

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5275
COMPANY NAME : MYNEWS HOLDINGS BERHAD
FINANCIAL YEAR : October 31, 2021

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board takes full responsibility for the overall performance of the Group by setting the strategic directions and objectives. The Board regularly reviews the Group's business operations and maintains full and effective oversight over the management of Mynews.</p> <p>The roles and responsibilities of the Board include determining the Company's overall strategic plans, performing periodic reviews of operational and financial performance, implement sound risk management and internal control framework to effectively identify, monitor and mitigate the principal business risks surrounding the Group.</p> <p>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:</p> <ul style="list-style-type: none">a) Review and adopt a strategic plan for the Group ensuring the strategies promote sustainability.b) Oversee and monitor the conduct of the Group's business and ensure the integrity of financial and other reporting.c) Ensuring Company's financial statements are true and fair and conform with the accounting standards.d) Identify principal risks and ensure the implementation of appropriate internal controls and mitigation measures.e) Ensure succession planning for senior management positions is in place to provide for the succession of senior management.f) Review the adequacy and integrity of the Group's risk management and internal control system and management information system, including system for compliance with applicable laws, regulations, rules, directives and guidelines. |

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| | <p>g) Ensure Board members stay abreast with and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.</p> <p>The Board had also delegated certain responsibilities to its various Board Committees, which operate within clearly defined terms of reference. The Board Committees of the Board comprise the following:</p> <ul style="list-style-type: none"> ❖ Audit Committee ❖ Risk Management Committee ❖ Nominating Committee ❖ Remuneration Committee <p>The Board receives reports at its meeting from the Chairman of each committee on the proceedings at their respective meetings and it is the general policy of the Company that all major decisions be considered by the Board collectively.</p> <p>The Board Charter and Terms of Reference of the Board Committees are available on the Company's website at www.mynews.com.my</p> |
| <p>Explanation for departure</p> | <p>:</p> |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| <p>Measure</p> | <p>:</p> |
| <p>Timeframe</p> | <p>:</p> |

Intended Outcome

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

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Mr Ding Lien Bing is the independent Non-Executive Chairman, who is primarily responsible for ensuring Board effectiveness and leading the Board in its collective oversight of management.</p> <p>Some of the specific responsibilities of the Chairman include to:</p> <ul style="list-style-type: none"> a) Provide leadership, ensuring the effectiveness of the Board, the governance structure and inculcating positive culture in the Board. b) Ensure integrity of the governance process and issues. c) Have regular dialogue with the Group CEO on the overall operational matters and consultation with the rest of the Board members promptly over matters that could be of concern to the Group. d) Ensure all Directors participate in the Board activities without any member /s) dominating the discussion. |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The positions of the Chairman and the Group CEO are held by two (2) different individuals namely, Mr. Ding Lien Bing and Mr. Dang Tai Luk respectively. Both the responsibilities of the Chairman and Group CEO are distinct and different. The Chairman is independent and does not have any executive position within the Group, whereas the Group CEO is primarily responsible for the day-to-day management and operations of the Group. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 1.4

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Company has qualified Company Secretary who are experienced pursuant to Section 235 of the Companies Act 2016. The Company Secretary plays 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. The Company Secretary ensures 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 and Annual General Meeting are properly and systematically maintained for ease of retrieval and reference. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 1.5

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board and its Committees are provided with sufficient notice of meeting together with the agenda, and the relevant meeting papers by Management at least (5) business days prior to the meeting, to allow reasonable time for the Board and/or its Committees to review the meeting papers to prepare for the deliberation on the issues to be considered at the respective meetings.</p> <p>For each of the Board and its Committees meetings, the draft minutes are circulated to the members to ensure that the minutes of meeting accurately reflect the deliberations and decisions of the Board and/or Board Committees, including whether any Director had declared his or her interest in the matters for deliberation and abstained from voting or deliberating on the said matter. Thereafter the final minutes are confirmed and approved by the Chairman of the meeting at the next sitting.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>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.</p> <p>The Board reviews the Board Charter from time to time and makes amendment where necessary to ensure that they remain relevant with the Board's objectives, current laws and practices. The Board Charter was reviewed and last updated in September 2020.</p> <p>The Board Charter is available on the Company's website. www.mynews.com.my</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board is committed to establish a corporate culture that fosters common goal of achieving sustainable profitability, whilst cultivating ethical business conducts. The Board has adopted the Code of Ethics and Conduct for Directors which upholds integrity, transparency and ethical practices of the business activity.</p> <p>The Code of Ethics and Conduct for Directors is published in the Company's website at www.mynews.com.my</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>A Whistle-Blowing Policy has been established to further enhance the Group's commitment in upholding and achieving integrity, transparency and accountability in the conduct of its business. The Whistle-Blowing Policy serves to provide an avenue to any party, internal or the public to raise concerns, report or disclose any improper behaviour and conduct on a confidential basis, without fear of any form of victimisation, harassment or retaliation.</p> <p>Mynews' whistle-blowing policy is available on the Company's website at www.mynews.com.my</p> <p>Any enquiries, misconduct or complaints can be emailed to mynewscareline@mynews.com.my or cucareline@mycu.my</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.1

