Annual Report 2019

Asia Media Group Berhad

Registration No. 200801011849 (813137-V)

CONTENTS

1. CORPORATE PHILOSOPHY

Asia Media Group Berhad contributes to the sustainable development of society through our business activities in the country and region based on our Corporate Philosophy.

Based on our philosophy of “Customer Centric”, we develop and provide innovative and high-quality products and services that meet a wide variety of customers’ demands in order to build a reputable presence in the country’s digital out-of-home industry.

FORERUNNER

To be a forerunner in digital transit media advertising and provide innovative advertising solutions for our clients.

PACESETTER

To set a challenging employee goal, building on previous years’ success and to make a strong corporate commitment and enhance corporate value while achieving stable and long term growth for the benefit of our shareholders.

CUSTOMER CENTRIC

To forge partnerships with our customers and strive to exceed their expectations.

HUMAN CAPITAL

To emphasize on human capital value and foster corporate culture and policies to strengthen the organisation.

To promote and engage both individually and with partners in social contribution activities that help strengthen communities and contribute to the enrichment of society.

SOCIAL RESPONSIBILITY

In order to contribute to sustainable development, we believe that Management interaction with its key stakeholders is of considerable importance and we will endeavour to build and maintain good relationships with our key stakeholders.

2. CORPORATE STRUCTURE

Asia Media Group Berhad
Registration No. 200801011849 (813137-V)

100%
Asia Media Sdn Bhd
Registration No. 200601009088 (728838-H)

70%
Asia Media Broadcasting Sdn Bhd
Registration No. 201101031598 (959733-V)

3. CORPORATE INFORMATION

BOARD OF DIRECTORS

**DATO' PROF RAJA MUNIR SHAH BIN RAJA MUSTAPHA | **Independent Non-Executive Chairman

LIEW CHEE KEONG | Executive Director

YAP PING TIONG | Executive Director
(Re-designated as Executive Director on 7 November 2019)

CHEN JUI-LIAN | Executive Director
(Appointed on 9 January 2020)

TONY KOH KOK BENG | Independent Non-Executive Director

DATUK KANG HUA KEONG | Independent Non-Executive Director

DATUK CHIW TIANG CHAI | Independent Non-Executive Director

LEONG CHOON MENG | Executive Director
(Resigned on 31 October 2019)

BUSINESS ADDRESS
Level 15, Unit 15-2, Menara Choy Fook On, Jalan Yong Shook Lin, Seksyen 7, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
Tel : +603-7625 6598 / 6599

REGISTERED OFFICE
No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur, Malaysia
Tel : +603-4043 5750 Fax : +603-4043 5755

SHARE REGISTRAR
Tricor Investor Services Sdn Bhd
Unit 30-01, Level 30,
Tower A, Vertical Business Suite, Avenue 3, Bangsar South,
No.8, Jalan Kerinchi, 59200, Kuala Lumpur, Malaysia
Tel: +603-2783 9299 Fax: +603-2783 9222

STOCK EXCHANGE LISTING
Main Market, Bursa Malaysia Securities Berhad
Stock Name : AMEDIA
Stock Code : 0159
Sector : Telecommunication & Media

COMPANY SECRETARY
Nip Chee Sien (MAICSA 7066996)

AUDITORS
STYL Associates PLT (LLP0019500-LCA & AF001929)
Chartered Accountants
No. 902, 9th Floor, Block A, Damansara Intan,
No.1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
Tel : +603-7724 2128

REMUNERATION COMMITTEE
Datuk Chiw Tiang Chai (Chairman)
Dato' Prof Raja Munir Shah Bin Raja Mustapha
Liew Chee Keong

AUDIT COMMITTEE
Tony Koh Kok Beng (Chairman)
Dato' Prof Raja Munir Shah Bin Raja Mustapha
Datuk Kang Hua Keong
Yap Ping Tiong (Resigned on 13 November 2019)

NOMINATON COMMITTEE
Datuk Kang Hua Keong (Chairman)
Datuk Chiw Tiang Chai
Tony Koh Kok Beng
Yap Ping Tiong (Resigned on 13 November 2019)

4. LETTER TO SHAREHOLDERS

On behalf of the Board of Directors ("Board", "BOD"), I am pleased to present the Annual Report and Audited Consolidated Financial Statement ("AR") of Asia Media Group Berhad ("AMGB" or "Company") and its subsidiary companies ("Group") for the financial period of 9 months ended 30 September 2019 ("FPE 2019").

ECONOMIC AND GROUP PERFORMANCE REVIEW

The Malaysian economy is expected to achieve a Gross Domestic Product ("GDP") growth of 4.7% in 2019, similar to that achieved in 2018. Under the new government, the economy is doing well although it needs to address the social and governance challenges. As it stands, the government transitioning efforts are slowly bearing fruits in its effort to correct the many imbalances and shortcomings in many sectors of the economy. Despite the strong external headwinds as a result of the intensified China-US trade war, the government has managed to deliver on its GDP growth. The 2019 performances are underpinned by the sound fundamentals which include strong and trustworthy public institutions, a healthy labour market, low and stable inflation, comfortable current account surplus and a well-diversified economy.

The Financial Period of 9 months ended September 2019 continues to be an extremely difficult and challenging period following the previous year for the Group as the performance had deteriorated resulting from the effect under the previous Management. The Group's performance was affected since early 2019, culminated in the change of BOD whereby five out of seven Board members were voted out by the shareholders in the Extraordinary General Meeting held on 25 July 2019. Subsequently, the new Management formed in 1 August 2019 has to revive the Group under restricted and or no resources in terms of infrastructure, equipment, manpower and under a number of operational legal entanglements left over from the previous Management.   As a result, there was literary no revenue generated other than the first quarter of 2019.

The new Management and current BOD are working tirelessly to revive the Group's operations and to generate new business activities. Because of the issues it has to address relating to the previous Management, it has also affected the current period performance. It needed to work out the many issues relating to both operational and financial matters before it can turn the Group around.

The new Management now seeks to complete the AR for FPE 2019 so that it can focus on the new financial year as a new leaf going forward.

FINANCIAL PERFORMANCE

The Group recorded a Revenue of RM1.2 million in FPE 2019, a decline of 91.1% compared to the previous financial year ended 31 December 2018 ("FYE 2018"). Despite lower revenue, the Group recorded a lower Loss After Tax ("LAT") of RM2.5 million, compared to FYE 2018's Loss After Tax of RM26.5 million. The LAT suffered in FPE 2019 was mainly attributed to operating losses as a result of low sales contribution and bad debts written off.

The Management is working on a comprehensive Regularisation Plan ("RP") and will make the requisite monthly announcement to Bursa Malaysia Securities Berhad ("Bursa Malaysia") to update the public on the Group's progress with regard to the RP. This is pursuant to the Group announcement of the Practice Note 17 of Main Market Listing Requirements which was officially announced on 25 October 2019.

FINANCIAL PERFORMANCE (CONTINUED)

The Group is now focusing on revitalizing its business and deliver on its promise of creating shareholders' value with a successful RP.

It is worth noting that no important documents needed for the finalization of Annual Report for FPE2019 especially the first quarter 2019 and also some items in the subsequent quarters announcement were found and handed over by the previous Management. Therefore, the current Directors are also unable to satisfy themselves that the audited financial statements of the Group and of the Company for the period from 1 January 2019 to 30 September 2019 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

CORPORATE DEVELOPMENT

The Group has not entered into any development arrangement for the period.

CORPORATE SOCIAL RESPONSIBILITY

The Group believes that promoting Corporate Social Responsibility can deliver benefits to its business. The Group will endeavor in promoting more extensive Corporate Social Responsibility initiatives in the coming years, with the objective of contributing towards building long-term shareholders' value.

APPRECIATION

The Company has been turned topsy-turvy by the previous Management and the new Board of Directors has been working tirelessly with the new Management to salvage the situations. I would like to take this opportunity to thank everyone, especially the shareholders, investors, business associates and the regulatory authorities, for your patience and continuous support. I would also like to extend my most sincere gratitude to the new management and staff, as well as the Board members for their commitment to ensure that we can ride through this storm.

Dato' Prof Raja Munir Shah Bin Raja Mustapha
Independent Non-Executive Chairman

5. MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Asia Media Group Berhad ("the Company", "the Group", "AMGB"), was Malaysia's leading digital-out-of-home ("DOOH") Transit TV Company until the recent event where the previous management teams were removed and many of the significant operations activities and assets were not assessable.

AMGB is a media provider, offering high-quality infotainment and targeted advertising through the use of digital electronic displays installed in various outdoor premises. Recognized as the 'Largest Transit-TV Network' in Malaysia, as awarded by The Malaysia Book of Records, at the time when the Group had close to 4,000 LCD screens installed in 1,800 buses travelling in the highly populated hubs of Klang Valley and Johor Bahru for the first quarter of 2019.

We were capable of building a network and communicate to over 500,000 viewers on a daily basis, travelling around in our target markets of Klang Valley and Johor Bahru. However, the Group has lost its strategic partners previously enjoyed especially the strategic regional bus networks as well as express coaches plying the highways.

Nevertheless, the Group is attempting to reestablish its position through a comprehensive Regularisation Plan ("RP") as required by Bursa Malaysia under the Practice Note 17.

OUR VALUES

We believe in integrity and trust. Both these values form the foundations and pillars of our organization and our relationships with all of our stakeholders which include our valued customers, our communities in which we operate, our investors as well as our greatest assets, our people.

The Group has experienced rapid growth before and will continue to explore new opportunities to build a reputable presence in the country's digital-out-of-home industry.

OUR OBJECTIVES

Our commitment to progress and drive continuous improvement extends to all levels of the Group.

Our objectives include, amongst others:

1. Delighting our customers with exceptional service quality, going beyond their expectations.
2. Continuing to invest to support growth and expansion, bringing in highly motivated, skilled out-of-home industry professionals from all backgrounds.

REVIEW OF FINANCIAL PERFORMANCE

The Group reported a Revenue of RM1.2 million in financial period ended 30 September 2019 ("FPE2019"), a decline of 91.1% compared to the previous financial year ended 31 December 2018.

The LAT suffered in FPE 2019 was mainly attributed to operating losses as a result of low sales contribution and bad debts written off.

REVIEW OF FINANCIAL PERFORMANCE (CONTINUED)

Equity Attributable to Owners of the Parent has fallen further to a negative of RM3.8 million at the end of 30 September 2019. Consequently, the Company continued to be under one of the Prescribed Criteria under the Practice Note 17, rendering it a PN17 Company.

On the top priorities, the current Management has seeks legal advice on what the course of actions to take, among other things is to reclaim the receivable amount owing by an external party. In addition, the current Management has also considered the options to dispose of some of the physical assets of the Group to raise cash to fund the ongoing operations of the Group. Finally, to meet the funds required for the day-to-day operations of the Group, the Company is still exploring various options to raise the cash required.

The Board of Directors and Management would like to highlight that there are still no important documents needed for the finalization of Annual Report for FPE2019 were found and handed over by the previous Management. The current Directors are still unable to satisfy themselves that the audited financial statements of the Group and of the Company as at 1 January 2019 which is a spilled over from the FYE2018 situation, and audited financial statements of the Group and of the Company as at 30 September 2019 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

OVERVIEW OF THE MALAYSIAN ECONOMY

The Malaysian economy grew by 4.4% in the third quarter of 2019 after registering a growth of 4.9 per cent during the second quarter of 2019. Services, Manufacturing and Agriculture sectors were the main drivers of the economy growth for the third quarter 2019. On the expenditure side, Private final consumption expenditure, Net exports and Government final consumption expenditure contribute to the GDP growth, while Gross fixed capital formation decline in the third quarter 2019.

The Malaysia's economy is expected to grow by 4.8% in 2020 vs the 4.7% in 2019. The stronger growth is underpinned by resilient domestic demand, particularly household spending thanks to stable labour market and low inflation. Against the backdrop of heightening external headwinds, domestic demand is expected to spearhead growth, i.e. increase by 4.8% after registering a 4% rise this year, spurred by the stronger private sector expenditure.

OVERVIEW OF DIGITAL MEDIA AND OUTLOOK OF DIGITAL-OUT-OF-HOME ("DOOH") TRANSIT MEDIA INDUSTRY

Historically, billboards and print wraps have been the predominant form of out of home media in Malaysia as it was the easiest and most cost-efficient way of reaching out to mass audience, due to its size and location. Over the years, as technology evolved and quality of digital content improved, out of home media gradually transitioned from printed media to digital media. This is attributable to the effectiveness of digital media in engaging mass audiences due to its dynamic nature of allowing for more attractive and/or interesting contents.

The Digital Media advertising industry in Malaysia has a lucrative market size and is on an upward growth trajectory, expected to reach above US$567 million by year 2020 compared to US$383 million in year 2017. DOOH media industry will benefit from the growth prospects in the digital media advertising amid a growing economy like Malaysia and this augurs well for the future business prospects of the Group.

PROSPECTS AND FUTURE PLANS OF THE GROUP

The current Management under the guidance of the new Board of Directors is currently reviewing its business plans to capture a slice of the market in DOOH media industry. A detailed business plan together with fund-raising plans and other steps to be taken to restructure the Group will be captured in the Comprehensive Regularisation Plan which the Management will be working on, to be submitted to Bursa Malaysia Securities Berhad in due course.

6. BOARD OF DIRECTORS & KEY SENIOR MANAGEMENT'S PROFILE

DATO' PROF RAJA MUNIR SHAH BINR AJA MUSTAPHA, Age 56
Independent Non-Executive Chairman
Appointed on 25 July 2019 and re-designated Non-Executive Chairman on 27 August 2019

Dato' Prof Raja Munir Shah started his career as an Operations Executive between 1985 to 1987 in Wagon Engineering Sdn Bhd where he was involved in the daily administrations of the company. He served as director in SP Maju Sdn Bhd from 1992 to 1998 oversaw the business operations, finance and day-to-day management functions. He was an executive director in My E.G. Services Berhad from 2004 to January 2019 involved in public relation and trouble shooting, crisis management, project development, presentation and monitoring.

He is a member of the Audit Committee and Remuneration Committee of the Company.

He currently sits on the Board of Eduspec Holdings Berhad.

LIEW CHEE KEONG, Age 56
Executive Director
Appointed on 28 February 2019

Mr. Liew Chee Keong started his career with Vismart Sdn Bhd as a Sales Coordinator in 1989. He moved on to DAT Technology Sdn Bhd, a computer hardware trading company as Sales Manager. In August 1995, he was attached to a Singapore based computer firm, KT Technology (Australia) Pte Ltd and was thereafter transferred to KT Technology (GB) Pty Ltd, England to oversee the Eastern Europe operation. During this period, he has gathered vast exposure and experience by overlooking branches in Romania, Hungary and Russia. In 1998, he moved to Malaysia and has since then been attached to a few companies such as Time Technology Sdn Bhd, Time Communication (M) Sdn Bhd and Dynabook Computer Centre (M) Sdn Bhd before deciding to start his own family business, Piano Junction in September 2005 dealing with restoration and sales of pianos. In 2006, he took up the position of CEO in Masters Systems Academy Sdn Bhd while maintaining his family business. In 2007, he joined the pioneer team to initiate a management buyout within the Dynabook group of companies which eventually led to the reverse take-over of Litespeed Education Technologies Berhad, now known as Eduspec Holdings Berhad. During Mr. Liew's tenure in Eduspec Holdings Berhad, he also oversaw the financial management of most of the subsidiaries within the group.

He is a member of the Remuneration Committee of the Company.

He currently does not hold any directorship in other public company.

DATUK KANG HUA KEONG, Age 59
Independent Non-Executive Director
Appointed on 25 July 2019

Datuk Kang holds a Bachelor's Degree in Engineering from National Marine University of Taiwan.

He is the National President of SME Association of Malaysia, and the founder cum chief editor of the SME Connect, a SME monthly newspaper. He was in ICT industry involving in hardware manufacturing, distribution and retailing operations which covered software business, e-commerce and international trade business since 1985. He is also the Director of SME Corporate Malaysia, SMB Solutions Management Sdn Bhd and SMB Connection Sdn Bhd.

He is the Chairman of the Nomination Committee and a member of the Audit Committee of the Company.

He currently does not hold any directorship in other public company.

TONY KOH KOK BENG, Age 54
Independent Non-Executive Director
Appointed on 28 February 2019

Mr. Tony Koh holds a Bachelor's Degree in Accountancy (Hons) from University Utara Malaysia. He is a member of Malaysian Institute of Accountants and Chartered Tax Institute of Malaysia.

Mr. Tony Koh worked as Assistant Accountant in Jurukur Perpaduan Sdn. Bhd. from 1 December 1990 to 31 March 1993. He later joined Genting Perkasa Group of Companies as Financial Controller, from 1 April 1993 to 30 July 1999. He moved on to join OMD (M) Sdn Bhd, Financial Controller, from 1 August 1999 to 30 October 2001. From 1 November 2001 to 30 June 2007, he worked as Financial Controller for Sales Force Asia Sdn Bhd and M N C Group of Companies. He was the Group Financial Controller of Success Resources Group of Companies from November 2007 to February 2009.

He is the Chairman of the Audit Committee of the Company and a member of the Nomination Committee of the Company

He currently does not hold any directorship in other public company.

DATUK CHIW TIANG CHAI, Age 63
Independent Non-Executive Director
Appointed on 25 July 2019

Datuk Chiw started his career with Malacca Guan Seng Sdn Bhd as a storekeeper in 1975, after he completed the Higher Cambridge of Education. Later on, he was promoted as salesman in 1986 and as sales executive in 1991. He was working as Executive Director from 1996 to 2001. From 2002 to 2008, he was attached to Guan Seng Oil and Gas Sdn Bhd as Executive Director. In 2008 to 2018, he was attached to Harta Oil & Gas Equipment Sdn Bhd as Chief Executive Officer and subsequently appointed as Chairman of Harta Engineering Sdn Bhd in 2018.

He is the Chairman of the Remuneration Committee and a member of the Nomination Committee of the Company.

He currently does not hold any directorship in other public company.

YAP PING TIONG, Age 50
Executive Director
Appointed on 25 July 2019 and re-designated Executive Director on 7 November 2019

Mr Yap started his career in the advertising and manufacturing industry as early as 1990, not too long after he finished his secondary school's studies. In 2000 to 2007, he was involved in a rebranding exercise in corporate companies for automotive industry namely Proton and Volkswagen as well as banking industry namely Agro Bank, Bank Simpanan Nasional, RHB and Bank Pembangunan Malaysia Berhad. Recently, he is also actively involved in the renovation and upgrading works for GLC companies particularly in education institutional subsidiary companies namely Universiti Utara Malaysia (UUM) and Universiti Pendidikan Sultan Idris (UPSI) which cover Hotel EDC and Hostel Training Centre respectively. In 2017 to 2019, he was part of the team on the design and build of expressway Lebuhraya KL - Putrajaya. In 2016 until now he is also involved in project filming production which produces telefilms for FINAS, RTM and TV3. Based on his extensive experience in operational planning, his exceptional work has been used as a reference for most of the company's operations management.

He currently does not hold any directorship in other public company.

CHEN JUI-LIANG, Age 43
Executive Director
Appointed on 9 January 2020

Mr. Chen has more than 15 years of experience in financial related industry, including sales of various securities instruments, investment operations and analysis, insurance and venture capital. He started as Business Manager when he joined Cathay Life Insurance Ltd in 2003, a life insurance company in Taiwan, and began getting great exposure to Hong Kong and South-East Asia financial investment products when he was Vice President of Investment in Rui Xing Insurance Broker from 2006 to 2008. He was appointed as Executive Director when he joined Arthur J Stewart Investment Advisors Pte Ltd, a Singapore based company in 2008, and being responsible for the company's investment operations. In 2010, armed with his stock analytic skills, and exposure to Asia financial products and markets, he became Executive Director of Well Top International Investment Limited, an international investment company in Taiwan and managing investment in South-East Asia. The said company mainly invests in public listed companies in Malaysia, Hong Kong and Singapore.

He currently does not hold any directorship in other public company.

Notes:
1) None of the Directors have any family relationship with any director and/or major shareholder of the Company.
2) None of the Directors have any conflict of interest with the Company.
3) None of the Directors have been convicted for offences within the past 5 years other than traffic offences.
4) None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.

KEY SENIOR MANAGEMENT'S PROFILE

The profile of Liew Chee Keong is listed under Board of Directors' Profile above.

7. SUSTAINABILITY STATEMENT

OUR COMMITMENT

The Group takes cognizance of the importance of sustainability and the impacts it will bring to the Group in creating shareholders' value. It will cover initiatives to manage the risks and opportunities in economic, environmental and social aspects which the organization faces.

