

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is pleased to present the Corporate Governance (“CG”) Overview Statement of the Company for FY 2018. This CG Overview Statement is prepared pursuant to paragraph 15.25(1) of the Bursa Securities Main Market Listing Requirements (“MMLR”).

The Board has been guided by the Malaysian Code on Corporate Governance 2017 (“MCCG”) in its implementation of CG practices. Whilst ensuring compliance with the Listing Requirements and the Companies Act 2016, it is always keeping abreast with the developments in industry practices and the requirements by other relevant regulations for Mynews to uphold the highest level of CG throughout the Group.

The CG Overview Statement provides a summary of the Company’s CG Practices during the financial year, covering the implementation of the three (3) principles, their intended outcomes and the adoption of the recommended practices of the MCCG, having duly considered the Group’s structure, processes, business environment and industry practices. The three (3) principles under the MCCG are:

Principle A: Board Leadership and Effectiveness

Principle B: Effective Audit and Risk Management

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

Clear Functions of the Board and Management

The Board takes full responsibility for the overall performance of the Group by setting the strategic directions and objectives. It regularly reviews the Group’s business operations and maintains full and effective oversight over the management of Mynews.

The roles and responsibilities of the Board include determining the Group’s overall strategic plans, performing periodic reviews of business and financial performance, as well as adopting risk management to implement a strong framework of internal controls in Mynews.

The Board has also delegated certain responsibilities to other Board Committees, which operate within clearly defined terms of reference. The Board has established four (4) committees to assist in the execution of its roles and responsibilities with the latest being the Risk Management Committee established during the year on 1 March 2018. The committees of the Board are:

- Audit Committee
- Risk Management Committee
- Nominating Committee
- Remuneration Committee

The Board receives reports at its meeting from the Chairman of each committee on current activities and it is the general policy of the Company that all major decisions be considered by the Board collectively.

The day-to-day management of the business of the Group is delegated to Management, headed by Mr Luk, the Chief Executive Officer (“CEO”) who is assisted by Mr Wen, Deputy CEO. Both Mr Luk and Mr Wen are also Executive Directors of Mynews. The Management is guided by the Delegation of Authority (“DOA”) which sets out the approving limits of the various approving authorities for the daily operations and management of Mynews’ operations. The DOA is reviewed periodically and revised as and when deemed necessary.

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1. BOARD RESPONSIBILITIES (cont'd)

Clear Roles and Responsibilities

The Board had reviewed the effectiveness and implementation of the strategic plans for the financial year under review and provided guidance and input to Management. To ensure the effective discharge of its functions and duties, the principal responsibilities of the Board included the following:

- Review and adopt a strategic plan for the Group ensuring that the strategies promote sustainability
- Oversee and monitor the conduct of the Group's business and ensure the integrity of financial and other reporting
- Identify principal risks and ensure the implementation of appropriate internal controls and mitigation measures
- Succession planning for senior management positions is in place to provide for the succession of senior management
- Review the adequacy and integrity of the Group's risk management and internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines

Chairman and CEO

The position of the Chairman and the CEO are held by two (2) different individuals namely, Mr John Ding and Mr Luk respectively whose responsibilities are segregated and clearly defined to ensure there is an appropriate balance of power and authority with neither of them having the unfettered power of decision making.

The Chairman provides leadership and manages the interface between the Board and Management and also ensures active participation from the Board for decision-making whereas the CEO is involved in the day-to-day management of the Group by contributing strategies and insights to enable the Group to achieve its goals and objectives efficiently.

Company Secretaries

The Company has two (2) professionally qualified Company Secretaries who are experienced and qualified pursuant to Section 235 of the Companies Act 2016. The Company Secretaries play an advisory role, advising the Board and its Board Committees on matters pertaining to compliance, legal, regulatory framework, listing requirements, statutory requirements and best practices. They also ensure that meetings are properly convened, minutes of meetings are properly documented, and the records of resolutions passed by the Board and proceedings of Board Meetings, Board Committee Meetings, Annual General Meeting and Extraordinary General Meeting are properly and systematically filed for ease of retrieval and future reference. In addition, they work closely with Management to facilitate the flow of timely and accurate information to the Board.