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board comprises of six (6) Directors, three (3) of whom are independent Non-Executive Directors. The independent directors participate actively to provide independent advice, views and judgements in the decision making process, ensure 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 deliberation and decision-making process.</p> <p>The independent Directors whose profile are set out in the Directors' Profile in the Annual Report are as follows:</p> <ul style="list-style-type: none">• Mr Ding Lien Bing <i>Independent Non-Executive Chairman</i>• Ms Soon Dee Hwee <i>Senior Independent Non-Executive Director</i>• En Mohd Suffian Bin Suboh <i>Independent Non-Executive Director</i> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.2

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.

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| Application | : | Not applicable - No independent director(s) serving beyond 9 years | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

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| 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.

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| Application | : Applied |
| Explanation on application of the practice | <p>The Board has at all times promoted and welcomed diversity and gender mix in its composition and this is reflected in the Board's composition comprising of different skill sets, experience, age, gender and background.</p> <p>The Nomination Committee, which comprises of Independent Non-Executive Directors, is responsible for making recommendation relating to any new appointment to the Board. Any nomination received shall be assessed by the Nomination Committee before putting the recommendation for appointment to the Board for consideration and approval.</p> <p>For the appointment of new Directors, the Nomination Committee shall assess the suitability of candidates, taking into consideration the following:</p> <ul style="list-style-type: none">• 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. <p>A brief description of each Director's background is presented in the Directors' Profile in the Annual report.</p> <p>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 commensurate with the Group's business operations and needs.</p> <p>Appointment of key senior management was also made on the same considerations except for gender and ethnicity diversity. The profile of the respective key senior management is set out in the Profile of Key Senior Management in the Annual Report.</p> |

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| Explanation for departure : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure : | | |
| Timeframe : | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Board acknowledges the importance of Board diversity in its Board composition which amongst others, is the gender diversity. The Board has one (1) female member (Ms Soon Dee Hwee – Senior Independent Non-Executive Director) and shall accord priority on increasing the female participation whenever there is any new appointment of member. | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company by 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Nomination Committee, guided by a clear set of criteria, is responsible for identifying, assessing, and evaluating the candidates of the appropriate profile for appointment to the Board to ensure the overall Board effectiveness. As an enhancement to its current process of sourcing suitable candidates for the Board, Nominating Committee may also consider procuring suitable candidates from independent sources, as and when appropriate and practicable. There was no appointment of new Director during the financial year under review. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 4.7

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Nominating Committee comprises 3 members, all of whom are Independent Non-Executive Director and the committee is chaired by Mr Ding Lien Bing (<i>Independent Non-Executive Chairman</i>).</p> <p>The Nominating Committee carried out its duties in accordance with its Terms of Reference. The Terms of Reference of the Nominating Committee is available on the Company's website at www.mynews.com.my</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board, Board Committees and individual Directors are assessed annually by the Nominating Committee and the Directors collectively on the following:</p> <ul style="list-style-type: none">• Effectiveness of the Board as a whole• Contribution and performance of each individual Director• Contribution and performance of the Board Committees (Audit Committee, Risk Management Committee, Remuneration Committee and Nominating Committee)• Independence of the Independent Non-Executive Directors <p>Annual assessments are conducted and each of the Directors is given the chance to provide feedbacks on the effectiveness of the Board as a whole and the individual performance and contribution to the Board. In addition, the Nominating Committee members also assessed the contribution and performance of the Board Committees and each individual member. The results of all the assessments are then collated by the Company Secretary and tabled to the Nominating Committee for deliberation.</p> <p>The Nominating Committee was satisfied with the effectiveness of the Board and the Board Committees based on the annual assessments conducted. The results of the assessment were affirmed by the Board.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |

