

Unless otherwise stated, all abbreviations contained in this Abridged Prospectus are defined in the Definitions section of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. All enquiries concerning the Rights Issue with Warrants should be addressed to our Malaysian Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur (Tel: +603 - 2084 9000).

This Abridged Prospectus, together with the NPA and RSF (collectively, the “**Documents**”), will be despatched only to our Entitled Shareholders whose names appear on our Record of Depositors as at 5.00 p.m. on 23 December 2015 at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 23 December 2015. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia, are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue with Warrants, application for Excess Rights Shares with Warrants, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants would result in the contravention of any law of such countries or jurisdictions. We, Mercury Securities and/or the advisers named herein shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of entitlements, application for Excess Rights Shares with Warrants or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants made by any Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) are residents.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has also been lodged with the ROC who takes no responsibility for the contents of the Documents.

Approval for the Rights Issue with Warrants has been obtained from our Shareholders at our EGM convened on 2 July 2015. Approval has been obtained from Bursa Securities via its letter dated 29 May 2015 for the admission of the Warrants to the Official List and the listing and quotation of the new securities arising from the Rights Issue with Warrants and the new Shares to be issued upon exercise of the Warrants on the ACE Market of Bursa Securities (subject to the conditions specified in the said letter), which will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them. However, such admission, listing and quotation are not an indication that Bursa Securities recommends the Rights Issue with Warrants and are in no way reflective of the merits of the Rights Issue with Warrants.

The Board has seen and approved the Documents and they, collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in the Documents false or misleading.

Mercury Securities, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” AS SET OUT IN SECTION 7 OF THIS ABRIDGED PROSPECTUS.



ORIENTED MEDIA GROUP BERHAD

(Company No. 517487-A)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 426,979,200 NEW ORDINARY SHARES OF RM0.10 EACH IN OMEDIA (“OMEDIA SHARES”) (“RIGHTS SHARES”) AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE TOGETHER WITH UP TO 320,234,400 FREE DETACHABLE WARRANTS IN OMEDIA (“WARRANTS”) ON THE BASIS OF FOUR (4) RIGHTS SHARES TOGETHER WITH THREE (3) FREE WARRANTS FOR EVERY TWO (2) EXISTING OMEDIA SHARES HELD BY ENTITLED SHAREHOLDERS OF OMEDIA AT 5.00 P.M. ON 23 DECEMBER 2015

Principal Adviser



Mercury Securities Sdn Bhd

(Company No. 113193-W)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date..... : Wednesday, 23 December 2015 at 5.00 p.m.

Last date and time for:

Sale of Provisional Allotments : Monday, 4 January 2016 at 5.00 p.m.

Transfer of Provisional Allotments : Thursday, 7 January 2016 at 4.00 p.m.

Acceptance and payment : Tuesday, 12 January 2016 at 5.00 p.m.*

Excess Rights Shares with Warrants Application and payment : Tuesday, 12 January 2016 at 5.00 p.m.*

* Or such later date and time as the Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

This Abridged Prospectus is dated 23 December 2015

ALL TERMS USED HEREIN ARE AS DEFINED IN THE “DEFINITIONS” SECTION OF THIS ABRIDGED PROSPECTUS.

THE SC AND BURSA SECURITIES ARE NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

SHAREHOLDERS / INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE DISTRIBUTION OF THE ABRIDGED PROSPECTUS, TOGETHER WITH THE NPA AND RSF (COLLECTIVELY, THE “DOCUMENTS”) IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

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DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:-

| | |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Abridged Prospectus | : This abridged prospectus in relation to the Rights Issue with Warrants |
| Act | : Companies Act, 1965, of Malaysia as may be amended from time to time and any re-enactment thereof |
| Amendment | : Amendment to the Memorandum of Association of OMEDIA |
| B2B | : Business-to-business |
| Board | : Board of Directors of OMEDIA |
| Bursa Depository | : Bursa Malaysia Depository Sdn Bhd (165570-W) |
| Bursa Securities | : Bursa Malaysia Securities Berhad (635998-W) |
| Buyer | : Comprises sportswear retailers, sportswear brand owners, and other sportswear wholesalers who will purchase through the OSTP from the intended Merchants |
| By-Laws | : The By-laws governing the Scheme as may be amended, varied or supplemented from time to time |
| CAGR | : Compounded annual growth rate |
| CDS | : Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository |
| CDS Account(s) | : Account(s) established by Bursa Depository for a depositor for the recording of deposits of securities and dealings in such securities by the depositor |
| Closing Date | : 12 January 2016 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Rights Shares with Warrants or such later date and time as the Board may decide and announce not less than two (2) Market Days before the stipulated date and time |
| CMSA | : Capital Markets and Services Act, 2007, of Malaysia as may be amended from time to time and any re-enactment thereof |
| Code | : Malaysian Code on Take-Overs and Mergers, 2010 |
| Corporate Exercises | : Collectively, the Rights Issue with Warrants, the ESOS Termination, the New ESOS, the Increase in Authorised Share Capital and the Amendment |
| Deed Poll | : The deed poll constituting the Warrants executed by OMEDIA on 9 December 2015 |
| e-commerce | : Electronic commerce |
| EGM | : Extraordinary general meeting |
| Eligible Person(s) | : Director(s) or Employee(s) of the OMEDIA Group who meets the criteria of eligibility for participation in the New ESOS |

DEFINITIONS (CONT'D)

| | | |
|----------------------------------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Emerge | : | Emerge Systems (M) Sdn Bhd (544992-U) |
| Entitled Shareholder(s) | : | Shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date |
| Entitlement Date | : | 23 December 2015, at 5.00 p.m., being the date on which shareholders' names must be registered in OMEDIA's Record of Depositors in order to be entitled to participate in the Rights Issue with Warrants |
| EPS | : | Earnings per Share |
| ESOS Termination | : | Termination of the employees' share option scheme of the Company (which was established in 2009 and will expire in 2019) that had been terminated on 6 August 2015 |
| Excess Rights Shares with Warrants | : | Rights Shares with Warrants which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) prior to the Closing Date |
| Excess Rights Shares with Warrants Application(s) | : | Application(s) for additional Rights Shares with Warrants in excess of the Provisional Allotments |
| Exercise Period | : | Any time within a period of three (3) years commencing from and including the date of issue of the Warrants to the close of business at 5.00 p.m. on the market day immediately preceding the date which is the third (3rd) anniversary from the date of issue of the Warrants. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid. |
| Exercise Price | : | RM0.10, being the price at which one (1) Warrant is exercisable into one (1) OMEDIA Share, subject to adjustments in accordance with the Deed Poll |
| Exercising Warrant Holders | : | Warrant Holders who exercise their Warrants |
| Foreign-Addressed Shareholder(s) | : | Shareholder(s) who have not provided to the Company a registered address in Malaysia or an address in Malaysia for the service of documents which will be issued in connection with the Rights Issue with Warrants by the Entitlement Date |
| FPE | : | Financial period(s) ended |
| Fujian Accsoft | : | Fujian Accsoft Technology Development Co. Ltd. (3500048877), a wholly-owned subsidiary of OMHL, which in turn is wholly-owned by OMEDIA |
| FYE | : | Financial year(s) ended / ending 30 June |
| GDP | : | Gross domestic product |
| Grantee | : | Any Eligible Person who has accepted the offer of Options |
| GP | : | Gross profit |
| HKD | : | Hong Kong Dollar, the lawful currency of Hong Kong |
| ICT | : | Information and communication technology |

DEFINITIONS (CONT'D)

| | |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Increase in Authorised Share Capital | : Increase in the authorised share capital of the Company from RM50,000,000 comprising 500,000,000 Shares to RM200,000,000 comprising 2,000,000,000 Shares |
| IT | : Information technology |
| LAT | : Loss after tax |
| LBT | : Loss before tax |
| Listing Requirements | : ACE Market Listing Requirements of Bursa Securities including any amendments made thereto from time to time |
| LPD | : 30 November 2015, being the latest practicable date prior to the printing of this Abridged Prospectus |
| LPS | : Loss per Share |
| LTD | : 7 December 2015, being the last trading day prior to the date of the fixing of the issue price of the Rights Shares |
| Market Day(s) | : Any day on which Bursa Securities is open for trading in securities |
| Maximum Scenario | : Assuming that all the Entitled Shareholders and/or their renouncee(s) fully subscribe for their respective entitlements |
| Merchant | : Comprises sportswear manufacturers, who market and sell their products on the OSTP |
| Mercury Securities or Principal Adviser | : Mercury Securities Sdn Bhd (113193-W) |
| Minimum Scenario | : Assuming the Rights Issue with Warrants is undertaken on the Minimum Subscription Level |
| Minimum Subscription Level | : Minimum subscription level for the Rights Issue with Warrants of 80,000,000 Rights Shares together with 60,000,000 Warrants |
| NA | : Net assets |
| New ESOS or Scheme | : New employees' share option scheme for the granting of Options to the Eligible Person(s) to subscribe for new OMEDIA Shares upon the terms as set out in the By-Laws, such scheme to be known as "OMEDIA Employees' Share Option Scheme", which came into effect on 6 August 2015 for a period of five (5) years |
| NPA | : Notice of provisional allotment in relation to the Rights Issue with Warrants |
| Official List | : A list specifying all securities which have been admitted for listing on the ACE Market of Bursa Securities and not removed |
| OMEDIA or the Company | : Oriented Media Group Berhad (517487-A) |
| OMEDIA Group or the Group | : OMEDIA and its subsidiaries |
| OMEDIA Shares or Shares | : Ordinary shares of RM0.10 each in the share capital of OMEDIA |

DEFINITIONS (CONT'D)

| | |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OMHL | : Oriented Media Holdings Limited (2188949), a wholly-owned subsidiary of the Company |
| Options | : ESOS options granted to the Eligible Persons to subscribe for new OMEDIA Shares at the price per Share at which a Grantee shall be entitled to subscribe for each new Share from the Company upon the exercise of the Options as set out in the By-Laws |
| OSTP | : Online sportswear trading platform |
| PAT | : Profit after taxation |
| PBOC | : People's Bank of China |
| PBT | : Profit before taxation |
| PRC or China | : People's Republic of China |
| Provisional Allotments | : The Rights Shares with Warrants provisionally allotted to Entitled Shareholders |
| R&D | : Research and development |
| Record of Depositors | : A record of security holders provided by Bursa Depository under the Rules of Bursa Depository |
| Rights Issue with Warrants | : Renounceable rights issue of up to 426,979,200 Rights Shares together with up to 320,234,400 free Warrants on the basis of four (4) Rights Shares together with three (3) free Warrants for every two (2) existing Shares held by Entitled Shareholders on the Entitlement Date |
| Rights Shares | : New Shares to be allotted and issued pursuant to the Rights Issue with Warrants |
| RM and sen | : Ringgit Malaysia and sen, respectively |
| RMB | : Renminbi, the official currency of China |
| ROC | : Registrar of Companies or, where the context requires, its predecessor, 'Registrar' as defined by Section 4(1) of the Act |
| RSF | : Rights subscription form in relation to the Rights Issue with Warrants |
| Rules of Bursa Depository | : The rules of Bursa Depository as issued pursuant to the SICDA, as amended from time to time |
| SC | : Securities Commission Malaysia |
| SGD | : Singapore Dollar, the lawful currency of the Republic of Singapore |
| Share Registrar | : Securities Services (Holdings) Sdn Bhd (36869-T) |
| Shareholders | : Registered holders of OMEDIA Shares |
| SICDA | : Securities Industry (Central Depositories) Act, 1991 of Malaysia as may be amended from time to time, including Securities Industry (Central Depositories) Amendment Act, 1998 of Malaysia |

DEFINITIONS (CONT'D)

| | |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Smith Zander or the IMR | : Smith Zander International Sdn Bhd (1058128-V) |
| Sure Bright | : Sure Bright Investment Development Limited (143649), an investment holding company wholly-owned by Mr. Zhu GuoHe, the Executive Director of OMEDIA |
| TEAP | : Theoretical ex-all price |
| Undertakings | : The written undertakings from the Undertaking Shareholders pursuant to which the Undertaking Shareholders have irrevocably and unconditionally undertaken, amongst others, to apply and subscribe in full for their respective entitlements under the Rights Issue with Warrants and to apply for any Shares not taken up by way of Excess Rights Shares with Warrants Applications, to arrive at the Minimum Subscription Level on the Entitlement Date |
| Undertaking Shareholders | : Collectively, Sure Bright and Mr Yee Yit Yang, the Independent Non-Executive Chairman of OMEDIA |
| USD | : United States Dollars, the lawful currency of the United States of America |
| VWAP | : Volume weighted average price |
| Warrant(s) | : Free detachable warrants in OMEDIA to be allotted and issued pursuant to the Rights Issue with Warrants |
| Warrant Holder(s) | : The holder(s) of the Warrant(s) pursuant to the Deed Poll |

In this Abridged Prospectus, all references to “our Company” are to OMEDIA and references to “we”, “us”, “our” and “ourselves” are to our Company and, where the context otherwise requires, our subsidiaries. All references to “you” in this Abridged Prospectus are to Entitled Shareholders.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise stated.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that the Company's plans and objectives will be achieved.

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CORPORATE DIRECTORY**ORIENTED MEDIA GROUP BERHAD**

(Company No. 517487-A)
(Incorporated in Malaysia under the Companies Act, 1965)

BOARD OF DIRECTORS

| Name (Designation) | Address | Nationality | Profession |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------|--------------------|----------------------|
| Yee Yit Yang (Independent Non-Executive Chairman) | 15, Jalan Damai Rasa, Alam Damai Cheras, 56000, Kuala Lumpur | Malaysian | Financial Consultant |
| Zhu GuoHe (Executive Director) | Room 301, Building 2 Yuan Tai Yuan, 105 Xiang Yuan Road, Fengze District, Quanzhou, Fujian, China | PRC | Company Director |
| Ng Chee Kin (Independent Non-Executive Director) | No. 26 Jalan Hujan Abu 4, O.U.G. 58200 Kuala Lumpur | Malaysian | Financial Consultant |
| Ng Kean Leong (Independent Non-Executive Director) | No. 39 Jalan Kubah U8/48D, Bukit Jelutong, 40150, Shah Alam, Selangor | Malaysian | Business Consultant |
| Khor Chin Fei (Independent Non-Executive Director) | 27, Jalan Daya 4, Taman Daya Kepong, 52100, Kuala Lumpur | Malaysian | Financial Planner |

AUDIT COMMITTEE

| Name | Designation | Directorship |
|---------------|--------------------|------------------------------------|
| Yee Yit Yang | Chairman | Independent Non-Executive Chairman |
| Ng Chee Kin | Member | Independent Non-Executive Director |
| Ng Kean Leong | Member | Independent Non-Executive Director |

COMPANY SECRETARY : Pang Kah Man (MIA 18831)

REGISTERED OFFICE : 3-2, 3rd Mile Square
No. 151 Jalan Kelang Lama
Batu 3½
58100 Kuala Lumpur
Tel : +603 - 7987 5300
Fax : +603 - 7987 5200

CORPORATE DIRECTORY (CONT'D)

| | |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AUDITORS AND REPORTING ACCOUNTANTS | : Baker Tilly Monteiro Heng Chartered Accountants Baker Tilly MH Tower Level 10 Tower 1 Avenue 5 Bangsar South City 59200 Kuala Lumpur Tel : +603 - 2297 1000 Fax : +603 - 2282 9980 |
| SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS | : Teh & Lee A-3-3 & A-3-4 Northpoint Offices Mid Valley City No.1 Medan Syed Putra Utara 59200 Kuala Lumpur Tel : +603 - 2283 2800 Fax : +603 - 2283 2500 |
| IMR | : Smith Zander International Sdn Bhd Level 23, Premier Suite, One Mont' Kiara 1 Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur Tel : +603 - 2785 6822 Fax : +603 - 2785 6922 |
| PRINCIPAL BANKER | : Alliance Bank Malaysia Berhad 3rd Floor Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel : +603 - 2604 3333 Fax : +603 - 2694 6200 |
| SHARE REGISTRAR | : Securities Services (Holdings) Sdn Bhd Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur Malaysia Tel : +603 - 2084 9000 Fax : +603 - 2094 9940 / +603 - 2095 0292 |
| PRINCIPAL ADVISER | : Mercury Securities Sdn Bhd L-7-2, No. 2, Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel : +603 - 6203 7227 Fax : +603 - 6203 7117 |
| STOCK EXCHANGE LISTED AND LISTING SOUGHT | : ACE Market of Bursa Securities |

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ORIENTED MEDIA GROUP BERHAD

(Company No. 517487-A)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

3-2, 3rd Mile Square,
No. 151 Jalan Kelang Lama,
Batu 3½,
58100 Kuala Lumpur

23 December 2015

Board of Directors:

Yee Yit Yang (*Independent Non-Executive Chairman*)
Zhu GuoHe (*Executive Director*)
Ng Chee Kin (*Independent Non-Executive Director*)
Ng Kean Leong (*Independent Non-Executive Director*)
Khor Chin Fei (*Independent Non-Executive Director*)

To: Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 426,979,200 RIGHTS SHARES TOGETHER WITH UP TO 320,234,400 FREE WARRANTS, ON THE BASIS OF FOUR (4) RIGHTS SHARES TOGETHER WITH THREE (3) FREE WARRANTS FOR EVERY TWO (2) EXISTING SHARES HELD IN OMEDIA ON THE ENTITLEMENT DATE

1. INTRODUCTION

On 29 May 2015, Mercury Securities on behalf of the Board, announced that Bursa Securities had, vide its letter dated 29 May 2015, granted its approval for, amongst others, the following:-

- (i) admission to the Official List and the listing and quotation of up to 320,234,400 Warrants to be issued pursuant to the Rights Issue with Warrants;
- (ii) listing and quotation of up to 426,979,200 Rights Shares to be issued pursuant to the Rights Issue with Warrants; and
- (iii) listing and quotation of up to 320,234,400 new Shares to be issued pursuant to the exercise of the Warrants.

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The approval of Bursa Securities is subject to, amongst others, the following conditions:-

| Condition | Status of compliance |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| (i) OMEDIA and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants; | To be met |
| (ii) OMEDIA and Mercury Securities are to inform Bursa Securities upon the completion of the Rights Issue with Warrants; | To be met |
| (iii) OMEDIA is to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed; and | To be met |
| (iv) OMEDIA is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed (pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable. | To be met |

The Board is pleased to inform that Shareholders had, during the EGM held on 2 July 2015, approved, amongst others, the Rights Issue with Warrants. A certified true extract of the resolutions approving, amongst others, the Rights Issue with Warrants at the said EGM is attached in Appendix III of this Abridged Prospectus.

On 3 December 2015, Mercury Securities had, on behalf of the Board, announced that the Company had procured Undertakings from the Undertaking Shareholders to subscribe for their respective entitlement and to subscribe for additional Rights Shares not taken up by other Entitled Shareholders by way of Excess Rights Shares with Warrants Applications to meet the Minimum Subscription Level. The details of the Undertakings are set out in Section 3 of this Abridged Prospectus.

On 8 December 2015, Mercury Securities had, on behalf of the Board, announced that the Board had on even date resolved to fix the issue price of the Rights Shares at RM0.10 per Rights Share as well as the Exercise Price at RM0.10 per Warrant.

On 9 December 2015, Mercury Securities had, on behalf of the Board, announced that the Entitlement Date for the Rights Issue with Warrants has been fixed at 5.00 p.m. on 23 December 2015.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by Mercury Securities or us in connection with the Rights Issue with Warrants.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

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2. PARTICULARS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

In accordance with the terms of the Rights Issue with Warrants as approved by the relevant authorities as well as Shareholders and subject to the terms of this Abridged Prospectus and the accompanying documents, the Rights Issue with Warrants entails a provisional allotment of up to 426,979,200 Rights Shares together with up to 320,234,400 free Warrants on a renounceable basis of four (4) Rights Shares together with three (3) free Warrants for every two (2) existing Shares held by Entitled Shareholders on the Entitlement Date, at an issue price of RM0.10 per Rights Share.

As the Rights Shares and Warrants are prescribed securities, the respective CDS Accounts of Entitled Shareholders will be duly credited with the number of Provisional Allotments they are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. Entitled Shareholders will find enclosed in this Abridged Prospectus, the NPA notifying Entitled Shareholders of the crediting of such securities into their respective CDS Accounts and the RSF to enable Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for Excess Rights Shares with Warrants if Entitled Shareholders so choose to. However, only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF.

The Warrants are attached to the Rights Shares without any cost and will be issued only to Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) who subscribe for the Rights Shares. The Warrants are exercisable into new OMEDIA Shares and each Warrant will entitle its holder to subscribe for one (1) new OMEDIA Share at the Exercise Price. The Warrants will be immediately detached from the Rights Shares upon issuance and traded separately. The Warrants will be issued in registered form and constituted by the Deed Poll. The indicative salient terms of the Warrants are set out in Section 2.5 of this Abridged Prospectus.

Any dealings in the Company's securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants and the new Shares to be issued and allotted upon the exercise of the Warrants will be credited directly into the respective CDS Accounts of successful applicants and Exercising Warrant Holders (as the case may be). No physical certificates will be issued to the Entitled Shareholders and/or their transferee(s) and/or their renouncee(s), nor will any physical share certificates be issued for the new Shares to be issued arising from the exercise of the Warrants.

The Rights Issue with Warrants are renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue with Warrants. However, the Rights Shares and Warrants cannot be renounced separately, and only Entitled Shareholders who subscribe for the Rights Shares will be entitled to the Warrants. As such, the Entitled Shareholders who renounce all of their Rights Share entitlements will not be entitled to the Warrants. If the Entitled Shareholders accept only part of their Rights Share entitlements, they shall be entitled to the Warrants in proportion to their acceptance of the Rights Share entitlements.

The Rights Shares with Warrants that are not taken up or validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renouncee(s), if applicable, shall be made available for Excess Rights Shares with Warrants Applications.

Fractional entitlements arising from the Rights Issue with Warrants, if any, will be dealt with by the Board in such manner and on such terms and conditions as the Board at its absolute discretion deems fit or expedient and in the best interests of the Company.

Notice of allotment will be despatched to Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) within eight (8) Market Days from the last date for acceptance and payment of the Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities.

The Rights Shares and Warrants will be admitted to the Official List and the listing and quotation of these securities will commence two (2) Market Days upon the receipt of an application for quotation for these securities as specified under the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to the successful applicants, and after receipt of confirmation from Bursa Depository that all CDS Accounts of successful applicants have been duly credited.

2.2 Basis of determining the issue price of the Rights Shares and the Exercise Price

Issue price of the Rights Shares

The Board had fixed the issue price of the Rights Shares at RM0.10 per Rights Share, after taking into consideration the following:-

- (i) the funding requirements of the Group, details of which are set out in Section 5 of this Abridged Prospectus;
- (ii) the par value of OMEDIA Shares of RM0.10 each;
- (iii) the TEAP of OMEDIA Shares; and
- (iv) the historical share price and volatility of OMEDIA Shares.

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The issue price of the Rights Shares represents a discount of approximately 42.49% to the TEAP of RM0.1739 per OMEDIA Share, calculated based on the five (5)-day VWAP of OMEDIA Shares up to and including the LTD of RM0.4325.

Exercise Price

The Board had fixed the Exercise Price at RM0.10 per Warrant, after taking into consideration, amongst others, the following:-

- (i) the par value of OMEDIA Shares of RM0.10 each; and
- (ii) the TEAP of OMEDIA Shares.

The Exercise Price represents a discount of approximately 42.49% to the aforementioned TEAP.

