

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 6399  
**COMPANY NAME** : ASTRO MALAYSIA HOLDINGS BERHAD  
**FINANCIAL YEAR** : January 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 PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>- The Board of Directors of Astro Malaysia Holdings Berhad ("<b>Board</b>") is the body that is principally responsible for setting our Group's overall strategic direction, objectives and goals, including its key values, principles and ethos. The Group aspires to the highest standards of ethical conduct: doing what it says; reporting results with accuracy and transparency; and maintaining full compliance with the laws, rules and regulations that govern our business.</li><li>- Our Board acknowledges that it is accountable to our shareholders for our Group's performance and its fundamental approach in this regard is to ensure that the right executive leadership, strategy and internal controls for risk management are in place.</li><li>- The above principles are encapsulated in our Board Charter, which is published on our Company's website.</li><li>- Our Board has established the Governance Structure not only to ensure legal and regulatory requirements are met, but to having good corporate governance ("<b>CG</b>") as set out in the CG Overview on page 71 of our Annual Report 2018. The said structure is reviewed periodically, and was reviewed by our Nomination and Corporate Governance Committee ("<b>NCGC</b>") and Board in the fourth quarter of the financial year ("<b>FY</b>") ended 31 January 2018 ("<b>FY18</b>") to ensure its relevance and facilitates effective Board leadership and oversight.</li><li>- During FY18, our Board actively engaged in the formulation of our Group's strategic priorities and business plans for the next five years. Our Board, Group Chief Executive Officer ("<b>GCEO</b>") and Senior Leadership participated at a two-day offsite strategic planning session to chart our Group's strategies and reviewed the proposed business plans for the next five years and where necessary, our Board challenged the plans and assumptions to</li></ul>

	<p>ensure that the final plan is sustainable and delivers value to our shareholders and other stakeholders.</p> <ul style="list-style-type: none"> <li>- The strategic priorities and business plan were refined by Senior Leadership based on our Board’s guidance. The five-year strategic plans for FY 2019 to FY 2023 and the annual operating budget for FY 2019 were subsequently approved by our Board prior to the commencement of FY 2019.</li> <li>- Our Board exercised oversight through regular reviews of performance with Senior Leadership and monitored the execution of plans against the approved budget. The agenda of our Board meetings, which were held on a quarterly basis, typically encompassed a review of the operational and financial results, updates on the market outlook and strategies, monitoring of investments, review of transactions as well as reports from the respective Board Committees where relevant. Our GCEO and Senior Leadership attended the Board meetings to debrief the Board and seek guidance and/or approval, where required.</li> <li>- Our Board also received a monthly report on our Group’s transformation progress and financial/operational updates. This has enabled closer monitoring in a rapidly evolving industry.</li> <li>- Management performance was assessed by our Remuneration Committee (“RC”) and Board based on the key performance indicators set out in the FY18 Company Scorecard. The said Scorecard, which was approved by our Board, sets out the key financial parameters relating to revenue, profit and cash, and the key non-financial parameters relating to growth and sustainability as well as talent.</li> </ul>
<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>	:	<ul style="list-style-type: none"><li>- The Chairman of our Board is Tun Zaki Tun Azmi, who is an independent non-executive director (“INED”), which enables more effective oversight over Senior Leadership in accordance with good CG practices.</li><li>- As the leader of our Board, our Chairman plays a key role in ensuring the effectiveness of our Board and is responsible for instilling good CG practices. Our Board Charter formally sets out our Chairman’s role and responsibilities.</li><li>- Our Board Chairman presides over Board and shareholders’ meetings. He leads the discussions at our Board meetings and ensures that relevant matters are included in the meeting agenda, sufficient time is allocated for discussions and the meetings run smoothly.</li><li>- Our Board Chairman also chairs our NCGC, which is responsible for assisting our Board, inter alia, in the development and monitoring of our Group’s CG framework and practices.</li></ul>
<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 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>- Our Board Chairman and GCEO are different individuals.</li><li>- The role and responsibilities of our Board Chairman and GCEO are formally documented in our Board Charter. The separation of roles ensures there is a balance of power and authority in accordance with good CG practices.</li><li>- Our Board Chairman is primarily responsible for ensuring our Board's effectiveness and conduct whilst our GCEO has overall responsibility over the business units and day-to-day management of our Group.</li></ul>
<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 1.4