Our business imperative is to carry out our business activities responsibly and with integrity. Our people are expected to behave in an honest and ethical manner in accordance with our policies, business rules and guidelines.

Within this context, we have defined our commitment to Sustainability across five major areas:

1. We will be a good employer, treating our people fairly and with respect, and valuing their diversity. We are committed to creating a workplace that makes people wanting to join and enables them to work to their full potential. Our commitment to the safety and wellbeing of our people is a priority;

2. We will deliver to our customers what we have promised; we will listen to them and involve them in our solutions and innovations;

3. We will work with our suppliers to develop long term partnerships based on best practice procurement methods and adopting the best practice in terms of code of conduct;

4. We will consider the impacts of our business on the communities in which we operate in, and we will engage with our community stakeholders. We will find opportunities to use our capabilities to add value to the communities; and

5. We will help to protect the environment by better understanding, managing and measuring the impacts the Group brings about and ensuring the Group contributes positively to the environment in which we operate in.

MOVING FORWARD

We are committed to promote good corporate governance standards and building sustainability.

8. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act, 2016 ("the Act") to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year. The directors ensure that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgments and estimates have been made, in the preparation of the financial statements. The directors also ensure that applicable approved accounting standards have been followed. The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Act.

The Board of Directors wishes to highlight that there are still no important documents needed for the finalisation of Annual Report for FPE2019 were found and handed over by the previous Management. Therefore, the Directors are unable to satisfy themselves that the audited financial statements of the Group and of the Company as at 1 January 2019 as was the case in 2018, and audited financial statements of the Group and of the Company as at 30 September 2019 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

This statement is made in accordance with a resolution of the Board dated 29 January 2020.

9. CORPORATE GOVERNANCE STATEMENT

Asia Media Group Berhad ("AMEDIA" or "the Company") and its group of companies ("Asia Media Group" or "the Group") operate within a governance framework that is formulated based on the recommendations of the Malaysian Code on Corporate Governance 2017 ("the Code") issued by the Securities Commission of Malaysia.

The current Board believes that maintaining a high 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 of the Group and discharging its responsibilities to the Shareholders. However, the current Board is unable to give assurance on the adequacy and effectiveness of the Corporate Governance framework of the Group as these are currently being assessed and reviewed. The current Board will endeavour to relook at the weaknesses in the governance framework of the Group and will work on strengthening the framework further to protect the interests of the shareholders and other stakeholders.

The disclosure statement below sets out the manner which the Group 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 current period from 1 January 2019 to 30 September 2019 and were carried out under the stewardship of the previous Board and previous Management who were removed at the end of July 2019.

1.0 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 the Group in enhancing long term shareholders' value and protect the interests of other stakeholders. To that end, the Group endeavours to maintain a good mix of Board Members who have a wealth of experience, skills and expertise in areas relevant to steering the 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.

There was 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 was to be chaired by a 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. The current Board comprises an Independent Non-Executive Director as the Chairman, three Executive Directors and three Independent Non-Executive Directors.

The Board takes into consideration the interests of all stakeholders in their decision making so as to ensure that the Group's objectives of creating long term shareholders' value are met. The key matters reserved specifically for the Board's deliberation and decision to ensure a proper control of the Group would include timely 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 operations.

1.2 Clear Rules and Responsibilities of the Board

The Board has the overall responsibility in leading and determining the Group's strategic direction. It provides an 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 the 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 relation program or shareholder communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Company's internal control system and management information system, 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's operations. The functions and terms of reference of the Board Committees as well as authority delegated by the Board to these Committees have been clearly defined by the Board. The Board reviews the Board Committee's authority and terms of reference from time to time to ensure their relevance.

There are three (3) Board Committees, namely the Nomination Committee, Remuneration Committee and Audit Committee.

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, uphold the law, avoid conflicts of interest and reports results accurately.

The Board has also formalised a whistleblower policy to provide a safe mechanism for whomever to come forward and raise any concerns about the actual or potential fraud or breach of trust involving employees, Management and the Directors of the Group.

It allows the whistleblower the opportunity to raise any concerns. 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 Group, the benefits of which are believed to translate into better corporate performance.

The Board is committed to the continuous efforts in maintaining a balance between its sustainability agenda and safeguarding the shareholders' interests.

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

1.5 Access to Information and Advice

The Board recognizes 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 Group. All 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 Group'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.

The current Board is unable to confirm whether the previous Board has unrestricted access to information pertaining to the Company and of the Group in the financial period under review.

Mr. Liew Chee Keong, an Executive Director who was only appointed to the Board on 28 February 2019, was denied access to information by the previous Management that he requested to assess the performance of the Company.

1.6 Company Secretary

The Company Secretary is suitably qualified, competent and is a member of a professional body. The Company Secretary plays an advisory role to the Board, in relation to the Group's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes, guidelines and legislations.

The Board has unrestricted access to the advice and services of the Company Secretary, who is considered capable of carrying out the duties to which the post entails.

2.0 STRENGTHEN COMPOSITION OF THE BOARD

During the financial period under review, the Board consisted of seven (7) Board Members with various experience and expertise. The composition of the Board during the financial period under review comprised of three (3) Executive Directors and four (four) 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.

The Nomination Committee comprises entirely of Independent Non- Executive Directors:

Name	Designation	Directorship
Datuk Kang Hua Keong	Chairman of Nomination Committee	Independent Non-Executive Director
Datuk Chiw Tiang Chai	Member of Nomination Committee	Independent Non-Executive Director
Tony Koh Kok Beng	Member of Nomination Committee	Independent Non-Executive Director
Yap Ping Tiong *(Resigned on 13 November 2019)*	Member of Nomination Committee	Re-designated from Independent Non-Executive to Executive Director on 13 November 2019

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

For the financial period ended 30 September 2019, the previous Nomination Committee that consisted of Mr. Paul Jong Jun Hian and Mr. Ooi Chooi Lee had met once on 28 February 2019 and carried out the following activities:

- Proposed re-election of Members of the Board at the 10th AGM for the Shareholders' approval, pursuant to Article 70 of the Constitution of the Company.
- Review the evaluation on company's directors and board members.
- Recommendations of the nomination of the persons as Directors and Members of the Board Committees.

The Company Secretary ensures 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.

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 an Independent Director.

The Board has in place with the Board Charter to commit with the workplace diversity, with a particular focus on supporting the representation of women in the composition of Board of the Company. The Board recognizes the initiative by government to enlarge the women's representation at boardroom.

2.2 Recruitment of Directors and Annual Assessment (Continued)

The current Board does not have any female director but the Board will review its composition again at an appropriate juncture and will endeavour to include women's representation on the Board when the opportunity arises.

2.3 Remuneration Committee

The Remuneration Committee is responsible to assist the Board on fair remuneration practices in attracting, retaining and motivating Directors and Senior Management.

The Remuneration Committee comprises of two (2) Independent Non- Executive Directors and one (1) Executive Director:

Name	Designation	Directorship
Datuk Chiw Tiang Chai	Chairman of Remuneration Committee	Independent Non-Executive Director
Dato' Prof Raja Munir Shah Bin Raja Mustapha	Member of Remuneration Committee	Independent Non-Executive Director
Liew Chee Keong	Member of Remuneration Committee	Executive Director

For the financial period ended 30 September 2019 ("FPE 2019"), the previous Remuneration Committee that consisted of Dato' Wong Shee Kai, Mr. Paul Jong Jun Hian and Mr. Ong Chooi Lee had met once on 28 February 2019 to review and recommend the payment of Directors' Remuneration for the financial year ended 31 December 2018 and recommend the payment of Directors' fees for the financial year ended 31 December 2018. Subsequently the Board changed its financial year end to 30 September 2019. All of the previous Directors in the financial period under review had been removed through shareholders' voting in the Extraordinary General Meeting which was held on 25 July 2019.

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 Committee's Meeting.

Further, the Group has adopted the objectives as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Group attracts and retains directors of the quality needed to manage the business of the Group respectively.

2.4 Re-appointment and Re-election of Directors

The Nomination Committee ensures that the Directors are re-elected in accordance with the Company's Constitution and relevant regulations and laws.

Pursuant to Rule 133 of the Company's Constitution, at the first annual general meeting of the Company all the Directors shall retire from office. As each annual general meeting in every subsequent year one-third (1/3) of the Directors for time being, or if their number is not three (3) or a multiple of three (3) then the number nearest one-third (1/3) shall retire from office. Provided always that all Directors, including Managing Director and Executive Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires

2.4 Re-appointment and Re-election of Directors (Continued)

Pursuant to Rule 118 of the Company's Constitution provides that the Directors shall have power at any time and from time to time to appoint any other person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with this Constitution. Any Director so appointed shall hold office only until the conclusion of the next annual general meeting and shall be eligible for re-election at such meeting. A Director retiring under this Rule shall not be taken into account in determining the Directors or the number of Directors to retire by rotation at such meeting pursuant to Rule 133.

2.5 Retirement and Rotation

All directors are required to retire for re-election at least once in every three years. Before recommending the retiring directors to the Board for re-election, the Nomination Committee will review and report the performance assessment of the retiring directors to the Board and retiring directors shall abstain from deliberation of their performance.

Newly appointed Directors by the Board are subject to election by the shareholders at the next Annual General Meeting held following their appointments.

3.0 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 period under review, the previous 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.

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. In addition, subject to the assessment of the Nomination Committee, an Independent Director after serving a cumulative nine (9) years is subject to the Shareholders' approval in a general meeting to continue to act as an Independent Director.

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

3.3 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.

3.3 Positions of the Chairman and Chief Executive Officer ("CEO") to be held by different individuals (Continued)

The Company is being chaired by an Independent Non-Executive Director, Dato' Prof Raja Munir Shah Bin Raja Mustapha, appointed as the Chairman of the Company on 27 August 2019.

Currently, the Board is made up of seven (7) members and four (4) of them are Independent Non-Executive Directors. There is no CEO.

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.

4.0 FOSTER COMMITMENT

4.1 Time Commitment and Directorship in Other Companies

The Board meets at least quarterly, to consider all matters relating to the overall control, business performance and strategy of the Group. Additional meetings will be convened, when and if necessary, especially when 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.

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

The attendance record of the Board for the financial period ended 30 September 2019 is set out below:

Name	Designation	Attendance	%
Dato' Wong Shee Kai (Removed on 25 July 2019)	Executive Director	4/4	100%
Paul Jong Jun Hian (Removed on 25 July 2019)	Independent Non- Executive Director	4/4	100%
Chow Zee Neng (Appointed on 28 February 2019 and removed on 25 July 2019)	Non-Independent Non-Executive Chairman	4/4	100%
Ong Chooi Lee (Removed on 25 July 2019)	Independent Non-Executive Director	4/4	100%
Ong Kar Kian (Appointed on 28 February 2019 and removed on 25 July 2019)	Executive Director	4/4	100%
Liew Chee Keong (Appointed on 28 February 2019)	Executive Director	5/6	83.33%
Tony Koh Kok Beng (Appointed on 28 February 2019)	Independent Non-Executive Director	6/6	100%
Dato' Prof Raja Munir Shah Bin Raja Mustapha (Appointed on 25 July 2019)	Independent Non-Executive Chairman	2/2	100%
Datuk Kang Hua Keong (Appointed on 25 July 2019)	Independent Non-Executive Director	2/2	100%

4.1 Time Commitment and Directorship in Other Companies (Continued)

Name	Designation	Attendance	%
Datuk Chiw Tiang Chai (Appointed on 25 July 2019)	Independent Non-Executive Director	2/2	100%
Yap Ping Tiong (Appointed on 25 July 2019)	Executive Director	2/2	100%
Leong Choon Meng (Appointed on 1 August 2019 and resigned on 31 October 2019)	Executive Director	1/1	100%

Based on the above, Directors of the Company have attended more than 50% of the meetings as 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 appointed during the financial period have attended the Mandatory Accreditation Programme ("MAP") and the directors continued to attend relevant training programs 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.

Directors	Training	Date
Dato' Prof Raja Munir Shah Bin Raja Mustapha	Executive Talk on Integrity & Governance: The Corporate Liability Provision, the "Adequate Procedures" & The Implementation of the National Anti-Corruption Plan (NACP)	7 November 2019
Datuk Chiw Tiang Chai	MAP	11-12 November 2019
Datuk Kang Hua Keong	MAP	11-12 November 2019
Tony Koh Kok Beng	MAP	11-12 November 2019

Mr. Chen Jui-Liang was appointed on 9 January 2020 and he will attend the MAP in due time.

4.3 Directors' Remuneration Disclosure

The aggregate remuneration of Directors of the Group and of the Company for the financial period ended 30 September 2019 are as follows:

Group	RM		
	Fees	Other remuneration	Total
Executive Director Leong Choon Meng (Resigned on 31 October 2019)	-	60,000	60,000
Non-Executive Director Ong Chooi Lee (Removed on 25 July 2019)	9,000	-	9,000
Total	**9,000**	**60,000**	**69,000**

4.3 Directors' Remuneration Disclosure (Continued)

Company	RM		
	Fees	Other remuneration	Total
Executive Director Leong Choon Meng (Resigned on 31 October 2019)	-	60,000	60,000
Total	**-**	**60,000**	**60,000**

5.0 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.

5.2 Assessment of Suitability and Independence of External Auditors

The Audit Committee has reviewed and will continue to 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 current Audit Committee met with the External Auditors twice to deliberate on the finalization of the AR 2019 before the final sign-off. The Audit Committee met with the External Auditors to review the scope of audit process, the audit findings and the annual financial statements and AR 2019, 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.

6. RECOGNIZE AND MANAGE RISKS

6.1 Internal Control

Information on internal control of the Group is detailed in the Statement on Risk Management and Internal Control.

6.2 Internal Audit Function

The internal audit function of the Group is detailed in the Statement on Risk Management and Internal Control.

7.0 TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Corporate Disclosure Policy in accordance with the Main Market Listing Requirements of Bursa Securities to enable comprehensive, accurate and timely disclosures relating to the Group 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 Chairman and Executive Directors 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.

There is a dedicated section for corporate governance on the Company's website, where information on the Company's announcements to the regulations, the Board Charter, whistleblower Policy, Terms of Reference of Board Committees, rights of shareholders, and the Company's Annual Report may be accessed.

8.0 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 the Group.

Notice of the annual general meeting and the Annual Report are sent out not less 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 Communications and Engagement 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 at the general meetings. The Senior Management and the External Auditors are present at the shareholders' meetings to answer any queries 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. asiamediagrpbhd@gmail.com to which stakeholders can direct their queries or concerns.

This Corporate Governance Statement is made in accordance with the resolution of the Board dated 29 January 2020.

10. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control is made in accordance with the paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance 2017 ("the Code"), which requires Malaysian public listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investment and company's assets.

Board's Responsibility

The Board recognises and acknowledges that a sound risk management framework and internal control system play an important role in good corporate governance and efficient work processes.

The system of internal control covers not only financial controls but also non-financial controls relating to the operational management, compliance controls and risk management. The internal control system is designed to manage and mitigate the effects rather than to eliminate the risks. As such, the internal control system can only provide reasonable and not absolute assurance against material misstatement of management and financial information or against loss or fraud.

Risk Management Framework

As an integral part of the system of risk management and internal control, there was an ongoing group wide risk management process for identifying, evaluating and managing the significant risks that may affect the achievement of the Group's business objectives.

Risk management is firmly embedded in the Group's management systems and its policy is reviewed annually to ensure it is relevant and adequate to manage the Group's risks, which continue to evolve along with the changing of business environment. The Board strongly believes that prudent risk management is vital for business sustainability and the progressive enhancement of the shareholders' value.

It is the responsibility of key management, head of subsidiary companies and heads of departments to identify, evaluate and manage risks faced by the Group on an ongoing basis with defined parameters. The deliberation of risks and the related mitigating actions are carried out at regular management meetings of the Group. Significant risks are conveyed to the Board at the quarterly scheduled meetings.

The previous Board of Directors, namely Dato' Wong Shee Kai, Ms. Yeong Siew Lee, Mr. Ong Chooi Lee and Mr. Paul Jong Jun Hian were working together with the previous Management to identify, evaluate and manage significant risks for the financial period under review. All were removed by the shareholders in the Extraordinary General Meeting held on 25 July 2019. The current Board shall continue to evaluate the existing risk management practices, and where appropriate and necessary, revise such practices accordingly.

Internal Audit Function

The previous Board has outsourced the Company's internal audit function.

The Internal Audit function established by the previous Board provides independent assurance on the effectiveness of the Group's internal control system and it reports to the Audit Committee of the Group on a quarterly basis or earlier, where appropriate.

Internal Audit Function (Continued)

It undertakes regular and systematic review of the internal control system, risk management and governance processes to provide reasonable assurance that such system operates satisfactorily and effectively across the Group.

Details of the activities of the internal audit function are provided in the Statement of the Audit Committee.

Key elements of Internal Controls

The key elements of the Group's internal control system are described below:

i. Cleary defined limits of authority, responsibility and accountability have been established through the relevant terms of reference and organizational structures to enhance the Group's ability to achieve its strategies and operational objectives;
ii. Internal policies and procedures as set out in the Group's Policies and Procedures covering various operational and management aspects are regularly updated to address operational deficiencies and changes of risks;
iii. All Departments are required to prepare the annual strategic plan, capital and operating expenditure budgets to be aligned with the strategic planning and budgeting process of the Group;
iv. Major capital expenditure and assets disposals are appraised and approved by the Board as well as the board of directors of the subsidiaries, wherever applicable;
v. The Audit Committee reviews the Group's financial performance and statements which is then reported to the Board;
vi. Management meetings are held regularly to identify, discuss and resolve strategic, operational, financial and key management issues; and
vii. Sufficient physical safeguards over major assets are in place to protect the assets of the Group against calamities and / or theft that may result in material losses to the Group.

Conclusion

In view the internal audit was done by the previous Board for the financial period under review, the current Board is unable to give assurance on the adequacy and effectiveness of the Risk Management and Internal Control of the Group as these are currently being assessed and reviewed. The current Board will take necessary measures to further strengthen and improve its internal control environment and processes.

The above Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 29 January 2020.

Review of the Statement by external Auditors

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed with Audit and Assurance Practice Guides (AAPG) 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysia Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

11. AUDIT COMMITTEE REPORT

A. Composition and Attendance

The members of the Audit Committee are as follows:

Mr. Tony Koh Kok Beng
(Chairperson of Audit Committee)

Datuk Kang Hua Keong
(Member of Audit Committee)

Dato' Prof Raja Munir Shah Bin Raja Mustapha
(Member of Audit Committee)

Mr. Yap Ping Tiong
(Member of Audit Committee) (Resigned on 13 November 2019)

All members are independent and non-executive.

The Board through the Nomination Committee assesses the terms of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and members have carried out their duties in accordance with their Terms of Reference on an annual basis.

The Terms of Reference of the Audit Committee can be viewed at the Company's website.

Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:

(a) to have explicit authority to investigate any matter within its terms of reference;

(b) to have the resources which are required to perform its duties;

(c) to have full access to any information and employees of the Company and the Group which are required to perform its duties;

(d) to have direct communication channels with internal and external auditors;

(e) to obtain outside legal or independent professional advice in the performance of its duties at the cost of Company;

(f) to invite outsiders with relevant experience to attend its meetings, if necessary

(g) to be able to convene meetings with internal and external auditors or both, excluding the attendance of other Directors and employees of the Company, whichever deemed necessary.

Responsibilities and How the Committee Works

The Audit Committee shall review and report to the Board on the following key matters:

(a) To review the audit plan, evaluation of the system of internal controls and audit report with the external auditor;

Responsibilities and How the Committee Works (Continued)

(b) To review the assistance given by the employees of the company to the external auditors;

(c) To consider the appointment, resignation and dismissal of external auditors, the audit fee;

(d) To review and discuss the nature, scope and quality of external audit plan/ arrangements with the internal and external auditors before audit commences;

(e) To review quarterly and annual financial statements of the Company and the Group before reporting to the Board on:

  i. Changes in or implementation of major accounting policy changes;

  ii. Significant matters highlighting financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and

  iii. Compliance with accounting standards and other legal requirements.

(f) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);

(g) To review the external auditors' management letter and management's response;

(h) To do the following, in relation to the internal audit function:

  i. Review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;

  ii. Review the internal audit program and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;

  iii. Review any appraisal or assessment of the performance of members of the internal audit function;

  iv. Approve any appointment or termination of senior staff members of the internal audit function; and

  v. Take cognizance of resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

(i) To consider any related-party transactions and conflicts of interest situation that may arise within the Company or the Group including any transaction, procedure or conduct that raises questions of management integrity;

(j) To consider the major findings of internal investigations and management's response;

(k) To consider other topics as defined by the Board of Directors ("BOD"); and

(l) To recommend the nomination of a person or persons as external auditors.