2.3 Ranking of Rights Shares and new OMEDIA Shares arising from the exercise of the Warrants

Rights Shares

The Rights Shares shall, upon allotment, issuance and full payment, rank *pari passu* in all respects with the then existing issued and fully paid-up OMEDIA Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the Rights Shares.

New OMEDIA Shares arising from the exercise of Warrants

The new OMEDIA Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment, issuance and full payment of the exercise price of the Warrants, rank *pari passu* in all respects with the then existing issued and fully paid-up OMEDIA Shares, save and except that the new OMEDIA Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the new OMEDIA Shares arising from the exercise of the Warrants.

2.4 Last date and time for acceptance and payment

The Closing Date is 5.00 p.m. on **12 January 2016**, or such later date and time as the Board may decide and announce not less than two (2) Market Days before the aforesaid date and time.

2.5 Salient terms of the Warrants

The salient terms of the Warrants to be issued pursuant to the Rights Issue with Warrants are set out below:-

- | | | |
|-----------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer | : | OMEDIA |
| Issue size | : | Up to 320,234,400 Warrants |
| Form and denomination | : | The Warrants will be issued in registered form and constituted by the Deed Poll. |
| Board lot | : | For the purpose of trading on Bursa Securities, a board lot of Warrants shall be 100 units of Warrants, unless otherwise revised by the relevant authorities. |

| | | |
|----------------------------------------------------------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tenure of Warrants | : | Three (3) years from the date of issuance of the Warrants. |
| Exercise Period | : | The Warrants may be exercised at any time within a period of three (3) years commencing from and including the date of issue of the Warrants to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the third (3rd) anniversary from the date of issue of the Warrants. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid. |
| Exercise Price | : | Subject to adjustments in accordance with the Deed Poll, the exercise price of the Warrants has been fixed at RM0.10 each. The total amount payable for the exercise of the Warrants should be rounded up to the nearest sen. |
| Exercise Rights | : | Each Warrant shall entitle its holder to subscribe for one (1) new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll. |
| Mode of exercise | : | The holders of the Warrants shall pay by way of banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia for the aggregate of the Exercise Price payable when exercising their Warrants to subscribe for new OMEDIA Shares. |
| Adjustments to the final Exercise Price and/or the number of the Warrants | : | The Exercise Price and/or the number of Warrants in issue may be subject to adjustments in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll. |
| Rights of the Warrant Holders | : | The Warrants do not confer on their holders any voting rights or any right to participate in any distribution and/or offer of further securities in the Company until and unless such holders of the Warrants exercise their Warrants and are allotted and issued new OMEDIA Shares arising from their exercise of the Warrants. |
| Ranking of the new OMEDIA Shares to be issued pursuant to the exercise of the Warrants | : | The new OMEDIA Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment, issuance and full payment of the Exercise Price of the Warrants, rank <i>pari passu</i> in all respects with the then existing issued and fully paid-up OMEDIA Shares, save and except that the new OMEDIA Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the new OMEDIA Shares arising from the exercise of the Warrants. |

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- Rights of the Warrant Holders in the event of winding up, liquidation, compromise and/or arrangement : (a) Where a resolution has been passed for a members' voluntary winding up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one (1) or more companies, then for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of the Warrants (or some person designated by them for such purpose by special resolution of the holders of the Warrants) shall be a party, the terms of such winding-up, compromise and arrangement shall be binding on all the holders of the Warrants;
- (b) After the passing of resolution to voluntarily wind up the Company, every holder of the Warrants shall thereupon be entitled, subject to the conditions set out in the Deed Poll, to exercise his Warrants at any time not more than six (6) weeks by submitting the subscription form (by irrevocable surrender of his Warrants to the Company) duly completed authorising the debiting of his Warrants together with payment of the relevant exercise price, whereupon the Company shall as soon as possible but in any event prior to the date of the general meeting, allot the relevant OMEDIA Shares to the holder of the said Warrants credited as fully paid subject to the prevailing laws.

Subject to the above, if the Company is wound-up or an order has been granted for such compromise or arrangement, all Warrants which are not exercised prior to the passing of the resolution for winding-up or the granting of the court order approving the winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), shall lapse and the Warrants will cease to be valid for any purpose.

- Transferability : The Warrants shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
- Deed Poll : The Warrants are constituted by the Deed Poll.
- Governing Law : The Warrants and the Deed Poll shall be governed by the laws of Malaysia.

2.6 Details of other intended corporate exercise which has been approved

As at LPD, save for the Corporate Exercises, the Board confirms that there are no other corporate exercises which has been approved by the regulatory authorities but not completed.

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3. SHAREHOLDERS' UNDERTAKINGS

OMEDIA intends to raise a minimum of RM8.0 million from the Rights Issue with Warrants to meet the funding requirements of the Group, which will be channelled towards the proposed utilisation as set out in Section 5 of this Abridged Prospectus.

In view of this, the Board has determined to undertake the Rights Issue with Warrants on a minimum subscription basis, based on a minimum subscription level of 80,000,000 Rights Shares together with 60,000,000 Warrants based on the issue price of RM0.10 per Rights Share.

To meet the Minimum Subscription Level, the Company has obtained the Undertakings from the Undertaking Shareholders.

Details of the Undertakings are as follows:-

Minimum Scenario

| Undertaking Shareholders | Existing direct shareholdings as at LPD | | Minimum Rights Shares to be subscribe for | | | Direct shareholdings after the Rights Issue with Warrants | |
|--------------------------|-----------------------------------------|------|-------------------------------------------|-------------------------------------------------|------------|-----------------------------------------------------------|-------|
| | No. of Shares held | %(1) | Subscription based on entitlement | Subscription based on excess shares application | Total | No. of Shares held | %(2) |
| Sure Bright | 17,790,800 | 8.33 | 35,581,600 | 34,418,400 | 70,000,000 | 87,790,800 | 29.91 |
| Yee Yit Yang | 500,000 | 0.23 | 1,000,000 | 9,000,000 | 10,000,000 | 10,500,000 | 3.58 |

Notes:-

(1) Based on the issued and paid-up share capital of 213,489,600 Shares as at LPD.

(2) Based on the enlarged issued and paid-up share capital of 293,489,600 Shares under the Minimum Scenario.

Maximum Scenario

| Undertaking Shareholders | Existing direct shareholdings as at LPD | | Subscription based on entitlement | Direct shareholdings after the Rights Issue with Warrants | |
|--------------------------|-----------------------------------------|------|-----------------------------------|-----------------------------------------------------------|------|
| | No. of Shares held | %(1) | No. of Rights Shares | No. of Shares held | %(2) |
| Sure Bright | 17,790,800 | 8.33 | 35,581,600 | 53,372,400 | 8.33 |
| Yee Yit Yang | 500,000 | 0.23 | 1,000,000 | 1,500,000 | 0.23 |

Notes:-

(1) Based on the issued and paid-up share capital of 213,489,600 Shares as at LPD.

(2) Based on the enlarged issued and paid-up share capital of 640,468,800 Shares under the Maximum Scenario.

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Pursuant to the Undertakings, the Undertaking Shareholders have:-

- (i) irrevocably and unconditionally warranted that they shall not sell or in any other way dispose of or transfer their existing interest in OMEDIA or any part thereof during the period commencing from the date of the Undertakings to the Entitlement Date; and
- (ii) confirmed that they have sufficient financial means and resources to subscribe for their entitlement and to subscribe for additional Rights Shares not taken up by other Entitled Shareholders by way of Excess Rights Shares with Warrants Applications, to the extent such that their aggregate subscription of Rights Shares under the Rights Issue with Warrants including the subscription for the excess applications amounting to not less than 70,000,000 Rights Shares together with 52,500,000 Warrants by Sure Bright and 10,000,000 Rights Shares together with 7,500,000 Warrants by Mr Yee Yit Yang, under the Minimum Scenario.

The Undertaking Shareholders has confirmed that the Undertakings will not give rise to any consequence of mandatory offer obligation pursuant to the Code immediately after the Rights Issue with Warrants. In the event that the Undertaking Shareholders trigger an obligation to undertake a mandatory offer under the Code pursuant to the Undertakings, a separate announcement will be made. Consequently, an application to the SC will be made on behalf of the Undertaking Shareholders as well as persons acting in concert for an exemption to undertake the mandatory offer under paragraph 16.1, Practice Note 9 of the Code. Nonetheless, the Undertaking Shareholders have confirmed that they will at all times observe and ensure compliance with the provisions of the Code and will seek from the SC the necessary exemptions from undertaking such mandatory offer, if required.

As the Rights Issue with Warrants will be undertaken based on the Minimum Subscription Level, OMEDIA will not procure any underwriting arrangement for the Rights Shares with Warrants.

4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue with Warrants will enable the Company to raise funds and channel them towards the proposed utilisation as set out in Section 5 of this Abridged Prospectus. After due consideration of the various options available, the Board is of the opinion that the Rights Issue with Warrants is the most suitable for the following reasons:-

- (i) The Rights Issue with Warrants will involve the issuance of new OMEDIA Shares without diluting the Entitled Shareholders' shareholdings provided that they subscribe in full for their respective entitlements under the Rights Issue with Warrants and exercise their Warrants subsequently;
- (ii) The Rights Issue with Warrants provides an opportunity for the Entitled Shareholders to participate in the equity offering of the Company on a pro-rata basis; and
- (iii) The Rights Issue with Warrants will enable the Company to raise the requisite funds without incurring additional interest expense, thereby minimising any potential cash outflow in respect of interest servicing.

The free Warrants are intended to provide an added incentive to Entitled Shareholders to subscribe for the Rights Shares. In addition, the free Warrants will provide Entitled Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined exercise price during the tenure of the Warrants and will allow Entitled Shareholders to further participate in the future growth of the Company when the Warrants are exercised.

The exercise of the Warrants in the future will allow the Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, should the Company increase its borrowings in the future, the exercise of the Warrants will increase shareholders' funds and lower the Company's gearing level, thereby providing the Company flexibility in terms of the options available to meet its funding requirements.

5. UTILISATION OF PROCEEDS

Based on the issue price of RM0.10 per Rights Share, the gross proceeds to be raised from the Rights Issue with Warrants and its expected utilisation under the Minimum Scenario and Maximum Scenario are as follows:-

| Proposed utilisation of proceeds | | Expected timeframe for utilisation | Minimum Scenario | Maximum Scenario |
|----------------------------------|-----------------------------------------------------------------|------------------------------------|------------------|------------------|
| | | | RM'000 | RM'000 |
| (i) | Expansion of web-based business | Within 24 months | 5,000 | 22,350 |
| (ii) | Marketing expenses, including digital / internet media services | Within 24 months | 1,500 | 11,900 |
| (iii) | Working capital | Within 24 months | 700 | 7,648 |
| (iv) | Estimated expenses in relation to the Corporate Exercises | Immediate | 800 | 800 |
| Total | | | (1) 8,000 | 42,698 |

Note:-

(1) Any additional proceeds raised from the Rights Issue with Warrants above the proceeds under the Minimum Scenario will be allocated to fund the following:-

| | % of additional proceeds |
|---------------------------------------------------------------------|--------------------------|
| (a) Expansion of web-based business | 50 |
| (b) Marketing expenses, including digital / internet media services | 30 |
| (c) Working capital | 20 |

The actual gross proceeds to be raised from the Rights Issue with Warrants will depend on the actual number of Rights Shares that will be finally issued.

Based on the Exercise Price per Warrant, the Company will raise gross proceeds of up to RM32.02 million upon full exercise of the Warrants under the Maximum Scenario. Any proceeds arising from any potential exercise of Warrants in the future will be used to finance future working capital requirements.

Details of the expected utilisation of proceeds from the Rights Issue with Warrants are as follows:-

(i) Expansion of web-based business

The Company plans to expand its web-based business through setting up of an OSTP. The expansion plan will involve the following costs:-

| | OSTP base platform | Add-on modules | Total |
|-----------------------------------------|--------------------|----------------|---------------|
| | RM'000 | RM'000 | RM'000 |
| Hardware and infrastructure | 2,300 | 5,875 | 8,175 |
| Software development and implementation | 2,700 | 11,475 | 14,175 |
| Total | 5,000 | 17,350 | 22,350 |

The OSTP base platform costs comprise the set-up cost for hardware and infrastructure as well as software development and implementation.

The OSTP base platform is a basic platform comprising an online trading platform with logistics system for delivery and distribution of products sold online, as well as customer relationship management system ("CRMS"). Based on the various discussions with Emerge, being the technology partner of OMEDIA for the OSTP, the Board is of the opinion that the OSTP base platform is adequate to expand the Company's web-based business at this juncture. The implementation of the OSTP base platform is estimated to require an amount of RM5.0 million plus marketing expenses of RM1.5 million, as set out in the tables above.

In addition to the basic functions offered under the OSTP base platform, the Company would have the option to further upgrade the OSTP via the add-on modules and will gradually do so when the OSTP gains traction. In the event that the Maximum Scenario is not achieved, alternative sources of funds to be determined at a later date, will be utilised to fund the add-on modules.

The add-on modules include, amongst others, the business intelligence system, finance and human resource system. The add-on module for business intelligence system includes the relevant hardware and infrastructure (including licenses), software development and implementation as well as annual support and maintenance. The add-on module for finance and human resource system includes the corresponding software licenses and implementation as well as the annual support and maintenance.

(ii) Marketing expenses for the OSTP, including digital / internet media services

Marketing expenses to be incurred to promote the OSTP, including digital / internet media services to increase the OSTP visibility and traffic count via search engine optimisation, search engine marketing and social media marketing, amongst others, and includes creative and design, online production and media buying costs.

(iii) Working capital for OMEDIA Group

The balance of the proceeds will be used for the Group's working capital purposes, which is expected to increase in tandem with the growth of its business, in the following manner:-

| Working capital | Percentage allocation (%) | Allocation (RM'000) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------|
| Payment of salaries to existing and new staffs of the OMEDIA Group (up to) | 50.0 | 3,824 |
| Payment for existing and new server location or cloud hosting fees, rental, audit fees, secretarial fees, electricity, telephone and internet and other sundry expenses (up to) | 50.0 | 3,824 |
| Total | 100.0 | 7,648 |

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(iv) Estimated expenses in relation to the Corporate Exercises

The estimated expenses for the Corporate Exercises are as follows:-

| Estimated expenses | Amount (RM'000) |
|---------------------------------------------|----------------------------|
| Professional fees | 700 |
| Fees to relevant authorities | 79 |
| Printing, despatch and advertising expenses | 15 |
| Miscellaneous charges | 6 |
| Total | 800 |

If the actual expenses incurred are higher than budgeted, the deficit will be funded from the portion allocated for working capital. Conversely, any surplus of funds following payment of expenses will be utilised for working capital purposes.

6. DETAILS ON THE COMPANY'S BUSINESS EXPANSION

OMEDIA Group is currently involved in the development and provision of online gaming and edu-tainment related internet applications, mobile applications as well as digital / internet media consultancy services. The Group is currently providing digital / internet media consultancy services to clients with the aim of increasing their market reach.

As an extension to its digital / internet media consultancy services business, and leveraging on these capabilities and experience, the Group intends to expand into the internet-based e-commerce business through the design, development, management and operation of an OSTP, specialising in the sportswear industry in the PRC via Fujian Accsoft, a wholly-owned subsidiary of OMHL, which in turn is wholly-owned by OMEDIA. Initially, the Group plans to provide this OSTP to sportswear manufacturers based primarily in the Fujian province of the PRC due to its concentration of approximately 5,000 sportswear / footwear manufacturers in the province. In the near future, the Group may expand its reach to other regions in the PRC.

The OSTP aims to fulfill a gap in matching small and medium-sized sportswear manufacturers with wholesalers and retailers in the PRC in the context of a B2B model. The primary objective of the OSTP is to leverage on the internet to enhance the presence of these manufacturers, where the internet becomes an additional sales channel allowing them to seek new customers and increase market access. The current digital / internet media consultancy services business is expected to strategically complement the OSTP as it advises Merchants on the digital media marketing strategy and assessing the internet (via the OSTP) as a marketing platform to increase their market reach.

In the sportswear industry in the PRC, larger and more prominent sportswear enterprises have sufficient resources to establish their own in-house marketing and advertising teams to promote and distribute their products. However, many small and medium-sized local sportswear manufacturers may not have sufficient resources to establish and maintain such initiatives. As a result, many of them have minimal or no online presence.

The OSTP provides an alternative and more specialised avenue for small and medium-sized local sportswear manufacturers to market and distribute their products.

Hence, the OSTP, which will specialise in serving the sportswear market, will provide sportswear manufacturers, particularly small and medium sized enterprises, with an alternative means to gain greater visibility without the need to have an extensive physical presence. The OSTP will tap into a lesser accessed market by matching small and medium-sized sportswear manufacturers looking to expand their distribution network with retailers in the PRC who are looking to expand their portfolio of sportswear products as well as wholesalers from within the country who are looking to attract retailers for sourcing and purchasing activities.

The expected date for the launching of the OSTP base platform is targeted to be in the third quarter of 2016, assuming the Rights Issue with Warrants is completed in the first quarter of 2016. The marketing of the OSTP, the identification of Merchants and Buyers to participate in the OSTP together with the identification of third party logistics service provider will only commence once the Rights Issue with Warrants is completed to ensure smooth provision of relevant OSTP services to prospective customers.

The OSTP is expected to present the Group with a strategic opportunity to expand its revenue stream as detailed out in Section 6.3 of this Abridged Prospectus, which is expected to contribute towards improved earnings growth in the future.

The Group had on 19 March 2015, announced that it had entered into a technology partnership agreement with Emerge, where Emerge will collaborate with the Group as the Group's technology partner for a period of two (2) years for the development of the OSTP, and to provide relevant infrastructure and support for OSTP services. Emerge is an e-commerce technology and web solutions provider, offering e-commerce and cloud software applications, hosting infrastructure, software development services, and other information technology related services. Emerge is a subsidiary of RapidCloud International Plc, a company listed on AIM of the London Stock Exchange.

Fujian Accsoft, a wholly-owned foreign enterprise incorporated in China, has an office located in Fujian, China for the provision of digital / internet media consultancy services to clients with the aim of increasing their market reach. This is expected to strategically complement the OSTP upon its expected launch in the third quarter of 2016.

Fujian Accsoft had on 21 October 2015, entered into two (2) strategic cooperation framework agreements with Fujian Jin-Jiang E-Commerce Development Co. Ltd ("**FJED**") and Xiamen Mass Entrepreneurship & E-Commerce Technology Co. Ltd ("**XMEET**") for a period of one (1) year from 21 October 2015 and 22 October 2015 respectively, for the collaboration in exploring China e-commerce market. FJED is currently the largest e-commerce company in China for selling shoe products while XMEET is a high technology internet-based company involved in R&D of technology and e-commerce business.

Both FJED and XMEET are expected to provide their client base to Fujian Accsoft. In turn, Fujian Accsoft will be providing services on the technical development, software and technology services to FJED and XMEET.

To date, the Group has not incurred any material sum for the design and development of the OSTP. The Group will finalise the implementation of the OSTP including, amongst others, its web contents as well as work schedule once the Rights Issue with Warrants is completed with actual proceeds ascertained.

The details of the OSTP, namely the business model, target market and revenue model are as set out in the ensuing sections on the Group's expansion of its web-based business.

6.1 Business model of OSTP

The OSTP will provide a B2B online marketplace initially for Merchants (as described in Section 6.2 of this Abridged Prospectus) primarily based in Fujian, PRC to market and sell their products online to Buyers (as described in Section 6.2 of this Abridged Prospectus).

Many of the sportswear manufacturers in Fujian province are small and medium sized enterprises (“SME”) who generally face a number of key challenges in the traditional trade environment, including:-

- (i) limited geographic presence which restricts their ability to develop customer and supplier relationships beyond their local markets;
- (ii) fragmentation of sportswear manufacturers, wholesalers and retailers which makes it difficult to find and communicate with suitable trading partners;
- (iii) limited communication channels and information sources to market and promote their products and services, or to find new markets or suppliers;
- (iv) relatively small scale of operations which limits their resources for sales and marketing; and
- (v) absence of efficient mechanisms for evaluating the trustworthiness of trading partners.

These challenges present opportunities for the OSTP that offers a readily available medium to bring sportswear manufacturers, wholesalers and retailers together. In particular, the OSTP will offer the following advantages compared to traditional marketing and trading channels such as classified advertisements, outdoor advertising, trade catalogs, trade magazines, trade shows and physical wholesale markets:-

- (i) global reach through the internet which removes geographical barriers for Merchants and Buyers around the world;
- (ii) ability to connect Merchants and Buyers and enable them to find and communicate with suitable trading partners online;
- (iii) easy and interactive access to organised information about Merchants and their products and services, which enables Buyers to conduct their sourcing more efficiently;
- (iv) year-round availability which allows Merchants to conduct business over the internet 24 hours a day, seven (7) days a week;
- (v) real-time update of Merchant information;
- (vi) readily available medium for displaying and disseminating information and connecting Merchants and Buyers directly; and
- (vii) authentication mechanisms and user-generated trust rating systems which assist Merchants and Buyers in checking the trustworthiness of their potential partners.

OMEDIA Group intends to operate as a platform for third parties, where the Group will not engage in direct sales, compete with its Merchants or hold inventory.

The OSTP base platform will be able to offer the following two (2) options to Merchants as a means of conducting their business through the OSTP:-

(i) General online marketplace

The general online marketplace will allow Merchants to post product and service listings and/or catalogues in standardised formats, which will be referred to as online listings. These listings will include, amongst others, product descriptions, product specifications and images of products.

Merchants and Buyers will also be able to post business leads, which are known as trade leads when posted by Merchants, and buying requests when posted by Buyers. Trade leads are generally postings by Merchants indicating their product, without specific product listings, to invite interested Buyers to interact with them with the intention of a specific sales order to subsequently follow; and buying requests are postings by Buyers looking to purchase specific products and inviting interested Merchants to respond to these requests.

(ii) E-mall marketplace

The e-mall marketplace platform caters for Merchants who prefer dedicated e-storefronts to market and sell their products but would like to outsource the management and back-end operation of the OSTP to OMEDIA Group. The dedicated e-storefront is similar to a business website, though it will still be sub-domains to the abovementioned general online marketplace. Through this e-mall marketplace, Merchants will be able to customise their product catalogues, and the e-mall marketplace storefronts may also carry the Merchants' company logos and corporate branding visuals, allowing Merchants opting for this e-mall marketplace to build their own brand identity.

In addition, Merchants can also host their company profiles or websites within this dedicated e-mall marketplace storefronts as well as run their own marketing campaigns, product promotions and other branding activities. This e-mall marketplace also allows Merchants to undertake, or engage a third party to conduct digital media marketing activities to promote and direct potential customers to their dedicated e-mall marketplace storefronts.

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Other salient features of the OSTP base platform are as follows:-

(i) Logistics and distribution system

As with most other e-commerce platforms, logistics and distribution is an integral component of the business, as goods purchased through the platform from a Merchant has to be delivered to the Buyer. In light of this, OMEDIA Group plans to provide the Merchants with the option of logistics and distribution support services by integrating its OSTP with third party logistics services.

OMEDIA Group will implement a logistics and distribution system that would compute the logistics and distribution charges based on the goods purchased (in terms of quantity, size and weight, among other parameters) as well as pickup and delivery locations, and electronically link the information to its appointed third party logistics provider for pickup and delivery.

This service will allow Merchants to focus on their core businesses without the need to be involved in these back-end operational activities which may be costly and cumbersome for SMEs with limited resources.

(ii) CRMS

The OSTP base platform features the CRMS, which is an enhancing solution that allows the OSTP to build stronger business relationships with its customers (i.e. Merchants and Buyers). The CRMS serves to organise, automate and synchronise sales, marketing, customer service, and technical support for the Merchants.