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>	:	<ul style="list-style-type: none"> <li>- Our Board is supported by the Company Secretary who has legal qualifications and over 15 years' working experience in the corporate secretarial field. Liew Wei Yee Sharon is a licensed secretary approved by the Companies Commission of Malaysia.</li> <li>- Her roles and responsibilities include:-               <ul style="list-style-type: none"> <li>(a) Advising the Board and Senior Leadership on compliance with the Main Market Listing Requirements ("LR"), Companies Act 2016 ("Act") and other relevant law and regulations as well as on CG best practices;</li> <li>(b) Efficient administration of our Group entities, particularly with regards to compliance with Articles of Association as well as statutory and regulatory requirements.</li> <li>(c) Organising Board, Board Committees and shareholders' meetings, and preparing the minutes of meetings and resolutions;</li> <li>(d) Monitoring compliance with Board process and procedures;</li> <li>(e) Acting as the conduit between our Board members and Senior Leadership to ensure proper communication; and</li> <li>(f) Conducting induction programmes for new Board members and ensuring that a continuing education programme is in place for all Board members.</li> </ul> </li> </ul>
<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>	:	<ul style="list-style-type: none"><li>- Our Board Chairman or Board Committee Chairpersons (as the case may be) and our GCEO jointly determine the agenda for Board and Board Committee meetings.</li><li>- Notice of Board and Board Committee meetings are issued at least five business days prior to the meeting. Senior Leadership is given advance notice of the agenda items and requested to submit their proposals within five business days prior to the meeting.</li><li>- Meeting materials are reviewed and endorsed by our GCEO and Senior Leadership prior to circulation to ensure that they contain comprehensive and accurate information which is required for informed decision-making by our Board.</li><li>- The said materials are circulated by the Company Secretary via electronic means (or upon request, hard copy) which has enabled immediate access and provided reasonable time for preparation by our Directors. It has also enhanced control over the circulation of confidential information and provides ease of access to archived materials.</li><li>- The minutes of the Board or Board Committee meetings record the key deliberations and decisions of our Board and Board Committees, including dissenting vote and abstention, if any. Upon conclusion of a meeting, a summary of the decisions and action items are communicated as soon as practical and the draft minutes are subsequently circulated for comments. The minutes are then confirmed by the relevant chairman at the next meeting. In addition, the status updates to the matters arising from previous meetings will be tabled at the next Board or Board Committee meeting for further discussions until completion.</li><li>- Past minutes of Board Committee meetings are tabled at the quarterly Board meetings for notation purposes.</li></ul>
<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 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>	:	<ul style="list-style-type: none"><li>- Our Board Charter primarily outlines the manner in which our Board's powers and responsibilities will be exercised and discharged, having regard to our Company's Articles of Association/Constitution, the Act, the LR issued by Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>") and other applicable laws and CG best practices.</li><li>- The six principal responsibilities of our Board are formally documented in our Board Charter. The Board Charter clearly explains the relationship and interaction between our Board, Board Committees, individual Directors, GCEO and Senior Leadership.</li><li>- It also sets out the list of Board reserved matters, for which the approval of our Board will be required. The Board reserved matters include approval of strategic plans and budget, unaudited quarterly financial results and audited financial statements, investments, related party transactions, amongst others.</li><li>- Our Board has delegated specific powers to three Board Committees, namely the Audit and Risk Committee ("<b>ARC</b>"), NCGC and RC. Our Board Charter and the Terms of Reference ("<b>TOR</b>") of the said Board Committees are periodically reviewed and have been published on our Company's website. The Reports of the RC, NCGC and ARC for FY18 are on pages 82 to 91 of our Annual Report 2018.</li><li>- Powers of day to day management have been delegated to our GCEO within the approved Limits of Authority ("<b>LOA</b>"). The LOA outlines the decision-making authority of our GCEO and the delegation of authority by our GCEO to the Senior Leadership on inter alia, operational and capital expenditure, execution of contracts, procurement, litigation and human resources matters up to a certain monetary threshold. Any commitments outside the LOA will require our Board's prior approval including changes to the LOA. The LOA is reviewed on a regular basis.</li></ul>

<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>	:	<ul style="list-style-type: none"> <li>- A Code of Business Ethics (“COBE”) is in place and published on our Company’s website.</li> <li>- The COBE outlines the principles and best practices to be applied by our Group when conducting our business including managing conflicts of interests, preventing the abuse of power, corruption and insider trading.</li> <li>- The COBE regulates, amongst others, the use of company information, assets and intellectual property rights by our employees. It has, inter alia, set out the guiding principles relating to the giving and receiving of business courtesies and situations of conflicts of interest.</li> <li>- The COBE is reviewed periodically and all employees of our Group are required to affirm their acceptance and understanding of the COBE via an online learning, assessment and certification programme annually. In FY18, over 4,500 employees (inclusive of contract staff) had completed the assessment.</li> <li>- The Corporate Assurance Division (“CA”) is responsible for reviewing and monitoring compliance to the COBE as part of its ongoing reviews, and reported its findings to our ARC annually.</li> </ul>
<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