B. Meetings

There were three (3) meetings held during the financial period under review. The Audit Committee planned its meetings ahead and would obtain the consensus of the members before fixing the dates of the meetings to ensure the attendance of each member. The notice is served at least one week before each meeting and the meeting papers would be provided to each member. The Chairman of the Audit Committee would brief the Board at its meeting on the matters discussed during the Audit Committee's meeting held earlier. The update from the Audit Committee is a permanent agenda on the notice of the Board meeting.

B. Meetings (Continued)

The details of attendance of each Committee Member are as follows:

Name	Designation	Attendance in FPE 2019
Mr. Paul Jong Jun Hian (Removed on 25 July 2019)	Chairman of Audit Committee	3 out of 3 meetings
Mr. Ong Chooi Lee (Removed on 25 July 2019)	Member of Audit Committee	3 out of 3 meetings
Mr. Chow Zee Neng (Removed on 25 July 2019)	Member of Audit Committee	2 out of 2 meetings
Mr. Tony Koh Kok Beng (Appointed on 28 February 2019)	Member of Audit Committee	2 out of 2 meetings

C. Summary of Activities During the Financial Period Under Review

The principal activities undertaken by the Audit Committee during the financial period are summarised as follows:

i) Reviewed the unaudited quarterly financial results prior to submission to the Board for consideration and approval for the announcement to be released.

ii) Reviewed the annual audited financial statements, Directors' and Auditors' Reports and other significant accounting issues arising from the audit of the FPE 2019.

iii) Reviewed the Corporate Governance Statement, Audit Committee Report and Statement on Risk Management and Internal Control prior to submission to the Board for approval and inclusion in the Annual Report for FPE 2019.

D. Internal Audit Function

The Independent Internal Auditor would have performed audit visits to all relevant departments and subsidiary as per internal audit plan presented to the previous Board. However, the current Board of Directors were denied access to all the information. The current Board is unable to determine whether adequate controls have been established and are followed in the Group. In addition, the current Board is unable to confirm whether the internal audit report has been issued. Meantime, the current Board is sourcing suitable internal auditors to outsource the internal audit function.

This statement was made in accordance with a resolution of the Board dated 29 January 2020.

12. ADDITIONAL COMPLIANCE INFORMATION

SHARE BUY-BACK

The Company did not purchase any of its own shares during the financial period under review.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company does not have options, warrants or convertible securities.

AMERICAN DEPOSITORY RECEIPT/GLOBAL DEPOSITORY RECEIPT

The Company did not sponsor any depository receipt program during the financial period under review.

SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company, its subsidiaries, the Directors and the Management by the relevant regulatory bodies during the financial period under review.

AUDIT AND NON-AUDIT FEES

During the financial period ended 30 September 2019, the amount of the audit fees paid/ payable to external auditors were RM80,000.00 and RM110,000.00 for the Company and the Group respectively.

The Company paid RM6,000.00 to the external auditors as non-audit fees in the financial period ended 30 September 2019 for the work done on reviewing the Statement of Risk Management and Internal Control for inclusion into this Annual Report.

VARIATION IN RESULTS

There is no variation of results during the financial period under review.

PROFIT GUARANTEE

The Company did not provide any profit guarantee during the financial period under review.

RECURRENT RELATED PARTY TRANSACTION (“RRPT”)

There was no RRPT transaction during the financial period under review.

MATERIAL CONTRACTS

There was no other material contract or loan entered into by the Company (not being contracts entered into in the ordinary course of business of the Company) involving the interests of the Directors, Chief Executive who is not a Director or Major Shareholders for the financial period under review.

UTILISATION OF PROCEEDS

There was no utilization of proceeds raised from any corporate proposal during the financial period under review.

EMPLOYEE SHARE OPTION SCHEME (“ESOS”)

There was no ESOS issued during the financial period under review.

13. FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 September 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as stated in Note 7 to the financial statements.

RESULTS

	Group RM	Company RM
Net loss for the financial period	(2,457,106)	(180,144)
Other comprehensive income, net of tax	-	-
Total comprehensive deficit for the financial period	(2,457,106)	(180,144)
Attributable to:-		
Owners of the parent	(2,455,819)	(180,144)
Non-controlling interests	(1,287)	-
Total comprehensive deficit for the financial period	(2,457,106)	(180,144)

DIVIDENDS

There were no dividends paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend the payment of any dividends in respect of the financial period ended 30 September 2019.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that no allowance for doubtful debts is required.

At the date of this report, the Directors are not aware of any circumstances that would require the further writing off of bad debts, or allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount that they might be expected to be realised.

At the date of this report, the Directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

Other than as disclosed in Note 2 to the financial statements, at the date of this report, the Directors are not aware of any circumstances have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial period which secures the liabilities of any other person; or

(ii) any contingent liabilities in respect of the Group and of the Company that has arisen since the end of the financial period.

In the opinion of the Directors, no contingent liabilities or other liabilities of the Group and of the Company have become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial period which, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due, other than as disclosed in the financial statements.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial period were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

ISSUES OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the financial period.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial period.

DIRECTORS

The Directors signing this report were appointed to the Board on 28 February 2019. On 25 July 2019, the shareholders had voted to remove five (5) of the Directors and appointed four (4) new Directors to the Board as disclosed in Note 25(b) to the financial statements.

The Directors in office during the financial period and during the period from the end of the financial period to the date of this report are:-

TONY KOH KOK BENG	*(Appointed on 28.02.2019)*
LIEW CHEE KEONG	*(Appointed on 28.02.2019)*
DATO' PROF RAJA MUNIR SHAH BIN RAJA MUSTAPHA	*(Appointed on 25.07.2019)*
DATUK KANG HUA KEONG	*(Appointed on 25.07.2019)*
DATUK CHIW TIANG CHAI	*(Appointed on 25.07.2019)*
YAP PING TIONG	*(Appointed on 25.07.2019)*
LEONG CHOON MENG	*(Appointed on 01.08.2019 and resigned on 31.10.2019)*
CHEN JUI-LIAN	*(Appointed on 09.01.2020)*
YEONG SIEW LEE	*(Resigned on 31.12.2018)*
DATO' WONG SHEE KAI	*(Removed on 25.07.2019)*
PAUL JONG JUN HIAN	*(Removed on 25.07.2019)*
ONG CHOOI LEE	*(Removed on 25.07.2019)*
ONG KAR KIAN	*(Appointed on 28.02.2019 and removed on 25.07.2019)*
CHOW ZEE NENG	*(Appointed on 28.02.2019 and removed on 25.07.2019)*

DIRECTORS OF SUBSIDIARIES OF THE COMPANY

Pursuant to Section 253(2) of the Companies Act, 2016 in Malaysia, the Directors who held office in the subsidiaries of the Company during the financial period and during the period from the end of the financial period to the date of this report, are as follow:-

Asia Media Sdn. Bhd.

LIEW CHEE KEONG	*(Appointed on 12.09.2019)*
YAP PING TIONG	*(Appointed on 21.11.2019)*
LEONG CHOON MENG	*(Appointed on 12.09.2019 and resigned on 21.11.2019)*
ONG KAR KIAN	*(Appointed on 06.05.2019 and removed on 12.09.2019)*
CHOW ZEE NENG	*(Appointed on 06.05.2019 and removed on 12.09.2019)*
DATO' WONG SHEE KAI	*(Resigned on 06.05.2019)*
TEH SEW WAN	*(Resigned on 06.05.2019)*

Asia Media Broadcasting Sdn. Bhd.

ONG KAR KIAN	*(Appointed on 06.05.2019)*
CHOW ZEE NENG	*(Appointed on 06.05.2019)*
DATO' WONG SHEE KAI	*(Resigned on 06.05.2019)*
TEH SEW WAN	*(Resigned on 06.05.2019)*

DIRECTORS' INTERESTS

According to the register of the Directors' shareholdings, the interest of Directors who held office at the end of the financial period in shares or debentures in the Company or its subsidiaries during the financial period are as follows:-

	Number of ordinary shares			
	At 1.1.2019	**Bought**	**Sold**	**At 30.09.2019**
The Company				
Direct Interests				
Dato' Prof Raja Munir Shah Bin Raja Mustapha	-	76,000	-	76,000
Yap Ping Tiong	-	4,000,000	-	4,000,000
Liew Chee Keong	-	5,395,500	-	5,395,500
Indirect Interests				
Yap Ping Tiong	-	500,000	-	500,000

None of the other Directors in office at the end of the financial period had any interest in the shares and warrants of the Company or its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than benefit shown under Directors' remuneration) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to arise than transactions entered into the ordinary course of business with Company in which certain Directors have substantial financial interests as disclosed in Note 20(b) to the financial statements.

Neither during nor at the end of the financial period was the Group and the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATIONS

The amounts of the remunerations of the Directors or former Directors of the Company comprising remunerations received/receivable from the Group and the Company during the financial period are disclosed in Note 19 to the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premium paid, during or since the end of the financial period, for any person who is or has been the Director, officer or auditor of the Company.

SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 25 to the financial statements.

CHANGE OF FINANCIAL YEAR END

The financial year end of the Company was changed from 31 December to 30 September beginning from financial period ended 30 September 2019.

AUDITORS

The auditors, STYL Associates PLT (LLP0019500-LCA & AF 001929), have expressed their willingness to continue in office.

AUDITORS' REMUNERATIONS

Total amounts paid or receivable by the auditors as remunerations for their statutory audit services is disclosed in Note 16 to the financial statements.

Signed on behalf of the Board of Directors,

....
LIEW CHEE KEONG
Director

....
YAP PING TIONG
Director

Petaling Jaya

Date: 29 January 2020

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
(Pursuant to the Section 251(2) of the Companies Act, 2016 in Malaysia)

We, **LIEW CHEE KEONG** and **YAP PING TIONG**, being two of the Directors of **ASIA MEDIA GROUP BERHAD**, do hereby state that in the opinion of the Directors, the accompanying financial statements set out on pages 47 to 113 are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2019 and of their financial performance and cash flows of the Group and of the Company for the financial period then ended.

Signed on behalf of the Board of Directors,

....
LIEW CHEE KEONG
Director

....
YAP PING TIONG
Director

Petaling Jaya

Date: 29 January 2020

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
(Pursuant to the Section 251(1)(b) of the Companies Act, 2016 in Malaysia)

I, **LIEW CHEE KEONG** (NRIC No.: 630422-10-5467), being the Director primarily responsible for the financial management of **ASIA MEDIA GROUP BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 47 to 113, are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, l960.

....
LIEW CHEE KEONG

Subscribed and solemnly declared by the abovenamed at Petaling Jaya in the Selangor Darul Ehsan on 29 January 2020

Before me,

WONG CHOY YIN
No. B 508
Commissioner for Oaths

STYL ASSOCIATES PLT
(LLP0019500-LCA & AF 001929)
No. 902, 9th Floor,
Block A, Damansara Intan,
No.1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
Tel: +6(03) 7724 2128

Company No. 813137-V

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of **ASIA MEDIA GROUP BERHAD**, which comprise the statements of financial position as at 30 September 2019 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 47 to 113.

We do not express an opinion on the accompanying financial statements of the Group and of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Opening balances

1.1 The financial statements of the Group and of the Company for the financial year ended 31 December 2018 were expressed with a Disclaimer of Opinion. Therefore, we were unable to obtain sufficient appropriate audit evidence to verify the existence, accuracy, completeness and presentation of the following balances as at 1 January 2019:-

(i) Cash and bank balances of the Group and of the Company amounting to RM1,346,965/- and RM7,297/- respectively;
(ii) Non-controlling interests of the Group amounting to RM232,801/-;
(iii) Trade payables of the Group amounting to RM469,549/-;
(iv) Other payables of the Group and of the Company amounting to RM2,431,699/- and RM125,204/- respectively; and
(v) Tax payables of the Group amounting to RM417/-.

1.2 As disclosed in Note 26(a) to the financial statements, the Directors were unable to satisfy themselves that the opening balances of the financial statements (including contingencies and commitments) of the Group and of the Company as at 1 January 2019 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

In view of the above, we were unable to satisfy ourselves that the opening balances do not contain misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company for the financial period ended 30 September 2019. Accordingly, we were unable to determine whether any adjustments might have been necessary in respect of the financial performance, cash flows and financial position of the Company for the financial period ended 30 September 2019.

Company No. 813137-V

Report on the Audit of the Financial Statements (Continued)

Basis for Disclaimer of Opinion (Continued)

2. Material uncertainty relating to the going concern basis

As disclosed in Note 2.1 to the financial statements, the financial statements of the Group and of the Company have been prepared on the assumption that the Group and the Company will continue as going concern. The application of the going concern basis is based on the assumption that the Group and the Company will be able to realise their assets and settle their liabilities in the normal course of business.

2.1 The Group and the Company incurred a net loss of approximately RM2,457,106/- and RM180,144/- respectively for the financial period ended 30 September 2019. As at 30 September 2019, the current liabilities of the Group and of the Company exceeded its current assets by approximately RM4,176,010/- and RM462,255/- respectively. The Group and the Company also recorded a deficit in shareholders' fund of approximately RM4,011,806/- and RM298,051/- respectively.

2.2 On 25 October 2019, the Company announced that it was classified as an affected listed issuer pursuant to Paragraph 2.1 (a) and (d) of Practice Note 17 ("PN 17") under the Main Market Listing Requirements of Bursa Malaysia Securities. The Company is required to submit a proposed regularisation plan for the Group and the Company ("the Regularisation Plan") to the relevant authorities and to implement the Regularisation Plan within the stipulated timeframe.

2.3 Material uncertainty on the outcome of the Group's legal suits with several Plaintiffs for claims as disclosed in Note 24 to the financial statements exists.

As disclosed in Note 2.1 to the financial statements, the financial statements of the Group and of the Company have been prepared on the assumption that the Group and the Company will continue as going concern. The going concern assumption is highly dependent on:-

(i) The ability of the Group and of the Company in achieving sustainable and viable operations;
(ii) The ability of the Group and of the Company in generating adequate cash flows for its operating activities;
(iii) The timing and successful formulation and implementation of the Regularisation Plan; and
(iv) The outcome of the legal suits adjudged in favour of the Group.

In the event that these are not materialised, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. In view of the matters mentioned above, there are material uncertainties that may cast significant doubt on the ability of the Group and of the Company to continue as going concern. Accordingly, we were unable to obtain sufficient appropriate audit evidence to ascertain the appropriateness of the preparation of the financial statements of the Group and of the Company on a going concern basis.

3. Current year unresolved matters

3.1 As disclosed in statements of cash flows in the financial statements, as at the date of this report, replies relating to bank confirmation for financial period/year ended 30 September 2019 and 31 December 2018 requests are outstanding. Therefore, there was no confirmation received from respective banks to confirm the cash and bank balances amounting to RM10,326/- and RM7,430/- respectively of the Group and of the Company for financial period ended 30 September 2019.

Report on the Audit of the Financial Statements (Continued)

Basis for Disclaimer of Opinion (Continued)

3. *Current year unresolved matters (Continued)*

3.2 As disclosed in Note 7(b) to the financial statements, the Board of Directors were unable to satisfy themselves the full extent of the financial effects of the disposal of DPO group of companies due to the lack of information and the completeness and accuracy of the net assets or liabilities as at the date of disposal.

3.3 As disclosed in Note 13 and 14 to the financial statements, as at the date of this report, replies relating to payables confirmation requests are outstanding. The Directors were unable to confirm and verify the carrying amounts of the trade and other payables for the financial period/year ended 30 September 2019 and 31 December 2018. As at the date of this report, there was no confirmation received from respective payables.

3.4 As disclosed in Note 15, 16, 17 and 19 to the financial statements, the Directors were unable to satisfy themselves that the financial statements of the Group and of the Company as at 1 January 2019, and financial statements of the Group and of the Company as at 30 September 2019 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

Any adjustment or additional disclosures found to be necessary in respect of the above matters, including any related tax impact, will have a consequential significant effect on the financial position of the Group and of the Company as at 30 September 2019 and the financial performance and cash flows of the Group and of the Company for the financial period ended and may have resulted in additional information being disclosed in the financial statements as to the nature of the transactions and any contingent liabilities, commitments, related party transactions and significant subsequent events related to the Group and to the Company.

In view of the matters mentioned above, we were unable to carry out appropriate audit procedures to obtain sufficient and appropriate audit evidence due to the unavailability of supporting documents mentioned above during our course of audit. We could not determine the effect of adjustments, if any, on the financial position, cash flows and financial performance of the Group and of the Company.

4. *Internal control*

As disclosed in Note 26(b) to the financial statements, the Directors of the Group and of the Company were unable to acknowledge their responsibilities for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error. Directors were unable to assure that there were no material weaknesses in the system of internal controls.

In view of the above, we were unable to obtain sufficient appropriate audit evidence to ascertain that the internal control has taken place to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

Report on the Audit of the Financial Statements (Continued)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group and of the Company financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, and to issue an auditors' report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Companies Act, 2016 in Malaysia (the "Act"), we report that in our opinion:-

(a) the accounting and other records for the matter as described in the *Basis for Disclaimer of Opinion* section have not been properly kept by the Company in accordance with the provision of the Act.

(b) we have not obtained all the information and explanation that we required.

(c) we are unable to report whether we are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and whether we have received satisfactory information and explanation required by us for those purposes.

Company No. 813137-V

Report on the Audit of the Financial Statements (Continued)

Report on Other Legal and Regulatory Requirements (Continued)

In accordance with the requirement of the Companies Act, 2016 in Malaysia (the "Act"), we report that in our opinion (Continued):-

(d) we also report that the auditors' report on the financial statements of subsidiary companies contained a disclaimer of opinion as disclosed in Note 7 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

STYL ASSOCIATES PLT
LLP0019500-LCA & AF 001929
Chartered Accountants

ONG THIAN GHIM
No. 03331/10/2021 (J)
Chartered Accountant

Petaling Jaya

Date: 29 January 2020

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	-	-	-	-
Right-of-use asset	4	335,738	-	335,738	-
Other intangible assets	5	-	-	-	-
Development costs	6	-	-	-	-
Investment in subsidiary companies	7	-	-	-	-
Goodwill on consolidation	8	-	-	-	-
Total non-current assets		335,738	-	335,738	-
Current assets					
Trade receivables	9	-	-	-	-
Other receivables	10	-	-	-	-
Amount due from subsidiary companies	11	-	-	-	-
Cash and bank balances		10,326	1,346,965	7,430	7,297
Total current assets		10,326	1,346,965	7,430	7,297
Total assets		346,064	1,346,965	343,168	7,297
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	12	24,773,143	24,773,143	24,773,143	24,773,143
Accumulated losses		(28,550,861)	(26,095,042)	(25,071,194)	(24,891,050)
		(3,777,718)	(1,321,899)	(298,051)	(117,907)
Non-controlling interests		(234,088)	(232,801)	-	-
Total deficit		(4,011,806)	(1,554,700)	(298,051)	(117,907)
LIABILITIES					
Non-current liability					
Lease liabilities		171,534	-	171,534	-
Total non-current liability		171,534	-	171,534	-

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019 (CONTINUED)

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
LIABILITIES (CONTINUED)					
Current liabilities					
Lease liabilities		165,967	-	165,967	-
Trade payables	13	925,549	469,549	-	-
Other payables	14	3,094,403	2,431,699	303,718	125,204
Tax payables		417	417	-	-
Total current liabilities		4,186,336	2,901,665	469,685	125,204
Total liabilities		4,357,870	2,901,665	641,219	125,204
Total equity and liabilities		346,064	1,346,965	343,168	7,297

The accompanying notes form an integral part of these financial statements.