Some of the key features in the CRMS, functioning as an enhancing system to the OSTP base platform, will include:-

(a) Analysis of sales performance

Using data from completed sales transactions, the CRMS tracks the Buyers' purchase information to implement sales promotions, automate tracking of a Buyer's account history for repeated sales or future sales, and also coordinate sales, marketing and customer service centres.

(b) Prompting of purchase interest or generation of sales leads

The CRMS tracks the Buyers' historical buying trends and patterns and will be able to send relevant information to their existing Buyers to prompt purchase interest or generate future sales leads. For instance, a Buyer will receive news and updates through emails on promotional or marketing campaigns on the particular product types, or complementary product types, purchased by the Buyer in the past in order to encourage or prompt purchase interest in the Buyer to return to the portal.

(c) Management of existing Merchants and their Buyers

The CRMS helps resolve issues based on user (i.e. Merchants and their Buyers) input, through direct online communications between the user and customer service division of the OSTP.

(d) Broadcasting of online marketing campaigns

The CRMS is able to broadcast online marketing and promotional campaigns, and subsequently track and measure the effectiveness of these campaigns.

While the OSTP base platform provides a basic platform that is adequate for Merchants and Buyers to conduct business online, the add-on modules are intended to enhance the OSTP online trading platform. The add-on modules is able to complement the marketing efforts of both the Group and the Merchants as a result of increase internet user traffic to the OSTP. The add-on modules will also enable the Group to improve its management of finance and administrative functions in relation to its OSTP business.

The salient features of the add-on modules for the OSTP, which may be integrated later as an option, are as follows:-

(i) Business intelligence system

The business intelligence system is to facilitate the transformation of large sets of data, also known as big data analysis, into meaningful and useful information for business analysis purposes. It is essentially a technology-driven process for analysing data and presenting actionable information to help with decision-making processes which can be used by Merchants to further reach out to their potential customers.

The business intelligence system utilises historical and present data gathered from internal and external sources. Historical data gathered internally is largely obtained from internal systems such as traffic generated to the OSTP and the CRMS; while external data includes data from both free-source and purchased data produced from external parties which are relevant to the OSTP business.

This business intelligence system also provides several other benefits including helping the Company and Merchants increase business operational performance, improve productivity and efficiency leading to improved profit margins, as well as create an adaptive platform which can acclimatise to the constant and rapid changes in the e-commerce industry.

Specifically, the business intelligence system allows for retail analytics which would provide the Company and Merchants with insights in customer intelligence (e.g. loyalty analysis, marketing optimisation and automation, and market basket analysis) and operational intelligence (e.g. best practice methodologies, productivity and efficiency improvements, and labour optimisation). Ultimately, this solution allows for performance benchmarking.

(ii) Finance system

The finance system serves to automate the finance functions of the e-commerce business of the e-commerce team, and back integrated to the Group's existing finance system. The finance system is a solution to assist OMEDIA Group to capture, amongst others, the necessary sales orders, transacted sales, invoicing, account receivables, purchase orders, purchases, account payables, fixed asset accounting and cash reconciliations for the OSTP. It will also generate general ledgers and financial reports, as well as support budgeting and forecasting.

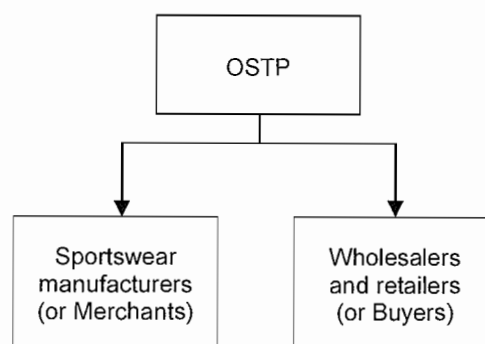
(iii) Human resource system

The human resource system serves to automate, amongst others, the following functions of the human resource department within the Company's web-based business:-

- (a) employee profile;
- (b) payroll and benefits management;
- (c) leave entitlement;
- (d) training management; and
- (e) performance appraisal.

6.2 Target market

The OSTP will cater to two (2) categories of users as follows:-

**(i) Merchants**

The intended Merchants of OMEDIA Group's OSTP will comprise sportswear manufacturers, which will be primarily based in Fujian province, PRC.

(ii) Buyers

The intended Merchants will market and sell their products and services to B2B customers i.e. Buyers, including sportswear retailers, sportswear brand owners, and other sportswear wholesalers, who would typically purchase in bulk. These sportswear manufacturers can supply their products to B2B customers either as an original equipment manufacturer or original design manufacturer.

6.3 Revenue model

Currently, the Company is providing digital media marketing consultancy services.

For Merchants who have requested for digital media marketing consultancy services, OMEDIA Group will charge consultancy fees based on the services provided. These fees may either be charged as periodic retainer fees or as "one-off" project fees. The fee will vary according to the type of digital media marketing (i.e. search engine optimisation, search engine marketing and social media marketing) and the level of activities required.

The OSTP's revenue model when it becomes operational are as follows:-

(i) Subscription fees

Subscription fees will be earned from the Merchants with online listings on the general online marketplace and/or on dedicated storefronts under the e-mail marketplace of the OSTP. These fees will be levied on a periodic basis, and will vary according to the type of trading platform the Merchant chooses to conduct business online, i.e. general online marketplace and/or e-mail marketplace as described in Section 6.1 of this Abridged Prospectus.

(ii) Logistics and distribution support service fees

OMEDIA Group will receive fees from the provision of logistics and distribution support services, as these services will be integrated to the OSTP. These fees will be in the form of commission or referral fee paid to OMEDIA Group by its third party logistics provider. Logistics and distribution support service fees will be incurred for each transaction which require delivery services.

(iii) Online advertising revenue

This revenue stream would entail setting up dedicated advertising space on the OSTP to be leased out to enterprises and businesses for a given period. The form of advertising would include, among others, the following:-

- (a) display advertising, including web banners and frame ads;
- (b) pop-ups;
- (c) text advertising; and
- (d) video advertising.

Online advertising fees will be earned in various forms including, among others, fixed fees (over a period of time), cost per click where advertisers pay each time a user clicks on the advertisement, cost per engagement where the viewer actually saw and/or interacted with the advertisement, and cost per view which is usually associated with viewing a video advertisement.

7. RISK FACTORS

You should carefully consider, in addition to the other information contained in this Abridged Prospectus, the following risk factors (which may not be exhaustive) before subscribing for or investing in the Rights Issue with Warrants:-

7.1 Risks relating to the Rights Issue with Warrants

(i) Delay in or abortion of the Rights Issue with Warrants

The Rights Issue with Warrants may be delayed or cancelled if there is a material adverse change of events or circumstances, which is beyond the control of the Company and the Principal Adviser.

As stated in Section 3 of this Abridged Prospectus, the Company has procured the Undertakings from the Undertaking Shareholders in order to meet the Minimum Subscription Level. The successful implementation of the Rights Issue with Warrants is dependent upon the fulfilment by the Undertaking Shareholders of their obligations pursuant to the Undertakings.

In the event of failure in the completion of the Rights Issue with Warrants, all application monies received pursuant to the Rights Issue with Warrants will be refunded without interest to the Entitled Shareholders and or their renouncee(s) (if applicable) who have subscribed for the Rights Shares in accordance with Section 243 of the CMSA except for the costs of purchasing the provisional allotment of the Rights Shares with Warrants and any expenses associated therewith.

Notwithstanding the above, our Company will exercise our best endeavour to ensure the successful implementation of the Rights Issue with Warrants. However, there can be no assurance that the abovementioned events will not cause a delay in or failure of the Rights Issue with Warrants.

In the event that the Rights Issue with Warrants is cancelled after the Rights Shares and Warrants have been validly allotted to the Entitled Shareholders and/or their renounce(s) (if applicable), a return of monies of the Entitled Shareholders and/or their renounce(s) (if applicable) can only be achieved by way of cancellation of our share capital as provided under the Act. Such cancellation requires the approval of our shareholders by way of a special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be recovered within a short period of time or at all under such circumstances.

(ii) Capital market risk

The market price of the new securities arising from the Rights Issue with Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuation. The respective price of the Company's securities is influenced by, amongst others, the prevailing market sentiments, the volatility of the stock market, movements in interest rates, the outlook of the industry in which the Company operates in. In view of this, there can be no assurance that OMEDIA Shares (together with the Rights Shares and any new Shares issued pursuant to the exercise of the Warrants) will trade at or above the TEAP disclosed in Section 2.2 of this Abridged Prospectus after completion of the Rights Issue with Warrants.

The Warrants are new instruments issued by the Company. Therefore, there can be no assurance that an active market for the Warrants will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants will be "in-the-money" during the Exercise Period.

Accordingly, there is no assurance that the market price of the Warrants will be at a level that meets the specific investment objectives or targets of any subscriber of the Warrants.

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(iii) Forward-looking statements and other information

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of future results and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on the estimates and assumptions made by the Company, unless stated otherwise, and although the Board believes these forward-looking statements to be reasonable at this point in time given the prevailing circumstances, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, but are not limited to, those set out in this Abridged Prospectus.

In view of this and other uncertainties, the inclusion of any forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty by the Company, the Principal Adviser and/or other advisers that the plans and objectives of the Group will be achieved.

Further, certain information in this Abridged Prospectus is extracted or derived from available government publications or other publicly available sources. Neither the Company nor the Principal Adviser and/or any other advisers have independently verified such information.

7.2 Risks relating to the Group**(i) General economic conditions**

OMEDIA Group is currently involved in the development and provision of online gaming and edu-tainment related internet applications, mobile applications as well as digital / internet media consultancy services. Operating in the ICT industry, inherent risks are omnipresent. These risks include changes in the general economic conditions such as, but not limited to government regulations, taxation, interest rates, foreign exchange rates, inflation, and the Group's ability to cope with or stay ahead of rapid technological changes.

Although the Group seeks to limit these risks through, *inter alia*, practicing prudent management policies, continuous review of the operations and keeping abreast of the latest technological developments in the ICT industry, there will be no assurance that any changes to these risks associated with the industry will not have an adverse effect on the Group's current and existing business.

(ii) Failure to implement robust logistics and supply chain management

In the e-commerce business, logistics and distribution is an essential component as buyers have no direct contact with merchants and rely solely on the e-commerce industry players to offer a trusted, reliable and safe product delivery system. As the PRC's e-commerce market grows, logistics and distribution will be a challenge when e-commerce industry players attempt to reach more customers over wider geographic regions effectively and in a timely manner. It is thus important for e-commerce industry players in the PRC to implement robust logistics and supply chain management systems and/or to identify and select suitable logistics and distribution partners.

Failure on the e-commerce industry players' part to put in place a robust logistics and supply chain management systems and/or to partner with reliable logistics and distribution service providers could lead to late deliveries, or damaged or lost parcels. This could have a detrimental impact on the e-commerce industry player's reputation and brand image, causing a loss in sales and repeat customers.

(iii) Security concerns

A major concern that deters consumers from engaging in e-commerce activities is the security in performing transactions over the Internet. Although e-commerce is more convenient and in some cases, a cheaper alternative to conventional shopping, the accessibility and connectivity aspects of e-commerce render e-commerce vulnerable to threats from hackers, who may mount attacks to corporate networks to steal confidential information. However, it is noted that there has been much advocacy on the security of e-commerce, with the release of the 12th Five Year Plan (2011-2015) by the Government of PRC. It highlights the need to regulate the e-commerce market to secure the digital infrastructure, offering reassurance on its reliability.

Hence, it is crucial for e-commerce industry players to place importance in this aspect, as the breach of security in the computer systems could have a negative impact on the industry player's business operations and financial performance.

(iv) Political, economic and regulatory risks

The Group's business operations and financial performance may be adversely affected by the unfavourable political, economic, monetary and regulatory developments. These factors include but are not limited to, the level of inflation, interest rates, exchange rates and changes in political leadership and the government's fiscal and monetary policies in Malaysia and in countries where the Company's services are rendered.

While the Group continues to adopt measures including prudent financial management and efficient operating procedures, there can be no assurance that adverse political, economic, monetary and regulatory factors will not materially affect the Group's business operations and financial performance.

(v) Foreign currency and exchange risks

The Group is exposed to foreign currency and exchange risks due in part to its expansion into the e-commerce market in the PRC.

The value of RMB against other foreign currencies is subject to changes in the PRC Government's policies and international economic and political developments. The PBOC announced on 19 June 2010 that it would gradually relax the peg between the RMB and a basket of currencies (primarily the USD). This is the resumption of a policy the PBOC had initiated in mid 2005 and suspended in mid 2008.

Fluctuations in the exchange rate of the RM against the RMB may affect the amount of funds that Fujian Accsoft receives in RMB from fund raising activities outside the PRC.

There can be no assurance that there will not be any material and/or volatile fluctuation in the RMB, the occurrence of which may affect the financial position and performance of the Group. There is also no assurance that the RMB will not be subject to administrative or legislative intervention by the PRC government or adverse market movements. However, the Group will assess the need to utilise financial instruments to hedge its foreign exchange exposure.

8. INDUSTRY OVERVIEW AND PROSPECTS

8.1 Economic outlook in the PRC

PRC's economic growth continues to moderate, in 2014 GDP expanded by 7.4%, within the government's indicative growth target of about 7.5% for the year, but sharply slower than the 10.0% annual growth rate that PRC averaged for three (3) consecutive decades. An orderly correction in real estate - reflecting policy efforts to reduce supply mismatches and tighten nonbank credit - continues to weigh on economic activity. Ongoing adjustments in real estate, a buildup of excess capacity, and decelerating export growth are affecting industrial activity. In contrast, growth in services remained robust as composition of growth continues to improve.

PRC's growth slowdown is not unexpected and is desirable from short- and medium-term perspectives. In the short term, it reflects policies to slow rapid credit growth, contain shadow banking, limit borrowing by local governments, and reduce excess capacity in industry. These policies address the vulnerabilities that built up after the 2008 global financial crisis.

Over the medium term, lower growth is consistent with a gradual shift in the PRC's growth model, from manufacturing to services, from investment to consumption, and from exports to domestic spending. The growth of aggregate financing (stock) - a broad measure of outstanding credit - continues to decelerate. This trend reflected Government moves to tighten regulations on trust and interbank assets and to check corporate and government credit demand, as well as investors' greater awareness of risks in non-bank products. Issuance of new debt to finance new projects is falling as the authorities introduced guidelines on management of local government debt. This policy tightening has been partially offset by a series of targeted and limited stimulus measures to prevent growth from slowing too much.

Balancing reforms and short-term demand management remains a priority in 2015 as large-scale, broad-based stimulus measures aimed at supporting short-term growth may conflict with efforts to increase the sustainability of medium-term growth. Efforts to cut excess capacity in heavy industry, dampen unproductive risk taking in shadow banking, and harden budget constraints on local governments will help make investment more efficient and realign growth over the medium term. In the short term, however, such reforms will depress activity. Official targets for 2015 signal a downward trajectory, with GDP targeted at about 7.0%, half a percentage point lower than in 2014. A narrowly targeted stimulus may mitigate the tradeoff, but will also be harder to implement.

(Source: China Economic Update June 2015 by the World Bank)

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8.2 Prospects of the e-commerce market

The global e-commerce market denotes the consumption of products and services sold through the internet worldwide, and is measured by the volume of sales of products and services via internet transactions.

The global e-commerce market is a growing industry, and e-commerce sales volume grew from USD561.0 billion (RM1.8 trillion) in 2010 to an estimated USD1.2 trillion (RM3.8 trillion) in 2014 at a CAGR of 20.9%. According to the independent market researcher, Smith Zander, the global e-commerce sales is further expected to grow to USD1.4 trillion (RM4.4 trillion) in 2015 and USD4.3 trillion (RM13.6 trillion) in 2020. This is largely driven by a multitude of factors including rising income levels and the growth of economies around the globe, increasing internet penetration rate, the growing popularity of the internet as a mode of trade, greater adoption of mobile and wireless devices as well as improving logistics and express delivery network.

The e-commerce market in the PRC is one of the largest e-commerce markets worldwide, and is estimated to contribute approximately 39.5% of the global e-commerce market in 2014. In just six (6) years, e-commerce sales volume in the PRC recorded a robust CAGR of 62.1%, from RMB250.0 billion (RM129.0 billion) in 2009 to RMB2.8 trillion (RM1.5 trillion) in 2014. The e-commerce sales volume in the PRC is projected to record at RMB4.0 trillion (RM2.1 trillion) in 2015. Much of this growth is attributed to the growing economy, increasing internet penetration rates, PRC Government initiatives to support the e-commerce industry, shift in consumer behaviour in favour of online shopping as well as the proliferation of mobile and wireless devices.

The sportswear industry in PRC is a large and established industry, with global and local sportswear brands being in the industry since the 1980s. Between 2009 and 2014, the sportswear industry grew in terms of retail sales value of sportswear products at a CAGR of 10.6%, from RMB104.4 billion (RM53.9 billion) in 2009 to RMB172.9 billion (RM91.9 billion) in 2014.

The Fujian province, and in particular the city of Jinjiang, is a base to many sportswear manufacturers in PRC. It is estimated that there are approximately 5,000 sportswear / footwear manufacturers in Jinjiang city. Hence, the sportswear industry in PRC is a diverse industry consisting of large established industry players and many smaller family-owned industry players.

Owing to the evolving consumer taste and preferences in selecting sportswear, industry players are presented with significant challenges in maintaining and growing their market share within the industry. Thus, the emergence of the e-commerce market provides an alternative means for sportswear industry players in PRC to expand target market reach without incurring high capital expenditure. This is due to the fact that online sales channels allow industry players to penetrate into new geographical markets without the need to set up any physical premises in that area. As such, the online sales channel is expected to increase in popularity amongst industry players as they begin to understand the benefits of the e-commerce market.

(Source: Independent Market Research Report by Smith Zander)

In view of the above, the Board of OMEDIA Group is of the view that the Group's expansion of its web-based business is expected to contribute positively to the earnings of OMEDIA Group, thereby adding value to Shareholders.

9. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

9.1 Share capital

The pro forma effects of the Rights Issue with Warrants on the issued and paid-up share capital of the Company are as follows:-

| | Minimum Scenario | | Maximum Scenario | |
|--------------------------------------------------------------------------------------|--------------------|----------------------|--------------------|----------------------|
| | No. of Shares '000 | Share capital RM'000 | No. of Shares '000 | Share capital RM'000 |
| Issued and paid-up share capital as at LPD | 213,490 | 21,349 | 213,490 | 21,349 |
| To be issued pursuant to the Rights Issue with Warrants | 80,000 | 8,000 | 426,979 | 42,698 |
| | 293,490 | 29,349 | 640,469 | 64,047 |
| To be issued assuming full exercise of the Warrants | 60,000 | 6,000 | 320,234 | 32,023 |
| | 353,490 | 35,349 | 960,703 | 96,070 |
| To be issued assuming full exercise of the Options under the New ESOS ⁽¹⁾ | 106,047 | 10,605 | 288,211 | 28,821 |
| Enlarged issued and paid-up share capital | 459,537 | 45,954 | 1,248,914 | 124,891 |

Note:-

(1) Based on 30% of OMEDIA's issued and paid-up share capital after the Rights Issue with Warrants.

The New ESOS is not expected to have an immediate effect on OMEDIA's issued and paid-up share capital until such time when the Options are exercised. OMEDIA's issued and paid-up share capital will increase progressively depending on the number of new OMEDIA Shares which are issued pursuant to the exercise of the Options.

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9.2 NA and gearing

The pro forma effects of the Rights Issue with Warrants on the NA and gearing of the Group are as follows:-

Minimum Scenario

| | Audited as at 30 June 2015 | (I) ⁽¹⁾ After the Rights Issue with Warrants | (II) ⁽³⁾ After (I) and upon full exercise of the Warrants |
|----------------------------------|-------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------|
| | RM'000 | RM'000 | RM'000 |
| Share capital | 21,349 | 29,349 | 35,349 |
| Share premium | 5,220 | 5,220 | 26,220 |
| Translation reserve | (12) | (12) | (12) |
| Warrant reserve | - | 21,000 | - |
| Accumulated losses | (20,784) | ⁽²⁾ (42,584) | (42,584) |
| Total equity / NA | 5,773 | 12,973 | 18,973 |
| No. of Shares in issue ('000) | 213,490 | 293,490 | 353,490 |
| NA per Share (sen) | 2.70 | 4.42 | 5.37 |
| Borrowings | - | - | - |
| Gearing (times) | - | - | - |

Notes:-

- (1) Based on the Minimum Subscription Level of 80,000,000 Rights Shares at the issue price of RM0.10 per Rights Share together with 60,000,000 Warrants.
- (2) After accounting for the warrants reserve based on the issuance of 60,000,000 Warrants at an allocated fair value of RM0.35 per Warrant and after deducting estimated expenses incidental to the Corporate Exercises of RM0.8 million.
- (3) Based on the Exercise Price per Warrant.

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Maximum Scenario

| | Audited as at 30 June 2015 | (I) (1)After the Rights Issue with Warrants | (II) (3)After (I) and upon full exercise of the Warrants |
|----------------------------------|-------------------------------|------------------------------------------------------|-------------------------------------------------------------------|
| | RM'000 | RM'000 | RM'000 |
| Share capital | 21,349 | 64,047 | 96,070 |
| Share premium | 5,220 | 5,220 | 117,302 |
| Translation reserve | (12) | (12) | (12) |
| Warrant reserve | - | 112,082 | - |
| Accumulated losses | (20,784) | (2)(133,666) | (133,666) |
| Total equity / NA | 5,773 | 47,671 | 79,694 |
| No. of Shares in issue ('000) | 213,490 | 640,469 | 960,703 |
| NA per Share (sen) | 2.70 | 7.44 | 8.30 |
| Borrowings | - | - | - |
| Gearing (times) | - | - | - |

Notes:-

- (1) Assuming all the Entitled Shareholders and/or their renouncee(s) fully subscribe for their respective entitlements at the issue price of RM0.10 per Rights Share.
- (2) After accounting for the warrants reserve based on the issuance of 320,234,400 Warrants at an allocated fair value of RM0.35 per Warrant and after deducting estimated expenses incidental to the Corporate Exercises of RM0.8 million.
- (3) Based on the Exercise Price per Warrant.

The consolidated NA per share will increase if the Exercise Price exceeds the consolidated NA per share at the point of exercise and conversely, will decrease if the Exercise Price is less than the consolidated NA per share at the point of exercise.

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9.3 Substantial shareholders' shareholdings

The substantial Shareholders based on the Record of Depositors as at the LPD and the pro forma effects of the Rights Issue with Warrants on the shareholdings of the substantial Shareholders are as follows:-

Minimum Scenario

| Substantial Shareholders | As at LPD | | | | (1) After the Rights Issue with Warrants | | | | (II) After (I) and assuming full exercise of the Warrants | | | |
|-----------------------------------------|---------------|-------|---------------|------|------------------------------------------|-------|---------------|-------|-----------------------------------------------------------|-------|----------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | (1)% | No. of Shares | (1)% | No. of Shares | (3)% | No. of Shares | (3)% | No. of Shares | (4)% | No. of Shares | (4)% |
| UOB Kay Hian Pte Ltd | 50,000,000 | 23.42 | - | - | 50,000,000 | 17.04 | - | - | 50,000,000 | 14.14 | - | - |
| Sanston Financial Group Limited | 43,716,700 | 20.48 | - | - | 43,716,700 | 14.90 | - | - | 43,716,700 | 12.37 | - | - |
| Sure Bright | 17,790,800 | 8.33 | - | - | 87,790,800 | 29.91 | - | - | 140,290,800 | 39.69 | - | - |
| New Features Global Investments Limited | 17,790,800 | 8.33 | - | - | 17,790,800 | 6.06 | - | - | 17,790,800 | 5.03 | - | - |
| Ace Solution Investments Limited | 16,500,000 | 7.73 | - | - | 16,500,000 | 5.62 | - | - | 16,500,000 | 4.67 | - | - |
| Zhu GuoHe | - | - | (5)17,790,800 | 8.33 | - | - | (5)87,790,800 | 29.91 | - | - | (5)140,290,800 | 39.69 |

Notes:-

- (1) Based on the issued and paid-up share capital of 213,489,600 Shares as at the LPD.
- (2) Assuming none of the Entitled Shareholders (save for Sure Bright and Mr Yee Yit Yang) subscribe for their entitlements.
- (3) Based on the enlarged issued and paid-up share capital of 293,489,600 Shares, under the Minimum Scenario.
- (4) Based on the enlarged issued and paid-up share capital of 353,489,600 Shares, under the Minimum Scenario.
- (5) Deemed interested by virtue of his substantial shareholding in Sure Bright pursuant to Section 6A of the Act.