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>	:	<ul style="list-style-type: none"> <li>- As part of our Group’s commitment to effective risk management and high standards of governance and accountability, our Board has established the Whistleblowing Policy and Procedures (“<b>WPP</b>”) to enable whistleblowers to raise concerns in confidence, and to ensure proportionate and independent investigation is duly conducted and follow-up action is taken and brought to the attention of our ARC.</li> <li>- The whistleblowing line is managed by the Vice President, CA who reports directly to our ARC. A whistleblower may via the Whistleblowing Line, disclose or report suspicious transactions, activities or processes to the Vice President, CA.</li> <li>- The WPP is periodically reviewed by our ARC. In the event a disclosure relates to the ARC Chairman or Vice President, CA, the matter will be escalated to our Board Chairman and/or GCEO.</li> <li>- Our ARC reviews the report by CA on the cases reported through the Whistleblowing Line and other available channels as well as the status of investigation (if applicable) into these cases.</li> </ul>
<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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<ul style="list-style-type: none"> <li>- Our Board comprises eight Directors, of whom four or 50% are INEDs.</li> <li>- There were changes to the representation of INEDs on our Board during FY18 as set out below:               <ul style="list-style-type: none"> <li>(a) For the period from 1 February to 31 March 2017 – four out of ten Directors were INEDs i.e. 40% of our Board comprised INEDs;</li> <li>(b) For the period from 1 April to 15 June 2017 – four out of nine Directors were INEDs i.e. 44% of our Board comprised INEDs;</li> <li>(c) For the period from 16 June 2017 until 1 December 2017 – three out of seven Directors were INEDs i.e. 43% of our Board comprised INEDs; and</li> <li>(d) For the period from 1 December 2017 until the date of this Report – four out of eight Directors are INEDs i.e. 50% of our Board comprised independent directors with the appointment of Renzo Christopher Viegas as INED and Chairman of our ARC.</li> </ul> </li> </ul> <p>Our Non-Independent Non-Executive Directors (“<b>NINEDs</b>”) have discharged their role and responsibilities to act in the best interest of our Group based on the peer assessment results in the annual Board effectiveness evaluation. The said Directors were assessed for their contributions to the Group and integrity, amongst others.</p> <p>Directors who are interested in a matter under discussion are excused and will be required to leave the meeting room. They will abstain from deliberating and voting on such matter and the decisions will be made by our non-interested Directors. This has ensured that our Board’s decisions are made objectively in the best interest of our Group.</p>
<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>	: Our Board is committed to meeting the CG best practices and will endeavour to apply the best practices where they are relevant to our circumstances and are in the best interests of our Group.
<b>Timeframe</b>	: Others

**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 - No independent director(s) serving beyond 9 years	
<b>Explanation on application of the practice</b>	:	As above	
<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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	As per 4.2 above.

### 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><i>Board Appointments</i></p> <ul style="list-style-type: none"><li>- Our Board has determined that the general criteria for the appointment of a Director should be based on each individual candidate's competencies, commitment (including time commitment), contribution and performance, which include the candidate's:<ul style="list-style-type: none"><li>(a) proven leadership and experience in areas that are relevant to our Group's strategies and business plan;</li><li>(b) characters of the individual to ensure that there will be a right fit;</li><li>(c) ability to dedicate sufficient time to discharge his responsibilities; and</li><li>(d) unblemished reputation for integrity and ability to exercise good business judgement.</li></ul></li><li>- Independence and diversity including gender are key factors for consideration in board appointments. The balance of gender, tenure and skills and experience of our Board is shown in the CG Overview on page 72 of our Annual Report 2018.</li><li>- It is the responsibility of our NCGC to assess and recommend to our Board on the suitability of candidates who are nominated for appointment to our Board/Board Committees. Our NCGC will consider amongst others, the Boards' Skills Matrix which maps the age, gender, skills, experience and broad leadership of the existing Directors and the desired attributes and competencies to meet the evolving needs of our Group as well as any gaps identified from the annual Board effectiveness evaluation.</li><li>- During FY18, our Board composition was refreshed as we continued our digital transformation journey. The new appointments to our Board included Simon Cathcart who was appointed as our NINED in June 2017 as well as Renzo Christopher Viegas and Shahin Farouque bin Jammal Ahmad who were appointed as our INED and NINED in December 2017, respectively. The said appointments were assessed and recommended by our NCGC following the Board appointment process which included interviews by other Board members and background references.</li></ul>

	<p><i>Senior Leadership Appointments</i></p> <ul style="list-style-type: none"> <li>- Senior Leadership appointments are closely scrutinised and decisions are made based on objective criteria, merit and with due regard for diversity in skills, education, experience and gender.</li> <li>- The appointment of GCEO and Group Chief Financial Officer are subject to review by our NCGC and if thought fit, a recommendation is made to our Board for approval. Our NCGC and Board are also notified on the appointment of other members of the key Senior Leadership positions as well as other key and critical positions.</li> <li>- In relation to gender diversity, 51% of our employees are female and 35% of our Senior Leadership roles are held by women.</li> </ul>	
<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