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

		Group		Company	
		01.01.2019 to 30.09.2019	**01.01.2018 to 31.12.2018**	**01.01.2019 to 30.09.2019**	**01.01.2018 to 31.12.2018**
	Note	**RM**	**RM**	**RM**	**RM**
Revenue	15	1,200,000	13,430,280	-	-
Cost of sales		(1,200,000)	(10,497,605)	-	-
Gross profit		-	2,932,675	-	-
Other income		7,220	1,777,905	156	1,010
Administrative expenses		(1,701,580)	(10,489,475)	(176,620)	(17,566,838)
Other operating expenses		(759,066)	(20,775,671)	-	-
Operating loss		(2,453,426)	(26,554,566)	(176,464)	(17,565,828)
Finance cost		(3,680)	-	(3,680)	-
Loss before tax	16	(2,457,106)	(26,554,566)	(180,144)	(17,565,828)
Tax expenses	17	-	-	-	-
Loss for the financial period/year		(2,457,106)	(26,554,566)	(180,144)	(17,565,828)
Other comprehensive deficit for the financial period/year, net of tax		-	-	-	-
Total comprehensive deficit for the financial period/year		(2,457,106)	(26,554,566)	(180,144)	(17,565,828)
Loss for the financial period/year attributable to:-					
Owners of the parent		(2,455,819)	(26,509,633)	(180,144)	(17,565,828)
Non-controlling interests		(1,287)	(44,933)	-	-
		(2,457,106)	(26,554,566)	(180,144)	(17,565,828)
Total comprehensive deficit attributable to:-					
Owners of the parent		(2,455,819)	(26,509,633)	(180,144)	(17,565,828)
Non-controlling interests		(1,287)	(44,933)	-	-
		(2,457,106)	(26,554,566)	(180,144)	(17,565,828)
Basic losses per share	18	(0.0103)	(0.1109)		
Diluted losses per share	18	(0.0103)	(0.1109)		

The accompanying notes form an integral part of these financial statements.

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	/----Attributable to Owners of the Company----/				
Group	Share Capital RM	Distributable/ Non-distributable Retained earnings/ (Accumulated Losses) RM	Sub-Total RM	Non-Controlling Interests RM	Total Deficit RM
At 1 January 2018	24,773,143	414,591	25,187,734	(187,868)	24,999,866
Total comprehensive deficit for the financial year	-	(26,509,633)	(26,509,633)	(44,933)	(26,554,566)
At 31 December 2018	24,773,143	(26,095,042)	(1,321,899)	(232,801)	(1,554,700)
Total comprehensive deficit for the financial period	-	(2,455,819)	(2,455,819)	(1,287)	(2,457,106)
At 30 September 2019	24,773,143	(28,550,861)	(3,777,718)	(234,088)	(4,011,806)
Company					
At 1 January 2018	24,773,143	(7,325,222)	17,447,921	-	17,447,921
Total comprehensive deficit for the financial year	-	(17,565,828)	(17,565,828)	-	(17,565,828)
At 31 December 2018	24,773,143	(24,891,050)	(117,907)	-	(117,907)
Total comprehensive deficit for the financial period	-	(180,144)	(180,144)	-	(180,144)
At 30 September 2019	24,773,143	(25,071,194)	(298,051)	-	(298,051)

The accompanying notes form an integral part of these financial statements.

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	Group		Company	
	01.01.2019 to 30.09.2019 RM	01.01.2018 to 31.12.2018 RM	01.01.2019 to 30.09.2019 RM	01.01.2018 to 31.12.2018 RM
OPERATING ACTIVITIES				
Loss before tax	(2,457,106)	(26,554,566)	(180,144)	(17,565,828)
Adjustments for:-				
Amortisation of other intangible assets	-	63,043	-	-
Bad debts written-off:-				
- trade receivables	516,000	600,000	-	-
- other receivables	-	2,367,761	-	2,344,528
Deposits written-off	-	40,478	-	1,308
Depreciation of property, plant and equipment	-	2,306,080	-	-
Depreciation of right-of-use asset	14,597	-	14,597	-
Development costs written-off	-	3	-	-
Gain on disposal of subsidiary companies	-	(661,925)	-	-
Gain on disposal of property, plant and equipment	-	(22,988)	-	-
Impairment losses on:-				
- investment in subsidiary company	-	-	-	12,999,998
- amount due from subsidiary companies	-	-	-	1,929,124
- property, plant and equipment	-	17,657,939	-	-
Interest income	(156)	(38,298)	(156)	(1,010)
Interest expense on lease liabilities	1,536	-	1,536	-
Loss on derecognised of subsidiary company	-	5,530	-	-
Other intangible assets written-off	-	63,061	-	-
Property, plant and equipment written-off	-	139,359	-	-
Provision for litigation claims	18,066	2,032,232	-	-
Reversal of impairment losses on property, plant and equipment	-	(646)	-	-
Unrealised gain on foreign currency exchange	-	(34)	-	-
Operating loss before working capital changes	(1,907,063)	(2,002,971)	(164,167)	(291,880)

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019 (CONTINUED)

	Group		Company	
	01.01.2019 to 30.09.2019 RM	01.01.2018 to 31.12.2018 RM	01.01.2019 to 30.09.2019 RM	01.01.2018 to 31.12.2018 RM
OPERATING ACTIVITIES (CONTINUED)				
Changes in working capital:-				
Inventories	-	17,909	-	-
Receivables	(516,000)	(2,611,557)	-	(2,344,528)
Payables	1,086,268	1,534,307	164,144	(350,375)
Cash used in operations/Net cash used in operating activities	(1,336,795)	(3,062,312)	(23)	(2,986,783)
INVESTING ACTIVITIES				
Disposal of subsidiary company	-	-	-	4,000,000
Net cash inflows from disposal of subsidiary companies	-	3,358,162	-	-
Interest received	156	38,298	156	1,010
Proceeds from disposal of property, plant and equipment	-	205,000	-	-
Purchase of property, plant and equipment	-	(5,293)	-	-
Net cash from investing activities	156	3,596,167	156	4,001,010
FINANCING ACTIVITIES				
Repayement to Directors	-	(1,283,035)	-	(2)
Repayment to subsidiary company	-	-	-	(1,013,218)
Net cash used in financing activities	-	(1,283,035)	-	(1,013,220)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,336,639)	(749,180)	133	1,007
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD/YEAR	1,346,965	2,096,145	7,297	6,290
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD/YEAR	10,326	1,346,965	7,430	7,297

As at the date of this report, certain replies relating to bank confirmation for the financial period/year ended 30 September 2019 and 31 December 2018 requests are outstanding.

The accompanying notes form an integral part of these financial statements.

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

1. GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as stated in Note 7 to the financial statements.

The Company is a public company limited by shares, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The financial year end of the Company was changed from 31 December to 30 September beginning from financial period ended 30 September 2019.

Prior to 24 October 2019, the registered office of the Company is located at Level 8, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan. As of reporting date, the new registered office of the Company is located at No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur, Malaysia.

Prior to 30 September 2019, the principal place of business of the Company is located at No. 35-1, Jalan Bandar 16, Pusat Bandar Puchong, Selangor Darul Ehsan. As of reporting date, the new principal place of business of the Company is located at Level 15, Unit 15-2, Menara Choy Fook On, Jalan Yong Shook Lin, Seksyen 7, 46050 Petaling Jaya, Selangor.

The financial statements are expressed in Ringgit Malaysia.

The financial statements of the Group and of the Company have been authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 January 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared under the historical convention and modified to include other basis of valuation as disclosed in other sections under significant accounting policies in Note 2.3 to the financial statements. The Financial Statements have been prepared under the assumption that the Group and the Company are going concern, which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.4 to the financial statements.

The Group and the Company incurred a net loss of RM2,457,106/- and RM180,144/- respectively for the financial period ended 30 September 2019. As at 30 September 2019, the current liabilities of the Group and of the Company exceeded its current assets by RM4,176,010/- and RM462,255/- respectively. The Group and the Company also recorded a deficit in shareholders' fund of RM4,011,806/- and RM298,051/- respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

On 25 October 2019, the Company announced that it was classified as an affected listed issuer pursuant to Paragraph 2.1 (a) and (d) of Practice Note 17 ("PN 17") under the Main Market Listing Requirements of Bursa Malaysia Securities. The Company is required to submit a proposed regularisation plan for the Group and the Company ("the Regularisation Plan") to the relevant authorities and to implement the Regularisation Plan within the stipulated timeframe. This matter is further disclosed in Note 25(a) to the financial statements.

Additionally, there exists material uncertainty on the outcome of the Group's legal suits with several Plaintiffs for claims as disclosed in Note 24 to the financial statements.

The Directors have concluded that the combination of the circumstances mentioned above has indicated that material uncertainties that may cast significant doubt over the ability of the Group and of the Company to continue as going concern may exist and therefore, may be unable to realise their assets and discharge their liabilities in the normal course of business.

Should the going concern basis for the preparation of the financial statements be no longer appropriate, adjustments will have to be made to restate the carrying value of the assets to their recoverable amounts and to provide for further liabilities which may arise.

The appropriateness of the going concern basis, amongst others, is dependent on the following:-

(i) The ability of the Group and of the Company in achieving sustainable and viable operations;
(ii) The ability of the Group and of the Company in generating adequate cash flows for its operating activities;
(iii) The timing and successful formulation and implementation of the Regularisation Plan; and
(iv) The outcome of the legal suits adjudged in favour of the Group.

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int")

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendment to MFRS 3, Business Combinations - Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 9, MFRS 139 and MFRS 7 – Interest Rate Benchmark Reform

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, Insurance Contracts

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Continued)

MFRSs, Interpretations and amendments effective for annual periods on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations from the annual period beginning on 1 January 2020 for the accounting standard, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2020.

The Group and the Company do not plan to apply MFRS 17, Insurance Contracts that is effective for annual period beginning on 1 January 2021 as it is not applicable to the Group and the Company.

The initial application for the accounting standards, amendments or interpretations are not expected to have any material financial impact to the current period or prior period financial statements of the Group and of the Company.

2.3 Significant accounting policies

The following accounting policies have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

Arising from the adoption of MFRS 16, *Leases*, there are changes to the accounting policies applied to lease contracts entered into by the Group and the Company as compared to those applied in previous financial statements.

There are impacts arising from the adoption of MFRS 16 on the financial statements of the Group and of the Company as disclosed in Note 2(d), Note 4 and Note 27 to financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (Continued)

(i) Subsidiaries (Continued)

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transactions costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisition on or after 1 January 2011, the Group measures goodwill at the acquisition date as:-

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquire either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Accounting for non-controlling interest

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against the Group's reserve.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interest and the other components of equity related to the former subsidiary from consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an financial asset depending on the level of influence retained.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(a) Basis of consolidation (Continued)

(v) Non-controlling interest

Non-controlling interest at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interest in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interest and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Goodwill on consolidation

Goodwill is measured as the excess of consideration transferred, any non-controlling interests and the acquisition-date fair value of any previously-held equity interest over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the business combination.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative fair values of the operations disposed off and the portion of the CGU retained.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(c) Property, plant and equipment and depreciation

All property, plant and equipment are initially measured at cost. After recognition as an asset, property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses, except for freehold land, factory building under construction and plant, machinery and equipment under installation. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(h) to the financial statements.

Cost includes expenditure that are directly attributable to the acquisition of the asset and other cost directly attributable to bringing the asset to working condition for its intention use. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

Capital work-in-progress consists of plant and machinery under construction/installation for intended use as production facilities. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction/installation until the property, plant and equipment are ready for their intended use.

Property, plant and equipment are depreciated on a straight-line basis to write-off the cost of each asset to its residual value over the estimated useful lives of the assets concerned. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

The annual rates used for depreciation purpose are as follows:-

Transit TV system	10%
Broadcast centre, network and SMS gateway	10%
Furniture and fittings	20%
Computer software	10%
Motor vehicles	20%
Office equipment	20%
Plant and machinery	10%
Renovation and signboard	10%

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. The effects of any revisions of the residual values and useful lives are included in the profit or loss for the financial year in which the changes arise.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the financial year the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(d) Leases

The Group and the Company have applied MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment to retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported under MFRS 117, *Leases* and related interpretations.

(i) Definition of lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:-

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Company are a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

As a lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(d) Leases (Continued)

(ii) Recognition and initial measurement (Continued)

As a lessee (Continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:-

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group and the Company are reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group and the Company are reasonably certain not to terminate early.

The Group and the Company exclude variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

The Group and the Company recognise assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(d) Leases (Continued)

(ii) Recognition and initial measurement (Continued)

As a lessor (Continued)

When the Group and the Company are an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right- of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group and the Company apply the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

The Group and the Company recognise lease payments received under operating leases as income on a straight- line basis over the lease term as part of "revenue".

The Group and the Company recognise finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's and the Company's net investment in the lease. The Group and the Company aim to allocate finance income over the lease term on a systematic and rational basis. The Group and the Company apply the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, Financial Instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(d) Leases (Continued)

<u>Prior to 1 January 2019</u>

As a lessee

(i) Finance lease

Assets financed by finance leases and hire purchase arrangements which transfer substantially all the risks and rewards of ownership to the Group and the Company are capitalised as property, plant and equipment, and the corresponding obligations are treated as liabilities. The assets so capitalised are depreciated in accordance with the accounting policy on property, plant and equipment.

Assets acquired by way of finance leases and hire purchase arrangements are stated at an amount equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(h) to the financial statements. The corresponding liability is included in the statements of financial position as borrowings. In calculating the present value of minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's and the Company's incremental borrowing rate is used. Property, plant and equipment acquired under finance leases and hire purchase are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(ii) Operating leases

An operating lease is a lease other than a finance lease, where the Group and the Company do not assume substantially all the risks and rewards of ownership. Lease payments under operating lease are recognised as an expense in the profit or loss on a straight-line basis over the lease period. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(iii) Leases of land and buildings

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payment and is amortised on a straight-line basis over the lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(e) Financial instruments

The Group and the Company generally applied the accounting policies in accordance with MFRS 9, Financial Instruments.

Recognition and initial measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

Financial instrument categories and subsequent measurement

Financial assets

The categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(i) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets as disclosed in Note 2.3(h) to the financial statements, where the effective interest rate is applied to the amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(e) Financial instruments (Continued)

Financial instrument categories and subsequent measurement (Continued)

Financial assets (Continued)

(ii) Fair value through other comprehensive income

(a) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets, where the effective interest rate is applied to the amortised cost.

(b) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(iii) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(e) Financial instruments (Continued)

Financial instrument categories and subsequent measurement (Continued)

Financial assets (Continued)

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:-

(i) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:-

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(e) Financial instruments (Continued)

Financial instrument categories and subsequent measurement (Continued)

Financial liabilities (Continued)

(ii) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently measured at higher of:-

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:-

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:-

(i) the recognition of an asset on the day it is received by the Group or the Company; and
(ii) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(e) Financial instruments (Continued)

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group and the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(f) Provision for liabilities

Provision for liabilities are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation made.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(g) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, bank balances, deposits with banks and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at net of bank overdrafts and deposits pledged to the financial institution.

(h) Impairment

(i) Impairment of financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(h) Impairment (Continued)

(i) Impairment of financial assets (Continued)

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(h) Impairment (Continued)

(ii) Impairment of other assets

The carrying amounts of other assets (except for inventories and deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(i) Intangible assets

Other intangible assets

Other intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Other intangible assets of the Group comprise licences, copyrights and other incidental costs incurred, are considered to have finite useful life due to the technological risks and advancement inherent in the industry. Other intangible assets of the Group are amortised on the straight-line basis over their estimated useful lives of 10 years. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets - research and development costs

Research costs are recognised as an expense as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:-

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete; and
- the ability to measure reliably the expenditure during development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(j) Revenue and other income

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(j) Revenue and other income (Continued)

(i) Rendering services

The Group determines that the transfer of control of promised services generally coincides with the Group's performance as the customer simultaneously receives and consumes the benefits of the performance as the Group performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed. The Group measures the progress towards complete satisfaction of the performance obligation using an output method, i.e. time elapsed or milestones reached.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(k) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(l) Income tax

Income tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity or other comprehensive income.

Current tax expense is the expected tax payable or receivable in respect of the taxable profit or loss for the financial year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(l) Income tax (Continued)

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised investment tax allowance being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(m) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares (“EPS”). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares, which comprise convertible notes, bonus issue and share options granted to employees.

(n) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. An operating segment’s operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(o) Employee benefits

(i) Short-term employee benefits

Wages, salaries, social security contribution, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees. Short term accumulating compensated absences such as paid annual leave is recognised when services rendered by the employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave is recognised when the absences occur.

(ii) Post-employment benefits

The Group contributes to the Employees' Provident Fund, the national defined contribution plan. The contributions are charged to the profit or loss in the period to which the related service is performed. Once the contributions have been paid, the Group has no further payment obligations.

(p) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(q) Equity instruments

Equity instruments are measured at cost on initial recognition and are not remeasured subsequently. Ordinary shares are classified as equity. Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

The Group measures a liability to distribute assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

(r) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(r) Fair value measurement (Continued)

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following:-

Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.

Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.

Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability.

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

Financial assets and financial liabilities

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 3).

2.4 Significant accounting estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the following:-

(a) Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets.

In addition, the estimation of the useful lives of property, plant and equipment are based on the internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timings of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

(b) Impairment assessment of property, plant and equipment

The Group assesses whether there is any indication that property, plant and equipment are impaired at the end of each reporting date. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate.

Projected future cash flows are based on the Group’s estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

(c) Impairment assessment of investment in subsidiary companies

The Company tests investment in subsidiary companies for impairment annually in accordance with its accounting policy. Impairment is measured by comparing the carrying amount with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from the subsidiary discounted at an appropriate discount rate.

Projected future cash flows are based on the Company’s estimates calculated based on the operating results, approved business plans, sector and industry trends as well as future economic conditions, changes in technology and other available information.

(d) Impairment assessment of financial assets

The Group and the Company assess the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risk, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting estimates and judgements (continued)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the following (continued):-

(d) Impairment assessment of financial assets (continued)

Where there is significant increase in credit risk, the Group and the Company determine the lifetime expected credit loss by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off either partially or full when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

The carrying amounts of the trade and other receivables and amount due from subsidiary companies are disclosed in Note 9, 10 and 11 respectively to the financial statements.

(e) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

3. PROPERTY, PLANT AND EQUIPMENT

	Transit TV system	Broadcast centre, network and SMS gateway	Furniture and fittings	Computer software	Motor vehicles	Office equipment	Plant and machinery	Renovation and signboard	Capital work in progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group										
Cost										
At 1 January 2018	46,352,373	121,193,953	186,265	60,390	881,082	523,451	692,636	565,062	5,344,759	175,799,971
Additions during the financial year	-	-	4,700	200	-	393	-	-	-	5,293
Disposals during the financial year	-	-	-	-	(455,409)	-	-	-	-	(455,409)
Written off during the financial year	-	-	(190,965)	(60,590)	(425,673)	(523,844)	(692,636)	(565,062)	-	(2,458,770)
Reclassification	5,344,759	-	-	-	-	-	-	-	(5,344,759)	-
At 31 December 2018/ At 30 September 2019	51,697,132	121,193,953	-	-	-	-	-	-	-	172,891,085
Accumulated depreciation										
At 1 January 2018	34,166,710	33,385,867	183,292	40,893	608,063	497,780	691,991	405,141	-	69,979,737
Charge for the financial year	534,476	1,605,956	1,946	6,059	91,007	10,667	3	55,966	-	2,306,080
Disposals during the financial year	-	-	-	-	(273,397)	-	-	-	-	(273,397)
Written off during the financial year	-	-	(185,238)	(46,952)	(425,673)	(508,447)	(691,994)	(461,107)	-	(2,319,411)
At 31 December 2018/ At 30 September 2019	34,701,186	34,991,823	-	-	-	-	-	-	-	69,693,009

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Transit TV system	Broadcast centre, network and SMS gateway	Furniture and fittings	Computer software	Motor vehicles	Office equipment	Plant and machinery	Renovation and signboard	Capital work in progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group (Continued)										
Accumulated impairment losses										
At 1 January 2018	12,185,663	73,354,474	2	-	-	2	642	-	-	85,540,783
Additions during the financial year	4,810,283	12,847,656	-	-	-	-	-	-	-	17,657,939
Reversal during the financial year	-	-	(2)	-	-	(2)	(642)	-	-	(646)
At 31 December 2018/ At 30 September 2019	16,995,946	86,202,130	-	-	-	-	-	-	-	103,198,076
Net book value at 31 December 2018	-	-	-	-	-	-	-	-	-	-
Net book value at 30 September 2019	-	-	-	-	-	-	-	-	-	-

In previous financial year, based on the Board of Directors' assessment, the recoverable amount of property, plant and equipment is less than its carrying amount. Therefore, an impairment loss and written-off on property, plant and equipment has been provided by the Group amounting to RM17,657,939/- and RM139,359/- respectively.

4. RIGHT-OF-USE ASSET

	Group and Company	
	2019	2018
	RM	RM
Building		
At 1 January	-	-
Addtion	350,335	-
Depreciation during the financial period/year	(14,597)	-
At 30 September/At 31 December	335,738	-

The Group and the Company lease a building that run 2 years, with an option to renew the lease after that date. Lease payments are increased every 2 years to reflect current market rentals.