Access to Information and Advice

The Board is provided with appropriate information and comprehensive Board papers on a timely basis prior to the Board meetings to enable the Directors to discharge their duties and responsibilities competently and in a well-informed manner. The Board papers include, amongst others, Quarterly Financial Results, Internal Audit Report, Risk Management Report, minutes of all Board Committees meetings, list of announcements made, list of Board Circular Resolutions passed (for the periods commencing the last board meeting date to the latest practical date until the date of the current meeting) and any other matters requiring the Board's approval at the meeting. Management team, external auditors and outsourced internal auditors are invited to attend the Board and Board Committee meetings to provide additional insights and professional views, advice and explanation on specific items on the meeting agenda, where necessary.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1. BOARD RESPONSIBILITIES (cont'd)

Access to Information and Advice (cont'd)

When it is required to obtain further information, the Directors are entitled to unrestricted access to all Company's information and personnel, either as a full Board or in their individual capacity in order to better discharge their responsibilities.

Demarcation of Responsibilities

a) Board Charter

The Board has a formalised Board Charter, which sets out the roles, functions, composition, and processes of the Board. The Board Charter provides guidance to the Board in relation to the Board's role, duties, responsibilities and authorities which are in line with the principles of good corporate governance. The Board Charter acts as a point of reference for Board members and the same is accessible to the public on the Company's website at www.mynews.com.my.

b) Code of Ethics and Conduct

The Board is committed to establishing a corporate culture that fosters common goal of achieving business profitability, whilst cultivating ethical business conducts. The Board has adopted the Code of Ethics and Conduct which upholds integrity, transparency and ethical practices of the business activity. The Code of Ethics and Conduct is also published on the Company's website at www.mynews.com.my.

c) Whistleblowing Policy

A Whistleblowing Policy has been established to further enhance the Group's commitment in upholding and achieving integrity, transparency and accountability in conducting its business. The Whistleblowing Policy serves the purpose of providing an avenue for employees and members of public to raise concerns, report or disclose any improper behaviour and misconduct or any act and actions that can materially affect the reputation of the Group as well as the interest of the stakeholders.

The Whistleblowing Policy is available on the Company's website at www.mynews.com.my. Any enquiries, misconduct or complaints can be forwarded to Mynews's toll free careline at 1800 88 1231 or emailed to mynewscareline@mynews.com.my.

d) Business Sustainability

The Board is committed to delivering long term sustainable values to all its stakeholders, both internal and external. Thus, in all its business decisions the Board is ever mindful that amongst the key considerations are business sustainability and ethical practices. To build business sustainability and maintain ethical practices, the Board continuously instills the need to cultivate and promote good corporate values throughout the organization by upholding the virtue of "Tone from the top".

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2. BOARD COMPOSITION

Strengthening the Board's Composition

The Board currently comprises of six (6) Directors, four (4) of whom are non-executive. Represented on the Board are three (3) Independent Non-Executive Directors, constituting half of the Board and these independent directors participated actively in providing independent advice, views and judgement in the decision-making process, thus ensuring that a balanced and unbiased deliberation process is in place to safeguard the interest of all stakeholders. As and when a potential conflict of interest arises, it is a mandatory practice for the Directors concerned to declare their interest and abstain from the decision-making process.

Tenure of Independent Directors

Practice 4.2 of the MCCG states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years' term, 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.

The Company was listed on the Main Market of Bursa Securities on 29 March 2016 and none of its Independent Directors has exceeded the nine (9) years term of service.

Board Diversity

The Board acknowledges the importance of Board diversity in the Board composition, including gender, experience, age, and skill sets for the effective functioning of the Board.

The Nominating Committee ("NC") is responsible for identifying, evaluating and nominating suitable candidates to be appointed to the Board and Board Committee. In assessing and recommending to the Board suitable candidates, the NC will take into consideration the following:

- Competencies – qualifications, knowledge, industrial experience/expertise and past achievements
- Contributions – appointment scope, role, commitment level, professionalism and integrity
- Diversity representation – appropriateness and the fulfilment of the Board's desired mix of competencies

A brief description of each Director's background is presented in the Directors' Profile on pages 10 and 11 of this Annual Report.

In respect of Board size and composition, the Board is of the view that its size, mix and competencies and diversity representation as well as the balance between executive, non-executive and independent Directors are adequate and in line with the Group's business operations and needs.