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>	:	<ul style="list-style-type: none"><li>- Our Board comprised more than 30% women directors until 1 December 2017. Changes to the female representation on our Board in FY18 occurred in the following manner:<ul style="list-style-type: none"><li>(a) for the period from 1 February to 31 March 2017 – three out of ten Directors i.e. 30% were women directors;</li><li>(b) for the period from 1 April 2017 to 15 June 2017 – three out of nine Directors i.e. 33% were women directors;</li><li>(c) For the period from from 16 June 2017 to 1 December 2017, three out of seven Directors i.e. 43% were women directors; and</li><li>(d) for the period from 1 December 2017 until 31 January 2018, two out of eight Directors i.e. 25% were women directors following the replacement of the nominee director of a major shareholder, Khazanah Nasional Berhad, from Quah Bee Fong to Shahin Farouque bin Jammal Ahmad effective 1 December 2017.</li></ul></li><li>- Our Board recognises the importance of diversity in terms of a broad range of skills and competencies, experience, background and gender to ensure balanced and effective decision-making. Independence and gender diversity are part of our Board selection criteria for the appointment of new Board members. Other selection criteria are disclosed under Practice 4.4 (Board Appointments). Appointments to our Board will be made based on merit and contribution to the overall working of our Board.</li><li>- The two women directors currently on our Board namely, Dato' Rohana Rozhan and Datuk Yvonne Chia, are both individuals who are held in high esteem in our society and possess strong leadership traits. Their views and insights are highly respected and given proper consideration by members of our Board and Senior Leadership.</li></ul>

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b>	:	Our Board is committed to meeting CG best practices and will endeavour to apply the best practices where they are relevant to our circumstances and in the best interests of our Group.	
<b>Timeframe</b>	:	Others	

**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>	:	Applied	
<b>Explanation on application of the practice</b>	:	Our Board in identifying candidates for appointment of Directors relies on recommendations from various sources including our existing Directors, major shareholders and a wide network of industry contacts including independent sources, where required.	
<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 4.7**

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>	:	Our NCGC is chaired by Tun Zaki Tun Azmi, who is an INED.	
<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>	:	<ul style="list-style-type: none"><li>- Our Board undertakes a formal and objective evaluation to determine the effectiveness of our Board as a whole, our Board Committees and individual directors on an annual basis. The evaluation includes an assessment of the independence of our INEDs.</li><li>- The Board effectiveness evaluation (“BEE”) is an annual process which is facilitated by our NCGC with the assistance of the Company Secretary. The evaluation is carried out through questionnaires with self and peer assessment, as well as feedback from Senior Leadership. A summary of our NCGC’s activities in FY18 is in the Report of the NCGC on page 83 of our Annual Report 2018.</li><li>- Our Board through our NCGC periodically engages an external facilitator to conduct the evaluation process to provide additional recommendations and benchmarks to enhance our Board’s performance and practices. The most recent evaluation by an external facilitator was conducted in January 2017 in relation to BEE FY 2017.</li><li>- The parameters used in the BEE are set out in the CG Overview on page 70 of our Annual Report 2018.</li><li>- Based on the findings from the BEE FY18, our Board and Board Committees have discharged their roles and responsibilities in accordance with their respective charters. Our Board will continue to focus on the following identified areas in the current financial year:<ul style="list-style-type: none"><li>(a) monitoring of strategy execution;</li><li>(b) Board and Senior Leadership succession; and</li><li>(c) risk management.</li></ul></li></ul>
<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>	:	NA
<b>Timeframe</b>	:	NA

## 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>	: <i>Directors' Remuneration Policies and Procedures</i> <ul style="list-style-type: none"><li>- Our philosophy is that non-executive directors ("NEDs") remuneration should be adequate to attract, retain and motivate individuals of the necessary caliber, expertise and experience to join our Board.</li><li>- Our NEDs' remuneration adheres to a schedule of fixed fees in accordance with their responsibilities on our Board and Board Committees. In determining NEDs' remuneration, the RC and Board consider various factors including experience, time commitment, level of responsibilities and complexity of roles and responsibilities shouldered, special assignments and risks assumed as a Director. Please refer to pages 76 and 77 of our Annual Report 2018.</li><li>- In addition to fees for membership of our Board and their responsibilities on our Board Committees, our Directors are entitled to be reimbursed for expenses which are reasonably incurred by them in the course of discharging their duties. Directors are also paid a fixed meeting allowance on a per-day basis for attending Board, Board Committees and shareholders' meetings including any pre-Board/Board Committee meetings.</li><li>- Our NEDs are not entitled to participate in our Management Share Scheme in accordance with CG best practices. Our Executive Director/GCEO is not entitled to any Director's fees.</li><li>- Our Company had obtained its shareholders' approval for payment of Directors' remuneration on a monthly basis at the previous annual general meeting held in June 2017. In respect of actual Directors' remuneration for FY18, the detailed remuneration paid to our Directors have been disclosed on a named basis in the CG Overview on pages 78 and 79 of our Annual Report 2018. Total Directors' fees and benefits incurred in FY18 amounted to RM2.087 million, which is within the</li></ul>

amount approved by our shareholders at the AGM in 2017. Please refer to Note 8, page 211 of our Company's Audited Financial Statements for FY18.