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Maximum Scenario

| Substantial Shareholders | As at LPD | | | | (I) (2) After the Rights Issue with Warrants | | | | (II) After (I) and assuming full exercise of the Warrants | | | |
|-----------------------------------------|---------------|-------|---------------|------|-------------------------------------------------|-------|---------------|------|--------------------------------------------------------------|-------|---------------|------|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | (1)% | No. of Shares | (1)% | No. of Shares | (3)% | No. of Shares | (3)% | No. of Shares | (4)% | No. of Shares | (4)% |
| UOB Kay Hian Pte Ltd | 50,000,000 | 23.42 | - | - | 150,000,000 | 23.42 | - | - | 225,000,000 | 23.42 | - | - |
| Sanston Financial Group Limited | 43,716,700 | 20.48 | - | - | 131,150,100 | 20.48 | - | - | 196,725,150 | 20.48 | - | - |
| Sure Bright | 17,790,800 | 8.33 | - | - | 53,372,400 | 8.33 | - | - | 80,058,600 | 8.33 | - | - |
| New Features Global Investments Limited | 17,790,800 | 8.33 | - | - | 53,372,400 | 8.33 | - | - | 80,058,600 | 8.33 | - | - |
| Ace Solution Investments Limited | 16,500,000 | 7.73 | - | - | 49,500,000 | 7.73 | - | - | 74,250,000 | 7.73 | - | - |
| Zhu GuoHe | - | - | (5)17,790,800 | 8.33 | - | - | (5)53,372,400 | 8.33 | - | - | (5)80,058,600 | 8.33 |

Notes:-

- (1) Based on the issued and paid-up share capital of 213,489,600 Shares as at the LPD.
(2) Assuming all of the Entitled Shareholders subscribe for their entitlements.
(3) Based on the enlarged issued and paid-up share capital of 640,468,800 Shares, under the Maximum Scenario.
(4) Based on the enlarged issued and paid-up share capital of 960,703,200 Shares, under the Maximum Scenario.
(5) Deemed interested by virtue of his substantial shareholding in Sure Bright pursuant to Section 6A the Act.

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9.4 Earnings and EPS

Subsequent to the completion of the Rights Issue with Warrants, the EPS of the Group is expected to be diluted as a result of the increase in the number of OMEDIA Shares pursuant to the issuance of Rights Shares as well as the new OMEDIA Shares arising from the exercise of the Warrants. However, the Board expects the Rights Issue with Warrants to contribute positively to the future earnings of the Group via the utilisation of proceeds.

9.5 Dividend

Barring any unforeseen circumstances, OMEDIA does not expect the Rights Issue with Warrants to have any impact on the quantum of dividends to be paid by the Company, if any, to Shareholders.

The level of dividends to be declared for future financial years would be determined by the Board after taking into consideration the performance, cash flow position and financial requirements of the OMEDIA Group as well as prevailing economic conditions.

9.6 Convertible securities

As at LPD, the Company does not have any outstanding convertible securities in issue.

10. ADDITIONAL INFORMATION**10.1 Steps taken by OMEDIA Group to improve its financial condition**

The Board is aware of the continuous loss making position of OMEDIA Group in recent years. The Group is principally involved in digital IT business and it is not spared from the global economic uncertainties, a result of the economic downturn in North America and Europe.

As such, the Board has been in constant pursuit of new business opportunities to fuel new growth for the Company while at the same time restructuring the Company's operation with the hope of turning around its financial performance in the foreseeable future.

To this end, the Company has undertaken to restructure its operations via the disposal of loss making subsidiaries since June 2014 and focus on trading of software and hardware business, as well as the provision of online advertising and online games services. These had led to an improved financial performance of the Group as evidenced by lower LAT registered for the FYE 2015 as compared to FYE 2014.

Aside from the abovementioned efforts, the Company plans to expand its existing web-based business through the OSTP after taking into consideration, amongst others, the prospects of e-commerce market as detailed out in Section 8.2 of this Abridged Prospectus. As such, the Company has incorporated a wholly-owned subsidiary in Hong Kong, OMHL, to explore and seek international business opportunities in undertaking e-commerce in the PRC, the details of which are set out in the Company's announcement dated 14 January 2015. Currently the Group is providing digital / internet media consultancy services to clients. The expected date for the launching of the OSTP base platform is targeted to be in the third quarter of 2016, assuming the Rights Issue with Warrants is completed in the first quarter of 2016.

Subsequent to the incorporation of OMHL, the Company had entered into a Technology Partnership Agreement with Emerge for the appointment of Emerge as the technology partner for the development of the OSTP and provision of relevant infrastructure and support for OSTP services, the details of which are set out in the Company's announcement dated 19 March 2015.

Also, OMHL had incorporated a wholly-owned foreign enterprise, Fujian Accsoft, in the PRC to, amongst others, assist the Group in the design, development, management and operation of the OSTP, the details of which are set out in the Company's announcement dated 20 March 2015.

The incorporation of OMHL and Fujian Accsoft together with the execution of the Technology Partnership Agreement form part of the Company's strategic plan to expand its web-based business, which is expected to contribute positively to the earnings of the Group given the prospects of the e-commerce market as set out in Section 8.2 of this Abridged Prospectus.

On 21 October 2015, Fujian Accsoft had entered into two (2) strategic cooperation agreements with FJED and XMEET respectively, for a period of one (1) year from 21 October 2015 and 22 October 2015 respectively, for the collaboration in exploring China e-commerce market. Details of the agreements have been set out in Section 6 of this Abridged Prospectus.

Pursuant to the restructuring of the Company's operation and the expansion of its web-based business, the Board is cautiously optimistic that the financial condition of the Group will improve.

10.2 Impact of the Rights Issue with Warrants to OMEDIA Group, value creation to Group and its shareholders and adequacy of the Rights Issue with Warrants in addressing the financial concerns of the Group

As set out in Section 5 of this Abridged Prospectus, the proceeds to be raised from the Rights Issue with Warrants will mainly be used for the expansion of the Company's web-based business and marketing expenses in relation to the OSTP. The expansion of OMEDIA's web-based business is expected to contribute positively to its financial performance in the foreseeable future.

In addition, the Rights Issue with Warrants will enable OMEDIA Group to tap into the equity market to raise the requisite fund expeditiously to support its funding requirement as disclosed in Section 5 of this Abridged Prospectus.

As disclosed in Section 9.3 of this Abridged Prospectus, the Rights Issue with Warrants is expected to increase the number of OMEDIA Shares in issue and this will dilute existing shareholders' shareholding if they do not subscribe for their respective entitlement in full. Further, the exercise of the Warrants will have a dilutive impact on the EPS of OMEDIA.

Nonetheless, the Rights Issue with Warrants is expected to further enhance OMEDIA shareholders' value, considering the potential positive impact on the earnings, future income and future cash flow to the Company by providing the Company with the necessary funding to embark on its expansion of web-based business.

In addition, the Rights Issue with Warrants will enable the Group to raise the requisite funds without incurring additional interest expense, thereby minimising any potential cash outflow in respect of interest servicing, which will preserve OMEDIA shareholders' value.

Premised on the above and taking into consideration the steps taken by OMEDIA Group to improve its financial condition as well as the proposed utilisation of proceeds from the Rights Issue with Warrants and its ensuing benefits, the Board is of the view that the Rights Issue with Warrants is adequate to address OMEDIA Group's current financial concerns.

11. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

11.1 Working capital

The Board is of the opinion that, after taking into consideration the funds generated from the Company's operations, the banking facilities available to the Group as well as the proceeds to be raised from the Rights Issue with Warrants, the Group will have sufficient working capital available for a period of twelve (12) months from the date of this Abridged Prospectus.

11.2 Borrowings

As at LPD, the Group does not have any outstanding borrowings.

There has not been any default on payments of either interest and/or principal sums on any of the above borrowings throughout the past one (1) financial year and subsequent financial period up to LPD.

11.3 Contingent liabilities

As at LPD, there are no contingent liabilities which upon becoming due or enforceable may have a material impact on the financial position of the Group.

11.4 Material commitments

As at LPD, there are no material commitments which upon becoming due or enforceable may have a material impact on the financial position of the Group.

12. INSTRUCTIONS FOR ACCEPTANCE AND PAYMENT

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess Rights Shares with Warrants Applications and the procedures to be followed should you and/or your transferee(s) and/or your renouncee(s) (if applicable) wish to sell or transfer all or any part of your/his rights entitlement are set out in this Abridged Prospectus and the RSF. You and/or your transferee(s) and/or your renouncee(s) (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. In accordance with Section 232(2) of the CMA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptance of and/or payment for the Provisional Allotments which do not conform strictly to the terms of this Abridged Prospectus, the RSF or the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of the Board.

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12.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments that you are entitled to subscribe for in full or in part under the terms and conditions of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants that you have been provisionally allotted as well as to apply for Excess Rights Shares with Warrants if you choose to do so. This Abridged Prospectus and the RSF are also available at our registered office, our Share Registrar or on Bursa Securities' website (<http://www.bursamalaysia.com>).

12.2 NPA

The Provisional Allotments are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the NPA will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your transferee(s) and/or your renouncee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making the applications.

12.3 Procedures for acceptance and payment

Acceptance of and payment for the Provisional Allotments allotted to you must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein. Acceptances which do not strictly conform to the terms and conditions of this Abridged Prospectus, the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of the Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

If you wish to accept all or part of your entitlement to the Provisional Allotments, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to our Share Registrar, Securities Services (Holdings) Sdn Bhd, at the following address:-

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur Malaysia
Tel : +603 - 2084 9000
Fax : +603 - 2094 9940 / +603 - 2095 0292

so as to arrive not later than 5.00 p.m. on **Tuesday, 12 January 2016**, being the last date and time for the acceptance and payment for the Rights Shares with Warrants, or such later date and time as the Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

If you lose, misplace or for any other reason require another copy of the RSF, you may obtain additional copies from our Registered Office, our Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

One (1) RSF must be used for acceptance of the Provisional Allotments standing to the credit of one (1) CDS Account. Separate RSFs must be used for the acceptance of Provisional Allotments standing to the credit of more than one (1) CDS Account. The Rights Shares with Warrants accepted by you will be credited into the CDS Account(s) where the Provisional Allotments are standing to the credit.

Successful applicants to the Rights Shares with Warrants will be given the Warrants on the basis of three (3) Warrants for every four (4) Rights Shares successfully subscribed for. The minimum number of Rights Shares with Warrants that can be accepted is four (4) Rights Shares with three (3) Warrants. However, you should take note that a trading board lot comprises 100 Shares. Fractions of a Rights Share and/or Warrant arising from the Rights Issue with Warrants will be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interest of our Company.

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSFs by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Shares accepted in the form of a Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and which must be made payable to "**OMEDIA RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by our Share Registrar by 5.00 p.m. on **Tuesday, 12 January 2016** (or such later date and time as the Board may decide and announce not less than two (2) Market Days before the stipulated date and time). The payment must be made for the exact amount payable for the Rights Shares accepted. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU AND/OR YOUR TRANSFEREE(S) AND/OR YOUR RENOUNCEE(S) BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN FIFTEEN (15) MARKET DAYS FROM THE CLOSING DATE.

ALL RIGHTS SHARES AND WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES AND THE WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR TRANSFEREE(S) AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED.

If acceptance of and payment for the Provisional Allotments allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by 5.00 p.m. on **Tuesday, 12 January 2016** (or such later date and time as the Board may decide and announce not less than two (2) Market Days before the stipulated date and time), the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

The Board will then have the right to allot any Rights Shares with Warrants not taken up or not validly taken up to applicants applying for the Excess Rights Shares with Warrants in the manner as set out in Section 12.6 of this Abridged Prospectus.

12.4 Procedures for part acceptance

If you do not wish to accept the Rights Shares with Warrants provisionally allotted to you in full, you are entitled to accept part of your entitlements that can be subscribed / applied for. The minimum number of Rights Shares with Warrants that may be accepted is four (4) Rights Shares with three (3) Warrants. Fractions of a Rights Share and Warrant arising from the Rights Issue with Warrants will be disregarded and the aggregate of such fractions shall be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interests of our Company. Applicants should take note that a trading board lot comprises one hundred (100) Shares and one hundred (100) Warrants respectively.

You must complete both Part I(A) of the RSF by specifying the number of Rights Shares with Warrants which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the same manner as set out in Section 12.3 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

12.5 Procedures for sale or transfer of Provisional Allotments

As the Provisional Allotments are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to one (1) or more persons, you may do so through your stockbroker during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository during period up to the last date and time for transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository).

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT TO YOUR STOCKBROKER. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT BEFORE SELLING OR TRANSFERRING.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF and delivering the RSF together with the full amount payable on the balance of the Rights Shares with Warrants applied for to our Share Registrar. Please refer to Section 12.3 of this Abridged Prospectus for the procedures for acceptance and payment.

YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

12.6 Procedures for the Excess Rights Shares with Warrants Application

If you wish to apply for additional Rights Shares with Warrants in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it with a separate remittance made in RM for the full amount payable for the Excess Rights Shares with Warrants applied for, to our Share Registrar so as to arrive not later than 5.00 p.m. on **Tuesday, 12 January 2016**, being the last time and date for Excess Rights Shares with Warrants Applications and payment (or such later date and time as the Board may decide and announce not less than two (2) Market Days before the stipulated date and time).

Payment for the Excess Rights Shares with Warrants Application(s) be made in the same manner as set out in Section 12.3 of this Abridged Prospectus except that the Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia must be made payable to **"OMEDIA EXCESS RIGHTS ACCOUNT"**, crossed **"ACCOUNT PAYEE ONLY"** and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by our Share Registrar by 5.00 p.m. on **Tuesday, 12 January 2016** (or such later date and time as the Board may decide and announce not less than two (2) Market Days before the stipulated date and time). The payment must be made for the exact amount payable for the Excess Rights Shares with Warrants Application(s). Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

It is the intention of the Board to allot the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application; and
- (iv) finally, on a pro-rata basis and in board lots, to the renouncee(s) who have applied for Excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application.

Notwithstanding the foregoing, the Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interests of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in Section 12.6 (i), (ii), (iii) and (iv) above is achieved. The Board also reserves the right to allot any Excess Rights Shares with Warrants Application, in full or in part, without assigning any reason thereof.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE EXCESS RIGHTS SHARES WITH WARRANTS APPLICATION OR APPLICATION MONIES IN RESPECT THEREOF. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU AND/OR YOUR TRANSFEREE(S) AND/OR YOUR RENOUNCEE(S) BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN FIFTEEN (15) MARKET DAYS FROM THE CLOSING DATE.

12.7 Procedures to be followed by transferee(s) and/or renouncee(s)

As a transferee and/or renouncee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the Excess Rights Shares with Warrants and/or payment is the same as that which is applicable to Entitled Shareholders as described in Sections 12.3 to 12.6 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or accompanying RSF, you can request the same from our registered office, our Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

TRANSFEREE(S) AND/OR RENOUNCEE(S) ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

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12.8 CDS Account

Bursa Securities has already prescribed the Shares listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the new securities arising from the Rights Issue with Warrants are prescribed securities and, as such, all dealings with such securities will be by book entries through CDS Accounts and shall be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected.

Your subscription for the Rights Shares with Warrants shall signify your consent to receiving such Rights Shares with Warrants as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued.

All Excess Rights Shares with Warrants allotted shall be credited directly into the CDS Accounts of successful applicants. If you have multiple CDS Accounts into which the Provisional Allotments have been credited, you cannot use a single RSF to accept all these Provisional Allotments. Separate RSFs must be used for acceptance of Provisional Allotments credited into separate CDS Accounts. If successful, the Rights Shares with Warrants that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

12.9 Foreign-Addressed Shareholders

This Abridged Prospectus, the NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction other than Malaysia, and have not been (and will not be) lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The distribution of this Abridged Prospectus, the NPA and the RSF, as well as the acceptance of the Provisional Allotments and the subscription for or the acquisition of the Rights Shares with Warrants may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain countries or jurisdiction under the relevant laws of those countries or jurisdictions.

This Abridged Prospectus, the NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue with Warrants will not be made or offered or deemed made or offered for acquisition or subscription of any Rights Shares, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue with Warrants to which this Abridged Prospectus relates is only available to Entitled Shareholders receiving this Abridged Prospectus, the NPA and the RSF electronically or otherwise within Malaysia.

As a result, this Abridged Prospectus, the NPA and the RSF have not been (and will not be) sent to our Foreign-Addressed Shareholders. However, Foreign-Addressed Shareholders may collect this Abridged Prospectus, the NPA and the RSF from our Share Registrar, Securities Services (Holdings) Sdn Bhd, Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, who will be entitled to request such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting this Abridged Prospectus, the NPA and the RSF.

If you are a Foreign-Addressed Shareholder, our Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia or an address for service in Malaysia if not otherwise stated on our Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue with Warrants and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue with Warrants and would not be in breach of the laws of any jurisdiction. Our Company will further assume that you had accepted the Rights Issue with Warrants in Malaysia and will at all applicable times be subject to the laws of Malaysia.

A Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) may only accept or renounce all or any part of his/their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so, and our Company, the Board and officers, Mercury Securities and/or the advisers named herein ("**Parties**") would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any country or jurisdiction to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) is or might be subject to.

The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) shall be solely responsible to seek advice from his/their legal and/or professional advisers as to whether the acceptance or renunciation in any manner whatsoever of his entitlement under the Rights Issue with Warrants would result in the contravention of the laws of the countries or jurisdictions to which he/they is/are or might be subject to. The Parties shall not accept any responsibility or liability in the event any acceptance or renunciation made by any Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction. The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of his/their entitlements or to any net proceeds thereof.

Our Company reserves the right, in our absolute discretion, to treat any acceptances as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of Rights Shares with Warrants available for excess application by other Entitled Shareholders and/or their transferee(s) and/or their renouncee(s).

Each person, by accepting the delivery of this Abridged Prospectus, the NPA and the RSF, accepting any Provisional Allotments by signing any of the forms accompanying this Abridged Prospectus or subscribing for or acquiring the Rights Shares with Warrants, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:-

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Entitled Shareholder and/or his transferee(s) and/or his renouncee(s) is or might be subject to;
- (ii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) has complied with the laws to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) is or might be subject to in connection with the acceptance or renunciation;

- (iii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Allotments, be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) is/are aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any other way in accordance with all applicable laws in Malaysia;
- (v) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) has/have obtained a copy of this Abridged Prospectus and has/have read and understood the contents of this Abridged Prospectus, has/have had access to such financial and other information and has/have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) deem(s) necessary in connection with the Foreign-Addressed Shareholder and/or his transferee and/or his renouncee's decision to subscribe for or purchase the Rights Shares and Warrants; and
- (vi) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) has/have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares and Warrants, and is/are and will be able, and is/are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Warrants.

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN-ADDRESSED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RIGHTS SHARES AND WARRANTS UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS ON SUCH TERRITORY.

13. TERMS AND CONDITIONS

The issuance of the Rights Shares with Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll, the NPA and RSF.

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14. FURTHER INFORMATION

You are requested to refer to the enclosed Appendices for further information.

Yours faithfully

For and on behalf of the Board of

ORIENTED MEDIA GROUP BERHAD



YEE YIT YANG

Independent Non-Executive Chairman

APPENDIX I - INFORMATION ON THE COMPANY**1. HISTORY AND PRINCIPAL ACTIVITIES**

OMEDIA was incorporated in Malaysia on 20 June 2000 under the Act under the name of Portrade dotcom Bhd. Subsequently on 12 December 2001, it was converted into a public limited company. OMEDIA was listed on the MESDAQ Market (currently known as ACE Market) of Bursa Securities on 28 January 2003 under the name of Portrade dotcom Berhad. On 25 August 2008, OMEDIA assumed its current company name.

OMEDIA is principally involved in investment holding and the provision of information technology related products and services.

The Group is currently involved in the development and provision of online gaming and education related internet applications, mobile applications as well as digital / internet media consultancy services. The Group is currently providing digital / internet media consultancy services to clients with the aim of increasing their market reach.

The principal activities of OMEDIA's subsidiaries are set out in Section 5 of this Appendix.

2. SHARE CAPITAL

The Company's authorised share capital as well as its issued and paid-up share capital as at LPD are as follows:-

| | No. of Shares '000 | Par value RM | Total RM'000 |
|----------------------------------|-----------------------|-----------------|-----------------|
| Authorised share capital | 500,000 | 0.10 | 50,000 |
| Issued and paid-up share capital | 213,490 | 0.10 | 21,349 |

Details of the changes in the Company's issued and fully paid-up share capital for the last three (3) years prior to LPD are as follows:-

| Date of allotment | No. of Shares allotted '000 | Par value RM | Description | Cumulative issued and paid- up share capital RM'000 |
|----------------------|--------------------------------------|--------------------|--------------------------------|--------------------------------------------------------------|
| 23.01.2013 | 4,000 | 0.10 | Employees' share option scheme | 16,810 |
| 31.01.2013 | 2,500 | 0.10 | Private placement | 17,060 |
| 04.02.2013 | 7,309 | 0.10 | Private placement | 17,791 |
| 19.06.2014 | 35,582 | 0.10 | Private placement | 21,349 |

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to Section 9.3 of this Abridged Prospectus for information on the substantial shareholders' shareholdings before and after the Rights Issue with Warrants.

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APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)**4. DIRECTORS**

The details of the Board as at LPD are set out in the table below:-

| Name (Designation) | Age | Address | Nationality | Profession |
|-------------------------------------------------------------|------------|------------------------------------------------------------------------------------------------------------|--------------------|-------------------------|
| Yee Yit Yang (Independent Non-Executive Chairman) | 48 | 15, Jalan Damai Rasa, Alam Damai Cheras, 56000, Kuala Lumpur | Malaysian | Financial Consultant |
| Zhu GuoHe (Executive Director) | 46 | Room 301, Building 2 Yuan Tai Yuan, 105 Xiang Yuan Road, Fengze District, Quanzhou, Fujian, China | PRC | Company Director |
| Ng Chee Kin (Independent Non-Executive Director) | 46 | No. 26 Jalan Hujan Abu 4, O.U.G. 58200 Kuala Lumpur | Malaysian | Financial Consultant |
| Ng Kean Leong (Independent Non-Executive Director) | 51 | No. 39 Jalan Kubah U8/48D, Bukit Jelutong, 40150, Shah Alam, Selangor | Malaysian | Business Consultant |
| Khor Chin Fei (Independent Non-Executive Director) | 38 | 27, Jalan Daya 4, Taman Daya Kepong, 52100, Kuala Lumpur | Malaysian | Financial Planner |

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APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

Save as disclosed below, none of the Directors have any direct and/or indirect shareholding in the Company as at LPD.