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| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company has a clear process for setting the remuneration for Directors to ensure that it is competitive to attract and retain the Directors.</p> <p>The Remuneration Committee is responsible to review, assess and recommend the remuneration packages of the Executive Directors and the C-Level personnel to ensure that they are sufficiently attractive to retain them with due consideration of the individual's performance, seniority, experience and scope of responsibility.</p> <p>The Executive Directors' remuneration is designed to link rewards to the Group's and individual performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed. Additionally, in ensuring that the Directors' remuneration is in line with the market and competitive to retain and attract talents, reference is made to the Directors' remuneration offered by other public listed companies of similar industry and same level of market capitalisation.</p> <p>The Executive Directors do not take part in the decision on their own remuneration. Likewise, the remuneration of the Non-Executive Directors is a matter for the Board as a whole, with individual Director abstaining from discussion of his/her own remuneration.</p> <p>The policy and procedures on the Directors' remuneration are in the Board Charter which is available on the Company's website at www.mynews.com.my</p> |
| Explanation for departure | : | |

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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Remuneration Committee was established to review and recommend the appropriate level of remuneration packages for the Board and C-Level personnel. In addition, the Remuneration Committee also reviews the Group's bonus pay-out taking into consideration the Group's performance.</p> <p>The Remuneration Committee carried out its duties in accordance with its Terms of Reference. The Terms of Reference of the Remuneration Committee is available on the Company's website at www.mynews.com.my</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

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| Application | : | Applied |
| Explanation on application of the practice | : | The disclosure on a named basis for the remuneration of individual Director and breakdown of the individual Director's remuneration such as fees, salary, bonus, benefits in-kind and other emoluments is made in the Corporate Governance Overview Statement of the Annual Report 2021. |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

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| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | For confidentiality, the details of the remuneration, on a named basis, for top 5 senior management are 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 industry where the Group operates. | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | For the best interest of the Group and the staff concerned, the Board shall not disclose such information. | |
| Timeframe | : | Others | Please specify number of years. |
| | | | |

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 7.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

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| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.1

The Chairman of the Audit Committee is not the Chairman of the board.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Chairman of the Audit Committee is not the Chairman of the Board to ensure the overall effectiveness and independence of the Audit Committee.</p> <p>The Chairman of the Audit Committee is Ms Soon Dee Hwee, whereas the Chairman of the Board is Mr Ding Lien Bing, both are Independent Non-Executive Directors.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 8.2

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board shall adopt the best practice of requiring a cooling off period of at least three (3) years before a former key audit partner is to be appointed as a member of the Audit Committee.</p> <p>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.</p> | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.3

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

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|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Audit Committee applies the best practices in the assessment of the external auditors to ensure their suitability, objectivity and independence.</p> <p>Based on the annual assessment conducted for the financial year ended 31 October 2021, which included the quality of audit review procedures, adequacy of the firm's expertise and its resources to carry out the audit the Audit Committee was satisfied with the performance of the external auditors.</p> <p>Messrs, Grant Thornton had also confirmed to the Audit Committee their independence throughout the audit engagement in respect of the financial year under review.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

| | | |
|--|---|--|
| Application | : | Adopted |
| Explanation on adoption of the practice | : | <p>The entire Audit Committee comprises members who are Independent Directors, namely: -</p> <ol style="list-style-type: none">1) Ms Soon Dee Hwee – Chairman of Audit Committee <i>Senior Independent Non- Executive Director</i>2) Mr Ding Lien Bing – Member of Audit Committee <i>Independent – Non- Executive Chairman</i>3) En Mohd Suffian Bin Suboh – Member of Audit Committee <i>Independent – Non- Executive Director</i> |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Audit Committee members possess a wide range of skills and they are financially literate and able to understand matters within the purview of the Audit Committee including the financial reporting and performance of the Group. The Audit Committee members have and will continue to attend continuous professional development programmes from time to time to address any skills or knowledge gaps according to their needs.</p> <p>Two (2) members from the Audit Committee (Ms. Soon Dee Hwee and Mr. Ding Lien Bing) are professionally qualified accountants having vast experience in the finance industry including the financial reporting process.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.1

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has the oversight responsibility of the adequacy and effectiveness of the Group's internal controls which comprise the governance, risk and controls aspects. The oversight function of these areas was delegated by the Board to the Audit Committee and Risk Management Committee.</p> <p>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 out the interest of its many stakeholders and protecting the Group's assets and investments.</p> <p>The Group adopts a 3 line of defence structure for the governance and management of its system of internal controls. The internal audit function is outsourced to Messrs. Tricor Axcelasia Sdn Bhd which reports directly to the Audit Committee. Whereas the Risk Management Department provides support and facilitates the implementation of an enterprise-wide risk management and internal control functions.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