- To ensure that our Directors receive fair compensation, our Board through our RC reviews the level of Directors' remuneration on a periodic basis. In addition to the Directors' remuneration guidelines set out on page 78 and 79 of our Annual Report 2018, the appropriate benchmarking with our peers, both locally and regionally, may be considered by our RC and Board. Our RC's TOR are published on our Company's website.
- The current schedule of NED's remuneration was adopted in 2012. Our RC undertook a review and benchmarking exercise of our NEDs' remuneration against the top 30 listed issuers on Bursa Securities with the assistance of Willis Towers Watson, an independent consultant. Based on the benchmarking report and findings from our BEE FY18 indicating that our Board had continued to play its role effectively, a proposed revision to our NEDs' remuneration as set out in the right column of the table below would be tabled for shareholders' approval at the forthcoming annual general meeting scheduled on 7 June 2018 in accordance with Section 230 of the Act:

Type of Fees/Benefits	Existing Fees Since 2012 (RM)	Proposed New Fees (RM)
Board Chairman	450,000 per annum	520,000 per annum
Non-Executive Director	225,000 per annum	280,000 per annum
Audit and Risk Committee		
▪ Chairman	25,000 per annum	50,000 per annum
▪ Member	10,000 per annum	25,000 per annum
Remuneration Committee		
▪ Chairman	25,000 per annum	40,000 per annum
▪ Member	10,000 per annum	20,000 per annum
Nomination and Corporate Governance Committee		
▪ Chairman	25,000 per annum	40,000 per annum
▪ Member	10,000 per annum	20,000 per annum
Meeting Allowances	1,000 per day	No Change
Benefits	Company car, petrol and driver for the Board Chairman	No Change

- Further details of the proposed revision are set out in the CG Overview on page 77 of our Annual Report 2018, the Notice of Sixth Annual General Meeting ("AGM") dated 8 May 2018 and the accompanying explanatory notes.

	<p><i>Senior Leaderships’ Remuneration Policies and Procedures</i></p> <ul style="list-style-type: none"> <li>- In selecting a candidate intended to be appointed as Senior Leadership, various factors are carefully considered such as skill sets, education level, breadth of experience, level of accountability and complexity of job responsibility, that may contribute towards the discharge of their respective duties.</li> <li>- Senior Leadership remuneration typically comprises a fixed monthly basic salary and discretionary annual cash performance bonus. Eligible employees have the opportunity to participate in the Management Share Scheme, whereby share awards in the form of Restricted Share Units (“RSUs”) and Performance Share Units (“PSUs”) may be granted to them subject to the bye-laws governing the said scheme. The vesting of the RSUs and PSUs are subject to our Company and the individual meeting the performance targets set by our Board. Further details of the share awards are on Note 7(a), pages 203 to 210 of our Company’s Audited Financial Statements for FY18.</li> <li>- Senior Leadership performance is evaluated by our GCEO, who determines their merit increment (“MI”) and performance bonus (“PB”) based on the proposal that is reviewed by our RC and approved by our Board. MI and PB are dependent on our Group’s performance based on the key performance indicators set out in the Company Scorecard and is further subject to the individual’s performance for that year. In determining the total MI and PB, in addition to our Group’s performance, various factors such as inflationary rate and industry practice are also taken into consideration.</li> <li>- Our RC also reviews the evaluation of Senior Leadership to ensure an appropriate and consistent performance evaluation by the GCEO, and report the same to our Board.</li> </ul>	
<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

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>	:	<ul style="list-style-type: none"><li>- Our RC comprises all NEDs, a majority of whom is independent. The TOR of our RC is reviewed periodically and published on our Company's website.</li><li>- The primary purpose and functions of our RC are to assist our Board in reviewing matters relating to the remuneration of our NEDs and GCEO, as well as oversight over Senior Leadership performance evaluation.</li><li>- In January 2018, our RC engaged Willis Towers Watson, an independent consultant, to benchmark the schedule of fees and benefits payable to our NEDs which was adopted in 2012. A recommendation was made to our Board to seek shareholders' approval for a proposed revision in our NEDs' remuneration at the forthcoming AGM in June 2018.</li><li>- Our RC also reviewed and recommended the Company Scorecard setting out the key performance indicators which will be used for measuring our Group's performance. Based on achievements against the said Scorecard, a recommendation was made to our Board for approval in respect of the overall merit increment and performance bonus for the employees of our Group.</li><li>- Our RC is responsible for the administration of the Management Share Scheme, including reviewing the grant of share awards as well as the eligibility and vesting criteria for our Board's approval.</li><li>- A summary of our RC's activities in FY18 is in the Report of the RC on page 82 of our Annual Report 2018.</li></ul>

<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>	:	Applied	
<b>Explanation on application of the practice</b>	:	A detailed breakdown of the remuneration paid to our Directors on a named basis for FY18 has been disclosed on pages 78 and 79 of our Annual Report 2018.	
<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 7.2