Minimum Scenario

| Directors | As at LPD | | | | (I) (1)After the Rights Issue with Warrants | | | | (II) After (I) and assuming full exercise of the Warrants | | | |
|---------------------------|---------------|-----------|--------------------|-----------|------------------------------------------------|-----------|--------------------|------------|--------------------------------------------------------------|-----------|---------------------|------------|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | (2)% | No. of Shares | (2)% | No. of Shares | (3)% | No. of Shares | (3)% | No. of Shares | (4)% | No. of Shares | (4)% |
| | | | | | | | | | | | | |
| Yee Yit Yang Zhu Guohe | 500,000 - | 0.23 - | - (5)17,790,800 | - 8.33 | 10,500,000 - | 3.58 - | - (5)87,790,800 | - 29.91 | 18,000,000 - | 5.09 - | - (5)140,290,800 | - 39.69 |

Notes:-

- (1) Assuming none of the Entitled Shareholders (save for Sure Bright and Mr Yee Yit Yang) subscribe for their entitlements.
- (2) Based on the issued and paid-up share capital of 213,489,600 Shares as at LPD.
- (3) Based on the enlarged issued and paid-up share capital of 293,489,600 Shares, under the Minimum Scenario.
- (4) Based on the enlarged issued and paid-up share capital of 353,489,600 Shares, under the Minimum Scenario.
- (5) Deemed interested by virtue of his substantial shareholding in Sure Bright pursuant to Section 6A of the Act.

Maximum Scenario

| Directors | As at LPD | | | | (I) (1)After the Rights Issue with Warrants | | | | (II) After (I) and assuming full exercise of the Warrants | | | | | | | | | |
|---------------------------|---------------|------|---------------|------|------------------------------------------------|------|---------------|------|--------------------------------------------------------------|------|---------------|------|---|------|-----------|---|---------------|------|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | | | | | | | |
| | No. of Shares | (2)% | No. of Shares | (2)% | No. of Shares | (3)% | No. of Shares | (3)% | No. of Shares | (4)% | No. of Shares | (4)% | | | | | | |
| Yee Yit Yang Zhu Guohe | 500,000 | 0.23 | - | - | (5)17,790,800 | 8.33 | - | 0.23 | 1,500,000 | - | (5)53,372,400 | 8.33 | - | 0.23 | 2,250,000 | - | (5)80,058,600 | 8.33 |

Notes:-

- (1) Assuming all of the Entitled Shareholders subscribe for their entitlements.
- (2) Based on the issued and paid-up share capital of 213,489,600 Shares as at LPD.
- (3) Based on the enlarged issued and paid-up share capital of 640,468,800 Shares, under the Maximum Scenario.
- (4) Based on the enlarged issued and paid-up share capital of 960,703,200 Shares, under the Maximum Scenario.
- (5) Deemed interested by virtue of his substantial shareholding in Sure Bright pursuant to Section 6A of the Act.

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)**5. SUBSIDIARIES**

The Company's subsidiaries as at LPD are as follows:-

| Company | Date and place of incorporation | Issued and paid-up share capital | Effective equity interest (%) | Principal activities |
|----------------------------------------------------|----------------------------------------|-----------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------|
| Oriented Games Sdn Bhd | 5 January 2009; Malaysia | RM414,540 | 100 | Publishing of massive multiplayer online games and development of education related media applications |
| Oriented Media Services Sdn Bhd | 27 March 2008; Malaysia | RM500,000 | 100 | Provision of information technology and software development, maintenance and support services |
| Oriented Games Pte Ltd | 28 May 2008; Singapore | SGD150,100 | 100 | Publishing of massive multiplayer online games and development of education related media applications |
| OMHL | 7 January 2015; Hong Kong | HKD1 | 100 | Investment holding |
| Held through a subsidiary Fujian Accsoft | 16 March 2015; PRC | RMB1 | 100 | Provision of information and software development, e-commerce services |

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APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)**6. PROFIT AND DIVIDEND RECORD**

The profit and dividend records based on the audited consolidated financial statements of the Group for the past three (3) FYEs 2013 to 2015 as well as the three (3)-month FPEs 30 September 2014 and 30 September 2015 are as follows:-

| | Audited | | | Unaudited | |
|----------------------------------------------------------|----------------|----------------|----------------|-----------------------|-----------------------|
| | FYE 2013 | FYE 2014 | FYE 2015 | FPE 30 September 2014 | FPE 30 September 2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 935 | 1,110 | 1,745 | 527 | 342 |
| Cost of sales | (409) | (1,101) | (1,594) | (501) | (88) |
| GP | 526 | 9 | 151 | 26 | 254 |
| Other income | 33 | 2,335 | 620 | 112 | 7 |
| Administrative expenses | (2,994) | (6,024) | (1,962) | (151) | (258) |
| Finance cost | (67) | (5) | - | - | - |
| PBT / (LBT) | (2,502) | (3,685) | (1,191) | (13) | 3 |
| Tax expense | 25 | - | - | - | - |
| PAT / (LAT) | (2,477) | (3,685) | (1,191) | (13) | 3 |
| Profit / (loss) attributable to:- | | | | | |
| - owners of the parent | (2,469) | (3,680) | (1,203) | (13) | 3 |
| - minority interest | (8) | (5) | 12 | - | - |
| Earnings / (Loss) before interest, tax and depreciation | (1,293) | (2,632) | (955) | 34 | 87 |
| Weighted average number of OMEDIA shares in issue ('000) | 76,717 | 178,883 | 213,490 | 213,490 | 213,490 |
| EPS / (LPS) | | | | | |
| - basic (sen) | (3.22) | (2.06) | (0.56) | (0.01) | (1) - |
| - diluted (sen) | (3.22) | (2.06) | (0.56) | (0.01) | (1) - |
| GP margin (%) | 56.32 | 0.78 | 8.67 | 4.94 | 74.29 |
| PAT / (LAT) margin (%) | (264.98) | (332.09) | (68.26) | (2.48) | 0.80 |
| Dividend (sen) | - | - | - | - | - |

Note:-

(1) Negligible.

Commentary on past financial performance:-**(i) FYE 2014 vs. FYE 2013**

The Group recorded an increase in revenue of 18.7% to RM1.11 million for the FYE 2014 as compared to RM0.94 million for the FYE 2013 mainly due to higher contribution from the digital media business segment. This was despite the discontinuation of the logistic software business in the FYE 2014 due to termination of maintenance contract. In the FYE 2013, the logistic software business and digital media business contributed RM0.57 million and RM0.37 million to the Group's revenue respectively.

The decline in GP margin from 56.32% to 0.78% was mainly due to:-

- (a) lower selling price for its online games and media products due to competition faced in light of the changing IT landscape and consolidation of the industry as users are more inclined with application-based games compared to traditional ones; and

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

- (b) higher costs incurred by its logistic software division due to the continued increase in content costs.

The Group recorded an increase in LAT of 48.8% to RM3.69 million for the FYE 2014 as compared to RM2.48 million for the FYE 2013 mainly due to impairment losses of RM1.97 million on development expenditure as well as intellectual property and license rights for its digital media business. However, this was partly off-set by a one-off gain on disposal of investments in subsidiaries of RM1.11 million.

(ii) FYE 2015 vs. FYE 2014

The Group recorded an increase in revenue of 57.2% to RM1.75 million for the FYE 2015 as compared to RM1.11 million for the FYE 2014 mainly due to contribution from the digital media business segment which increased by 36.9% to RM1.52 million. The increase in the Group's revenue was also contributed by the commencement of the Group's business operation in digital media marketing consultancy services in China via Fujian Accsoft in March 2015, which contributed a revenue of RM0.23 million for the FYE 2015.

The improvement in GP margin from 0.78% to 8.67% was mainly due to better GP margin recorded for the new digital media marketing consultancy business in China.

The Group recorded a decrease in LAT of 67.7% to RM1.19 million for the FYE 2015 as compared to RM3.69 million for the FYE 2014 mainly due to the following:-

- (a) increase in the Group's revenue by RM0.64 million; and
- (b) there was no impairment loss on development expenditure as well as intellectual property and license rights for its digital media business for the FYE 2015 as compared to an impairment loss of RM1.97 million on the same for the FYE 2014.

(iii) FPE 30 September 2015 vs. FPE 30 September 2014

The Group recorded a decrease in revenue of 35.1% to RM0.34 million for the three (3)-month FPE 30 September 2015 as compared to RM0.53 million for the three (3)-month FPE 30 September 2014. The decrease in revenue was mainly due to the disposal of two (2) loss-making subsidiaries towards the end of the FYE 2015 which led to the discontinuation of the digital media business in the subsequent (3)-month FPE 30 September 2015. For the three (3)-month FPE 30 September 2015, the Group's revenue was contributed solely from the digital media marketing consultancy business in China.

Despite the decrease in revenue, the Group recorded a PAT of RM3,000 for the three (3)-month FPE 30 September 2015 as compared to a LAT of RM13,000 for the three (3)-month FPE 30 September 2014. This was mainly due to the better GP margin recorded by the Group following the disposal of loss-making subsidiaries towards the end of the FYE 2015 and the commencement of the digital media marketing consultancy business in China in March 2015.

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)**7. HISTORICAL SHARE PRICES**

The monthly highest and lowest market prices of OMEDIA Shares traded on Bursa Securities for the past twelve (12) months up to November 2015 (being the last full trading month prior to the date of this Abridged Prospectus) are as follows:-

| | High (RM) | Low (RM) |
|-------------|----------------------|---------------------|
| 2014 | | |
| December | 0.150 | 0.130 |
| 2015 | | |
| January | 0.155 | 0.120 |
| February | 0.140 | 0.125 |
| March | 0.205 | 0.125 |
| April | 0.195 | 0.155 |
| May | 0.220 | 0.170 |
| June | 0.330 | 0.180 |
| July | 0.420 | 0.300 |
| August | 0.415 | 0.200 |
| September | 0.270 | 0.220 |
| October | 0.350 | 0.190 |
| November | 0.635 | 0.315 |

| | RM |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Last transacted market price on 26 February 2015, being the last Market Day immediately prior to the announcement of the Corporate Exercises | 0.140 |
| Last transacted market price as at LPD | 0.405 |
| Last transacted market price on 18 December 2015, being the Market Day immediately prior to the ex-date for the Rights Issue with Warrants | 0.445 |

(Source: Bloomberg)

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APPENDIX II - ADDITIONAL INFORMATION

1. SHARE CAPITAL

- (i) Save for the Rights Shares, Warrants and new Shares to be issued pursuant to the exercise of the Warrants and Options, no securities will be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of the issuance of this Abridged Prospectus.
- (ii) As at LPD, there is only one (1) class of shares in the Company, namely ordinary shares of RM0.10 each in the Company, all of which rank *pari passu* with one another.
- (iii) Save for the Rights Shares, Warrants and the Options to be granted under the New ESOS⁽¹⁾, no person has been or is entitled to be granted an option to subscribe for any securities of the Company and no capital of the Company is under any option or agreed conditionally or unconditionally to be put under any option as at the date of this Abridged Prospectus.

Note:-

- (1) *Pursuant to the New ESOS, the Eligible Person(s) have been and may be granted the Options to subscribe for new OMEDIA Shares up to but not exceeding 30% of the Company's total issued and paid-up share capital (excluding treasury shares, if any) at any point of time during the duration of the five (5) years from the implementation date of the New ESOS i.e. 6 August 2015. As at LPD, no Options have been granted.*

2. ARTICLES OF ASSOCIATION

An extract of the provision in the Company's Articles of Association in relation to the remuneration of its Directors are as follows:-

Article 92(1)

The Directors shall be paid by way of fees for their services, such fixed sums (if any) as shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provide) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office provided always that:-

- (a) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover; and
- (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emolument may not include a commission on or percentage of turnover.

Article 92(2)

The Directors shall be entitled to be reimbursed all travelling or such reasonable expenses as may be incurred in attending and returning from meeting of the Directors or of any committee of the Directors or general meeting or otherwise howsoever incurred in the course of the performance of their duties as Directors.

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APPENDIX II - ADDITIONAL INFORMATION (CONT'D)

Article 92(3)

Any Directors who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provide in this Article.

Article 92(4)

Any fee paid to an alternate Director shall be such as shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 93

Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where the notice of the proposed increase has been given in the notice convening the meeting.

Article 94

If any Director, being willing and having been called upon to do so, shall render or perform extra or special services of any kind, including services on any committee established by the Board, or shall travel or reside abroad for any business or purposes of the Company, he shall be entitled to receive such sum as the Board may think fit for expenses, and also such remuneration as the Board may think fit, either as a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

3. MATERIAL CONTRACTS

Save for the Deed Poll, there are no other contracts which are material to the Group (not being contracts entered into in the ordinary course of business) which have been entered into by the Group during the two (2) years preceding the date of this Abridged Prospectus.

4. MATERIAL LITIGATION

As at LPD, the Group is not involved in any material litigation, claims and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and there are no proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group.

5. GENERAL

- (i) There are no service contracts or proposed service contracts between the Directors and the Company or any of its subsidiaries, excluding contracts expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus;
- (ii) Save as disclosed in this Abridged Prospectus and to the best knowledge of the Board, the financial condition and operations of the Group are not affected by any of the following:-

APPENDIX II - ADDITIONAL INFORMATION (CONT'D)

- (b) any material commitment for capital expenditure of the Group;
- (c) unusual, infrequent events or transactions or any significant economic changes which materially affect the amount of reported income from operations;
- (d) known trends or uncertainties which have had or that the Group reasonably expects to have a material favourable or unfavourable impact on the revenues or operating income; and
- (e) material information, including all special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect the Group's profits.

6. CONSENTS

- (i) The written consents of the Principal Adviser, Company Secretary, Share Registrar, Solicitors for the Rights Issue with Warrants, IMR and Principal Banker for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants for the inclusion in this Abridged Prospectus of their names, letter and report relating to the pro forma consolidated statements of financial position and the audited consolidated financial statements, and all reference thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.
- (iii) The written consent of Bloomberg Finance L.P. to the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office at No. 3-2, 3rd Mile Square, No. 151 Jalan Kelang Lama, Batu 3 ½, 58100 Kuala Lumpur, during normal business hours from Mondays to Fridays (except public holidays) for a period of twelve (12) months from the date of this Abridged Prospectus:-

- (i) the memorandum and articles of association of OMEDIA;
- (ii) the pro forma consolidated statements of financial position of the Group as at 30 June 2015 together with the Reporting Accountants' report thereon as set out in Appendix IV of this Abridged Prospectus;
- (iii) the audited consolidated financial statements of the Group for the past two (2) FYEs 2014 and 2015;
- (iv) the unaudited financial statements of the Group for the three (3)-month FPE 30 September 2015;
- (v) the independent market research report of the IMR;

APPENDIX II - ADDITIONAL INFORMATION (CONT'D)

- (vi) the Undertakings referred to in Section 3 of this Abridged Prospectus;
- (vii) the Directors' Report as set out in Appendix VII of this Abridged Prospectus;
- (viii) the material contract referred to in Section 3 above; and
- (ix) the letters of consent referred to in Section 6 above.

8. RESPONSIBILITY STATEMENT

- (i) The Board has seen and approved this Abridged Prospectus, together with the NPA and RSF and they, collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.
- (ii) Mercury Securities, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of their knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue with Warrants.

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**APPENDIX III - CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS
ISSUE WITH WARRANTS PASSED AT THE EGM HELD ON 2 JULY 2015**

ORIENTED MEDIA GROUP BERHAD ("OMEDIA" OR "THE COMPANY")
(Company No : 517487-A)
(Incorporated in Malaysia)

EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE
COMPANY HELD ON 2 JULY 2015

RESOLVED:

5. AGENDA 1 (ORDINARY RESOLUTION 1)
PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 426,979,200 NEW ORDINARY
SHARES OF RM0.10 EACH IN OMEDIA ("OMEDIA SHARES" OR "SHARES") ("RIGHTS
SHARES") TOGETHER WITH UP TO 320,234,400 FREE DETACHABLE WARRANTS IN
OMEDIA ("WARRANTS"), ON THE BASIS OF FOUR (4) RIGHTS SHARES TOGETHER
WITH THREE (3) FREE WARRANTS FOR EVERY TWO (2) EXISTING OMEDIA SHARES
HELD BY ENTITLED SHAREHOLDERS OF OMEDIA ("SHAREHOLDERS") ON AN
ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH
WARRANTS")

Resolved : THAT subject to the passing of the Special Resolution below and the
approval of all relevant authorities or parties being obtained (if required):-

- (i) the Board of Directors of OMEDIA ("Board") be and is hereby
authorised:-
 - (a) to provisionally allot and issue by way of a renounceable
rights issue of up to 426,979,200 Rights Shares together
with up to 320,234,400 Warrants to the Shareholders
whose names appear in the Record of Depositors of the
Company as at the close of business on an entitlement
date to be determined by the Board ("Entitlement Date")
("Entitled Shareholders"), and/or their renouncee(s), on
the basis of four (4) Rights Shares for every two (2)
existing Shares held and three (3) free Warrants for
every four (4) Rights Shares subscribed for on the
Entitlement Date at a final issue price to be determined
by the Board and on such terms and conditions and in
such manner as the Board may determine;
 - (b) to issue the Warrants in registered form to the Entitled
Shareholders (and/or their renouncee(s), as the case
may be) and Excess Applicants (defined below), if any,
who subscribe for and are allotted Rights Shares, each
Warrant conferring the right to subscribe for one (1) new
Share at an exercise price to be determined by the
Board, subject to any adjustment to the subscription
rights attached to the Warrants in accordance with the
provisions of a deed poll to be executed by the Company
constituting the Warrants ("Deed Poll");
- (ii) any Rights Shares which are not validly taken up or which are not
allotted for any reason whatsoever to the Entitled Shareholders
and/or their renouncee(s) shall be made available for excess
applications in such manner and to such persons ("Excess
Applicants") as the Board shall determine at its absolute
discretion;
- (iii) the Rights Shares, Warrants and the new Shares to be issued
pursuant to the exercise of the Warrants shall be listed on the
ACE Market of Bursa Malaysia Securities Berhad ("Bursa
Securities");

APPENDIX III - CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT THE EGM HELD ON 2 JULY 2015 (CONT'D)

ORIENTED MEDIA GROUP BERHAD (Company No: 517487-A)
Extract of the Minutes of the Extraordinary General Meeting held on 2 July 2015
Page 2 of 5

5. AGENDA 1 (ORDINARY RESOLUTION 1)
PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 426,979,200 NEW ORDINARY SHARES OF RM0.10 EACH IN OMEDIA ("OMEDIA SHARES" OR "SHARES") ("RIGHTS SHARES") TOGETHER WITH UP TO 320,234,400 FREE DETACHABLE WARRANTS IN OMEDIA ("WARRANTS"), ON THE BASIS OF FOUR (4) RIGHTS SHARES TOGETHER WITH THREE (3) FREE WARRANTS FOR EVERY TWO (2) EXISTING OMEDIA SHARES HELD BY ENTITLED SHAREHOLDERS OF OMEDIA ("SHAREHOLDERS") ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS") (CONT'D)

Resolved : (iv) the Board be and is hereby empowered and authorised to:-

- (a) forthwith upon the allotment and issue of the Rights Shares to the Entitled Shareholders (and/or their renouncee(s), as the case may be) and Excess Applicants (if any), to create, allot and issue by way of bonus such number of Warrants to such Entitled Shareholders (and/or their renouncee(s), as the case may be) and Excess Applicants (if any), pursuant to the terms and conditions of the Deed Poll for every four (4) Rights Shares subscribed for by the Entitled Shareholders (and/or their renouncee(s), as the case may be) and Excess Applicants (if any), on such Entitlement Date, and on the terms and conditions and in such manner as the Board may determine;
- (b) allot and issue such number of additional Warrants pursuant to the adjustments as provided under the Deed Poll ("Additional Warrants") and to adjust from time to time the exercise price of the Warrants as a consequence of the adjustments under the provisions of the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Securities and any other relevant authorities or parties (if required);
- (c) allot and issue such number of new Shares credited as fully paid-up to the holders of the Warrants upon their exercise of the relevant Warrants to subscribe for new Shares during the tenure of the Warrants, and such further new Shares as may be required or permitted to be issued pursuant the exercise of the Additional Warrants and such adjustments in accordance with the provisions of the Deed Poll;
- (d) deal with any fractional entitlements that may arise from the Proposed Rights Issue with Warrants in such manner and on such terms and conditions as the Board shall in its absolute discretion deem fit, necessary and/or expedient or in the best interests of the Company (including without limitation to disregard such fractional entitlements altogether);

APPENDIX III - CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT THE EGM HELD ON 2 JULY 2015 (CONT'D)

ORIENTED MEDIA GROUP BERHAD (Company No: 517487-A)
Minutes of the Extraordinary General Meeting held on 2 July 2015
Page 3 of 5

5. AGENDA 1 (ORDINARY RESOLUTION 1)
PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 426,979,200 NEW ORDINARY SHARES OF RM0.10 EACH IN OMEDIA ("OMEDIA SHARES" OR "SHARES") ("RIGHTS SHARES") TOGETHER WITH UP TO 320,234,400 FREE DETACHABLE WARRANTS IN OMEDIA ("WARRANTS"), ON THE BASIS OF FOUR (4) RIGHTS SHARES TOGETHER WITH THREE (3) FREE WARRANTS FOR EVERY TWO (2) EXISTING OMEDIA SHARES HELD BY ENTITLED SHAREHOLDERS OF OMEDIA ("SHAREHOLDERS") ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS") (CONT'D)

- Resolved :
- (e) enter into the Deed Poll with full powers to assent to and accept any condition, modification, variation and/or amendment as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of any of the aforesaid conditions, modifications, variations and/or amendments and to take all steps as it considers necessary, expedient or desirable to implement, finalise and give full effect to the Deed Poll; and
 - (f) do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue with Warrants, with full powers to assent to and accept any condition, modification, variation, arrangement and/or amendment to the terms of the Proposed Rights Issue with Warrants as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue with Warrants in order to implement and give full effect to the Proposed Rights Issue with Warrants;
 - (v) the Rights Shares shall, upon allotment, issuance and (where applicable) full payment, rank pari passu in all respects with the then existing issued and paid-up Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the Rights Shares;
 - (vi) the new Shares to be issued pursuant to the exercise of the Warrants (including the Additional Warrants, if any) shall, upon allotment, issue and full payment of the exercise price of the Warrants (or the Additional Warrants, if any), rank pari passu in all respects with the then existing issued and fully paid-up Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of such new Shares arising from the exercise of the Warrants (including the Additional Warrants, if any);

APPENDIX III - CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT THE EGM HELD ON 2 JULY 2015 (CONT'D)

ORIENTED MEDIA GROUP BERHAD (Company No: 517487-A)
Minutes of the Extraordinary General Meeting held on 2 July 2015
Page 4 of 5

5. AGENDA 1 (ORDINARY RESOLUTION 1)
PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 426,979,200 NEW ORDINARY SHARES OF RM0.10 EACH IN OMEDIA ("OMEDIA SHARES" OR "SHARES") ("RIGHTS SHARES") TOGETHER WITH UP TO 320,234,400 FREE DETACHABLE WARRANTS IN OMEDIA ("WARRANTS"), ON THE BASIS OF FOUR (4) RIGHTS SHARES TOGETHER WITH THREE (3) FREE WARRANTS FOR EVERY TWO (2) EXISTING OMEDIA SHARES HELD BY ENTITLED SHAREHOLDERS OF OMEDIA ("SHAREHOLDERS") ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS") (CONT'D)

Resolved : (vii) the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in Section 7 of the Circular to Shareholders dated 10 June 2015 ("Circular") and the Board be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities; and

(viii) this Ordinary Resolution constitutes specific approval for the issuance of Shares and securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares, Warrants (including Additional Warrants, if any) and new Shares to be issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants."