Extension options

Lease of office building contains extension option exercisable by the Group and by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Group and the Company seek to include extension option in new lease to provide operational flexibility. The extension option held is exercisable only by the Group and by the Company and not by the lessor. The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension option. The Group and the Company reassess whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

Significant judgements and assumptions in relation to leases

The Group and the Company assess at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension option. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group and the Company also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

5. OTHER INTANGIBLE ASSETS

	Group	
	2019	2018
	RM	RM
Cost		
At 1 January	-	2,367,750
Written off	-	(2,367,750)
At 30 September/31 December	-	-
Accumulated amortisation		
At 1 January	-	1,320,976
Amortisation charge during the financial period/year	-	63,043
Written off	-	(1,384,019)
At 30 September/31 December	-	-

5. OTHER INTANGIBLE ASSETS (CONTINUED)

	Group	
	2019	**2018**
	RM	**RM**
Accumulated impairment losses		
At 1 January	-	920,670
Written off	-	(920,670)
At 30 September/31 December	-	-
Carrying amounts		
At 30 September/31 December	-	-

Other intangible assets principally comprise licensing rights in respect of the digital live transit-TV broadcasting.

In previous financial year, based on the Board of Directors' assessment, the recoverable amount of other intangible assets is less than its carrying amount. Therefore, the Group has written-off the other intangible assets amounting to RM63,061/-.

6. DEVELOPMENT COSTS

	Group	
	2019	**2018**
	RM	**RM**
Cost		
At 1 January	-	141,937
Written off	-	(141,937)
At 30 September/At 31 December	-	-
Accumulated amortisation		
At 1 January	-	141,934
Written off	-	(141,934)
At 30 September/At 31 December	-	-
Carrying amounts		
At 30 September/At 31 December	-	-

In previous financial year, based on the Board of Directors' assessment, development costs were no longer feasible to generate any economic benefits to the Group. Therefore, the Group has written-off the development costs amounting to RM3/-.

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2019 RM	Company 2018 RM
Unquoted shares, at cost		
At 1 January	12,999,998	12,999,998
Less: Accumulated impairment losses	(12,999,998)	(12,999,998)
At 30 September/At 31 December	-	-

The movements in accumulated for impairment losses of investment in subsidiary companies are as follows:-

	Company 2019 RM	Company 2018 RM
At 1 January	12,999,998	1,000,000
Impairment losses during the financial period/year	-	11,999,998
At 30 September/At 31 December	12,999,998	12,999,998

All subsidiary companies are incorporated in Malaysia. Details of the subsidiary companies are as follows:-

Name of subsidiaries	Effective equity interest 2019 %	Effective equity interest 2018 %	Principal activities
Direct subsidiaries			
Asia Media Sdn. Bhd. #	100	100	Business of multimedia advertising services, media communications, commercialisation of narrowcasting network solutions, and dynamic, and automation contents, and provision of intergration, maintenance and support services relating to the above products.
Indirect subsidiaries			
Held through Asia Media Sdn. Bhd.			
Asia Media Broadcasting Sdn. Bhd. *^	70	70	Dormant

* Subsidiary company not audited by STYL Associated PLT.

The auditors' report on the financial statements of these subsidiaries contained a disclaimer of opinion.

^ The financial information was extracted from the unaudited management accounts of Asia Media Broadcasting Sdn. Bhd. for the financial period from 1 January 2019 to 30 September 2019.

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(a) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary company that has material non-controlling interests:-

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated to non-controlling interests	
	2019	2018	2019	2018	2019	2018
	%	%	RM	RM	RM	RM
Asia Media Broadcasting Sdn. Bhd.	30	30	1,287	44,933	234,088	236,794
Individually immaterial subsidiaries with non-controlling interests					-	(3,993)
Total non-controlling interests					234,088	232,801

Summarised financial information for the subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

i) Summarised statement of financial position

	Asia Media Broadcasting Sdn. Bhd.	
	2019	2018
	RM	RM
Current assets	1,906	6,197
Current liabilities	782,199	782,199
Net liabilities	(780,293)	(776,002)

ii) Summarised statement of comprehensive income

	01.01.2019 to 30.09.2019	01.01.2018 to 31.12.2018
	RM	RM
Loss for the financial period/year, representing total comprehensive loss for the financial year	(4,291)	(163,088)

iii) Summarised statement of cash flows

	01.01.2019 to 30.09.2019	01.01.2018 to 31.12.2018
	RM	RM
Net cash (used in)/generated from operating activities, representing net increase in cash and cash equivalents	(4,291)	167

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(b) Changes in group structure

In previous financial year, the Company disposed its 100% equity interest in DPO Plantations Sdn. Bhd. ("DPO"), a company incorporated in Malaysia for a total consideration of RM4,000,000/-. The effect of the disposal of subsidiary company on the statements of financial position of the Group as at the date of disposal is as follows:-

Disposal of subsidiary company

	2018 **RM**
Property, plant and equipment	4,989,464
Inventories	41,247
Other receivables	105,246
Cash and bank balances	641,838
Other payables	(2,439,720)
Total net asset disposed	3,338,075
Total disposal proceeds	(4,000,000)
Gain on disposal to the Group	(661,925)
Disposal proceeds settled by:-	
Cash	4,000,000
Cash inflow arising on disposal:-	
Cash consideration	4,000,000
Cash and cash equivalents of subidiary company disposed	(641,838)
Net cash inflow on disposal	3,358,162

Board of Directors were unable to satisfy themselves the full extent of the financial effects of the disposal of DPO group of companies due to lack of information and the completeness and accuracy of the net assets or liabilities as at the date of disposal.

Dissolution of subsidiary company

In previous financial year, Transnet Express Sdn. Bhd. (In Member's Voluntary Liquidation) ("Transnet"), a wholly-owned subsidiary company of the Company convened a final meeting to conclude the winding up proceedings. The Transnet was dissolved on 11 January 2018.

(c) Impairment of investment in subsidiary companies

In previous financial year, based on the Board of Directors' assessment, the recoverable amount of investment in subsidiary companies was less than its carrying amount. Therefore, an impairment loss on investment in subsidiary companies was provided by the Company amounting to RM12,999,998/-.

(d) Incorporation of subsidiary company

On 31 October 2019, the Company has incorporated a new subsidiary company, Asia Media Sales and Marketing Sdn. Bhd., with paid up share capital of RM10/-.

8. GOODWILL ON CONSOLIDATION

	Group	
	2019	2018
	RM	RM
Cost		
At 1 January/At 30 September/At 31 December	2,612,310	2,612,310
Accumulated impairment losses		
At 1 January/At 30 September/At 31 December	2,612,310	2,612,310
Carrying amounts		
At 30 September/At 31 December	-	-

9. TRADE RECEIVABLES

	Group	
	2019	2018
	RM	RM
Trade receivables	516,000	600,000
Less: Bad debts written-off	(516,000)	(600,000)
	-	-

Trade receivables are non-interest bearing and are generally on 30 days (2018: 30 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

<u>Impairment of trade receivables</u>

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the current Board of Directors' assessment, trade receivables of RM516,000/- (2018: RM600,000/-) is no longer collectable. Therefore, the Group has written off this amount of trade receivables.

There is no significant impact arising from the expected credit loss, other than mentioned above.

10. OTHER RECEIVABLES

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Other receivables		-	2,344,528	-	2,344,528
Amount due from Directors		-	23,233	-	-
Less: Bad debt written off		-	(2,367,761)	-	(2,344,528)
Other receivables, net	(a)	-	-	-	-
Deposits	(b)	-	-	-	-
		-	-	-	-

(a) The Group and the Company measure the loss allowance for other receivables and amount due from Directors at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. In previous financial year, based on the Board of Directors' assessment, other receivables and amount due from Directors of the Group amounting to RM2,344,528/- and RM23,233/- respectively and other receivables of the Company amounting to RM2,344,528/- are no longer collectable. Therefore, the Group and the Company have written off this amount of other receivables and amount due from Directors.

(b) Deposits

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Deposits	-	40,478	-	1,308
Less: Bad debts written off	-	(40,478)	-	(1,308)
	-	-	-	-

In previous financial year, the Group and the Company have written-off deposits of RM40,478/- and RM1,308/- respectively that no longer exist and collectable.

There is no significant impact arising from the expected credit loss, other than mentioned above.

11. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	Company	
	2019	2018
	RM	RM
Amount due from subsidiary companies	109,715,924	109,715,924
Less: Accumulated impairment losses	(109,715,924)	(109,715,924)
	-	-

11. AMOUNT DUE FROM SUBSIDIARY COMPANIES (CONTINUED)

Movements in the accumulated for impairment losses of amount due from subsidiary companies are as follows:-

	Company	
	2019	2018
	RM	RM
At 1 January	109,715,924	107,786,800
Impairment losses during the financial period/year	-	1,929,124
At 30 September/At 31 December	109,715,924	109,715,924

Amount due from subsidiary companies is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

The Company measures the loss allowance for amount due from subsidiary companies at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. In previous financial year, based on the Board of Directors' assessment, amount due from subsidiary companies of RM1,929,124/- is no longer collectable. Therefore, an impairment loss on amount due from subsidiary companies was provided by the Company.

12. SHARE CAPITAL

	Group and Company			
	2019		2018	
	Number of shares Unit	RM	Number of shares Unit	RM
Ordinary shares				
Issued and fully paid:-				
At 1 January/ At 30 September/ At 31 December	239,463,426	24,773,143	239,463,426	24,773,143

The new ordinary shares issued during the financial period rank pari passu in all respects with the existing ordinary shares in the Company.

13. TRADE PAYABLES

The credit period granted to the Group for trade purchases ranges from 30 to 90 days (2018: 30 to 90 days) depending on the terms of the contract.

As at the date of this report, replies relating to payables confirmation requests are outstanding. The Directors were unable to confirm and verify the carrying amounts of the trade payables for the financial period/year ended 30 September 2019 and 31 December 2018, as at the date of this report, there was no confirmation received from respective payables.

14. OTHER PAYABLES

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Other payables	427,027	142,027	404	404
Accruals	617,078	257,440	303,314	124,800
Provision for litigation claims	2,050,298	2,032,232	-	-
	3,094,403	2,431,699	303,718	125,204

The provision for litigation claims were provided for the claims against the Group in relation to the material litigations as disclosed in Note 24 to the financial statements.

As at the date of this report, replies relating to payables confirmation requests are outstanding. The Directors were unable to confirm and verify the carrying amounts of the other payables and accruals for the financial period/year ended 30 September 2019 and 31 December 2018, as at the date of this report, there was no confirmation received from respective payables.

15. REVENUE

	Group	
	01.01.2019 to 30.09.2019	01.01.2018 to 31.12.2018
	RM	RM
Airtime advertising	1,200,000	13,430,280
Timing and recognition - at a point in time	1,200,000	13,430,280

Revenue from airtime advertising is recognised at a point in time when services are rendered to customers. The credit period of the Group is 30 days from the invoice date. No return and refund policy has been applied by the Group.

The current Board of Directors do not have most of the important documents as disclosed in Note 26(a) to the financial statements. Therefore, the Directors were unable to satisfy themselves that the financial statements of the Group as at 1 January 2019 and the financial statements of the Group as at 30 September 2019 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group.

16. LOSS BEFORE TAX

Loss before tax has been arrived at:-

	Group		Company	
	01.01.2019 to 30.09.2019	01.01.2018 to 31.12.2018	01.01.2019 to 30.09.2019	01.01.2018 to 31.12.2018
	RM	RM	RM	RM
After charging/(crediting):-				
Amortisation of other intangible assets	-	63,043	-	-
Auditors' remuneration:-				
- statutory audit:-				
- current year	110,000	160,000	80,000	100,000
- non-statutory audit	6,000	6,000	6,000	6,000
Bad debts written-off:-	516,000	2,967,761	-	2,344,528
- trade receivables	516,000	600,000	-	-
- other receivables	-	2,367,761	-	2,344,528
Deposits written-off	-	40,478	-	1,308
Depreciation of property, plant and equipment	-	2,306,080	-	-
Depreciation of right-of-use asset	14,597	-	14,597	-
Development costs written-off	-	3	-	-
Gain on disposal of subsidiary companies	-	(661,925)	-	-
Gain on disposal of property, plant and equipment	-	(22,988)	-	-
Impairment losses on:-				
- investment in subsidiary company	-	-	-	12,999,998
- amount due from subsidiary companies	-	-	-	1,929,124
- property, plant and equipment	-	17,657,939	-	-
Interest income	(156)	(38,298)	(156)	(1,010)
Interest expense on lease liabilities	1,536	-	1,536	-
Loss on derecognised of subsidiary company	-	5,530	-	-
Other intangible assets written-off	-	63,061	-	-
Property, plant and equipment written-off	-	139,359	-	-
Provision for litigation claims	18,066	2,032,232	-	-
Rental of permises	-	189,930	-	-
Reversal of impairment losses on property, plant and equipment	-	(646)	-	-
Unrealised gain on foreign currency exchange	-	(34)	-	-

16. LOSS BEFORE TAX (CONTINUED)

The current Board of Directors do not have most of the important documents as disclosed in Note 26(a) to the financial statements. Therefore, the Directors were unable to satisfy themselves that the financial statements of the Group and of the Company as at 1 January 2019 and financial statements of the Group and of the Company as at 30 September 2019 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

17. TAX EXPENSES

There is no provision for tax expense as the Group and the Company have no chargeable income.

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:-

	Group		Company	
	01.01.2019 to 30.09.2019 RM	01.01.2018 to 31.12.2018 RM	01.01.2019 to 30.09.2019 RM	01.01.2018 to 31.12.2018 RM
Loss before tax	(2,457,106)	(26,554,566)	(180,144)	(17,565,828)
At Malaysian statutory tax rate of 24% (2018: 24%)	(589,705)	(6,373,096)	(43,235)	(4,215,799)
Tax effects arising from:-				
- expensed not deductible for tax purposes	589,705	6,531,958	43,235	4,215,799
- non-taxable income	-	(158,862)	-	-
Tax expense for the financial period/year	-	-	-	-

Deferred tax assets have not been recognised in respect of the following items:-

	Group	
	2019 RM	2018 RM
Unabsorbed capital allowance	106,576,950	106,576,950
Unutilised tax losses	2,401,305	2,401,305
	108,978,255	108,978,255

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset.

However, the above amount is subject to the approval of the Inland Revenue Board of Malaysia.

17. TAX EXPENSES (CONTINUED)

The current Board of Directors do not have most of the important documents as disclosed in Note 26(a) to the financial statements. Therefore, the Directors were unable to satisfy themselves that the financial statements of the Group and of the Company as at 1 January 2019 and financial statements of the Group and of the Company as at 30 September 2019 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

18. LOSSES PER ORDINARY SHARE

(a) Basic losses per share

	Group	
	01.01.2019 to 30.09.2019 RM	01.01.2018 to 31.12.2018 RM
Net losses attributable to owners of parent	(2,457,106)	(26,554,566)
Weighted average number of ordinary share (units)	239,463,426	239,463,426
Basic losses per ordinary shares	(0.0103)	(0.1109)

The basic losses per ordinary share is calculated by dividing the consolidated net loss attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during the financial period.

(b) Diluted losses per share

The basic and diluted losses per share are equal as the Group has no dilutive potential ordinary shares outstanding as at 30 September 2019.

19. STAFF COSTS

	Group	
	01.01.2019 to 30.09.2019 RM	01.01.2018 to 31.12.2018 RM
Salaries, wages and other emoluments	623,675	832,059
Social security contributions	6,137	8,988
Defined contribution plans	80,435	78,452
	710,247	919,499

19. STAFF COSTS (CONTINUED)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors and Non-Executive Directors of the Group and of the Company during the financial period/year as below:-

	Group		Company	
	01.01.2019 to 30.09.2019 RM	01.01.2018 to 31.12.2018 RM	01.01.2019 to 30.09.2019 RM	01.01.2018 to 31.12.2018 RM
Executive Directors				
Existing Directors				
- fees	-	200,000	-	-
Former Directors				
- fees	9,000	-	-	-
- others emoluments	60,000	-	60,000	-
Total	69,000	200,000	60,000	-
Non-Executive Directors' fees				
Existing Directors	-	60,000	-	-
Total	69,000	260,000	60,000	-

The number of Directors of the Group and of the Company whose total remuneration during the financial period fell within the following bands is analysed below:-

	Number of Directors			
	2019		2018	
Group	Executive	Non-Executive	Executive	Non-Executive
Below RM50,000	1	-	-	-
RM50,001 - RM100,000	1	-	-	-
RM100,001 - RM200,000	-	-	1	-
Company				
Below RM50,000	-	-	-	3
RM50,001 - RM100,000	1	-	-	-

The current Board of Directors do not have most of the important documents as disclosed in Note 26(a) to the financial statements. Therefore, the Directors were unable to satisfy themselves that the financial statements of the Group and of the Company as at 1 January 2019 and financial statements of the Group and of the Company as at 30 September 2019 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

20. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:-
(i) Direct subsidiaries;
(ii) Indirect subsidiaries; and
(iii) Key management personnel which comprise persons (including the Directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Significant related party transactions

During the financial period/year, the significant related party transactions are as follows:-

	Group	
	01.01.2019 to 30.09.2019 RM	**01.01.2018 to 31.12.2018 RM**
Rental of premises charged by Peakmax Sdn. Bhd.	-	116,000

Name of related party	**Relationship**
Peakmax Sdn. Bhd.	A company in which Dato' Wong Shee Kai and Teh Sew Wan were also former Directors and shareholders

(c) Key management personnel remuneration

Included in key management personnel of the Group are the Directors of the Company and their remuneration as disclosed in Note 19 to the financial statements.

Key management personnel are defined as members of the Board of Directors of the Company and its subsidiary companies whereby authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly lies.

21. SEGMENT REPORTING

The Group adopted MFRS 8, Operating Segments. MFRS 8 requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance.

21. SEGMENT REPORTING (CONTINUED)

General information

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the nature of the products and services, and has three reportable operating segments as follows:-

(a) Investment holding;
(b) Multimedia advertising services, media communications, etc; and
(c) Oil palm plantation.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements. Segment profit or loss is profit earned or loss incurred by each segment without allocation of depreciation and amortisation, finance cost, income from other investment and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment profit or loss. All the Group's assets and liabilities are allocated to reportable segments other than deferred tax assets and deferred tax liabilities.

21. SEGMENT REPORTING (CONTINUED)

Group 2019	Investment holding RM	Multimedia advertising services, media communications, etc. RM	Oil palm plantation RM	Eliminations RM	Note	Consolidated RM
Revenue						
External sales	-	1,200,000	-	-		1,200,000
Results						
Segment results	(162,880)	(1,742,896)	-	-	(a)	(1,905,776)
Depreciation and amortisation	(14,597)	-	-	-	(a)	(14,597)
Interest expense	(1,536)	-	-	-		(1,536)
Interest income	156	-	-	-		156
Other non-cash items	-	(534,066)	-	-	(b)	(534,066)
Net loss attributable to the owners of the parent						(2,455,819)
Non controlling interest						(1,287)
Total comprehensive deficit						(2,457,106)
Assets						
Segment assets	343,168	2,896	-	-	(c)	346,064
Liabilities						
Segment liabilities	641,219	114,203,857	-	(110,487,623)	(d)	4,357,453
Tax payables	-	417	-			417
Consolidated total liabilities						4,357,870

21. SEGMENT REPORTING (CONTINUED)

Group (Continued) 2018	Investment holding RM	Multimedia advertising services, media communications, etc. RM	Oil palm plantation RM	Eliminations RM	Note	Consolidated RM
Revenue						
External sales	-	13,430,280	-	-		13,430,280
Results						
Segment results	(13,293,186)	(1,347,395)	(362,349)	13,044,892	(a)	(1,958,038)
Depreciation and amortisation	-	(2,369,123)	-	-	(a)	(2,369,123)
Interest income	1,010	37,288	-	-		38,298
Other non-cash items	(4,273,652)	(20,690,914)	-	2,743,796	(b)	(22,220,770)
Net loss attributable to the owners of the parent						(26,509,633)
Non controlling interest						(44,933)
Total comprehensive deficit						(26,554,566)
Assets						
Segment assets	7,297	1,345,198	5,777,895	(5,783,425)	(c)	1,346,965
Other information						
Additions to property, plant and equipment	-	5,293	-	-	(a)	5,293
Liabilities						
Segment liabilities	125,204	113,263,667	2,439,720	(112,927,343)	(d)	2,901,248
Tax payables	-	417	-			417
Consolidated total liabilities						2,901,665

21. SEGMENT REPORTING (CONTINUED)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

(a) Inter-segment transactions and revenue are eliminated on consolidation;

(b) Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:-

	Group	
	01.01.2019 to 30.09.2019 RM	**01.01.2018 to 31.12.2018 RM**
Bad debts written-off:-		
- trade receivables	(516,000)	(600,000)
- other receivables	-	(2,367,761)
Impairment losses on property, plant and equipment	-	(17,657,939)
Development costs written-off	-	(3)
Deposits written-off	-	(40,478)
Gain on disposal of subsidiary companies	-	661,925
Loss on derecognised of subsidiary company	-	(5,530)
Reversal of impairment losses on property, plant and equipment	-	646
Gain on disposal of property, plant and equipment	-	22,988
Unrealised gain on foreign currency exchange	-	34
Other intangible assets written-off	-	(63,061)
Provision for litigation claims	(18,066)	(2,032,232)
Property, plant and equipment written-off	-	(139,359)
	(534,066)	(22,220,770)

(c) Inter-segment assets are eliminated on consolidation; and

(d) Inter-segment liabilities are eliminated on consolidation.