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>	:	<ul style="list-style-type: none"> <li>- Our Board is satisfied that our Senior Leadership's remuneration commensurates with individual and company performance; and that the total compensation for the top five key Senior Leadership as a percentage of total revenue is appropriate.</li> <li>- Disclosing Senior Leadership remuneration would be disadvantageous to our Group, given the competitiveness in the market for talent and due to the confidentiality of remuneration packages.</li> <li>- Remuneration packages for Senior Leadership factor in each individual candidates' experience and skills, scope of responsibility and accountability and global exposure. Our Group's remuneration framework goes through a robust benchmarking exercise to ensure balance between parity and competitiveness and in some cases, the uniqueness of subject matter experts.</li> <li>- Our Group's performance management system holds the relevant Senior Leadership accountable for their respective roles and performance. Our RC reviews the annual performance evaluation of Senior Leadership by our GCEO to ensure an appropriate and consistent performance evaluation.</li> </ul>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Our Board will continue to evaluate the implications and will make the necessary disclosures if satisfied that it is in the best interest of our Group to do so.
<b>Timeframe</b>	:	Others



### **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>	:	Our Board will continue to evaluate the implications and will make the necessary disclosures if satisfied that it is in the best interest of our Group to do so.

**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>	:	The Chairman of our ARC, Renzo Christopher Viegas is not the Chairman of our Board. Our ARC Chairman's profile is on page 60 of our Annual Report 2018 and on our Company's website.	
<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>	:	Our Board has not appointed any former audit partner as a member of our Board. In relation to Practice 8.2, our ARC Charter was amended recently to stipulate that a former key audit partner shall not be appointed as a member of our ARC until the expiry of a cooling-off period of at least two years.	
<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>	:	<ul style="list-style-type: none"> <li>- Our ARC conducts an annual assessment of the effectiveness of PricewaterhouseCoopers PLT ("<b>PwC</b>") who is our External Auditor, with the assistance of the Company Secretary. The annual assessment covers the following scope:               <ul style="list-style-type: none"> <li>(a) independence, objectivity and professional skepticism</li> <li>(b) firm's financial stability, risk profiles and audit strategy</li> <li>(c) communication and interaction</li> <li>(d) audit finalisation</li> <li>(e) quality of skills, capabilities of audit team and sufficiency of resources</li> </ul> </li> <li>- The evaluation for FY18 was carried out through a questionnaire which was completed by our ARC, Senior Leadership and CA as well as a self-assessment by PwC.</li> <li>- In relation to the independence of External Auditor, a written assurance of independence will be obtained annually. In respect of FY18, PwC has affirmed its independence as set out in the External Auditor's Report on page 154 of our Annual Report 2018.</li> <li>- Based on the findings of the External Auditor's assessment for FY18 and the ARC's recommendation, our Board has recommended that our shareholders approve the re-appointment of PwC as Auditors of our Company at the forthcoming AGM in June 2018.</li> </ul>
<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 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	Our ARC comprises solely of INEDs since 1 April 2017.

## 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>	:	<ul style="list-style-type: none"><li>- The members of our ARC possess the necessary qualifications/experience in financial and auditing matters. Their profiles are disclosed on pages 59 and 60 of our Annual Report 2018 and on our Company's website.</li><li>- The effectiveness of our ARC is evaluated as part of the annual BEE and based on the findings from the BEE FY18, our Board is satisfied that the ARC has carried out its responsibilities in accordance with its TOR in FY18. A summary of our ARC's activities in FY18 is in the Report of ARC on page 85 of our Annual Report 2018.</li><li>- To keep abreast of relevant developments in accounting and auditing standards, our ARC members attended various trainings which have been disclosed in the CG Overview on pages 74 to 76 of our Annual Report 2018. In addition to attending external briefings, our ARC is regularly briefed by the External Auditor on key changes in accounting standards, practices and rules.</li></ul>
<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 9.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<ul style="list-style-type: none"> <li>- Our Board has established an effective risk management and internal control framework.</li> <li>- The Enterprise Risk Management Framework (“<b>ERMF</b>”) is established based on the Committee of Sponsoring Organisation (“<b>COSO</b>”) Enterprise Risk Management Framework – Integrating with Strategy and Performance which sets out the risk management governance, infrastructure, processes and control responsibilities and provides guidance for a systematic approach to identify, assess, respond, monitor and report risk that is consistently applied throughout our Group.</li> <li>- Our Board is supported by our ARC, which has oversight of the risk management and internal control systems of our Group.</li> <li>- Senior Leadership is responsible for the implementation of a sound ERMF to ensure a continuous process of risk identification, evaluation and management to an acceptable level as prescribed within the risk appetite and captures the dynamics of changing business and regulatory environments, all of which are subject to regular review by our ARC and Board.</li> <li>- The Risk Management function led by the Head of Risk Management ensures the establishment and maintenance of the framework reports to our Board through our ARC on the quarterly risk profile review and assessment.</li> <li>- Our ARC is also supported by CA which provides independent validation of the risk management, control and governance process of our Group.</li> </ul>
<b>Explanation for departure</b>	:

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<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>	:	<p>- The salient features of our risk management and internal control framework which are disclosed in the Statement on Risk Management and Internal Control on page 92 of our Annual Report 2018 comprises:</p> <p>1. <u>Enterprise Risk Management Framework (“ERMF”)</u> The ERMF is designed to identify, evaluate and manage, rather than eliminate, the risk of failure to achieve business objectives and strategies.</p> <p>It provides guidance for a systematic approach known as our risk cycle which includes identification, assessment, response, monitoring and reporting of risks that is consistently applied throughout our Group.</p> <p>Our risk governance structure which governs the risk management and control processes adopted a top down approach which depicts the key relevant parties from our Board and ARC, to Senior Leadership followed by Risk Management function and Risk champions.</p> <p>2. <u>Control Activities</u> Our Board and Senior Leadership are committed in maintaining an effective internal control environment through continuous enhancement to the design of internal control systems to ensure controls are relevant, effective and robust to promote operational agility. The key controls include:</p> <p>(a) LOA which stipulates the key decision-making and approval authority delegated by our Board to Senior Leadership;</p> <p>(b) Key Controls Checklist to facilitate control self-assessment by heads of business units to ensure internal controls in place are effective and complied with;</p> <p>(c) COBE designed to reduce, if not eradicate, any corrupt practices and occurrences of bribery;</p> <p>(d) continuous enhancement of our security framework on our physical and cyber security management practises to ensure all</p>

	<p>security threats including content piracy is managed effectively;</p> <p>(e) operating policies and procedures to ensure processes adequately mitigate risk with appropriate internal controls;</p> <p>(f) Business Continuity Management Framework to minimise the impact of business disruption through enhancing operational resiliency for an effective response to threats and disruptions;</p> <p>(g) insurance programme to safeguard our assets against material losses arising from any uncertainties; and</p> <p>(h) Group risk profile is deliberated by Senior Leadership to ensure overall risk impacting our Group are adequately identified and managed within an acceptable level of risk.</p> <p>3. <u>Information and Communication</u>  Our Board continuously emphasises communication with all employees in carrying out their internal control responsibilities. Regular reviews are conducted to ensure risk profiles, policies and procedures are updated and aligned.</p> <p>Additionally, our Group policies are published and updated on our internal portal for easy access by employees.</p> <p>4. <u>Monitoring and Reporting</u>  Our Board and Senior Leadership continuously assess the effectiveness of monitoring activities and take necessary measures to strengthen our risk management and internal control environment.</p> <p>- The Risk Management function reports to our Board on a quarterly basis through our ARC on our Group risk profile that incorporates the preventive and mitigation strategies.</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 9.3 - 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>	:	<ul style="list-style-type: none"><li>- Having regard to the fact that audit and risk management matters are closely linked, especially during a business transformation phase as well as taking into consideration our Board size and composition, our Board has determined that a single committee would be able to oversee the implementation of the audit, internal control and risk management policies and framework effectively.</li><li>- To assist our Board in overseeing our Group's risk management framework and policies, our then audit committee was re-designated as our ARC in December 2017, and the ARC's TOR were revised to further enhance its risk management functions.</li><li>- Our ARC comprises solely of INEDs.</li></ul>

### 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>	:	<ul style="list-style-type: none"> <li>- Our Group’s internal audit function is known as Corporate Assurance (“CA”). Our ARC is supported by the CA which provides independent validation on the risk management, internal control and governance processes of our Group.</li> <li>- Our ARC conducts an annual assessment of CA’s effectiveness with the assistance of the Company Secretary.</li> <li>- CA’s role is governed by the Corporate Assurance Charter to ensure that its purpose, authority and responsibility, reflect developments in CA’s activities and in line with best practices promulgated by internal audit professional bodies. The CA Charter is periodically reviewed and amendments were recently approved by our ARC in March 2018.</li> <li>- The Vice President, CA reports functionally and administratively to our ARC Chairman. The appointment of the Vice President, CA is a matter reserved for our Board based on our ARC’s recommendation. Our ARC is also responsible for evaluating the effectiveness of CA and the performance of the Vice President, CA with the most recent review conducted in March 2018. Our ARC Chairman meets the Vice President, CA without the presence of Senior Leadership on a regular basis.</li> <li>- Our ARC had evaluated and approved the Strategic Review Plan that sets out the scope of internal audit reviews in March 2018.</li> <li>- CA’s team members are kept abreast of developments in the profession and industry through attendance at trainings aimed at equipping them with relevant skills appropriate to their respective levels.</li> </ul>
<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

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>	:	<ul style="list-style-type: none"> <li>- All CA team members are required to declare to our ARC that they are free from any relationships or conflicts of interest which would impair their objectivity or independence. Such declarations for FY18 have been recorded in March 2018.</li> <li>- CA's role is governed by the CA Charter to ensure that its purpose, authority and responsibility reflect developments in CA's activities and are in line with best practices promulgated by internal audit professional bodies.</li> <li>- The information on the number of resources, name and qualification of the person responsible for internal audit is included as part of the Report of the ARC on pages 89 and 90 of our Annual Report 2018.</li> </ul>
<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>	:	NA
<b>Timeframe</b>	:	NA