9. AGENDA 5 (ORDINARY RESOLUTION 5)
PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY FROM RM50,000,000 COMPRISING 500,000,000 ORDINARY SHARES OF RM0.10 EACH IN OMEDIA ("OMEDIA SHARES" OR "SHARES") TO RM200,000,000 COMPRISING 2,000,000,000 SHARES ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")

Resolved : THAT subject to the passing of Special Resolution below and the approvals of the relevant authorities/parties (where required) being obtained, the authorised share capital of the Company be and is hereby increased from RM50,000,000 comprising 500,000,000 OMEDIA Shares to RM200,000,000 comprising 2,000,000,000 OMEDIA Shares;

AND THAT the Board of Directors of OMEDIA be and are hereby authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient in the best interests of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as be required by the relevant authorities, and to take all steps and actions as the Board may deem fit or expedient in order to carry out, finalise and give full effect to the Proposed Increase in Authorised Share Capital.

APPENDIX III - CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT THE EGM HELD ON 2 JULY 2015 (CONT'D)

ORIENTED MEDIA GROUP BERHAD (Company No: 517487-A)
Minutes of the Extraordinary General Meeting held on 2 July 2015
Page 5 of 5

10. AGENDA 6 (SPECIAL RESOLUTION)
PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF OMEDIA
("PROPOSED AMENDMENT") (CONT'D)

Resolved : THAT subject to the passing of Ordinary Resolution 5 and the approvals of the relevant authorities / parties (where required) being obtained, approval be and is hereby given to the Company to alter, modify, vary and delete the Memorandum of Association of the Company in the following manner:


| Existing Clause 5 of the Memorandum of Association ("M&A") | Amended Clause 5 of M&A |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "The authorised capital of the Company is RM50,000,000 only divided into 500,000,000 ordinary shares of RM0.10 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise." | "The authorised capital of the Company is RM200,000,000 only divided into 2,000,000,000 ordinary shares of RM0.10 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise." |

AND THAT the Board of Director of OMEDIA be and is hereby authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient in the best interests of the Company with full power to assent to any modifications, variations and/or amendment as may be required by the relevant authorities and to do all acts and things and take steps may be considered necessary to give full effect to the Proposed Amendment.

CONFIRMED BY



Director
YEE YIT YANG



Company Secretary
PANG KAH MAN (MIA 18831)

Dated this 03 JUL 2015

APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON



BAKER TILLY

Baker Tilly Monteiro Heng
Chartered Accountants (AF0117)
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia

T : +603 2297 1000
F : +603 2282 9980

info@bakertillymh.com.my
www.bakertillymh.com.my

10 December 2015

The Board of Directors
Oriented Media Group Berhad
3-2, 3rd Mile Square
No. 151, Jalan Klang Lama
Batu 3 ½
58100 Kuala Lumpur
Malaysia

STRICTLY CONFIDENTIAL

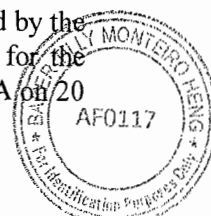
Dear Sirs,

**ORIENTED MEDIA GROUP BERHAD (“OMEDIA” or “the Company”) AND ITS SUBSIDIARIES
REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015**

We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position of OMEDIA and its subsidiaries (“the Group”) as at 30 June 2015 for which the directors of OMEDIA are solely responsible. The Pro Forma Consolidated Statements of Financial Position consists of the Pro Forma Consolidated Statements of Financial Position as at 30 June 2015 together with the accompanying notes thereon, as set out in the accompanying statements, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the directors of OMEDIA have compiled the Pro Forma Consolidated Statements of Financial Position are as described in Note 1 to the Pro Forma Consolidated Statements of Financial Position (“Applicable Criteria”).

The Pro Forma Consolidated Statements of Financial Position of the Group has been compiled by the directors of OMEDIA to illustrate the impact of the renounceable rights issue of up to 426,979,200 new ordinary shares of RM0.10 each in OMEDIA (“OMEDIA Share(s)” or “Share(s)”) (“Right Shares”) at an issue price of RM0.10 per Rights Share together with up to 320,234,400 free detachable warrants in OMEDIA (“Warrants”) on the basis of four (4) Rights Shares together with three (3) free Warrants for every two (2) existing OMEDIA Shares held by entitled shareholders of OMEDIA at 5.00pm on 23 December 2015 (“Rights Issue with Warrants”).

As part of this process, information about the Group’s financial position has been extracted by the directors of OMEDIA from the audited consolidated financial statements of the Group for the financial year ended 30 June 2015, which were reported by us to the members of OMEDIA on 20 October 2015 without any modification.



APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)



BAKER TILLY

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

Report on the Compilation of the Pro Forma Consolidated Statements of Financial Position as at 30 June 2015

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The directors of OMEDIA are responsible for compiling the Pro Forma Consolidated Statements of Financial Position based on the Applicable Criteria.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, by the directors of OMEDIA based on the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors of OMEDIA have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position based on the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of Pro Forma Consolidated Statements of Financial Position included in the Abridged Prospectus of OMEDIA is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors of OMEDIA in the compilation of the Pro Forma Consolidated Statements of Financial Position of the Group provide a reasonable basis for presenting the significant effects directly attributable to the Rights Issue with Warrants, and to obtain sufficient appropriate evidence about whether:-

- (a) The related pro forma adjustments give appropriate effect to those criteria; and
- (b) The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

Report on the Compilation of the Pro Forma Consolidated Statements of Financial Position as at 30 June 2015



BAKER TILLY

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion:-

- (i) the Pro Forma Consolidated Statements of Financial Position of the Group have been properly compiled on the basis as set out in the accompanying notes to the Pro Forma Consolidated Statements of Financial Position based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2015 (which have been prepared by the directors of OMEDIA in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards), and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited consolidated financial statements for the financial year ended 30 June 2015 and the adoption of a new accounting policy as detailed in Note 1.2 of the Pro Forma Consolidated Statements of Financial Position; and
- (ii) each material adjustment made to the information used in the preparation of the Pro Forma Consolidated Statements of Financial Position is appropriate for the purposes of preparing the Pro Forma Consolidated Statements of Financial Position.

This report has been prepared for inclusion in the Abridged Prospectus of OMEDIA in connection with the Rights Issue with Warrants and is not to be used, circulated, quoted or otherwise referenced to in any document or used for any other purpose without the prior written consent from us. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

Baker Tilly Monteiro Heng

APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015

The Pro Forma Consolidated Statements of Financial Position of Oriented Media Group Berhad ("OMEDIA" or "the Company") and its subsidiaries ("the Group") as at 30 June 2015 as set out below for which the directors of OMEDIA are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of the Group as at 30 June 2015 had the Rights Issue with Warrants as described in Note 2 been effected on that date, and should be read in conjunction with the notes accompanying to the Pro Forma Consolidated Statements of Financial Position.

Minimum Scenario

| | Audited Consolidated Statement of Financial Position as at 30 June 2015 RM'000 | Pro Forma I After the Rights Issue with Warrants RM'000 | Pro Forma II After Pro Forma I and Assuming Full Exercise of Warrants RM'000 |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 927 | 3,227 | 3,227 |
| Intangible assets | - | 2,700 | 2,700 |
| | <u>927</u> | <u>5,927</u> | <u>5,927</u> |
| Current assets | | | |
| Trade and other receivables | 2,024 | 2,024 | 2,024 |
| Tax recoverable | 32 | 32 | 32 |
| Fixed deposits placed with licensed banks | 32 | 32 | 32 |
| Cash and bank balances | 4,065 | 6,265 | 12,265 |
| | <u>6,153</u> | <u>8,353</u> | <u>14,353</u> |
| TOTAL ASSETS | <u>7,080</u> | <u>14,280</u> | <u>20,280</u> |



APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 (Continued)

Minimum Scenario (Continued)

| | Audited Consolidated Statement of Financial Position as at 30 June 2015 RM'000 | Pro Forma I After the Rights Issue with Warrants RM'000 | Pro Forma II After Pro Forma I and Assuming Full Exercise of Warrants RM'000 |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| EQUITY AND LIABILITIES | | | |
| Equity attributable to owners of OMEDIA | | | |
| Share capital | 21,349 | 29,349 | 35,349 |
| Share premium | 5,220 | 5,220 | 26,220 |
| Translation reserve | (12) | (12) | (12) |
| Warrants reserve | - | 21,000 | - |
| Accumulated losses | (20,784) | (42,584) | (42,584) |
| Total equity | <u>5,773</u> | <u>12,973</u> | <u>18,973</u> |
| Current liabilities | | | |
| Trade and other payables | 1,307 | 1,307 | 1,307 |
| Total liabilities | <u>1,307</u> | <u>1,307</u> | <u>1,307</u> |
| TOTAL EQUITY AND LIABILITIES | <u>7,080</u> | <u>14,280</u> | <u>20,280</u> |
| Number of ordinary shares of RM0.10 each ('000) | <u>213,490</u> | <u>293,490</u> | <u>353,490</u> |
| Net assets ("NA") (RM'000)* | <u>5,773</u> | <u>12,973</u> | <u>18,973</u> |
| NA per share (Sen)* | <u>2.70</u> | <u>4.42</u> | <u>5.37</u> |

* Attributable to owners of OMEDIA

**Pro Forma Consolidated Statements of Financial Position
as at 30 June 2015**



APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 (Continued)

Maximum Scenario

| | Audited Consolidated Statement of Financial Position as at 30 June 2015 RM'000 | Pro Forma I After the Rights Issue with Warrants RM'000 | Pro Forma II After Pro Forma I and Assuming Full Exercise of Warrants RM'000 |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 927 | 9,102 | 9,102 |
| Intangible assets | - | 14,175 | 14,175 |
| | <u>927</u> | <u>23,277</u> | <u>23,277</u> |
| Current assets | | | |
| Trade and other receivables | 2,024 | 2,024 | 2,024 |
| Tax recoverable | 32 | 32 | 32 |
| Fixed deposits placed with licensed banks | 32 | 32 | 32 |
| Cash and bank balances | 4,065 | 23,613 | 55,636 |
| | <u>6,153</u> | <u>25,701</u> | <u>57,724</u> |
| TOTAL ASSETS | <u>7,080</u> | <u>48,978</u> | <u>81,001</u> |

APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 (Continued)

Maximum Scenario (Continued)

| | Audited Consolidated Statement of Financial Position as at 30 June 2015 RM'000 | Pro Forma I After the Rights Issue with Warrants RM'000 | Pro Forma II After Pro Forma I and Assuming Full Exercise of Warrants RM'000 |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| EQUITY AND LIABILITIES | | | |
| Equity attributable to owners of OMEDIA | | | |
| Share capital | 21,349 | 64,047 | 96,070 |
| Share premium | 5,220 | 5,220 | 117,302 |
| Translation reserve | (12) | (12) | (12) |
| Warrants reserve | - | 112,082 | - |
| Accumulated losses | (20,784) | (133,666) | (133,666) |
| Total equity | <u>5,773</u> | <u>47,671</u> | <u>79,694</u> |
| Current liabilities | | | |
| Trade and other payables | 1,307 | 1,307 | 1,307 |
| Total liabilities | <u>1,307</u> | <u>1,307</u> | <u>1,307</u> |
| TOTAL EQUITY AND LIABILITIES | <u>7,080</u> | <u>48,978</u> | <u>81,001</u> |
| Number of ordinary shares of RM0.10 each ('000) | <u>213,490</u> | <u>640,469</u> | <u>960,703</u> |
| | | | |
| NA (RM'000)* | <u>5,773</u> | <u>47,671</u> | <u>79,694</u> |
| NA per share (Sen)* | <u>2.70</u> | <u>7.44</u> | <u>8.30</u> |

* Attributable to owners of OMEDIA



APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015

1. Basis of Preparation

- 1.1 The Pro Forma Consolidated Statements of Financial Position of the Group, for which the directors of OMEDIA are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of the Group as at 30 June 2015 had the Rights Issue with Warrants as described in Note 2 and the transaction as described in Note 3 been effected on that date, and should be read in conjunction with the notes accompanying the Pro Forma Consolidated Statements of Financial Position.
- 1.2 The Pro Forma Consolidated Statements of Financial Position of the Group have been prepared in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited consolidated financial statements for the financial year ended 30 June 2015, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards, and the adoption of the following new accounting policy:-

Warrants Reserve

The allocated fair values of free warrants are credited to a warrants reserve account, which is non-distributable. The warrants reserve will be transferred to the share premium account upon the exercise of warrants.

For the preparation of the Pro Forma Consolidated Statements of Financial Position, the directors of OMEDIA have allocated a value of RM0.35 per warrant to the free warrants based on the fair value of the warrant extracted from Bloomberg as at 30 November 2015, being the latest practicable date prior to the printing of the Abridged Prospectus. The value of the warrants is determined based on the relative fair values of the ordinary shares by reference to the following information extracted from Bloomberg:-

| | |
|-------------------------|-------------------------------|
| Valuation model | : Black Scholes pricing model |
| Share price | : RM0.403 |
| Exercise price | : RM0.10 per Warrant |
| Tenure of Warrants | : 3 years |
| Share price volatility | : 106.38% |
| Dividend | : No dividend |
| Risk free interest rate | : 4.159% per annum |

As the above variables are subject to change upon the implementation of the Rights Issue with Warrants as described in Note 2, the actual quantum of the components of the warrants' fair value will only be determined upon issuance of the warrants. As such, the actual quantum may differ from the amount computed above.

- 1.3 The audited consolidated financial statements of the Group for the financial year ended 30 June 2015 were reported by the auditors to the members of OMEDIA on 20 October 2015 without any modification.



APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 (Continued)

2. Rights Issue with Warrants

Renounceable rights issue of up to 426,979,200 new ordinary shares of RM0.10 each in OMEDIA ("OMEDIA Shares" or "Shares") ("Rights Shares") at an issue price of RM0.10 per Rights Share together with up to 320,234,400 free detachable warrants in OMEDIA ("Warrants") on the basis of four (4) Rights Shares together with three (3) free Warrants for every two (2) existing OMEDIA Shares held by entitled shareholders of OMEDIA at 5.00pm on 23 December 2015 ("Rights Issue with Warrants").

Utilisation of Proceeds from the Rights Issue with Warrants

The proceeds from the Rights Issue with Warrants will be utilised in the following manner:-

| | Minimum Scenario RM'000 | Maximum Scenario RM'000 |
|---------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Expansion of web-based business | | |
| - Hardware and infrastructure | 2,300 | 8,175 |
| - Software development and implementation | 2,700 | 14,175 |
| Marketing expenses, including digital / internet media services | 1,500 | 11,900 |
| Working capital | 700 | 7,648 |
| Estimated expenses in relation to the Rights Issue with Warrants | 800 | 800 |
| Total | 8,000 | 42,698 |



APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 (Continued)

3. Pro Forma Consolidated Statements of Financial Position

3.1 Minimum Scenario

The minimum scenario had been prepared based on the following assumptions:-

- (i) The Rights Issue with Warrants will be undertaken on a minimum level of subscription of 80,000,000 Rights Shares together with 60,000,000 Warrants at an issue price of RM0.10 per Rights Share, via undertaking arrangements with the undertaking shareholders of OMEDIA.
- (ii) The 60,000,000 Warrants to be issued pursuant to the Rights Issue with Warrants are assumed to be fully exercised at an exercise price of RM0.10.

3.1.1 Pro Forma I

Pro Forma I incorporates the effects of the Rights Issue with Warrants on the adjusted consolidated statement of financial position of the Group as at 30 June 2015 and the utilisation of proceeds arising from the Rights Issue with Warrants as described in Notes 2 and 3.1(i).

With the issuance of 60,000,000 Warrants pursuant to the Rights Issue with Warrants, OMEDIA has recognised the fair value of the Warrants of approximately RM21.0 million based on the basis as disclosed in Note 1.2 and will be debited to the Accumulated Losses Account.

The proceeds earmarked for the expansion of web-based business of RM2.30 million will be debited to Property, Plant and Equipment Account and RM2.70 million will be debited to Intangible Assets Account on the assumption that the costs incurred will meet the criteria for capitalisation.

The proceeds arising from the Rights Issue with Warrants earmarked for marketing expenses and working capital of RM1.50 million and RM0.7 million respectively will be included in the Cash and Bank Balances Account. The estimated expenses in relation to the Rights Issue with Warrants of RM0.8 million will be debited to the Accumulated Losses Account.

The Rights Issue with Warrants will have the following impact on the adjusted consolidated statement of financial position of the Group as at 30 June 2015:-

| | Increase/(Decrease) | |
|-------------------------------|----------------------------|---------------------|
| | Effects on | Effects on |
| | Total Assets | Total Equity |
| | RM'000 | RM'000 |
| Property, plant and equipment | 2,300 | - |
| Intangible assets | 2,700 | - |
| Cash and bank balances | 2,200 | - |
| Share capital | - | 8,000 |
| Accumulated losses | - | (21,800) |
| Warrants reserve | - | 21,000 |
| | <u>7,200</u> | <u>7,200</u> |

**Pro Forma Consolidated Statements of Financial Position
as at 30 June 2015**



APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 (Continued)

3. Pro Forma Consolidated Statements of Financial Position (Continued)

3.1 Minimum Scenario (Continued)

3.1.2 Pro Forma II

Pro Forma II incorporates the cumulative effects of Pro Forma I and assuming the full exercise of 60,000,000 Warrants at an exercise price of RM0.10 as described in Note 3.1(ii).

The full exercise of 60,000,000 Warrants will have the following impact on the Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2015:-

| | Increase/(Decrease) | |
|------------------------|----------------------------|---------------------|
| | Effects on | Effects on |
| | Total Assets | Total Equity |
| | RM'000 | RM'000 |
| Cash and bank balances | 6,000 | - |
| Share capital | - | 6,000 |
| Share premium | - | 21,000 |
| Warrants reserve | - | (21,000) |
| | <u>6,000</u> | <u>6,000</u> |

3.2 Maximum Scenario

The maximum scenario had been prepared based on the following assumptions:-

- (i) The Rights Issue with Warrants will raise a gross proceeds of RM42,697,920 based on the renounceable rights issue of up to 426,979,200 Rights Shares together with 320,234,400 Warrants at an issue price of RM0.10 per Rights Share.
- (ii) The 320,234,400 Warrants to be issued pursuant to the Rights Issue with Warrants are assumed to be fully exercised at an exercise price of RM0.10.

APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 (Continued)

3. Pro Forma Consolidated Statements of Financial Position (Continued)

3.2 Maximum Scenario (Continued)

3.2.1 Pro Forma I

Pro Forma I incorporates the effects of the Rights Issue with Warrants on the adjusted consolidated statement of financial position of the Group as at 30 June 2015 and the utilisation of proceeds arising from the Rights Issue with Warrants as described in Notes 2 and 3.2(ii).

With the issuance of 320,234,400 Warrants pursuant to the Rights Issue with Warrants, OMEDIA has recognised this fair value of the Warrants of approximately RM112.082 million based on the basis as disclosed in Note 1.2 and will be debited to the Accumulated Losses Accounts.

The proceeds earmarked for the expansion of web-based business of RM8.175 million will be debited to Property, Plant and Equipment Account and RM14.175 million will be debited to Intangible Assets Account on the assumption that the costs incurred will meet the criteria for capitalisation.

The proceeds arising from the Rights Issue with Warrants earmarked for marketing expenses and working capital of RM11.900 million and RM7.648 million respectively will be debited to Cash and Bank Balances Account. The estimated expenses in relation to the Rights Issue of RM0.8 million will be debited to the Accumulated Losses Account.

The Rights Issue with Warrants will have the following impact on the adjusted consolidated statement of financial position of the Group as at 30 June 2015:-

| | Increase/(Decrease) | |
|-------------------------------|----------------------------|---------------------|
| | Effects on | Effects on |
| | Total Assets | Total Equity |
| | RM'000 | RM'000 |
| Property, plant and equipment | 8,175 | - |
| Intangible assets | 14,175 | - |
| Cash and bank balances | 19,548 | - |
| Share capital | - | 42,698 |
| Accumulated losses | - | (112,882) |
| Warrants reserve | - | 112,082 |
| | <u>41,898</u> | <u>41,898</u> |



APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 (Continued)

3. Pro Forma Consolidated Statements of Financial Position (Continued)

3.2 Maximum Scenario (Continued)

3.2.3 Pro Forma II

Pro Forma II incorporates the cumulative effects of Pro Forma I and assuming the full exercise of 320,234,400 Warrants at an exercise price of RM0.10 as described in Note 3.2(ii).

The full exercise of 320,234,400 Warrants will have the following impact on the Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2015:-

| | Increase/(Decrease) | |
|------------------------|-----------------------------------------------|-----------------------------------------------|
| | Effects on Total Assets RM'000 | Effects on Total Equity RM'000 |
| Cash and bank balances | 32,023 | - |
| Share capital | - | 32,023 |
| Share premium | - | 112,082 |
| Warrants reserve | - | (112,082) |
| | <u>32,023</u> | <u>32,023</u> |

APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

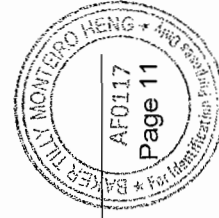
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 (Continued)

4. Movements in Share Capital and Reserves

4.1 Minimum Scenario

| | Share capital | | | | | | |
|----------------------------------------------------------------------------------------|-----------------------------|------------------|----------------------------|----------------------------------|-------------------------------|---------------------------------|--|
| | Number of Shares '000 | Amount RM'000 | Share Premium RM'000 | Translation Reserve RM'000 | Warrants Reserve RM'000 | Accumulated Losses RM'000 | |
| Audited consolidated statement of financial position as at 30 June 2015 | 213,490 | 21,349 | 5,220 | (12) | - | (20,784) | |
| Arising from the Rights Issue with Warrants | 80,000 | 8,000 | - | - | 21,000 | (21,000) | |
| - defrayment of estimated expenses in relation to the Rights Issue with Warrants | - | - | - | - | - | (800) | |
| Per Pro Forma I | 293,490 | 29,349 | 5,220 | (12) | 21,000 | (42,584) | |
| Arising from assumed full exercise of Warrants | 60,000 | 6,000 | 21,000 | - | (21,000) | - | |
| Per Pro Forma II | 353,490 | 35,349 | 26,220 | (12) | - | (42,584) | |

**Pro Forma Consolidated Statements of Financial Position
as at 30 June 2015**



APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

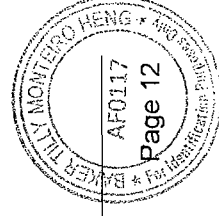
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 (Continued)

4. Movements in Share Capital and Reserves (Continued)

4.2 Maximum Scenario

| | Share capital | | | | | | |
|----------------------------------------------------------------------------------------|-----------------------------|------------------|----------------------------|----------------------------------|-------------------------------|---------------------------------|--|
| | Number of Shares '000 | Amount RM'000 | Share Premium RM'000 | Translation Reserve RM'000 | Warrants Reserve RM'000 | Accumulated Losses RM'000 | |
| Audited consolidated statement of financial position as at 30 June 2015 | 213,490 | 21,349 | 5,220 | (12) | - | (20,784) | |
| Arising from the Rights Issue with Warrants | 426,979 | 42,698 | - | - | 112,082 | (112,082) | |
| - defrayment of estimated expenses in relation to the Rights Issue with Warrants | - | - | - | - | - | (800) | |
| Per Pro Forma I | 640,469 | 64,047 | 5,220 | (12) | 112,082 | (133,666) | |
| Arising from assumed full exercise of Warrants | 320,234 | 32,023 | 112,082 | - | (112,082) | - | |
| Per Pro Forma II | 960,703 | 96,070 | 117,302 | (12) | - | (133,666) | |

**Pro Forma Consolidated Statements of Financial Position
as at 30 June 2015**



APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 (Continued)

5. Movements in Cash and Bank Balances

5.1 Minimum Scenario

| | RM'000 |
|----------------------------------------------------------------------------------|---------------|
| Audited consolidated statement of financial position as at 30 June 2015 | 4,065 |
| Arising from the Rights Issue with Warrants | |
| - proceeds from the Rights Issue with Warrants | 8,000 |
| - expansion of web-based business | (5,000) |
| - defrayment of estimated expenses in relation to the Rights Issue with Warrants | (800) |
| Per Pro Forma I * | 6,265 |
| Arising from assumed full exercise of Warrants | 6,000 |
| Per Pro Forma II * | 12,265 |

* Included in the cash and bank balances are amounts of RM1.50 million and RM0.7 million respectively arising from the Rights Issue with Warrants earmarked for the marketing expenses and working capital purposes respectively.