Practice 9.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board regards risk management and internal control as an integral part of business operations. An approved Enterprise Risk Management (“ERM”) Framework developed based on ISO 31000 is in place and provides guidance to both the Board and Management on risk management, governance and risk process. The framework sets out the process towards risk identification, risk assessment, risk evaluation, risk treatment, monitoring and reporting of risk. Control effectiveness is reviewed to ensure adequate controls are in place to manage the risks identified and a Risk Management Report is tabled to the Risk Management Committee on a quarterly basis.</p> <p>The Risk Management Report comprises the following:</p> <ul style="list-style-type: none"> - Identification of new risks or changes in existing risks - Evaluation of risks identified and profiling of risks - Controls implemented or additional controls to be introduced - Updating of the risks register - Emerging risks - Incidents Reporting |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 9.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

| | | |
|--|---|--|
| Application | : | Adopted |
| Explanation on adoption of the practice | : | <p>The Risk Management Committee was established on 1 March 2018 and it comprises majority of independent directors:</p> <ol style="list-style-type: none">1) Mr Dang Tai Hock – Chairman <i>Executive Director</i>2) Mr Ding Lien Bing – Member <i>Independent – Non-Executive Chairman</i>3) En Mohd Suffian Bin Suboh – Member <i>Independent – Non- Executive Director</i> |

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Group has outsourced its internal audit function to Messrs. Tricor Axcelasia Sdn. Bhd, an independent professional services firm, to assist the Audit Committee in discharging its duties and responsibilities more effectively.</p> <p>Tricor Axcelasia assists in obtaining the assurance regarding the effectiveness of the system of internal control and reports directly to the Audit Committee on issues and recommendations arising from each review.</p> <p>The Audit Committee had reviewed the quality of the internal audit function and assessed the effectiveness of the internal audit process and found them to be satisfactory. The Audit Committee and Tricor Axcelasia do have private meeting without the Management to facilitate discussions without management's influence.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 10.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The internal audit function is outsourced to an independent professional firm, reporting directly to the Audit Committee.</p> <p>The engagement Executive Director, Ms. Melissa Koay is a Certified Internal Auditors ('CIA'). The number of staff deployed for the internal audit reviews ranges from 3 to 4 staff per visit, including the engagement Executive Director. Staff involved in the internal audit reviews possesses professional qualification and/or a university degree.</p> <p>The internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>Internal audits were conducted using a risk-based approach and were guided by the International Professional Practice Framework (IPPF).</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 11.1

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

| | | | | | | |
|---|--|---|------------|--------------|-------|--|
| Application | : | Applied | | | | |
| Explanation on application of the practice | : | <p>The Company recognises the value of transparent, consistent and regular communications with its stakeholders.</p> <p>The Company announces its quarterly results, annual reports or announcement on material corporate exercise to its stakeholders via Bursa Malaysia.</p> <p>The Board ensures that the stakeholders are given the opportunity to speak and seek clarifications during the Company’s virtual AGM for effective and transparent communication with its stakeholders.</p> <p>The Company also maintains a website at www.mynews.com.my for the stakeholders and general public to access information on, amongst others, the Group’s profile, corporate profile, products, financial performance and announcements to Bursa Malaysia.</p> <p>The Group also maintains a Facebook social media page with the name Mynews.com to communicate new products, promotions, new outlet openings and updates on the operational activities.</p> <p>Any request for information regarding the Group can be forwarded to:-</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 40%;">Telephone:</td> <td>03-6158 6000</td> </tr> <tr> <td>Email</td> <td>mynewscareline@mynews.com.my cucareline@mycu.my</td> </tr> </table> | Telephone: | 03-6158 6000 | Email | mynewscareline@mynews.com.my cucareline@mycu.my |
| Telephone: | 03-6158 6000 | | | | | |
| Email | mynewscareline@mynews.com.my cucareline@mycu.my | | | | | |
| Explanation for departure | : | | | | | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | | | | | |

| | | | |
|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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 | : | Not applicable as the Company is not a “Large Company” as defined in MCCG 2017 | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The Notice of the Eight (8th) AGM of the Company held on 25 th March 2021 was announced in Bursa Securities and despatched on 24 February 2021 fulfilling the 28 days' notice required. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 12.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>During the Company's Seventh (8th) AGM held on 25 March 2021, all Directors attended the meeting.</p> <p>All questions raised by shareholders and Minority Shareholders Watch Group were addressed accordingly either during the Question and Answer session at the 8th AGM or in written form prior to the said AGM.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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 | : | Applied |
| Explanation on application of the practice | : | The Company held its 8 th AGM on 25 March 2021 at Mynews Headquarters, Kota Damansara via virtual. The shareholders are able to participate and view the AGM via live streaming and perform e-voting. This allows remote shareholders to participate in the AGM. |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | Others |

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

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