As of the date of this statement, one (1) out of the six (6) Board members is a female and both the Board and NC are striving to increase the female participation in the Board.

Foster Commitment

The Board requires its members to devote sufficient time to the workings of the Board, to effectively discharge their duties as Directors of the Company, and to use their best endeavour to attend meetings. None of the members of the Board has directorship in other public listed companies except for Ms Soon who sits on the Board of another company which is listed on the Bursa Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2. BOARD COMPOSITION (cont'd)

Board Meetings

During the financial year, six (6) Board meetings were held with the presence of the Company Secretaries. All Directors attended each of the meetings which details are as follows:

Director	Directorate	Attendance of Meetings	
Mr John Ding	Independent Non-Executive Chairman	6/6	100%
Mr Luk	Executive Director / Chief Executive Officer	6/6	100%
Mr Wen	Executive Director / Deputy Chief Executive Officer	6/6	100%
Mr Hock	Non-Independent Non-Executive Director	6/6	100%
Ms Soon	Senior Independent Non-Executive Director	6/6	100%
En Suffian	Independent Non-Executive Director	6/6	100%

All Directors participated fully in the discussions during the Board meetings. There had been no Board dominance by any individual and the Directors were free to express their views and opinions during the Board meetings. In arriving at the Board decisions, the view of the majority prevailed at all times. In the same manner, the Directors were also aware and observed the requirement that they do not participate in the deliberation on matters of which they have a material personal interest and had abstained from voting in such instances.

Director's Training

The Board of Mynews upholds its stance on the need to keep themselves abreast of updates and changes in all aspects relating to Mynews, be they operations, technical know-how, financial related matters or others. This is frequently echoed by the Chairman of the Board in the meetings.

Details of the seminars and workshops attended by the Directors during FY 2018 are as follows:

Director	Seminars/Workshops	Date of Attendance
Mr John Ding	1) Complimentary Talk on Design Thinking - What can accountants learn from it? - by Malaysian Institute of Accountants ("MIA")	20 April 2018
	2) GST & Customs Seminar 2018 - by Lee Hishammuddin, Allen & Gledhill	9 August 2018
	3) Corporate Disclosure Policy under the Listing Requirements - by Tricor Knowledge House Sdn Bhd ("Tricor")	29 October 2018
	4) Sustainability Report - by Tricor	29 October 2018

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2. BOARD COMPOSITION (cont'd)

Director's Training (cont'd)

Details of the seminars and workshops attended by the Directors during FY 2018 are as follows (cont'd):

Director	Seminars/Workshops	Date of Attendance
Mr Luk	1) UOB Privilege Conversations - by UOB Bank	15 May 2018
	2) BFM Network Series - Understanding The Latest Retail Trends & Insight	6 June 2018
	3) In conversation with Stephen Hagger - Malaysia's Politics and Landscape - by Credit Suisse	12 June 2018
	4) University of Malaya, Innovation Forum KL 2018 on Entrepreneurship in Healthcare.	22 September 2018
	5) Corporate Disclosure Policy under the Listing Requirements - by Tricor	29 October 2018
	6) Sustainability Report - by Tricor	29 October 2018
Ms Soon	1) MCGG Reporting & CG Guide - by Bursa Securities	1 March 2018
	2) Artificial Intelligence and The Future of Accountants - by MIA-ICAEW	10 April 2018
	3) Tax Audit & Investigation Workshop Chapter 2 - by Deloitte Tax Services Sdn Bhd	12 April 2018
	4) Global Business Insight Series - Getting More Out Of Digital Marketing - by Securities Commission Malaysia	4 September 2018
	5) Corporate Disclosure Policy under the Listing Requirements - by Tricor	29 October 2018
	6) Sustainability Report - by Tricor	29 October 2018
Mr Wen	1) Corporate Disclosure Policy under the Listing Requirements - by Tricor	29 October 2018
	2) Sustainability Report - by Tricor	29 October 2018
Mr Hock	1) Corporate Disclosure Policy under the Listing Requirements - by Tricor	29 October 2018
	2) Sustainability Report - by Tricor	29 October 2018
En Suffian	1) Corporate Disclosure Policy under the Listing Requirements - by Tricor	29 October 2018
	2) Sustainability Report - by Tricor	29 October 2018