5.2 Maximum Scenario

| | RM'000 |
|----------------------------------------------------------------------------------|---------------|
| Audited consolidated statement of financial position as at 30 June 2015 | 4,065 |
| Arising from the Rights Issue with Warrants | |
| - proceeds from the Rights Issue with Warrants | 42,698 |
| - expansion of web-based business | (22,350) |
| - defrayment of estimated expenses in relation to the Rights Issue with Warrants | (800) |
| Per Pro Forma I * | 23,613 |
| Arising from assumed full exercise of Warrants | 32,023 |
| Per Pro Forma II * | 55,636 |


* Included in the cash and bank balances are amounts of RM11.900 million and RM7.648 million respectively arising from the Rights Issue with Warrants earmarked for the marketing expenses and working capital purposes respectively.

APPENDIX IV – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ORIENTED MEDIA GROUP BERHAD AND ITS SUBSIDIARIES

APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Oriented Media Group Berhad in accordance with a resolution dated 10 December 2015.


.....
Name: Yee Yit Yang
Director
.....
Name: Ng Chee Kin
Director

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015**

ORIENTED MEDIA GROUP BERHAD
(517487 – A)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
30TH JUNE 2015

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

Company No. 517487 – A

ORIENTED MEDIA GROUP BERHAD
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2015**

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**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

ORIENTED MEDIA GROUP BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30th June 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of information technology related products and services. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

| | Group RM | Company RM |
|-------------------------------|--------------------|----------------------|
| Loss for the financial year | (1,191,283) | (1,546,864) |
| Attributable to: | | |
| Equity holders of the Company | (1,202,938) | (1,546,864) |
| Non-controlling interests | 11,655 | - |
| | <u>(1,191,283)</u> | <u>(1,546,864)</u> |

DIVIDEND

No dividend was 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 year ended 30th June 2015.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

BAD AND DOUBTFUL DEBTS

Before the statements of profit or loss and other comprehensive income and statements of financial position 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 had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

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

CURRENT ASSETS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had 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

At the date of this report, the Directors are not aware of any circumstances which 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 year 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 year.

In the opinion of the Directors, no contingent liabilities or other liabilities of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year 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.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

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 year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

No item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any debentures during the financial year.

DIRECTORS

The Directors in office since the date of the last report are:-

Ng Kean Leong
Ng Chee Kin
Yee Yit Yang
Zhu Guohe
Khor Chin Fei
Lau Kin Wai

- Resigned on 24.12.2014

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 as disclosed in the financial statements) 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.

Neither during nor at the end of the financial year was the Company or any of its related corporations 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.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interest of the Directors who held office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 30th June 2015 are as follows:-

| | Number of ordinary shares of RM 0.10/- each | | | |
|--------------------------|---------------------------------------------|--------|------|-----------------|
| | At 1.7.2014 | Bought | Sold | At 30.6.2015 |
| Indirect interest | | | | |
| Zhu Guohe * | 17,790,800 | - | - | 17,790,800 |

* *Deemed interest by virtue of his substantial shareholding in Sure Bright Investment Development Limited pursuant to Section 6A of the Companies Act, 1965.*


Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

On behalf of the board,


.....
ZHU GUOHE
Director


.....
YEE YIT YANG
Director

Kuala Lumpur

Date: 20 OCT 2016

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

ORIENTED MEDIA GROUP BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 30TH JUNE 2015**

| | | Group | | Company | |
|----------------------------------------------|------|------------------|------------------|------------------|-------------------|
| | | 2015 | 2014 | 2015 | 2014 |
| | Note | RM | RM | RM | RM |
| ASSETS | | | | | |
| Non-current Assets | | | | | |
| Property, plant and equipment | 4 | 927,334 | 1,157,876 | 815,555 | 1,156,584 |
| Intangible assets | 5 | - | 37,609 | - | - |
| Investment in subsidiaries | 8 | - | - | 15,956 | 118,797 |
| Other investment | 9 | - | 431,789 | - | - |
| Total Non-current Assets | | 927,334 | 1,627,274 | 831,511 | 1,275,381 |
| Current Assets | | | | | |
| Trade and other receivables | 10 | 2,024,071 | 1,180,185 | 712,289 | - |
| Amount owing by subsidiaries | 11 | - | - | 7,146,065 | 3,548,428 |
| Tax recoverable | | 32,320 | 29,587 | 32,320 | 29,587 |
| Fixed deposits placed with licensed banks | 12 | 31,842 | 5,117,750 | 31,842 | 5,117,750 |
| Cash and bank balances | 13 | 4,064,441 | 361,538 | 26,993 | 346,522 |
| Total Current Assets | | 6,152,674 | 6,689,060 | 7,949,509 | 9,042,287 |
| TOTAL ASSETS | | 7,080,008 | 8,316,334 | 8,781,020 | 10,317,668 |

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
ORIENTED MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30TH JUNE 2015 (Continued)

| | | Group | | Company | |
|-------------------------------------------------------------|------|------------------|------------------|------------------|-------------------|
| | | 2015 | 2014 | 2015 | 2014 |
| | Note | RM | RM | RM | RM |
| EQUITY AND LIABILITIES | | | | | |
| Equity attributable to equity holders of the Company | | | | | |
| Share capital | 14 | 21,348,960 | 21,348,960 | 21,348,960 | 21,348,960 |
| Share premium | 15 | 5,220,460 | 5,220,460 | 5,220,460 | 5,220,460 |
| Translation reserve | 16 | (12,009) | (184,388) | - | - |
| Accumulated losses | | (20,784,141) | (19,378,415) | (18,259,099) | (16,712,235) |
| Shareholders' funds | | 5,773,270 | 7,006,617 | 8,310,321 | 9,857,185 |
| Non-controlling interests | | - | 50,790 | - | - |
| Total Equity | | 5,773,270 | 7,057,407 | 8,310,321 | 9,857,185 |
| Current Liabilities | | | | | |
| Trade and other payables | 17 | 1,306,738 | 1,257,855 | 470,699 | 460,462 |
| Bank overdraft | 18 | - | 1,072 | - | 21 |
| Total Current Liabilities | | 1,306,738 | 1,258,927 | 470,699 | 460,483 |
| TOTAL EQUITY AND LIABILITIES | | 7,080,008 | 8,316,334 | 8,781,020 | 10,317,668 |

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

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

ORIENTED MEDIA GROUP BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2015**

| | | Group | | Company | |
|------------------------------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
| | | 2015 | 2014 | 2015 | 2014 |
| | Note | RM | RM | RM | RM |
| Revenue | 20 | 1,745,175 | 1,109,680 | - | - |
| Cost of sales | | (1,593,824) | (1,101,000) | - | - |
| Gross profit | | 151,351 | 8,680 | - | - |
| Other income | | 619,984 | 2,334,992 | 162,173 | 989,420 |
| Administrative expenses | | (1,962,618) | (6,023,515) | (1,709,037) | (2,775,327) |
| Operating loss | 21 | (1,191,283) | (3,679,843) | (1,546,864) | (1,785,907) |
| Finance costs | 22 | - | (5,329) | - | (4,863) |
| Loss before taxation | | (1,191,283) | (3,685,172) | (1,546,864) | (1,790,770) |
| Taxation | 23 | - | - | - | - |
| LOSS FOR THE FINANCIAL YEAR | | (1,191,283) | (3,685,172) | (1,546,864) | (1,790,770) |
| Other comprehensive income | | | | | |
| Foreign currency translation | | 243,370 | (27,155) | - | - |
| TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR | | (947,913) | (3,712,327) | (1,546,864) | (1,790,770) |

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

ORIENTED MEDIA GROUP BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2015 (Continued)**

| | | Group | | Company | |
|--------------------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
| | | 2015 | 2014 | 2015 | 2014 |
| | Note | RM | RM | RM | RM |
| Loss attributable to: | | | | | |
| Owners of the parent | | (1,202,938) | (3,679,694) | (1,546,864) | (1,790,770) |
| Non-controlling interests | | 11,655 | (5,478) | - | - |
| | | <u>(1,191,283)</u> | <u>(3,685,172)</u> | <u>(1,546,864)</u> | <u>(1,790,770)</u> |
| Total comprehensive loss attributable to: | | | | | |
| Owners of the parent | | (969,529) | (3,707,548) | (1,546,864) | (1,790,770) |
| Non-controlling interests | | 21,616 | (4,779) | - | - |
| | | <u>(947,913)</u> | <u>(3,712,327)</u> | <u>(1,546,864)</u> | <u>(1,790,770)</u> |
| Earnings per ordinary share (sen): | | | | | |
| - basic | 24 | (0.56) | (2.06) | | |
| - diluted | 24 | <u>(0.56)</u> | <u>(2.06)</u> | | |

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

APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 2015 (CONT'D)**ORIENTED MEDIA GROUP BERHAD**
(Incorporated in Malaysia)**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2015**

←————— Attributable to equity holders of the parent —————→

| | Share Capital RM | Share Premium RM | Translation Reserve RM | Accumulated Losses RM | Equity attributable to owners of the parent RM | Non- controlling Interests RM | Total Equity RM |
|------------------------------------------------------------------|------------------------|------------------------|------------------------------|-----------------------------|------------------------------------------------------------|----------------------------------------|-----------------------|
| Group | | | | | | | |
| Balance as 1st July 2013 | 17,790,800 | 3,640,397 | (156,534) | (15,698,721) | 5,575,942 | 55,569 | 5,631,511 |
| Total comprehensive loss for the financial year | - | - | (27,854) | (3,679,694) | (3,707,548) | (4,779) | (3,712,327) |
| Transactions with owners: Issuance of ordinary shares | 3,558,160 | 1,580,063 | - | - | 5,138,223 | - | 5,138,223 |
| Balance at 30th June 2014 | 21,348,960 | 5,220,460 | (184,388) | (19,378,415) | 7,006,617 | 50,790 | 7,057,407 |
| Total comprehensive loss for the financial year | - | - | 233,409 | (1,202,938) | (969,529) | 21,616 | (947,913) |
| Transactions with owners: Disposal of subsidiaries | - | - | (61,030) | (202,788) | (263,818) | (72,406) | (336,224) |
| Balance at 30th June 2015 | 21,348,960 | 5,220,460 | (12,009) | (20,784,141) | 5,773,270 | - | 5,773,270 |

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
ORIENTED MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2015 (Continued)

| | ← Attributable to equity holders of the parent → | | | |
|------------------------------------------------------------|--------------------------------------------------|---------------------------------|--------------------------------------|--------------------------------|
| Company | Share Capital RM | Share Premium RM | Accumulated Losses RM | Total Equity RM |
| Balance as 1st July 2013 | 17,790,800 | 3,640,397 | (14,921,465) | 6,509,732 |
| Total comprehensive loss for the financial year | - | - | (1,790,770) | (1,790,770) |
| Transactions with owners: | | | | |
| Issuance of ordinary shares | 3,558,160 | 1,580,063 | - | 5,138,223 |
| Balance at 30th June 2014 | 21,348,960 | 5,220,460 | (16,712,235) | 9,857,185 |
| Total comprehensive loss for the financial year | - | - | (1,546,864) | (1,546,864) |
| Balance at 30th June 2015 | 21,348,960 | 5,220,460 | (18,259,099) | 8,310,321 |

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

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
ORIENTED MEDIA GROUP BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2015

| | Group | | Company | |
|----------------------------------------------------------|--------------------|------------------|--------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Loss before taxation | (1,191,283) | (3,685,172) | (1,546,864) | (1,790,770) |
| Adjustments for: | | | | |
| Amortisation of: | | | | |
| - development expenditure | - | 340,851 | - | - |
| - intellectual property and licence rights | - | 268,344 | - | 141,981 |
| Depreciation | 351,497 | 450,878 | 341,029 | 347,050 |
| Impairment loss on: | | | | |
| - intellectual properties and licence rights | - | 1,028,904 | - | 638,651 |
| - trade receivables | 113,400 | - | 113,400 | - |
| - investment in subsidiaries | - | - | 941,486 | - |
| - other investments | - | 336,182 | - | 336,182 |
| - development expenditure | - | 937,342 | - | - |
| - goodwill | 4,342 | - | - | - |
| Government grant | - | (3,000) | - | (3,000) |
| Interest expense | - | 5,329 | - | 4,863 |
| Interest income | (114,953) | (12,510) | (114,953) | (12,510) |
| Loss/(gain) on disposal of investment in subsidiaries | 922,653 | (1,109,876) | 102,836 | 1,045,516 |
| | 85,656 | (1,442,728) | (163,066) | 707,963 |
| Changes In Working Capital: | | | | |
| Receivables | (1,458,161) | 427,654 | (5,364,812) | (200,864) |
| Payables | 1,933 | 561,493 | 10,237 | (226,359) |
| | (1,370,572) | (453,581) | (5,517,641) | 280,740 |
| Interest paid | - | (5,329) | - | (4,863) |
| Tax paid | (2,733) | (29,027) | (2,733) | - |
| Net Operating Cash Flows | (1,373,305) | (487,937) | (5,520,374) | 275,877 |

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
ORIENTED MEDIA GROUP BERHAD

(Incorporated in Malaysia)

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2015 (Continued)

| | Group | | Company | |
|---------------------------------------------------------------------------------|--------------|-----------|----------------|-----------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | 114,953 | 12,510 | 114,953 | 12,510 |
| Purchase of property, plant and equipment | (121,571) | - | - | - |
| Net cash outflows on disposal of investment in subsidiaries | (2,010) | (7,999) | - | - |
| Proceeds from disposal of investment in subsidiaries | - | - | 5 | 6 |
| Net Investing Cash Flows | (8,628) | 4,511 | 114,958 | 12,516 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from issuance of ordinary shares: - private placement | - | 5,138,223 | - | 5,138,223 |
| Net Financing Cash Flows | - | 5,138,223 | - | 5,138,223 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | (1,381,933) | 4,654,797 | (5,405,416) | 5,426,616 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | - | (29,726) | - | - |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | 5,478,216 | 853,145 | 5,464,251 | 37,635 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | 4,096,283 | 5,478,216 | 58,835 | 5,464,251 |

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

ORIENTED MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2015 (Continued)

| | Group | | Company | |
|-----------------------------------------------|------------------|------------------|----------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| ANALYSIS OF CASH AND CASH EQUIVALENTS: | | | | |
| Cash and bank balances | 4,064,441 | 361,538 | 26,993 | 346,522 |
| Fixed deposits placed with licensed banks | 31,842 | 5,117,750 | 31,842 | 5,117,750 |
| Less: Bank overdrafts | - | (1,072) | - | (21) |
| | <u>4,096,283</u> | <u>5,478,216</u> | <u>58,835</u> | <u>5,464,251</u> |

Summary of Effects on Disposal of Investment in Subsidiaries

Group

2015

- (i) On 14th January 2015, the Company acquired 1 ordinary shares of HKD1/- each in Oriented Media Holdings Limited ("OHML"), representing 100% of the issued and paid-up share capital of OHML for a total consideration of HKD1/-.

On 20th March 2015, the Company announced incorporation of a wholly-owned foreign enterprise known as Fujian Accsoft Technology Development Co. Ltd. ("FATD").

From the date of acquisition, FATD has contributed RM6,507/- and RM231,363/- to the Group's profit net of tax and revenue respectively.

- (ii) On 24th June 2015, the Company entered into a Share Sale Agreement for the disposal of its entire equity interests in Oriented Media Ventures Sdn. Bhd. ("OMVSB") and Oriented Media Ventures Limited ("OMVL") for a cash consideration of RM1/- each.

On the same day, the company had further entered into a Share Sales Agreement for the disposal of 100% shareholding in Oriented Holding Media Limited ("OHML") for a cash consideration of RM3/-.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
ORIENTED MEDIA GROUP BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2015 (Continued)
Summary of Effects on Disposal of Investment in Subsidiaries (Continued)
Group (Continued)
2014

On 31st May 2014, the Company entered into a Share Sale Agreement for the disposal of its entire equity interests in Trillium Solutions Sdn. Bhd. ("TSSB"), Portrade Assets Sdn. Bhd. ("PASB") and Portrade Business Consulting Sdn. Bhd. ("PBCSB") for a cash consideration of RM1/- each.

On the same day, the Company had further entered into a Share Sale Agreement for the disposal of its entire equity interests in Portrade Philippines, Inc. ("PPI") for a cash consideration of approximately RM3/-.

The effects of the disposal of the investment in subsidiaries on the financial position of the Group are as follows:

| | 2015 RM | 2014 RM |
|-------------------------------------------------------------|------------|-------------|
| Property, plant and equipment | - | 120,888 |
| Investment | 431,789 | - |
| Trade and other receivables | 382,736 | 34,702 |
| Tax recoverable | - | 188,957 |
| Amount due by related companies | 385,220 | (1,211,956) |
| Cash and cash equivalent | 2,015 | 8,005 |
| Trade and other payables | (254,222) | (330,818) |
| Amount due to related parties | - | (50,048) |
| Amount due to director | 5,098 | (100,000) |
| Goodwill | 33,267 | - |
| Non-Controlling Interest | (71,490) | - |
| Net liabilities disposed | 914,413 | (1,340,270) |
| Waiver of debt owing by ultimate holding company | (283,046) | (973,642) |
| Impairment of amount owing by fellow subsidiary | 291,291 | 1,204,042 |
| | 922,658 | (1,109,870) |
| (Loss)/gain on disposal of investment in subsidiaries | (922,653) | 1,109,876 |
| Total consideration | 5 | 6 |
| Less: Cash and cash equivalent | (2,015) | (8,005) |
| Net cash outflows on disposal of investment in subsidiaries | (2,010) | (7,999) |

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

ORIENTED MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2015 (Continued)
Summary of Effects on Disposal of Investment in Subsidiaries (Continued)
Company

The effects of the disposal of the investment in subsidiaries on the financial position of the Company are as follows:

| | 2015 RM | 2014 RM |
|----------------------------------------------------------|----------------|------------------|
| Cost of investment | 947,402 | 7,319,772 |
| Less: Allowance for impairment losses | (844,561) | (6,274,250) |
| Net carrying amount | <u>102,841</u> | <u>1,045,522</u> |
| Less: Proceeds of disposal of investment in subsidiaries | (5) | (6) |
| Loss on disposal of investment in subsidiaries | <u>102,836</u> | <u>1,045,516</u> |

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

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

ORIENTED MEDIA GROUP BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS**1. GENERAL INFORMATION**

The Company is principally engaged in investment holding and the provision of information technology related products and services. The principal activities of the subsidiaries are described in Note 8 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

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

The registered office of the Company is located at 3-2, 3rd Mile Square, No. 151 Jalan Kelang Lama, Batu 3½, 58100 Kuala Lumpur. The principal place of business of the Company is located at Level 10, Menara Lian Hoe, Persiaran Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

The financial statements are expressed in Ringgit Malaysia. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20th October 2015.

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, 1965 in Malaysia.

The financial statements are expressed in Ringgit Malaysia except when otherwise stated.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 2.3 to the financial statements.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment are based on the directors' best knowledge of current events and actions, actual results may differ.

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 3 to the financial statements.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
**2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations
("IC Int")**
(a) Adoption of Amendments/Improvements to MFRSs and New IC Int

The Group and the Company had adopted the following amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:

Amendments/Improvements to MFRSs

| | |
|----------|------------------------------------------------------|
| MFRS 1 | First-time Adoption of Financial Reporting Standards |
| MFRS 2 | Share-based Payments |
| MFRS 3 | Business Combinations |
| MFRS 8 | Operating Segments |
| MFRS 10 | Consolidated Financial Statements |
| MFRS 12 | Disclosure of Interests in Other Entities |
| MFRS 13 | Fair Value Measurement |
| MFRS 116 | Property, Plant and Equipment |
| MFRS 119 | Employee Benefits |
| MFRS 124 | Related Party Disclosures |
| MFRS 127 | Separate Financial Statements |
| MFRS 132 | Financial Instruments: Presentation |
| MFRS 136 | Impairment of Assets |
| MFRS 138 | Intangible Assets |
| MFRS 139 | Financial Instruments: Recognition and Measurement |
| MFRS 140 | Investment Property |

New IC Int

| | |
|-----------|--------|
| IC Int 21 | Levies |
|-----------|--------|

The adoption of the above amendments/improvements to MFRSs and new IC Int do not have any significant effect on the financial statements of the Group and of the Company.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations
("IC Int") (Continued)****(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but
not yet effective and have not been early adopted**

The Group and the Company have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

| | | Effective for financial periods beginning on or after |
|-----------------------------------------|----------------------------------------------------------------|--------------------------------------------------------------------------|
| <u>New MFRSs</u> | | |
| MFRS 9 | Financial Instruments | 1 January 2018 |
| MFRS 14 | Regulatory Deferral Accounts | 1 January 2016 |
| MFRS 15 | Revenue from Contracts with Customers | 1 January 2018 |
| <u>Amendments/Improvements to MFRSs</u> | | |
| MFRS 5 | Non-current Asset Held for Sale and Discontinued Operations | 1 January 2016 |
| MFRS 7 | Financial Instruments: Disclosures | 1 January 2016 |
| MFRS 9 | Financial Instruments | 1 January 2018 |
| MFRS10 | Consolidated Financial Statements | 1 January 2016 |
| MFRS 11 | Joint Arrangements | 1 January 2016 |
| MFRS 12 | Disclosure of Interests in Other Entities | 1 January 2016 |
| MFRS 101 | Presentation of Financial Statements | 1 January 2016 |
| MFRS 116 | Property, Plant and Equipment | 1 January 2016 |
| MFRS 119 | Employee Benefits | 1 January 2016 |
| MFRS 127 | Separate Financial Statements | 1 January 2016 |
| MFRS 128 | Investments in Associates and Joint Ventures | 1 January 2016 |
| MFRS 134 | Interim Financial Reporting | 1 January 2016 |
| MFRS 138 | Intangible Assets | 1 January 2016 |
| MFRS 141 | Agriculture | 1 January 2016 |

A brief discussion on the above significant new MFRSs and amendments/improvements to MFRSs are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and by the Company.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations
("IC Int") (Continued)****(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but
not yet effective and have not been early adopted (Continued)*****MFRS 9 Financial Instruments***

MFRS 9 introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

Classification and measurement

MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

Impairment

MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

Hedge accounting

MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations
("IC Int") (Continued)****(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but
not yet effective and have not been early adopted (Continued)*****MFRS 14 Regulatory Deferral Accounts***

MFRS 14 permits first-time adopters of MFRSs to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt MFRSs. An entity that already presents MFRSs financial statements is not eligible to apply this Standard.