Geographical segments

No information is prepared on the geographical segment as the Group principally operates within Malaysia.

Major customers

During the financial period, the Group does not have any revenue from a single external customer which represents 10% or more of the Group's revenue.

22. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

(i) Financial assets measured at amortised cost
(ii) Financial liabilities measured at amortised cost

	Carrying amounts RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM
Group			
2019			
Financial asset			
Cash and bank balances	10,326	10,326	-
Financial liabilities			
Trade payables	925,549	-	925,549
Other payables	3,094,403	-	3,094,403
	4,019,952	-	4,019,952
Company			
2019			
Financial asset			
Cash and bank balances	7,430	7,430	-
Financial liability			
Other payables	303,718	-	303,718
Group			
2018			
Financial asset			
Cash and bank balances	1,346,965	1,346,965	-
Financial liabilities			
Trade payables	469,549	-	469,549
Other payables	2,431,699	-	2,431,699
	2,901,248	-	2,901,248
Company			
2018			
Financial asset			
Cash and bank balances	7,297	7,297	-
Financial liability			
Other payables	125,204	-	125,204

22. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Net gain/(loss) arising from financial instruments

	Group		Company	
	01.01.2019 to 30.09.2019 RM	01.01.2018 to 31.12.2018 RM	01.01.2019 to 30.09.2019 RM	01.01.2018 to 31.12.2018 RM
Net gain/(loss) on:-				
Financial assets at amortised cost	156	38,298	156	1,010
Financial liabilities at amortised cost	(1,536)	-	(1,536)	-
	(1,380)	38,298	(1,380)	1,010
Net loss on impairment:-				
Financial assets at amortised cost	-	-	-	1,929,124

(c) Financial risk management

The activities of the Group and of the Company are exposured to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and market rate risk. The overall financial risk management objective of the Group and of the Company are to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on their financial position, performance and cash flows.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises primarily from its receivables and advances to subsidiaries.

Trade receivables

Risk management objectives, policies and processes for managing the risk

The Group has a credit policy in place to monitor and minimise the exposure of default. Credit evaluations are performed on all customers requiring credit over certain amount. The Group also has an internal credit review which is conducted if the credit risk is material. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired or written off.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

22. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(i) Credit risk (Continued)

Trade receivables (Continued)

Exposure to credit risk, credit quality and collateral (Continued)

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk are monitored individually.

Expected credit losses ("ECL") assessment for trade receivables as at 30 September 2019

The Group uses simplified matrix approach to measure the ECLs of trade receivables from individual customers. To measure the expected credit losses, trade receivables have been grouped based on credit risk ranking and days past due.

Based on the current Board of Directors' assessment, trade receivables of RM516,000/- is no longer collectable. Therefore, the Group has written off this amount of trade receivables.

Other receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from other receivables is represented by the carrying amounts in the statements of financial position.

Expected credit loss of other receivables is determined individually after considering the financial strength, payment patterns and expected default rate of the other receivables.

The Group and the Company measure the loss allowance for other receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. In previous financial year, based on the Board of Directors' assessment, other receivables of RM2,344,528/- is no longer collectable. Therefore, the Group and the Company have written off this amount of other receivables.

Inter-company loans and advances

The Company provides unsecured loans and advances to its subsidiary companies. The Company monitors the results of the subsidiaries regularly.

22. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(i) Credit risk (Continued)

Inter-company loans and advances (Continued)

Credit risk and impairment losses for inter-company loans and advances

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The Company measures the loss allowance for amount due from subsidiary companies at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. In previous financial year, based on the Board of Directors' assessment, amount due from subsidiary companies of RM1,929,124/- is no longer collectable. Therefore, an impairment losses on amount due from subsidiary companies was provided by the Company.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risks arises primarily from mismatched of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	Carrying amounts RM	Contractual undiscounted cash flows RM	On Demand or Within 1 Year RM	1 - 5 Years RM	More than 5 Years RM
2019					
Financial liabilities					
Lease liabilities	337,501	379,822	198,168	181,654	-
Trade payables	925,549	925,549	925,549	-	-
Other payables	3,094,403	3,094,403	3,094,403	-	-
	4,357,453	4,399,774	4,218,120	181,654	-

22. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis (Continued)

Group (Continued)	Carrying amounts RM	Contractual undiscounted cash flows RM	On Demand or Within 1 Year RM	1 - 5 Years RM	More than 5 Years RM
2018					
Financial liabilities					
Trade payables	469,549	469,549	469,549	-	-
Other payables	2,431,699	2,431,699	2,431,699	-	-
	2,901,248	2,901,248	2,901,248	-	-
Company					
2019					
Financial liabilities					
Lease liabilities	337,501	379,822	198,168	181,654	-
Other payables	303,718	303,718	303,718	-	-
	641,219	683,540	501,886	181,654	-
2018					
Financial liability					
Other payables	125,204	125,204	125,204	-	-

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposures to interest rate risk arises primarily from their loans and borrowings. The Group does not hedge its investment in fixed rate debt securities as they have active secondary or resale markets to ensure liquidity. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

The Group manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. Management does not enter into interest rate hedging transactions since it considers that the cost of such instruments outweighs the potential risk of interest rate fluctuation.

22. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(iv) Market Rate Risk

Market price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company have in place policies to manage the Group's and the Company's exposure to fluctuations in the selling price of the Group's and of the Company's products and purchase prices of the key raw materials used in the operations. The management conducts constant survey of the global market price and trend in order to determine the selling price.

(d) Fair value information

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position. The fair values of the financial assets and financial liabilities of the Group and of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

23. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders' value.

The Group and the Company manage its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial period ended 30 September 2019.

The Group and the Company monitor capital using a gearing ratio, which is total debts divided by total capital plus total debts. The Group's and the Company's total debts include trade and other payables and amount due to Director. Capital includes equity attributable to the owners of the parent.

23. CAPITAL MANAGEMENT (CONTINUED)

The gearing ratio of the Group and of the Company are as follows:-

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Lease liabilities	337,501	-	337,501	-
Trade payables	925,549	469,549	-	-
Other payables	3,094,403	2,431,699	303,718	125,204
Total debts	4,357,453	2,901,248	641,219	125,204
Equity attributable to owners of the parent	(4,011,806)	(1,554,700)	(298,051)	(117,907)
Capital and total debts	345,647	1,346,548	343,168	7,297
Gearing ratio	1260.7%	215.5%	186.9%	1715.8%

The Directors have announced that the Company is an affected listed issuer on 25 October 2019 and is required to submit a Regularisation Plan to the relevant authorities and to implement the Regularisation Plan within the stipulated time frame. This matter is further disclosed in Note 25(a) to the financial statements.

24. MATERIAL LITIGATION

(a) <u>Legal suit with Rapid Rail Sdn. Bhd.</u>

Shah Alam High Court Civil Suit No. 22NCVC-186-03/2015: Rapid Rail Sdn. Bhd. ("Plaintiff") v Asia Media Sdn. Bhd. ("Defendant").

On 27 March 2015, the Plaintiff filed in the High Court the Writ and Statement of Claim against the Defendant seeking, inter alia:-

(i) Payment of Minimum Guaranteed Sum ("MGS") amounting to RM1,215,000/- for Year 5 of the Licence Agreement;
(ii) Payment of cumulative MGS for the extended period amounting to RM607,500/-;
(iii) Payment of costs incurred to dismantle and store the AVAM Equipment amounting to RM48,540/-; and
(iv) Costs and interests.

By the Defence and Counterclaim dated 14 May 2015, the Defendant counter claimed against the Plaintiff for breach of the License Agreement and pleaded the defence of set-off, seeking, inter alia:-

(i) Loss of airtime revenue amounting to RM2,240,000/-; and
(ii) Damages for damage to the AVAM Equipment installed on the Plaintiff's busses amounting to RM21,598,000/-.

24. MATERIAL LITIGATION (CONTINUED)

(a) Legal suit with Rapid Rail Sdn. Bhd. (Continued)

Shah Alam High Court Civil Suit No. 22NCVC-186-03/2015: Rapid Rail Sdn. Bhd. ("Plaintiff") v Asia Media Sdn. Bhd. ("Defendant"). (Continued)

On 17 September 2015, the Plaintiff obtained Summary Judgment against the Defendant for a sum of RM1,215,000/-. The execution of Summary Judgment has been stayed pending the disposal of trial of other issues. This amount of RM1,215,000/- remains due and payable to date.

The High Court trial took place on 14 June 2016, and 11 to 13 July 2016, and written submissions to have since been filed.

After trial has been concluded, the Defendant filed an application to amend its Defence and Counterclaims which was dismissed by the High Court, but allowed by the Court Appeal on 10 July 2017.

The Plaintiff then filed an application in the High Court to call for a further witness in September 2017. All relevant documents have been filed in relation to this application and it is pending the decision of the same.

The Defendant filed an application for extension of time to file its Amended Defence and Counterclaim in February 2018. This application was dismissed by the Court with costs of RM4,500/- on 29 March 2018 and the Defendant has filed an appeal against this decision, along with an application or the proceedings at the High Court to be stayed pending the appeal. This stay application was allowed on 26 April 2018 with costs of RM8,000/- payable by the Defendant to the Plaintiff in any event.

The Defendant's appeal was dismissed by the Court of Appeal and leave to appeal to the Federal Court was also dismissed on 11 March 2019 and 20 August 2019 respectively, with respective costs of RM 5,000/- and RM10,000/- to be paid by the Defendant to the Plaintiff.

The Defendant has filed another application at the Court of Appeal for the proceedings at the High Court to be stayed pending on the Defendant's application for leave to appeal to the Federal Court, which was dismissed with costs of RM3,000/- to be paid by the Defendant to the Plaintiff.

On 16 October 2019, the High Court has been given instruction to prepare for oral submissions on the remaining issues and the date of submission is to be fixed.

Thus, to date, a total of RM1,245,500/- which is payable by the Defendant to the Plaintiff, is subject to the final decision of the High Court on the remaining issues, including the Defendant's Counterclaim.

The High Court has yet to set a hearing date for oral submissions on the remaining issues. In the meantime, parties are exploring the possibility of settling this matter out of court, without prejudice to each of their rights.

The Group's lawyer is of the view that the Group has even chance of success in defending itself against the Plaintiff's claim and establishing its counterclaim against Plaintiff.

The Group has provided provision for litigation claims of RM1,245,500/- in previous financial year.

24. MATERIAL LITIGATION (CONTINUED)

(b) <u>Legal suit with Plisch Broadcast Asia Pacific Pte. Ltd.</u>

Shah Alam High Court Suit No. BA-22NCVC-729-12/2017: Plisch Broadcast Asia Pacific Pte. Ltd. ("Plaintiff") v Asia Media Sdn. Bhd. ("Defendant").

The Plaintiff has on 14 December 2017 filed a Writ of Summons and Statement of Claim in this High Court against the Defendant in connection with the payment of Plaintiff's goods and services for supplying, installing and commissioning transmitter devices on a project known as "Terrestrial Digital Mutltimedia Broadcast Center System and Transmisster" which Defendant has purportedly has not paid to Plaintiff. The Plaintiff claims are as follows:-

a) Outstanding payment on invoices number IV-11/00027 and IV-2012-11-001 for a sum of €511,999.99/-;
b) Interest at the rate of 5% per annum on the above sum from 30 April 2015 to the date of judgment; and
c) Cost and interest.

The full trial was held on 17 October 2018, 18 October 2018, 19 October 2018, 14 December 2018, 23 January 2019, 19 February 2019, 20 February 2019, 2 April 2019, 9 April 2019 and 31 May 2019 in this High Court. On 7 August 2019 this High Court has ruled that:-

a) The Defendent shall pay to the Plaintiff: -
   (i) €80,613.33 x 2 = €161,226.66/-; and
   (ii) 5% interest on the amount of €135,209.33/- (after deducting the down payment) from 30 April 2015.

b) Counter claim:-
   (i) Plaintiff to refund/repay to the Defendant a total of €26,017.33/-; and
   (ii) Interest at a rate of 5% on the amount of €26,017.33/- from the date of filing the counter claim.

c) Defendant to return 24 transmitters and the Plaintiff to recover 10 transmitters.

The lawyers have filed the Notice of Application for stay of execution together with the Supporting Affidavit of Liew Chee Keong affirmed on 22 January 2020. The Court had fixed the above stay of execution application for case management on 4 February 2020.

Shah Alam High Court Suit No. B-02(NCVC)(W)-1615-08/2019: Plisch Broadcast Asia Pacific Pte. Ltd. ("Plaintiff") v Asia Media Sdn. Bhd. ("Defendant").

The Defendant was dissatisfied with the Judgment on 7 August 2019 and has filed a Notice of Appeal at the Court of Appeal on 5 September 2019 against the entire Judgment ruled that the Plaintiff should return/repay the Defendant a total of €26,017.33/-.

The Court of Appeal has fixed the above matter for case management on 11 February 2020 to get further directions from the Court of Appeal and to fix hearing date for the appeal.

Shah Alam High Court Suit No. B-02(NCVC)(W)-1696-08/2019: Plisch Broadcast Asia Pacific Pte. Ltd. ("Plaintiff") v Asia Media Sdn. Bhd. ("Defendant").

Defendant was dissatisfied with the Judgment on 7 August 2019 and has filed a Notice of Appeal at the Court of Appeal on 5 September 2019 against the entire Judgment ruled that the Plaintiff should return/repay the Defendant a total of €26,017.33/- only.

24. MATERIAL LITIGATION (CONTINUED)

(b) Legal suit with Plisch Broadcast Asia Pacific Pte. Ltd. (Continued)

Shah Alam High Court Suit No. B-02(NCVC)(W)-1696-08/2019: Plisch Broadcast Asia Pacific Pte. Ltd. ("Plaintiff") v Asia Media Sdn. Bhd. ("Defendant"). (Continued)

The Court of Appeal has fixed the above matter further for case management on 11 February 2020 to get further directions from the Court of Appeal and to fix hearing date for the appeal.

The Group has provided provision for litigation claims and 5% interest on the sum of €166,402/-, approximately to RM786,732/- in previous financial year.

(c) Legal suit with Chow Zee Neng, Wong Shee Kai, Ong Kar Kian, Paul Jong Jun Hian and Ong Chooi Lee

Shah Alam High Court Originating Summons No. BA-24NCC-108-08/2019: Asia Media Group Berhad, Asia Media Sdn. Bhd., Asia Media Broadcasting Sdn. Bhd., Liew Chee Keong ("Plaintiff") v Chow Zee Neng, Wong Shee Kai, Ong Kar Kian, Paul Jong Jun Hian, Ong Chooi Lee ("Defendant").

On 6 August 2019, the Plaintiff has filed and extracted the Originating Summons (OS) dated 6 August 2019 (Enclosure 1) and Supporting Affidavit of Liew Chee Keong affirmed on 5 August 2019. OS is inter alia for the access to the premise and offices believed to be used as the office and for the recovery and preservation of documents, assets and properties belonging to Asia Media Group Berhad, Asia Media Sdn. Bhd. and Asia Media Broadcasting Sdn. Bhd..

The Plaintiff has filed and extracted the Notice of Application (Ex-Parte) dated 6 August 2019 (Enclosure 4) and Supporting Affidavit of Liew Chee Keong affirmed on 5 August 2019. OS is inter alia for the access to the premise and offices believed to be used as the office and for the recovery and preservation of documents, assets and properties belonging to Asia Media Group Berhad, Asia Media Sdn. Bhd. and Asia Media Broadcasting Sdn. Bhd..

The High Court has fixed for hearing of the Notice of Application (Ex-Parte) for Injunction (Enclosure 4) before the Learned Judge Dato' Haji Mohamad Shariff Bin Abu Samah.

The Learned Judge Dato' Haji Mohamad Shariff Bin Abu Samah had granted Order In Terms of the prayers of the Notice of Application (Enclosure 4).

On 7 August 2019, Service of the Sealed Order dated 6 August 2019 together with the relevant documents (Enclosure 1) and (Enclosure 4) to all the Defendants.

On 8 August 2019, Ex-Parte Order has been executed at the premise and was served on 3rd Defendant personally and on Peakmax Sdn. Bhd. lawyer, Messrs Bani Prakash and Co.

On 16 August 2019, Messrs Bani Prakash and Co. filed an application to intervene as a Defendant in the above proceedings.

On 20 August 2019, the High Court has fixed for further hearing of the Notice of Application (Ex- Parte) (Enclosure 4). The 2nd, 3rd and 5th Defendant appointed Messrs Kandiah and Partners and needed time to file Affidavit in Reply. The 4th Defendant was represented by Messrs Ho Kok Yew and also needed time to file a reply. The 1st Defendant was represented by Lim Chong Pang & Amy.

On 22 August 2019, the High Court has fixed for further case management by the Judge for parties to explore option so an ad interim injunction order could be given to that effect to preserve the Plantiff's documents and assets in the premise pending the Inter Partes hearing.

24. MATERIAL LITIGATION (CONTINUED)

(c) Legal suit with Chow Zee Neng, Wong Shee Kai, Ong Kar Kian, Paul Jong Jun Hian and Ong Chooi Lee (Continued)

Shah Alam High Court Originating Summons No. BA-24NCC-108-08/2019: Asia Media Group Berhad, Asia Media Sdn. Bhd., Asia Media Broadcasting Sdn. Bhd., Liew Chee Keong ("Plaintiff") v Chow Zee Neng, Wong Shee Kai, Ong Kar Kian, Paul Jong Jun Hian, Ong Chooi Lee ("Defendant"). (Continued)

On 27 August 2019, the High Court has fixed for case management and hearing of the Injunction pending affidavits in reply or objection from any of the Defendants' solicitors. The Defendants' solicitors raised various objections verbally. Judge refused to exercise discretion to extend Ex-parte Order dated 6 August 2019 which expired on 27 August 2019.

On 4 September 2019, the Plaintiff received the service of the 1st Defendant Affidavit In Reply by Chow Zee Neng affirmed on 3 September 2019 together with the Notice of Intention to Use Affidavit dated 3 September 2019.

On 5 September 2019, the High Court has fixed for case management of the Originating Summons (Enclosure 1).

On 10 September 2019, the Plaintiff has served and filed Affidavit In Reply by Liew Chee Keong affirmed on 10 September 2019 in respond to the Notice of Application (by Peakmax Sdn. Bhd.) to Intervene as a party in these proceedings.

On 13 September 2019, the High Court has fixed for case management of the Originating Summons (OS) (Enclosure 1) before Puan Farah Nasihah Binti Annuar.

The Court has further fixed the above matter as follows:-

a) Parties to exhaust affidavit for (OS/Enclosure 1);
b) 27 September 2019 – for the Defendants to file Affidavit In Reply;
c) 11 October 2019 – for the Plaintiffs to file Affidavit In Reply;
d) 15 October 2019 – for case management (OS/Enclosure 1) before the Learned Judge.

The Plaintiff received service of the 2nd, 3rd and 5th Defendants Affidavit In Reply by Ong Kar Kian affirmed on 11 September 2019.

On 18 September 2019, the Plaintiff has served and filed Affidavit In Reply by Liew Chee Keong affirmed on 18 September 2019 (replying to the 1st Defendant's Affidavit In Reply affirmed by Chow Zee Neng on 3 September 2019).

On 19 September 2019, the Plaintiff received service of the 6th Defendant (Peakmax Sdn. Bhd.) Affidavit In Reply by Lye Jun Fei affirmed on 17 September 2019.