## 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>	:	<ul style="list-style-type: none"><li>- Our Board believes in effective, transparent and regular communication with its shareholders and other stakeholders.</li><li>- Datuk Yvonne Chia has been designated as Senior Independent Director who acts as our Board's designated contact for consultation and direct communication with our shareholders. Together with our Group Chief Financial Officer and Company Secretary, they are the contact persons for shareholder communication as disclosed in our Annual Report 2018.</li><li>- Our GCEO and Senior Leadership engaged regularly with the investment community, media representatives and shareholders through dialogues, press conferences, media interviews and social media campaigns during FY18.</li><li>- Our Company held quarterly analyst calls and ensures that our Company's website is regularly updated with current and relevant information to provide up-to-date information on products, services, brands and happenings within our Group. A variety of online and offline contact options (email, online feedback form, customer service centres and social media) are provided to facilitate the public's engagement with us in their preferred manner.</li><li>- Our Board also engages with shareholders at our AGM. The AGM affords an opportunity to our shareholders to raise their questions pertaining to our Group's performance directly to our Board, GCEO and Senior Leadership.</li><li>- More than 3,000 shareholders and proxies representing 87.01% of our Company's issued share capital attended our AGM in June 2017. Our Board members, GCEO and Senior Leadership attended the AGM and responded to questions raised by our shareholders, proxies and the Minority Shareholders' Watchdog Group. An overview of our Group's results and other achievements in the last financial year was presented by our GCEO during the meeting.</li></ul>

	<ul style="list-style-type: none"> <li>- Voting procedures were explained by our Board Chairman prior to voting. As required by the LR, voting on all resolutions was conducted by poll whereby, Symphony Share Registrars Sdn Bhd was engaged as the poll administrators and representatives from Symphony Corporatehouse Sdn Bhd were appointed as the independent scrutineers.</li> <li>- Minutes of the Fifth AGM held on 15 June 2017 were subsequently published on our Company's website on 31 July 2017.</li> </ul>
<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 11.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>- Our Company has adopted, and is guided by, the principles of the International Integrated Reporting ("IR") Framework in our Annual Report 2018. Underpinning this is a focus on disclosure of financial/quantitative and non-financial/qualitative information, and incorporation of IR content principles and content elements, for a holistic and strategic approach to corporate reporting.</li><li>- Examples of our application of IR principles in our Annual Report 2018 include:<ul style="list-style-type: none"><li>(a) <i>Our Value Creation</i> section which details our key business focus areas amid the prevailing market landscape, including the identification of capitals which serve as inputs in our business process, our value creation framework underpinned by our strategic pillars of Content, Customer, Experience, Digitalisation and Talent, and outputs therefrom impacting our business, shareholders, and stakeholders, including Community and the Environment;</li><li>(b) <i>Sustainability</i> section which explains how we proactively engage with stakeholders to address their concerns (Stakeholder Engagement), disclosures pertaining to key material matters (Material Matters) and a narrative of our progress in FY18 pertaining to each of our strategic pillars as outlined above; and</li><li>(c) Enhanced connectivity of information focusing on the interrelatedness and dependencies of disclosures throughout our Annual Report 2018, as evidenced by the numerous references to other sections within our Annual Report 2018.</li></ul></li></ul>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<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>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"><li>- Our Company endeavours to issue the Notice of our AGM at least 28 days prior to the meeting to accord sufficient time to our shareholders to prepare for the meeting and make informed voting decisions.</li><li>- In respect of our Sixth AGM scheduled on 7 June 2018, the Notice of AGM and Annual Report 2018 were issued on 8 May 2018 giving our shareholders notice of at least 28 days prior to the meeting.</li><li>- Notice of our AGM is posted on our Company's website as soon as it is issued to ensure wider and proper dissemination. Our Annual Report was issued in the form of CD-Rom together with an abridged version. Shareholders have the right to request for a hard copy of our Annual Report through the designated channel. Our Annual Report 2018 and past years' annual reports can be downloaded from our Company's website.</li></ul>
<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 12.2

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>	:	<ul style="list-style-type: none"><li>- Our annual Board meeting calendar is prepared prior to the commencement of a new financial year so that our Directors are able to lock-in the dates of our AGM and Board meetings. All our Directors attended the Fifth AGM on 15 June 2017 with the exception of Augustus Ralph Marshall who was absent due to an unforeseen commitment.</li><li>- Our Board Chairman presided over the Fifth AGM, and together with our GCEO and Senior Leadership addressed various questions from our shareholders, proxies and the Minority Shareholders' Watchdog Group on operational, financial and governance matters. The Chairpersons of our respective Board Committees were also present and where required, addressed questions during the meeting.</li></ul>
<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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	- Our Board is of the view that the current state of technology that enables voting in absentia has not been proven in terms of security and reliability. Further, the cost of such technology may outweigh the benefits. In addition, our AGM was held at a convenient location within the city centre with access to public transportation, so as to facilitate a high shareholders' attendance. Shareholders who are unable to attend are permitted to appoint up to two proxies to attend and vote on their behalf.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Our Board will monitor and evaluate the cost and reliability of the technological options to facilitate remote voting by shareholders.
<b>Timeframe</b>	:	Others

**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.*

This section is not applicable to Astro
---