The Board continuously evaluates and determines the training needs of each Director, particularly on relevant new laws and regulations and the essential practices to enable the Directors to effectively discharge their duties.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2. BOARD COMPOSITION (cont'd)

Nominating Committee (“NC”)

The NC comprises exclusively of Independent Non-Executive Directors of the Company. It is established and maintained to ensure that there is a formal and transparent procedure for the appointment of new Directors to the Board and new members to the Board Committees and to assess the performance of the Board, Board Committees and Directors. The current members of the NC are as follows:

Chairman	:	Mr John Ding (Independent Non-Executive Chairman)
Member	:	Ms Soon (Senior Independent Non-Executive Director)
Member	:	En Suffian (Independent Non-Executive Director)

During the financial year under review, two (2) meetings were held and attended by all members. The main activities carried out by the NC during the financial year under review were as follows:

- Reviewed and assessed the effectiveness of the Board as a whole
- Reviewed and assessed the contribution and performance of each Director
- Reviewed and assessed the appointment of senior management
- Reviewed and assessed the contribution and performance of the Board Committees (Audit Committee, Risk Management Committee, Remuneration Committee, Nominating Committee)
- Reviewed and assessed the independence of the Independent Non-Executive Directors
- Reviewed and recommended the Directors seeking re-election to the Board which would table individually their re-election as director to the shareholders for approval at the forthcoming Annual General Meeting (“AGM”) on 29 March 2019

The NC is satisfied with the effectiveness of the Board and its Committees, including the contributions by each of the members based on the annual assessments conducted and affirmed by each of the members of the Board. The NC is confident that each of the members of the Board and its Board Committees will continue to operate and contribute effectively.

3. REMUNERATION

Remuneration Committee

The Remuneration Committee is formed to review and recommend the appropriate level of remuneration for the Board members, the Executive and Non-Executive Directors, C-Level personnel and the Group’s bonus payout taking into consideration the Group’s performance. The current members of the Remuneration Committee are as follows:

Chairman	:	En Suffian (Independent Non-Executive Director)
Member	:	Ms Soon (Senior Independent Non-Executive Director)
Member	:	Mr Hock (Non-Independent Non-Executive Director)

During the financial year under review, two (2) meeting were held and attended by all members. The main activities carried out by the Remuneration Committee during the financial year under review were as follows:

- Reviewed and recommended to the Board for approval, the remuneration structure for the Group
- Reviewed and recommended to the Board the remuneration package of the Executive Directors
- Reviewed and recommended to the Board the remuneration package and bonus payout of the Key Management

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

3. REMUNERATION (cont'd)

Remuneration Committee (cont'd)

The Executive Directors' remuneration was designed to link rewards to the Company's and individual's performance whilst the remuneration of the Non-Executive Directors was determined in accordance with their experience and the level of responsibilities assumed. In ensuring that the Directors' remuneration was in line with the market expectation and competition to retain and attract talents, comparisons had been made to the Directors' remuneration given by other public listed companies.

The Executive Directors did not take part in the decision on their own remuneration. Likewise, the remuneration of the Non-Executive Directors was a matter for the Board as a whole, with individual Director abstaining from discussion of his/her own remuneration.

Based on the assessment carried out for the financial year, the Board was satisfied that the Remuneration Committee had fulfilled its role and discharged its duties effectively.

Directors' Remuneration

The remuneration paid to individual Directors during the financial year ended 31 October 2018, categorised into appropriate components is as follows:

	Fees RM	Meeting Allowances RM	Salaries & Bonuses RM	Benefits -in-kind RM	Total RM
Executive Directors					
Mr Luk	-	-	812,000	23,950	835,950
Mr Wen	-	-	729,000	11,100	740,100
Non-Executive Directors					
Mr John Ding	90,000	10,500	-	-	100,500
Ms Soon	75,000	10,500	-	-	85,500
En Suffian	70,000	10,500	-	-	80,500
Mr Hock	66,700	10,500	-	-	77,200

Top five (5) Senior Management's remuneration

Detailed remuneration on the top five (5) senior management is not disclosed as the Board is of the view that the disclosure of such information may put the Company in a disadvantage position given the keen competition for talent in the industries which the Group operates.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

4. AUDIT COMMITTEE

Effective and Independent Audit Committee (“AC”)

The composition and details of activities carried out by the AC during FY 2018 are set out in the Audit Committee Report of this Annual Report.