On 25 September 2019, the Plaintiff wrote letter to Messrs Bani Prakash & Co. pertaining to the request for access to the said premise at Lot 35-2 and Lot 37-2 to remove the remaining items (servers and technical equipment).

On 26 September 2019, the Plaintiff received service of the 1st Defendant Affidavit In Reply (No. 2) by Chow Zee Neng affirmed on 25 September 2019 together with Notice of Intention to Use Affidavit dated 25 September 2019.

On 27 September 2019, the Plaintiff has served and filed the Affidavit In Reply by Liew Chee Keong affirmed on 27 September 2019 (replying to 2nd, 3rd and 5th Defendants Affidavit In Reply by Ong Kar Kian affirmed on 11 September 2019 to oppose Inter Partes Interlocutory Injunction).

24. MATERIAL LITIGATION (CONTINUED)

(c) <u>Legal suit with Chow Zee Neng, Wong Shee Kai, Ong Kar Kian, Paul Jong Jun Hian and Ong Chooi Lee (Continued)</u>

Shah Alam High Court Originating Summons No. BA-24NCC-108-08/2019: Asia Media Group Berhad, Asia Media Sdn. Bhd., Asia Media Broadcasting Sdn. Bhd., Liew Chee Keong ("Plaintiff") v Chow Zee Neng, Wong Shee Kai, Ong Kar Kian, Paul Jong Jun Hian, Ong Chooi Lee ("Defendant"). (Continued)

On 30 September 2019, the Plaintiff received service of Notice of Change of Solicitors dated 27 September 2019 from Messrs Lee Hishammuddin Allen & Gledhill acting on behalf the 2nd Defendant.

On 8 October 2019, parties to exchange written submission for Enclosure 4.

On 15 October 2019, the High Court has fixed for case management (OS/Enclosure 1) before the Learned Judge. The High Court has fixed for Inter Partes hearing of Enclosure 4.

On 29 October 2019, the Court has allowed request for an adjournment from the newly appointed 2nd Defendants' Solicitors, Messrs Lee Hishammuddin Allen & Gledhill and has instructed parties to file and serve their further Affidavit In Reply on or before 29 October 2019.

On 4 November 2019, the High Court has fixed for case management before the Deputy Registrar pending further directions from the Court and pending the replacement of the new Judge as the Learned Judge Dato' Haji Mohmad Shariff Bin Hj Abu Samah contract would not be extended. Any new dates for the hearing of both Enclosure 4 and Enclosure 1 would only be given once the new Judge has been appointed based on his/her diary.

On 21 January 2020, the Plaintiff filed Notice of Discontinuance against 1st and 4th Defendants.

On 28 January 2020, the High Court fixed for case management for Enclosure 1 and 4 on 22 January 2020 for all parties to exhaust affidavits and written submissions.

(d) <u>Legal suit with Public Performance Malaysia Sdn. Bhd.</u>

Kuala Lumpur Magistrate Court Suit No. WA-A72NCvC-2847-04/2019: Public Performance Malaysia Sdn. Bhd. ("Plaintiff") v Asia Media Sdn. Bhd. ("Defendant").

On 5 September 2019, the Plaintiff filed in the Magistrate Court the Writ and Statement of Claim against the Defendant seeking, inter alia:-

(i) A total sum of RM10,452/-;
(ii) Interest on the sum of RM2,466/- at the rate of 1% per month from 4 February 2015 to the date of full payment;
(iii) Interest on the sum of RM7,986/- at the rate of 1% per month from 26 April 2015 to the date of full payment; and
(iv) Costs of RM2,000/-.

The Group has provided provision for litigation claims of RM18,066/-.

25. SIGNIFICANT EVENTS

(a) Practice Note 17 ("PN17") Status

On 24 July 2019, the Company announced that it has triggered the prescribed criteria pursuant Paragraph 8.03A(2)(a)(i) & (ii) of Chapter 8 and Paragraph 4.0 of Practice Note 17 ("PN17") under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) as a result of which prescribed under (aa). The Company has lost its contract with the bus operators in both Klang Valley and Johor (the "Relevant Contracts"), which has resulted in the lost of its major business as the Company is unable to continue to operate its transit TV network and advertising business.

On 25 July 2019, the current Board of Directors conducted an emergency Board Meeting to consider the effect, impact and veracity of the PN 17 Announcement. The current Board of Directors has made arrangements to visit the office of the Company at No. 35, 1st Floor, Jalan Bandar 16, Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan. However, the Directors were denied access by a former Executive Director. As a result, the Board is unable to determine the status of the Relevant Contracts, or the circumstances surrounding how the Company "*lost*" the Relevant Contracts, or the veracity of the status of the Company as an *affected listed issuer* in the manner described in the PN 17 Announcement. The Board is taking legal advice, as well as lodging a police report, and is persisting to get access to the Relevant Contracts and other documents, as well as to obtain relevant information.

On 5 August 2019, the Company clarified that the first announcement on PN17 was made after the majority 4 out of 7 Directors signed on the Directors' Circular Resolutions ("DCR") to approve the release of the said first announcement. However, on 2 August 2019, the Company has via the company secretary received a copy of a police report lodged by one of the 4 Directors, namely Mr Paul Jong Jun Hian. In the report, Mr. Paul Jong Jun Hian alleged that his signature was forged on the DCR. The management is still trying to gather more information before making further announcement on the status of PN17.

On 25 October 2019, the Company announced that it was classified as an affected listed issuer pursuant to Paragraph 2.1 (a) and (d) of PN 17 under the Main Market Listing Requirements of Bursa Malaysia Securities. The Company is required to take necessary steps to comply with the following obligations:-

(a) Within twelve (12) months from the date of the announcement that the Company is an affected issuer under PN17 on 25 October 2019, to submit a Regularisation Plan to the Securities Commission of Malaysia ("SC") and Bursa Securities;

(b) Implement the Regularisation Plan within the time frame stipulated by the SC and/or Bursa Securities, as the case may be;

(c) Announce within three (3) months from the First Announcement, whether the Regularisation Plan will result in a significant change in the business direction or policy of the Company;

(d) Announce the status of the Regularisation Plan and the number of months to the end of the relevant time frames referred to in Paragraphs 5.1 and 5.2 of PN17, as may be applicable, on a monthly basis until further notice from Bursa Securities;

(e) Announce its compliance or non-compliance with any particular obligation imposed pursuant to PN17, on an immediate basis;

25. SIGNIFICANT EVENTS (CONTINUED)

(a) Practice Note 17 ("PN17") Status (Continued)

On 25 October 2019, the Company announced that it was classified as an affected listed issuer pursuant to Paragraph 2.1 (a) and (d) of PN 17 under the Main Market Listing Requirements of Bursa Malaysia Securities. The Company is required to take necessary steps to comply with the following obligations (continued):-

(f) Announce the details of the Regularisation Plan ("Requisite Announcement") and sufficient information to demonstrate that the Company is able to comply with all the requirements set out in Paragraph 5.0 of PN17 after implementation of the Regularisation Plan, which shall include a timetable for the complete implementation of the Regularisation Plan. The Requisite Announcement must be made by the Company's appointed Principal Adviser; and

(g) Where the Company fails to regularise its condition, it will announce the dates of suspension and de-listing of its listed securities, immediately upon notification of suspension and de-listing by Bursa Securities.

As of date of this report, the Company is in the midst of formulating a plan to regularise its financial conditions. The Company has yet to comply with the obligations mentioned above.

(b) Changes of Board of Directors and Management

On 25 July 2019, the Company announced the changes in the composition of Board of Directors. The shareholders has voted to remove five (5) of the Directors and appoint four (4) new Directors. The current Board of Directors therefore now comprises a total of six (6) Directors, being two (2) of the existing Directors (who were not subject to any resolution for their removal) and four (4) new Directors.

On 5 August 2019, the Company announced that it has received a letter from former Executive Director, alleging that the Company was never the tenant of the office premise which the current Directors tried to access on 26 July 2019 as the tenancy of the said premise was only signed with Asia Media Sdn Bhd. The Company wishes to highlight that the reference of the Company mentioned is meant to include Asia Media Group Berhad and/or its member companies, namely Asia Media Sdn Bhd and Asia Media Broadcasting Sdn Bhd. In addition, it was also stated that the tenancy has expired at the end of 31 December 2018, but this was further extended for 6 months until 30 June 2019. After the extension period ended on 30 June 2019, there was allegedly a termination letter from the landlord dated 1 July 2019 and another reminder dated 31 July 2019, pursuant to which a deadline of 15 July 2019 was given to vacate the said premise. However, the Company announced that it only received a termination letter of the tenancy agreement dated 1 July 2019 and further reminder letter dated 31 July 2019 and on 2 August 2019. There was no announcement made by the previous Board on this alleged termination at the then appropriate juncture. The current Board is in the process of applying for a court order to compel access to the said office premise, and to gain access to all relevant company documents in order to establish the actual facts and act accordingly. The current Board has also appointed legal advisors to engage the landlord accordingly. The management is now in the process of securing a new rental of office premise within the vicinity of Klang Valley.

On 8 August 2019, the Company announced that it has obtained a court order on 6 August 2019 and the sealed copy of the court order was received at 3.00p.m. on 7 August 2019. Following this, the management is currently making the necessary arrangement to gain access to the said office premise at No. 35, 1st Floor, Jalan Bandar 16, Pusat Bandar Puchong, 47100 Puchong, Selangor.

25. SIGNIFICANT EVENTS (CONTINUED)

(b) Changes of Board of Directors and Management (Continued)

On 9 August 2019, the Company announced that the management has gained access to the said office premise at around 9.40a.m. on 8 August 2019. Unfortunately, most of the important documents such as tenancy agreements, customers' contracts, latest financial reports with details of sub-ledger, payroll records, statutory records, etc were not found. The management has sealed off the said premise at the end of business on 8 August 2019. It was agreed with the previous management and the representative from the landlord of the said premise that representatives from all three parties (current management, previous management and the landlord) will meet at 9.00a.m. on 12 August 2019 before re-entering the said premise. All parties will work together to produce an inventory listing of all documents and assets at the said premise and the Group will remove all documents and assets belonging to the Group from the said premise to location secured by the current management. The management will continue to work with the lawyer to pursue further legal actions against the previous management in the event of any missing company documents or assets.

On 30 August 2019, the Company announced that despite gaining access to the office premise in Puchong, the current management was not able to find all the required data and management accounts to complete all the outstanding matters in the financial statements of the Company.

On 2 October 2019, the Company announced the change of address from No. 35, 1st Floor, Jalan Bandar 16, Pusat Bandar Puchong, 47100 Puchong, Selangor to Level 15, Unit 15-2, Menara Choy Fook On, Jalan Yong Shook Lin, Seksyen 7, 46050 Petaling Jaya, Selangor.

The Company has filed and extracted the Originating Summons (OS) (Enclosure 1) and Supporting Affidavit of Liew Chee Keong as disclosed in Note 24(c) to the financial statements.

(c) Other Matter

On 12 February 2019, the Company announced that the Company entered into a Memorandum of Understanding ("MOU") with EDM Educational Technology (M) Sdn Bhd for the purpose of exploring potential business cooperation and/or collaboration opportunities.

On 2 May 2019, the Company announced that it is unable to submit its annual report that includes the annual audited financial statements together with the auditors' and Directors' reports in respect of the financial year ended 31 December 2018 ("AR 2018") to Bursa Malaysia Securities Berhad ("Bursa Securities") for public release on or before 8 May 2019, therefore the trading in the Company's securities will be suspended with effect from 9.00 a.m., Thursday, 9 May 2019 until further notice.

On 14 May 2019, the Company announced that the MOU, which came into effect on 12 February 2019 for a period of three (3) months, has expired on 12 May 2019 ("MOU Expiry"). Following the MOU Expiry, the parties have mutually agreed that neither party shall have any claim whatsoever, directly or indirectly, against the other in respect of the MOU. The MOU Expiry will not have any material financial impact on the Company and its subsidiaries.

On 25 October 2019, the Company announced that it has submitted its annual report that includes the annual audited financial statements together with the auditors' and Directors' reports in respect of the financial year ended 31 December 2018 to Bursa Securities for public release. The Company had also announced the quarterly reports on consolidated result for the financial period ended 31 March 2019 and 30 June 2019.

On 29 October 2019, the Company's shares resume for trading.

25. SIGNIFICANT EVENTS (CONTINUED)

(d) Incorporation of subsidiary company

On 31 October 2019, the Company has incorporated a new subsidiary company, Asia Media Sales and Marketing Sdn. Bhd., with paid up share capital of RM10/-.

26. OTHER MATTERS

(a) Important documents are not available

As disclosed in Note 25(b) to the financial statements, most of the important documents such as tenancy agreements, customers' contracts, latest financial reports with details of sub-ledger, payroll records, statutory records, etc were not found.

Therefore, the Directors were unable to satisfy themselves that the opening balances of the financial statements (including contingencies and commitments) of the Group and of the Company as at 1 January 2019, and financial statements of the Group and of the Company as at 30 September 2019 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

(b) Internal control of the Group and of the Company

Directors of the Group and of the Company were unable to acknowledge their responsibilities for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error. Directors were unable to assure that there were no material weaknesses in the system of internal controls.

27. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

During the year, the Group and the Company adopted MFRS 16.

Definition of a lease

On transition to MFRS 16, the Group and the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied MFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under MFRS 117 and IC Interpretation 4, Determining whether an Arrangement contains a Lease were not reassessed. Therefore, the definition of a lease under MFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

Where the Group and the Company are a lessee, the Group and the Company applied the requirements of MFRS 16 retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings at 1 January 2019.

27. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONTINUED)

As a lessee (continued)

At 1 January 2019, for leases that were classified as operating lease under MFRS 117, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group entities' incremental borrowing rate as at 1 January 2019. The rate applied is 13.25%. Right-of-use assets are measured at either:-

- their carrying amount as if MFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at 1 January 2019; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying MFRS 16 to leases previously classified as operating lease under MFRS 117:-

- applied a single discount rate to a portfolio of leases with similar characteristics;
- applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term as at 1 January 2019;
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease; and

For leases that were classified as finance lease under MFRS 117, the carrying amounts of the right-of- use asset and the lease liability at 1 January 2019 are determined to be the same as the carrying amount of the leased asset and lease liability under MFRS 117 immediately before that date.

As a lessor

Group entities who is an intermediate lessor reassessed the classification of a sublease previously classified as an operating lease under MFRS 117 and concluded that the sublease is an operating lease under MFRS 16.

27.1 Impacts on financial statements

Since the Group and the Company had applied the requirements of MFRS 16 retrospectively with the cumulative effect of initial application at 1 January 2019, there are no adjustments made to the prior period presented.

The Board of Directors do not have most of the important documents as disclosed in Note 26(a) to the financial statements. Therefore, the Directors were unable to satisfy themselves that the financial statements of the Group and of the Company as at 1 January 2019 and financial statements of the Group and of the Company as at 30 September 2019 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

14. ANALYSIS OF SHAREHOLDINGS

AS AT 31 DECEMBER 2019

Issued and Fully Paid-up Capital	:	RM24,773,143
Class of shares	:	Ordinary shares
Voting rights	:	One vote per shareholders on a show of hands One vote per share on a poll

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	173	6.068	6,627	0.002
100 – 1,000	262	9.189	146,80	0.061
1,001 – 10,000	1,194	41.880	6,100,979	2.547
10,001 – 100,000	1,034	36.267	33,446,700	13.967
100,001 – 11,973,170 *	186	6.524	174,030,040	72.674
11,973,171 and above **	2	0.070	25,732,500	10.745
Total	**2,851**	**100.000**	**239,463,426**	**100.000**

Notes:
* Less than 5% of issued shares
** 5% and above of issued shares

LIST OF SUBSTANTIAL SHAREHOLDER

NAME	DIRECT INTEREST		DEEMED INTERST	
	NO. OF SHARES	%	NO. OF SHARES	%
CHOW ZEE NENG	18,688,000	7.804	-	-
MOHD NASRI BIN ABDUL RAHIM	12,600,000	5.261	-	-

DIRECTORS' SHAREHOLDINGS AS AT 31 DECEMBER 2019

NAME	DIRECT INTEREST		DEEMED INTERST	
	NO. OF SHARES	%	NO. OF SHARES	%
DATO' PROF RAJA MUNIR SHAH BIN RAJA MUSTAPHA	76,000	0.031	-	-
YAP PING TIONG	3,980,000	1.662	500,000 *	0.208

*Indirect interest of 500,000 shares held by AZ Signs Marketing Sdn Bhd

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

NO.	SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1.	KENANGA NOMINESS (TEMPATAN) SDN BHD Pledged Securities Account for CHOW ZEE NENG	13,132,500	5.484
2.	MOHD NASRI BIN ABDUL RAHIM	12,600,000	5.261
3.	GAN CHIA HEE	9,470,900	3.955
4.	PUBLIC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for TAN CHIA HONG @ GAN CHIA HONG (E-TMR)	9,250,000	3.862
5.	MAYBANK NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for NG AUN HOOI	8,456,300	3.531
6.	OOI HOCK LAI	8,300,000	3.466
7.	CHUNG, CHIH-CHIEH	7,780,800	3.249
8.	CHEN, LING	7,395,000	3.088
9.	CHONG LOONG MEN	7,087,000	2.959
10.	AMSEC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for SHIA CHEE FONG	6,139,200	2.563
11.	CHOO KIAN WOON	4,494,700	1.876
12.	CHEE CHE TING	4,236,700	1.769
13.	LOH YONG HUAT	4,000,000	1.670
14.	YAP PING TIONG	3,980,000	1.662
15.	CHANG, LI-YI	3,620,000	1.511
16.	AMSEC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account AMBANK (M) BERHAD CHOW ZEE NENG (SMART)	3,415,500	1,426
17.	TA NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for SEOW YONG CHIN	3,219,000	1.344
18.	NG AIK CHUAN	3,163,300	1.320
19.	LIM CHIN HORNG	3,000,000	1.252
20.	PUBLIC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account (E-SS2) for LIM LEE FOON	2,670,000	1.114
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account TAN CHIA HONG @ GAN CHIA HONG (E-TMR)	2,669,000	1.114
22.	HII HIENG HUI	2,500,000	1.044
23.	NG YAM PIN	2,163,300	0.903
24.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOW ZEE NENG	2,140,000	0.893
25.	TEO SIEW HONG	2,000,000	0.835
26.	SHIA XZE CHYIEN	1,733,400	0.732
27.	WONG AH NGAN	1,699,100	0.709
28.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING AI LANG (RF2 MARGIN)	1,640,500	0.685
29.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE GZE ING	1,500,000	0.626
30.	NG YOKE SUN	1,500,000	0.626

ASIA MEDIA GROUP BERHAD
Registration No. 200801011849 (813137-V)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of the Company will be held at Unit 15-1, Level 15, Menara Choy Fook On, Jalan Yoong Shook Lin, Seksyen 7, 46050 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25 March 2020 at 10.00 a.m. to transact the following businesses:

1. To receive the Audited Financial Statements for the period ended 30 September 2019 together with the Reports of Directors' and Auditors' thereon. **(Refer to Explanatory Note i)**

2. To re-elect the following directors who retire in accordance with Rule 133 of the Company's Constitution, being eligible, offer themselves for re-election:

   a) Mr. Liew Chee Keong **(Resolution 1)**

   b) Datuk Chiw Tiang Chai **(Resolution 2)**

3. To re-elect Mr. Chen, Jui-Liang, the director who retires in accordance with Rule 118 of the Company's Constitution, being eligible, offers himself for re-election. **(Resolution 3)**

4. To approve the payment of Directors' fees of RM60,000.00 for the period ended 30 September 2019. **(Resolution 4)**

5. To approve the payment of Independent Non-Executive Directors' fee and other benefits of up to RM130,000.00 for the period from 1 October 2019 until the next annual general meeting of the Company. **(Resolution 5)**

6. To consider, and if thought fit, to pass the following resolution:

   "THAT Messrs STYL Associates PLT, the retiring Auditors, be and are hereby re-appointed Auditors of the Company to hold office until the conclusion of the next annual general meeting at a fee to be determined by the Directors at a later date." **(Resolution 6)**

   Special Business

   To consider and, if thought fit, to pass the following resolution:

7. **Ordinary Resolution – Authority to Issue Shares pursuant to Section 75 and 76 of the Companies Act, 2016**

   "THAT subject always to the Companies Act, 2016, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia

Securities Berhad and the approval of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act, 2016 to allot shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **(Resolution 7)**

(Refer to Explanatory Note ii)

8. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

NIP CHEE SIEN (MAICSA 7066996)
Company Secretary

Kuala Lumpur;
31 January 2020

Notes :

1. *A member of the Company entitled to attend and vote at this meeting may appoint not more than two (2) proxies to vote in his stead. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.*
2. *A member who is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositor) Act, 1991 may appoint not more than two (2) proxies in respect of each securities account (omnibus account).*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, it must be under its seal or under the hand of an officer or attorney duly authorised.*
4. *The instrument appointing a proxy to be deposited at Registered Office, No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur no later than twenty-four (24) hours before the time appointed for the taking of the poll*
5. *Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of Twelfth Annual General Meeting will be put to vote on a poll.*
6. *Only members whose names appear in the Record of Depositors on 13 March 2020 shall be entitled to attend, speak and vote at the Annual General Meeting.*

EXPLANATORY NOTES

i. **Agenda 1 – Audited Financial Statements for financial period ended 30 September 2019**

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not put for voting.

ii. **Resolution 7 - Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

The proposed Resolution 7 is for the purpose of granting a renewed general mandate and authorise the Directors of the Company to issue and allot shares up to an aggregate amount not exceeding 10% of the issued and paid-up capital of the Company for the time being for such purposes as the Directors would consider to be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next conclusion of the Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the Eleventh Annual General Meeting held on 28 November 2019 and which will lapse at the conclusion of the Twelfth Annual General Meeting. Nevertheless, a renewal for the said mandate is sought to avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. The aforesaid authority is to give the Directors the authority and flexibility to raise fund more expediently via issuance of shares for purpose of funding future investments, working capital and/or any acquisition.

