	❖ Risk Management and Internal Control Workshop ❖ GST Post – Implementation Issues ❖ Comprehensive Post – GST Implementation ❖ Corporate Board Leadership Symposium 2015 ❖ Audit Series : Going Concern Indicators and Managing Impairment of Assets and Restructuring Provisions ❖ 2017 Budget Seminar : Comprehensive Updates for Corporate Accountants

The Board of Directors was briefed on the requirements of the Code and the Statement on Risk Management and Internal Control.

Corporate Governance Statement

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5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1. Compliance with applicable financial reporting standards

The Board takes responsibility to present a balanced and meaningful assessment of the Group's position and prospects in the various financial reports and to ensure that the financial statements are drawn up in accordance with the provisions of the Act and the applicable accounting standards in Malaysia.

The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness to give a true and fair view of the state of affairs of the Group especially of the Group's quarterly and audited financial statements before recommending to the Board for its approval.

5.2. Assessment of suitability and independence of External Auditors

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.

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.

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.

The Audit Committee met with the External Auditors twice during the financial year ended 31 December 2016 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 External Auditors are 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.

Corporate Governance Statement (continued)

6. RECOGNISE AND MANAGE RISKS

6.1. Internal Control

Information on internal control of Asia Media Group is detailed in the Statement on Risk Management and Internal Control set out on pages 40 to 41.

6.2. Internal audit function

The internal audit function of Asia Media Group is detailed in the Statement on Risk Management and Internal Control set out on pages 40 to 41.

7. TIMELY AND HIGH QUALITY DISCLOSURE

7.1. Corporate disclosure policy

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.

The Board has delegated the authority to the Executive Director to approve all announcements for release to Bursa Securities. The Group Chairman and Executive Director work closely with the Board, the Senior Management and the Company Secretary who are privy to the information to maintain strict confidentiality of the information.

7.2. Leverage on information technology for effective dissemination of information

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.

To augment the process disclosure, the Board is dedicating a section for corporate governance on the Company's website, where information on the Company's announcements to the regulations, the Board Charter, rights of shareholders, and the Company's Annual Report may be accessed.

Corporate Governance Statement

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8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1. Shareholders Participation at General Meetings

The Board regards the annual general meeting as the principal platform for open dialogue between the Shareholders and the Directors of the Company, whereby the Directors will be available to respond to queries raised during the annual general meeting. It also provides an opportunity for the investors to communicate their expectations and concerns over the business activities of Asia Media Group.

Notice of the annual general meeting and the Annual Report are sent out more than 21 days prior to the date of the annual general meeting and it is also advertised in a local daily newspaper. Any item of the Special Business included in the Notice of the annual general meeting will be accompanied by a full explanation of the effects of the proposed resolution. Shareholders are given the opportunity to participate in the question and answer session on the proposed resolutions and the Group's operations. Separate resolutions are prepared for different transactions and the outcome of the resolutions voted upon will be declared by the Chairman during the annual general meeting and will be announced to Bursa Securities on the same day of the meeting.

8.2. Poll Voting

Pursuant to the Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Securities, the Company is required to ensure that any resolution set out in the notice of any general meeting is voted by poll. All resolutions set out in the notice of AGM will be voted by way of poll.

8.3. Communication and Engagements with Shareholders

Shareholders' meetings are important events for the Board to meet the shareholders. The Chairman would allot sufficient time to encourage the shareholders, proxies and the corporate representatives to ask questions pertaining to the matters table at the general meetings. The senior management and the External Auditors are present at the shareholders' meetings to answer any query that the shareholders, proxies and corporate representatives may ask.

The Board recognises the importance of being transparent and accountable to the Company's shareholders and prospective investors.

To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. info@asiamedia.net.my to which stakeholders can direct their queries or concerns.

This Corporate Governance Statement is made in accordance with the resolution of the Board dated 24 March 2017.