The AC members possess a wide range of skills, and they are financially literate and able to understand matters within the purview of the AC including the financial reporting and performance of the Group. The AC members have been attending continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

Two (2) members from the AC are professionally qualified accountants having vast experience in the finance industry including financial reporting process.

The outsourced Internal Auditors, namely Axcelasia Columbus Sdn Bhd communicate regularly with and report directly to the AC. The internal audit function conducts regular audit to review and provide assurance to the AC on the adequacy and effectiveness of the Group’s internal control and governance process. The outsourced Internal Auditors attended all four (4) meetings of the AC in FY 2018.

An annual assessment was conducted on the external auditors and the AC was satisfied with their performance and independence. In addition, the AC was also satisfied with the quality of audit review procedures and adequacy of the firm’s expertise and its resources to carry out the audit work that it was tasked with.

The Board is aware of Practice 8.2 of the MCCG and the best practice of requiring a cooling off period of at least two (2) years before a former key audit partner is to be appointed as a member of the AC. None of the members of the Board were former key audit partner and the Board has no intention to appoint any such person as a member of the Board at this juncture.

5. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board believes that effective oversight review of risk management and internal control is important to help the Group to achieve its various objectives at many levels and having considered the risks that the Group faces whilst balancing the interest of its many stakeholders and protecting the Group’s assets and investments.

The Group adopts the “Three Lines of Defence” model for the governance and management of its system of internal controls. The AC is assisted by the outsourced Internal Audit Function which reports directly to the AC. The Risk Management Department provides support and facilitates the implementation of an enterprise wide risk management and internal control functions.

A Risk Management Committee was established on 1 March 2018 and is responsible in assisting the Board by taking the responsibility of monitoring the effectiveness of the Group’s approach on risk management which function was previously delegated to the AC. The composition and details of activities carried out by the Risk Management Committee are set out in the Risk Management Committee Report of this Annual Report.

The Statement of Risk Management and Internal Control is set out in the Annual Report to provide an overview of the state of the risk management and internal controls within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

6. COMMUNICATION WITH STAKEHOLDERS

Continuous Communication and Investor Relations

The Board acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Board ensures its adherence to and compliance with the disclosure requirement of the Listing Requirement as well as the Corporate Disclosure Guide issued by Bursa Securities.

The Company's shareholders and members of the public can access to any latest corporate information of the Group on its website at www.mynews.com.my while all material announcements are also published on the website of Bursa Securities.

The management also values dialogues with institutional investors, fund managers and analysts. The Company has been practicing open discussions with investors/fund managers/analysts upon request through meeting, teleconferences and emails. In this regard, information is disseminated with strict adherence to the disclosure requirements and protocol of Bursa Securities.

The Company's website provides easy access to corporate information, Board Charter, Terms of Reference of Board Committees, annual reports and company announcements pertaining to the Group and its activities.

7. CONDUCT OF GENERAL MEETINGS

Shareholders' Participation at General Meetings

The Board has oversight over the implementation and required maintenance of effective communications and engagements with shareholders.

The annual general meetings are principal forum for dialogue with shareholders. At the Company's 2018 AGM, the CEO presented the overall performance of the Group to the shareholders. Shareholders were provided with an opportunity to participate in the question and answer session at which shareholders who raised questions regarding the proposed resolutions at the said meeting as well as on matters relating to the Group's business and affairs. All Directors attended the said AGM and all resolutions tabled were approved and passed by its shareholders.

The Company held its 2018 AGM at The Club, Bukit Utama Golf Resort, 1 Club Drive, Bukit Utama, Bandar Utama, 47800, Petaling Jaya which was easily accessible to its shareholders. The Notice of AGM together with the Company's Annual Report for the financial year ended 31 October 2017 were dispatched on 28 February 2018 which fulfilled the 28 days' notice requirement for the meeting. Both the Notice of Meeting and Annual Report 2017 were published on the websites of Bursa Securities and the Company on the day of the dispatch facilitating prompt access by the shareholders and the public.