FORM OF PROXY

ASIA MEDIA GROUP BERHAD

Registration No. 200801011849 (813137-V)

(Incorporated in Malaysia)

I/We ____ of

____

being a member of ASIA MEDIA GROUP BERHAD, hereby appoint ______________________________

of ____

and / or failing him ____

of ____

as my / our proxy to vote for me / us and on my / our behalf at the TWELFTH ANNUAL GENERAL MEETING of the Company to be held at Unit 15-1, Level 15, Menara Choy Fook On, Jalan Yoong Shook Lin, Seksyen 7, 46050 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25 March 2020 at 10.00 a.m.. and at any adjournment thereof.

My / our proxy is to vote as indicated hereunder.

Resolution		For	Against
Resolution 1	To re-elect Mr. Liew Chee Keong		
Resolution 2	To re-elect Datuk Chiw Tiang Chai		
Resolution 3	To re-elect Mr. Cheng, Jui-Liang		
Resolution 4	To approve the payment of Directors’ fees for the period ended 30 September 2019		
Resolution 5	To approve the payment of Independent Non-Executive Directors’ fee and other benefits for the period from 1 October 2019 until the next annual general meeting of the Company		
Resolution 6	To re-appoint Messrs STYL Associates PLT as Auditors and to authorised the directors to fix their remuneration		
Resolution 7	Authority to issue shares pursuant to Section 75 and 76 of the Companies Act, 2016		

First Proxy	%
Second Proxy	%
Total :	100%

No. of Share Held :	
CDS A/C No.	

Dated this ________ day of ___________________, 2020.

____

Signature

Notes :

1. *A member of the Company entitled to attend and vote at this meeting may appoint not more than two (2) proxies to vote in his stead. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.*
2. *A member who is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositor) Act, 1991 may appoint not more than two (2) proxies in respect of each securities account (omnibus account).*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, it must be under its seal or under the hand of an officer or attorney duly authorised.*
4. *The instrument appointing a proxy to be deposited at Registered Office, No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur no later than twenty-four (24) hours before the time appointed for the taking of the poll*
5. *Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of Twelfth Annual General Meeting will be put to vote on a poll.*
6. *Only members whose names appear in the Record of Depositors on 13 March 2020 shall be entitled to attend, speak and vote at the Annual General Meeting.*

Then Fold Here

Affix Stamp

The Company Secretary
ASIA MEDIA GROUP BERHAD
No. 1 & 1A, 2nd Floor (Room A),
Jalan Ipoh Kecil,
50350 Kuala Lumpur

1st Fold Here

ASIA MEDIA GROUP BHD
Registration No. 200801011849 [813137-V]

Dear Shareholders

If you wish to receive the printed Annual Report, please complete the following request form and forward to us.

The printed Annual Report shall be forwarded to you within 4 market days from the date of receipt of your request.

To,
Asia Media Group Berhad
Unit 15-2, Level 15, Menara Choy Fook On,
Jalan Yoong Shook Lin, Seksyen 7,
46050 Petaling Jaya,
Selangor Darul Ehsan

Contact Person : Mr. Christopher Tan
Tel : +603-7625 6598 / 6599
Email : asiamediagrpbhd@gmail.com

Please send me a printed copy of the Annual Report 2019 of Asia Media Group Berhad.

Name	:	…………………………………………………………………………….
Address	:	…………………………………………………………………………….
		…………………………………………………………………………….
CDS Account No.	:	…………………………………………………………………………….
Tel/Mobil No.	:	…………………………………………………………………………….

…………………………………
Signature
Date :

Asia Media Group Berhad

Registration No. 200801011849 (813137-V)

Level 15, Unit 15-2, Menara Choy Fook On,
Jalan Yong Shook Lin, Seksyen 7,
46050 Petaling Jaya,
Selangor Darul Ehsan
Tel: +603-76256598 / 6599

CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	0159
COMPANY NAME	**:**	Asia Media Group Berhad
FINANCIAL YEAR	**:**	September 30, 2019

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

Practice 1.1
The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

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

	The Board takes into consideration the interests of all stakeholders in their decision making so as to ensure the Group's objectives of creating long term shareholder value are met. The key matters reserved specifically for the Board's deliberation and decision to ensure the direction and control of the Group would include reports and financial statements, business strategy formulation and planning, business issues, regulatory changes, material transactions, investments, major acquisitions or disposal of a business or assets, appointment of Board / Board Committee Members, declaration of dividends, recurring related party transactions of the Group. The Board also reviews issues and matters that have significant impact to the Group's operation. The Board has the overall responsibility in leading and determining the Group's strategic direction. It provides an effective oversight of the conduct of the Group's business, ensuring an appropriate risk management and internal control system is in place as well as regularly reviewing such system to ensure its adequacy and integrity. The Board assumes that following principal responsibilities in discharging its fiduciary and leadership functions: • Reviewing and adopting a strategic plan for the Company; • Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed; • Identifying principal risks and ensure the implementation of appropriate systems to manage these risks; • Succession planning, including appointing, training, fixing of compensation and where appropriate, replacing Senior Management; • Developing and implementing an investor relations programme or shareholder communications policy for the Company; and • Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. The Board has delegated specific responsibilities to Board Committees as well as various sub-committees to assist the Board in the running of the Group. The functions and terms of reference of the Board Committees as well as authority delegated by the Board to these Committees have been clearly defined by the Board. The Board reviews the Board Committee's authority and terms of reference from time to time to ensure their relevance. There are four (4) Board Committees namely the Nomination Committee, Remuneration Committee, Audit Committee and the Option Committee setup up by the Board of Directors.

	These Committees examine specific issues and report to the Board with their recommendations. The ultimate responsibility for decision-making lies with the Board. The current Board is not satisfied with the contribution of every member of the previous Board who served during the financial under review and is looking at revamping the system of annual assessment to be followed by the Nomination Committee in assessing the directors' performance and raise the performance standard of the Board and the subcommittees.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied	
Explanation on application of the practice	:	After the resignation of Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee as Independent Non-Executive Chairman on 14 April 2017, the Board is temporary chaired by an Executive Director. Subsequently, the Board has appointed Mr. Chow Zee Neng to be Non-Independent NonExecutive Chairman on 28 February 2019. Currently, the Board is chaired by an Independent Non-executive director, Dato' Prof Raja Munir Shah Bin Raja Mustapha, who was appointed as Director on 25 July 2019 and re-designated as Non-executive Chairman on 27 August 2019.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:	Others	

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

Practice 1.3
The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	The Group was recommended that the positions of the Chairman and CEO should be held by different individuals, and the Chairman must be a Non-Executive Director due to the roles of the Non-Executive Chairman and Executive Director of the Group are distinct and separate with individual responsibilities. Each of them has clearly defined duties and authority thus ensuring balance of power and greater capacity for independent decision-making. After the resignation of Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee as Independent Non Executive Chairman on 14 April 2017, the Board is temporary chaired by an Executive Director. Dato' Wong Shee Kai was the Chief Executive Officer of the Company during the financial under review. Subsequently, the Board has appointed Mr. Chow Zee Neng to be Non-Independent Non-Executive Chairman on 28 February 2019. Currently, the Board is chaired by an Independent Non-Executive Director, Dato' Prof Raja Munir Shah Bin Raja Mustapha, who was appointed as Director on 25 July 2019 and re-designated as NonExecutive Chairman on 27 August 2019. There is a clear and distinct division of responsibilities between the Chairman and Chief Executive Officer. The Board comprised of one (1) Non-Independent Executive Director, three (3) Independent Non-Executive Directors during the financial year under review. Currently, the Board comprises of three (3) Non-Independent Executive Directors and five (4) Independent Non-Executive Directors.
Explanation for departure	:	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure :	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
Timeframe :	Others	

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

Practice 1.4
The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Company Secretary 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.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

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

Practice 1.5

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application :	Applied	
Explanation on application of the practice :	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. Members of senior management who may provide additional insights will present during the Board meetings. Minutes of the Board meetings are properly maintained by the Company Secretary.	
Explanation for departure :	The current Board is unable to confirm whether the previous Board has unrestricted access to information pertaining to the Company and the Group in the financial year under review. Mr. Liew Chee Keong, an Executive Director who was only appointed to the Board on 28 February 2019, was denied access to information that he requested to assess the performance of the Company.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1
The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

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

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

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

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application :	Applied	
Explanation on application of the practice :	The Board has formalised a whistleblower policy to provide a safe mechanism for whomever to come forward and raise any concerns about the actual or potential fraud or breach of trust involving employees, Management and the Directors of the Group. 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. The current Board however feels that the whistleblower policy of the Company has not been effective in allowing whistleblowers to raise any concerns and is in the midst of reviewing the mechanism.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

Intended Outcome

Practice 4.1
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:		
Explanation for departure	:	The current Board comprises of seven (7) directors, of which four (4) out of seven (7) directors are Independent Directors.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Intended Outcome

Practice 4.2

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

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

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:		
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 4.4

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Application :	Applied	
Explanation on application of the practice :	The following salient points were taken into consideration pertaining to the recruitment of Directors and Senior Management 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 current Board is not satisfied with the contribution of every member of the previous Board who served during the financial under review and is looking at revamping the system of annual assessment to be followed by the Nomination Committee in assessing the directors' performance.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

Intended Outcome

Practice 4.5

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

Application :	Departure	
Explanation on application of the practice :		
Explanation for departure :	The Board was consisted one (1) women director, i.e. Ms Yeong Siew Lee. However, Ms Yeong Siew Lee resigned from the Board w.e.f 31 December 2018. The Board recognizes the initiative by government to enlarge the women's representation at boardroom and will endeavour to bring onboard a female director when the opportunity arises.	
	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe :	Choose an item.	

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

Practice 4.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

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

Intended Outcome

Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

Practice 4.7

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

Application :	Applied	
Explanation on application of the practice :	The Nomination & Remuneration Committees are currently chaired by Independent and Non-Executive Director: Nomination Committee Chairman – Datuk Kang Hua Keong Remuneration Committee – Datuk Chiw Tiang Chai	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

Intended Outcome
Practice 5.1
The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

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

Application	:	Applied
Explanation on application of the practice	:	The annual evaluation to determine the effectiveness of the Board was conducted via annual review of the Board as a whole, the Committees of the Board and the contribution of each individual director including independent director. The assessment of individual director's performance had been carried through a board effectiveness evaluation on the quality of the Board's deliberation. The evaluation for year 2019 was conducted internally by using a questionnaire and rating assessment and collated by the Company Secretary. The Nomination Committee had at its meeting held on 29 January 2020, reviewed the composition of the Board in relation to the required mix of skills and impendence. However, the current Board is not satisfied with the performance and contribution of every member of the previous Board who served during the financial under review and is looking at revamping the system of annual assessment to be followed by the Nomination Committee in assessing the directors' performance and their respective contributions.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

Application :	Applied	
Explanation on application of the practice :	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 policies and procedures are available in the board charter at www.asiamedia.net.my	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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.

Intended Outcome

Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application :	Applied	
Explanation on application of the practice :	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. A copy of the Nomination & Remuneration Committee's Terms of Reference is available on the Group's website, www.asiamedia.net.my.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application :	Applied

Intended Outcome

Explanation on application of the practice	:	The current Board is not recommending any remuneration to be paid to all members of the previous Board, namely Dato' Wong Shee Kai, Mr. Ong Chooi Lee, Ms. Yeong Siew Lee and Mr. Paul Jong Jun Hian who served during the financial under review. However, the Board noted that there were payments already made to certain directors during the financial year under review. The Board reserves its right to claim back the fees from the affected directors.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	Please provide an explanation on how the practice is being applied.
Explanation for departure	:	Asia Media Group Berhad departs from disclosing the remuneration of top five senior management.

Intended Outcome

	The current Board does not recommend the disclosure of senior management's remuneration is due to confidentiality and security reasons. The Board ensures that the remuneration of senior management commensurate with the performance of the Company.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	
Timeframe :	

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

statement is a reliable source of information.

Practice 8.1

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

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

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.2

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

Application :	Applied

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

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

statement is a reliable source of information.

Practice 8.3

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

Application :	Applied

Intended Outcome

There is an effective and independent Audit Committee.

Explanation on application of the practice :	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 reappointment of the External Auditors to the Directors at the annual general meeting. The previous Audit Committee met with the previous External Auditors twice during the financial year ended 31 December 2018 to review the scope of audit process, the audit findings and the annual financial statements, without the presence of the Executive Director and the Management. The previous External Auditors were invited to attend the annual general meeting of the Company and are available to answer the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of their audit report. The current Audit Committee has already met with the current External Auditors – STYL Associates PLT twice to the finalization of the Annual Report for financial year ended 30 September 2019 to review the scope of audit process, the audit findings and the annual financial statements, without the presence of the Executive Director and the Management. They are also being invited to attend the upcoming 11th annual general meeting of the Company and are available to answer the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of their audit report.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial

Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

statement is a reliable source of information.

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Adopted
Explanation on adoption of the practice :	The Audit Committee is made up of three (3) Independent Non-executive Directors who satisfies the independence test under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application :	Applied

Explanation on application of the practice	:	The qualification and experience of the individual Audit Committee members are disclosed in the Board of Directors' Profile in the Annual Report. Pursuant to paragraph 15.20 of the main market listing requirements of Bursa Malaysia, the Board noted that the review of the composition of the Audit Committee ("AC") shall be conducted annually. The Board assesses the performance of the AC and its members through an annual Board Committee effectiveness evaluation. The members of Audit Committee have the relevant accounting or related experience and expertise in financial service or other industry to effectively perform their duties: To review the audit plan, evaluation of the system of internal controls and audit report with the external auditor; (a) To review the assistance given by the employees of the company to the external auditors; (b) To consider the appointment, resignation and dismissal of external auditors, the audit fee; (c) To review and discuss the nature, scope and quality of external audit plan/arrangements with the internal and external auditors before audit commences; and (d) To review quarterly and annual financial statements of the Company and the Group set our below before submission to the Board:- I. Changes in or implementation of major accounting policy changes;

	II. Significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and III. Compliance with accounting standards and other legal requirements. (f) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary); (g) To review the external auditors' management letter and management's response; (h) To do the following, in relation to the internal audit function:- i. Review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work; ii. Review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function; iii. Review any appraisal or assessment of the performance of members of the internal audit function; iv. Approve any appointment or termination of senior staff members of the internal audit function; and v. Take cognizance of resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning. (i) To consider any related-party transactions and conflicts of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity; (j) To consider the major findings of internal investigations and management's response; (k) To consider other topics as defined by the Board of Directors; and (l) To recommend the nomination of a person or persons as external auditors.

<table>
<tr><td></td><td colspan="2">The current Board is not satisfied with the performance and contribution of the previous Audit Committee who served during the financial under review and is looking at revamping the system of annual assessment to be followed by the Board in assessing the Audit Committee members’ performance and their respective contributions.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
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<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
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Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.1

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

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

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.2

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

Application :	Applied	
Explanation on application of the practice :	The Statement of Risk Management and Internal Control is disclosed in the Group's annual report. The current Board wishes to emphasize that it is unable to give assurance on the adequacy and effectiveness of the Risk Management and Internal Control of the Group as these are currently being assessed and reviewed. The current Board will take necessary measures to further strengthen and improve its internal control environment and processes.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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.

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

Practice 9.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome
Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.1
The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	The internal audit function is outsourced to an independent professional consulting firm to carry out internal audit services for the Group. The Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors. Internal Audit reports are issued to highlight any deficiency or findings requiring the management's attention. Such reports include practical and cost effective recommendations as well as proposed corrective actions to be adopted by the management. The internal audit reports are then circulated to the Audit Committee for review and comments. Follow-up audits are then carried out to determine whether appropriate corrective actions have been taken by the management. It undertakes regular and systematic reviews of the system of internal control, risk management and governance processes to provide reasonable assurance that such system operates satisfactorily and effectively within the respective subsidiaries as well as across the Group. The Independent Internal Auditor would have performed audit visits to all relevant departments and subsidiary as per internal audit plan presented to the previous Board however, the Board of Directors were denied access to all the information. The current Board unable to determine whether adequate controls have been established and are followed in the Group. In addition, the current Board unable to confirm whether the internal audit report has been issued. Meantime the current Board is sourcing suitable internal auditors to outsource the internal audit function. Details of the activities of the internal audit function are provided in the Audit Committee Report section in the Annual Report.
Explanation for departure	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	All Internal Audit activities were conducted by Kloo Point Consulting Group internal audit team. The internal audit assignment was led by a Senior individual in charge of the engagement and reported to the previous Executive Director who has now been removed. The internal audit review was carried out by internal audit personnel including the Senior individual. The Internal Auditors team is free from any relationships with the Company or conflicts of interest. This will ensure that the internal audit function does not impair their objectivity and independence. The Executive Director of Kloo Point is a Fellow Member of the Association of the Chartered Certified Accountants, United Kingdom (FCCA), Member of the Malaysian Institute of Accountants (MIA), a Certified Internal Auditor, United States of America (CIA) and Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA). The internal audit function has adopted the International Professional Practices Framework set by the Institute of Internal Auditors and ensures that staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review. The current Audit Committee is unable to give assurance on the adequacy and effectiveness of the Internal Audit review performed in the financial year under review.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Intended Outcome

Measure :		
Timeframe :		

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.1
The board ensures there is effective, transparent and regular communication with its stakeholders.

Application :	Applied

Intended Outcome

Explanation on application of the practice :	The Group recognizes the importance of having an effective and dynamic Board to lead and control the Group in enhancing long term shareholder value and the interests of other stakeholders. The Executive Director's duties include the implementation of the Board's decisions and policies, overseeing the operations and also coordinating business and strategic decisions. The Non-Executive Directors provide effective and independent judgement and constructive opinions to the deliberation and decision-making of the Board thereby fulfil a crucial role in corporate accountability. There is a division of responsibility at the control of the Board to ensure an appropriate balance of power and authority, with greater ability to make independent decision. The current Board is chaired by the NonExecutive 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. The current Board takes into consideration the interests of all stakeholders in their decision making so as to ensure the Group's objectives of creating long term shareholder value are met. The key matters reserved specifically for the Board's deliberation and decision to ensure the direction and control of the Group would include reports and financial statements, business strategy formulation and planning, business issues, regulatory changes, material transactions, investments, major acquisitions or disposal of a business or assets, appointment of Board / Board Committee Members, declaration of dividends, recurring related party transactions of the Group. The current Board also reviews issues and matters that have significant impact to the Group's operation. 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 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. The current Board and current Management are currently working together to strengthen the communication channel with the key stakeholders.

Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	
Timeframe :		

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.2

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

Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	The Company would consider adopting integrated reporting when the time is considered appropriate but there is no plan to adopt this in the short to medium term (12-36 months' timeframe).

Intended Outcome

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe :	Choose an item.	

Intended Outcome

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

Practice 12.1

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

Application :	Applied	
Explanation on application of the practice :	The Company has issued the notice of Annual General Meeting in accordance to its Constitution and the Main Market Listing Requirements.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

Practice 12.2

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

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

Intended Outcome

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

Practice 12.3

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

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

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

Intended Outcome

<table>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

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