As regulatory deferral account balances were not recognised in the MFRS financial statements, the principles specified in MFRS 14 would have no impact to the Malaysian entities.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

| | |
|-----------------------|--------------------------------------------------------------|
| MFRS 111 | Construction Contracts |
| MFRS 118 | Revenue |
| IC Interpretation 13 | Customer Loyalty Programmes |
| IC Interpretation 15 | Agreements for the Construction of Real Estate |
| IC Interpretation 18 | Transfers of Assets from Customers |
| IC Interpretation 131 | Revenue – Barter Transactions Involving Advertising Services |

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Continued)****(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Continued)*****Amendments to MFRS 5 Non-current Assets Held for Sale and Discontinued Operations***

Amendments to MFRS 5 introduces specific guidance when an entity reclassifies an asset (or disposal group) from held-for-sale to held-for-distribution to owners (or vice versa), or when held-for-distribution is discontinued.

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 provides additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of MFRS 7.

The Amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7) to condensed interim financial statements.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements

Amendments to MFRS 10 introduces an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement* instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to MFRS 12 and MFRS 127.

In addition, amendments to MFRS 127 also clarifies that if a parent is required, in accordance with paragraph 31 of MFRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with MFRS 139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

Amendments to MFRS 11 Joint Arrangements

Amendments to MFRS 11 clarifies that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in MFRS 3 Business Combinations, it shall apply the relevant principles on business combinations accounting in MFRS 3, and other MFRSs, that do not conflict with MFRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/liabilities and recognition of acquisition-related costs as expenses. The Amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations
("IC Int") (Continued)****(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but
not yet effective and have not been early adopted (Continued)*****Amendments to MFRS 101 Presentation of Financial Statements***

Amendments to MFRS 101 improves the effectiveness of disclosures. The Amendments clarifies guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 116 clarifies the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation/amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 116 prohibits revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 119 provides a practical expedient in accounting for contributions from employees or third parties to defined benefit plans.

If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

However, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by MFRS 119 for the gross benefit (i.e. either based on the plan's contribution formula or on a straight-line basis).

In addition, the Amendments clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations
("IC Int") (Continued)****(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but
not yet effective and have not been early adopted (Continued)***Amendments to MFRS 127 Separate Financial Statements*

Amendments to MFRS 127 allows a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendments to MFRS 138 Intangible Assets

Amendments to MFRS 138 introduces a rebuttable presumption that the revenue-based amortisation method is inappropriate (for the same reasons as per the Amendments to MFRS 116). This presumption can be overcome only in the limited circumstances:

2.3 Significant Accounting Policies**(a) Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in the other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, and equity instruments issued, plus any cost directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.3(d). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition date unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Significant Accounting Policies (Continued)****(a) Basis of Consolidation (Continued)**

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Transaction costs for acquisition between 1st January 2006 and 1st July 2010, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Transaction costs for acquisition on or after 1st July 2010 will no longer be capitalised as part of the cost of acquisition but will be expensed immediately.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous 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 available-for-sale financial asset depending on the level of influence retained.

Prior to 1st July 2010, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost on initial measurement of the investment.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Significant Accounting Policies (Continued)****(b) Subsidiaries**

Subsidiaries are entities, including structured 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.

- Control exists when the Group is exposed, or has the rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.
- The Group 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. In the previous financial years, the Group did not consider de facto power in its assessment of control.

An investment in subsidiaries which is eliminated on consolidation is stated in the Company's separate financial statements at cost less 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. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is recognised in the profit or loss.

(c) Transactions with Non-Controlling Interest

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Significant Accounting Policies (Continued)****(c) Transactions with Non-Controlling Interest (Continued)**

The 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 deficit balance. The change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

Prior to 1st July 2010, where losses applicable to the non-controlling interests exceed the Company's interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interest, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

(d) Goodwill on Consolidation**(i) *Acquisition before 1st January 2011***

Goodwill represents the excess of the cost of business combination over the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition. Following the initial recognition, goodwill is stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(g) to the financial statements.

Goodwill is not amortised but is reviewed for impairment, annually or more frequently for impairment in value and is written down where it is considered necessary. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include carrying amount of goodwill relating to the entity sold.

Negative goodwill represents the excess of the fair value of the Group's share of net assets acquired over the cost of acquisition. Negative goodwill is recognised directly in the statement of comprehensive income.

(ii) *Acquisition on or after 1st January 2011*

For acquisitions on or after 1st 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 interests 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.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Significant Accounting Policies (Continued)****(d) Goodwill on Consolidation (Continued)****(ii) Acquisition on or after 1st January 2011 (Continued)**

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, 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.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(e) Intangible Assets**(i) Research and Development Expenditure**

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- it can be demonstrated that the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible assets are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Significant Accounting Policies (Continued)****(e) Intangible Assets (Continued)****(i) *Research and Development Expenditure (Continued)***

Other development expenditure that does not meet these criteria is recognised as an expense when incurred. Development expenditure previously recognised as an expense cannot be recognised as an asset in subsequent period. Capitalised development expenditure are recorded as intangible assets and amortised from that point at which the asset is ready for use or sale, on a straight-line basis over the estimated useful life.

The estimated useful lives of capitalised development expenditure are over a period of three to six years.

Capitalised development expenditure are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(h).

Capitalised development expenditure are derecognised upon disposal and no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the profit or loss.

(ii) *Intellectual Property and Licence Rights*

Intellectual property and licence rights are stated at cost less amortisation and any impairment losses. Amortisation is provided for on a straight line basis over a period of three to ten years.

(f) Property, Plant and Equipment and Depreciation

All property, plant and equipment were initially stated at cost 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. Cost includes expenditure that is directly attributable to the acquisition of the asset. 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 profit or loss as incurred.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Significant Accounting Policies (Continued)****(f) Property, Plant and Equipment and Depreciation (Continued)**

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. The principal annual rates used for this purpose are as follows:

| | |
|-----------------------------------|-----------|
| Computer equipments | 15% - 33% |
| Furniture, fittings and equipment | 8% - 10% |
| Motor vehicles | 15% |
| Renovation | 10% |

The residual values, useful life and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

Fully depreciated assets are retained in the accounts until the assets are no longer in use.

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 period the asset is derecognised.

(g) Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near future.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Significant Accounting Policies (Continued)****(g) Financial Assets (Continued)****(i) Financial Assets at Fair Value through Profit or Loss (Continued)**

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains and losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loan and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-to-Maturity Investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group and the Company has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Significant Accounting Policies (Continued)****(g) Financial Assets (Continued)****(iv) Available-for-Sale Financial Assets**

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(h) Impairment of Assets**(i) Impairment of Financial Assets**

All financial assets (except for financial assets categorised as fair value through profit or loss, investment in subsidiaries and associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Significant Accounting Policies (Continued)****(h) Impairment of Assets (Continued)****(i) Impairment of Financial Assets (Continued)**

An impairment loss in respect of available-for-sale financial assets is recognised in the profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through the profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the profit or loss.

(ii) Impairment of Non-Financial Assets

The Group and the Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or Cash Generating Unit ("CGU")'s fair value less cost to sell and its value in use. 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 risk specific to the asset. Where the carrying amounts of an asset exceed its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in the profit or loss in the period in which it arises.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Significant Accounting Policies (Continued)****(h) Impairment of Assets (Continued)****(ii) Impairment of Non-Financial Assets (Continued)**

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed its carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the profit or loss.

(i) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits, bank balances and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value. Cash and cash equivalents are stated net of bank overdrafts which are repayable on demand.

(j) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Significant Accounting Policies (Continued)****(j) Financial Liabilities (Continued)****(ii) Other financial liabilities**

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in the profit or loss.

(k) Borrowing costs

All borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(l) Employees 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 are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences sick leave, maternity and paternity leave are recognised when absences occur.

(ii) Post-employment benefits

The Group and the Company contribute to the Employees' Provident Fund, the national defined contribution plan. The contributions are charged to the profit or loss in the year to which they are related. Once the contributions have been paid, the Group and the Company have no further payment obligations.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Significant Accounting Policies (Continued)****(m) Foreign Currencies****(i) Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (“foreign currencies”) are recorded in the functional currencies using the exchange rates prevailing at the date of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group’s net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group’s net investment in foreign operation, whether that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group’s net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operations, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company’s net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company’s financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items are carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 2015 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(m) Foreign Currencies (Continued)

(ii) Foreign currency transactions (Continued)

The principal closing rates used in translation of foreign currency amounts at the financial position were:

| | 2015 RM | 2014 RM |
|---------------------------|------------|------------|
| Foreign currencies | | |
| 1 Renminbi | 0.61 | - |
| 100 Hong Kong Dollar | 48.83 | 41.42 |
| 1 Singapore Dollar | 2.81 | 2.57 |

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the end of the reporting period and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

(n) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sales of goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Significant Accounting Policies (Continued)****(o) Income taxes**

The tax expense in profit or loss represents the aggregate amount of current tax and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credit can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

(p) Segmental Reporting

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 are Executive Directors of the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 25 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**2.3 Significant Accounting Policies (Continued)****(q) Share Capital**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in liability in the period in which they are declared.

(r) Fair Value Measurements

The Group adopted MFRS 13 Fair Value Measurement which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following:

(i) Depreciation of Property, Plant and Equipment

Property, plant and equipment are depreciated on the straight line basis over their estimated useful lives. Management estimates the useful lives of the property, plant and equipment to be within 5 to 10 years. Changes in expected level of usage and technological developments could impact the economic useful lives and residual values of the property, plant and equipment, therefore the future depreciation charges could be revised.

(ii) Impairment of Property, Plant and Equipment

The Group and the Company assesses impairment of assets whenever the events and changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)**(ii) Impairment of Property, Plant and Equipment (Continued)**

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 Group's and the Company's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

Where there is objective evidence, impairment losses are recognised in profit or loss. The carrying amount of the Group's property, plant and equipment and prepaid lease payments at the end of the reporting period are disclosed in Note 4 to the financial statements.

(iii) Recoverability of Receivables

The Group and the Company makes impairment of receivables based on an assessment of the recoverability of receivables. Impairments are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analysed historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the impairment of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

Where there is objective evidence, impairment losses are recognised in profit or loss. The carrying amount of the Group's trade and other receivables at the end of the reporting period are disclosed in Note 10 to the financial statements.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

4. PROPERTY, PLANT AND EQUIPMENT

| | Computer Equipment RM | Furniture, Fittings and Equipments RM | Renovation RM | Total RM |
|---------------------------------|--------------------------------------|----------------------------------------------------------|--------------------------|---------------------|
| Group | | | | |
| 2015 | | | | |
| Cost | | | | |
| At 1st July 2014 | 6,195,950 | 397,003 | 1,068,115 | 7,661,068 |
| Additions | 58,306 | 63,265 | - | 121,571 |
| Disposal of subsidiaries | (232,262) | - | - | (232,262) |
| At 30th June 2015 | 6,021,994 | 460,268 | 1,068,115 | 7,550,377 |
| Accumulated depreciation | | | | |
| At 1st July 2014 | 5,558,725 | 207,080 | 737,387 | 6,503,192 |
| Charge for the financial year | 246,837 | 35,523 | 69,137 | 351,497 |
| Exchange difference | 429 | 187 | - | 616 |
| Disposal of subsidiaries | (232,262) | - | - | (232,262) |
| At 30th June 2015 | 5,573,729 | 242,790 | 806,524 | 6,623,043 |
| Carrying amount | | | | |
| At 30th June 2015 | 448,265 | 217,478 | 261,591 | 927,334 |
| 2014 | | | | |
| Cost | | | | |
| At 1st July 2013 | 6,571,569 | 451,585 | 1,194,688 | 8,217,842 |
| Disposals/Written off | (80,320) | - | - | (80,320) |
| Disposal of subsidiaries | (295,299) | (54,582) | (126,573) | (476,454) |
| At 30th June 2014 | 6,195,950 | 397,003 | 1,068,115 | 7,661,068 |
| Accumulated depreciation | | | | |
| At 1st July 2013 | 5,536,714 | 229,615 | 723,661 | 6,489,990 |
| Charge for the financial year | 349,724 | 30,606 | 70,548 | 450,878 |
| Exchange difference | (1,790) | - | - | (1,790) |
| Disposals/Written off | (80,320) | - | - | (80,320) |
| Disposal of subsidiaries | (245,603) | (53,141) | (56,822) | (355,566) |
| At 30th June 2014 | 5,558,725 | 207,080 | 737,387 | 6,503,192 |
| Carrying amount | | | | |
| At 30th June 2014 | 637,225 | 189,923 | 330,728 | 1,157,876 |

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
4. PROPERTY, PLANT AND EQUIPMENT (Continued)

| | Computer Equipment RM | Furniture, Fittings and Equipments RM | Renovation RM | Total RM |
|---------------------------------|--------------------------------------|----------------------------------------------------------|--------------------------|---------------------|
| Company | | | | |
| 2015 | | | | |
| Cost | | | | |
| At 1st July 2014/30th June 2015 | 5,892,531 | 393,952 | 1,068,115 | 7,354,598 |
| Accumulated depreciation | | | | |
| At 1st July 2014 | 5,263,159 | 187,506 | 747,349 | 6,198,014 |
| Charge for the financial year | 254,740 | 17,152 | 69,137 | 341,029 |
| At 30th June 2015 | 5,517,899 | 204,658 | 816,486 | 6,539,043 |
| Carrying amount | | | | |
| At 30th June 2015 | 374,632 | 189,294 | 251,629 | 815,555 |
| 2014 | | | | |
| Cost | | | | |
| At 1st July 2013/30th June 2014 | 5,892,531 | 393,952 | 1,068,115 | 7,354,598 |
| Accumulated depreciation | | | | |
| At 1st July 2013 | 5,017,257 | 156,906 | 676,801 | 5,850,964 |
| Charge for the financial year | 245,902 | 30,600 | 70,548 | 347,050 |
| At 30th June 2014 | 5,263,159 | 187,506 | 747,349 | 6,198,014 |
| Carrying amount | | | | |
| At 30th June 2014 | 629,372 | 206,446 | 320,766 | 1,156,584 |

APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 2015 (CONT'D)

5. INTANGIBLE ASSETS

| | Group | | Company | |
|-----------------------------------------------------|--------------|-----------|----------------|-----------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| Intellectual Property and Licence Rights | | | | |
| Cost | | | | |
| At 1st July | 2,012,031 | 2,197,561 | 1,426,651 | 1,426,651 |
| Disposal | - | (185,530) | - | - |
| At 30th June | 2,012,031 | 2,012,031 | 1,426,651 | 1,426,651 |
| Less: Accumulated amortisation | | | | |
| At 1st July | 983,127 | 901,094 | 788,000 | 646,019 |
| Amortisation | - | 268,344 | - | 141,981 |
| Disposal | - | (185,530) | - | - |
| Exchange difference | - | (781) | - | - |
| At 30th June | 983,127 | 983,127 | 788,000 | 788,000 |
| Less: Impairment loss | | | | |
| At 1st July | 1,028,904 | - | 638,651 | - |
| Additions | - | 1,028,904 | - | 638,651 |
| At 30th June | 1,028,904 | 1,028,904 | 638,651 | 638,651 |
| Carrying amount | | | | |
| At 30th June 2015 | - | - | - | - |
| Goodwill | | | | |
| Cost | | | | |
| At 1st July | 322,857 | 322,857 | - | - |
| Disposal of subsidiaries | (302,835) | - | - | - |
| At 30th June | 20,022 | 322,857 | - | - |
| Less: Impairment loss | | | | |
| At 1st July | 285,248 | 285,248 | - | - |
| Disposal of subsidiaries | (269,568) | - | - | - |
| Additions | 4,342 | - | - | - |
| At 30th June | 20,022 | 285,248 | - | - |
| Carrying amount | | | | |
| At 30th June 2015 | - | 37,609 | - | - |
| Total intangible assets | - | 37,609 | - | - |

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

5. INTANGIBLE ASSETS (CONTINUED)**Intellectual Property and Licence Rights (Continued)**

The amortisation of intellectual property and licence rights are included in the “Administrative expenses” in the profit or loss. The intellectual property and license rights were amortised on a straight line basis over 3 to 10 (2014: 3 to 10) years.

6. DEVELOPMENT EXPENDITURE

| | Group | | Company | |
|---------------------------------------|--------------|------------|----------------|------------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| Cost | | | | |
| At 1st July /30th June | 14,500,603 | 14,500,603 | 12,796,346 | 12,796,346 |
| Less: Accumulated amortisation | | | | |
| At 1st July | 13,563,261 | 13,222,410 | 12,796,346 | 12,796,346 |
| Amortisation | - | 340,851 | - | - |
| At 30th June | 13,563,261 | 13,563,261 | 12,796,346 | 12,796,346 |
| Less: Impairment loss | | | | |
| At 1st July/30th June | 937,342 | 937,342 | - | - |
| Carrying amount | | | | |
| At 30th June | - | - | - | - |

In previous financial year, the amortisation of development expenditure is included in the “Administrative expenses” in the profit or loss. The development expenditure were amortised on a straight line basis over 6 years.

7. DEFERRED TAX ASSETS

| | Group | |
|--------------------------|--------------|---------|
| | 2015 | 2014 |
| | RM | RM |
| At 1st July | - | 4,864 |
| Disposal of subsidiaries | - | (4,864) |
| At 30th June | - | - |

APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 2015 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES

| | Company | |
|--------------------------------|----------------|-------------|
| | 2015 | 2014 |
| | RM | RM |
| Cost | | |
| At 1st July | 2,230,836 | 9,550,598 |
| Disposal | (947,401) | (7,319,762) |
| At 30th June | 1,283,435 | 2,230,836 |
| Less: Impairment losses | | |
| At 1st July | 2,112,039 | 8,386,285 |
| Addition | - | - |
| Disposal | (844,560) | (6,274,246) |
| At 30th June | 1,267,479 | 2,112,039 |
| Carrying amount | | |
| At 30th June | 15,956 | 118,797 |

Details of the subsidiaries are as follow:

| Name of subsidiaries | Country of Incorporation | Effective Equity Interest Held | | Principal Activities |
|-----------------------------------|--------------------------|--------------------------------|--------|------------------------------------------------------------------------------------------------|
| | | 2015 % | 2014 % | |
| Held by the Company | | | | |
| Oriented Games Sdn. Bhd. | Malaysia | 100 | 100 | Development of computer games |
| Oriented Media Services Sdn. Bhd. | Malaysia | 100 | 100 | Provision of information technology and software development, maintenance and support services |
| Oriented Games Pte. Ltd. * | Singapore | 100 | 100 | Development of computer games |
| Oriented Media Ventures Sdn. Bhd. | Malaysia | - | 100 | Investment holding |
| Oriented Media Holding Limited * | British-Virgin Island | - | 60 | Investment holding |

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
8. INVESTMENTS IN SUBSIDIARIES (Continued)

Details of the subsidiaries are as follow:

| Name of subsidiaries | Country of Incorporation | Effective Equity | | Principal Activities |
|-----------------------------------------------------|-----------------------------|------------------|-----------|---------------------------------------------------------------------------------------------------------|
| | | Interest Held | | |
| | | 2015 % | 2014 % | |
| Held by the Company (Continued) | | | | |
| Oriented Media Ventures Ltd. * | Hong Kong | - | 100 | Dormant |
| Oriented Media Holdings Limited * | Hong Kong | 100 | - | Investment holding |
| Held through Oriented Media Holdings Limited | | | | |
| Fujian Accsoft Technology Development Co. Ltd. * | China | 100 | - | Provision of information technology and software development, maintenance and support services |

* Audited by another firm of auditors other than Baker Tilly Monteiro Heng.

2015

- (i) On 14th January 2015, the Company acquired 1 ordinary shares of HKD1/- each in Oriented Media Holdings Limited ("OHML"), representing 100% of the issued and paid-up share capital of OHML for a total consideration of HKD1/-.

On 20th March 2015, the Company announced incorporation of a wholly-owned foreign enterprise known as Fujian Accsoft Technology Development Co. Ltd. ("FATD").

From the date of acquisition, FATD has contributed RM6,507/- and RM231,363/- to the Group's profit net of tax and revenue respectively.

- (ii) On 24th June 2015, the Company entered into a Share Sale Agreement for the disposal of its entire equity interests in Oriented Media Ventures Sdn. Bhd. ("OMVSB"), Oriented Media Ventures Limited ("OMVL") for a cash consideration of RM1/- each.

On the same day, the company had further entered into a Share Sales Agreement for the disposal of 100% shareholding in Oriented Holding Media Limited ("OHML") for a cash consideration of RM3/-.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
8. INVESTMENTS IN SUBSIDIARIES (Continued)
2014

On 31st May 2014, the Company entered into a Share Sale Agreement for the disposal of its entire equity interests in Trillium Solutions Sdn. Bhd. ("TSSB"), Portrade Assets Sdn. Bhd. ("PASB") and Portrade Business Consulting Sdn. Bhd. ("PBCSB") for a cash consideration of RM1/- each.

On the same day, the Company had further entered into a Share Sale Agreement for the disposal of its entire equity interests in Portrade Philippines, Inc. ("PPI") for a cash consideration of approximately RM3/-.

9. OTHER INVESTMENTS

| | Group | | Company | |
|--------------------------------|--------------|---------|----------------|---------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| Unquoted shares at cost | | | | |
| At 1st July | 852,262 | 852,262 | 336,182 | 336,182 |
| Disposal of subsidiaries | (516,080) | - | - | - |
| At 30th June | 336,182 | 852,262 | 336,182 | 336,182 |
| Less: Impairment losses | | | | |
| At 1st July | 420,473 | 84,291 | 336,182 | - |
| Addition | - | 336,182 | - | 336,182 |
| Disposal of subsidiaries | (84,291) | - | - | - |
| At 30th June | 336,182 | 420,473 | 336,182 | 336,182 |
| Carrying amount | | | | |
| At 30th June | - | 431,789 | - | - |

Investment in unquoted shares are classified as available-for-sale and are measured at cost because the fair value cannot be measured reliably. This equity instrument represents ordinary shares that are not quoted on any market.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
10. TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|------------------------------------------|------------------|------------------|----------------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| Trade receivables | 754,853 | 759,000 | - | - |
| Less: Allowance for impairment | (113,400) | - | - | - |
| | 641,453 | 759,000 | - | - |
| Other receivables | 584,670 | 421,185 | - | - |
| Deposits | - | - | - | - |
| Prepayments | 797,948 | - | 712,289 | - |
| | 1,382,618 | 421,185 | 712,289 | - |
| Total trade and other receivables | 2,024,071 | 1,180,185 | 712,289 | - |

- (i) Trade receivables are non-interest bearing and the Group's normal trade credit terms range from 30 to 90 (2014: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis. The credit period varies from customers to customers after taking into consideration their payment track record, financial background, length of business relationship and size of transactions. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

- (ii) *Ageing analysis of trade receivables*

The ageing analysis of the Group's trade receivables is as follows:-

| | Group | | Company | |
|----------------------------------|--------------|---------|----------------|------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| Neither past due nor impaired | 328,457 | 500,000 | - | - |
| <i>Past due but not impaired</i> | | | | |
| 61 to 90 days | 312,996 | - | - | - |
| 91 to 120 days | - | 259,000 | - | - |
| | 312,996 | 259,000 | - | - |
| Impaired | 113,400 | - | - | - |
| | 754,853 | 759,000 | - | - |

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors.

None of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

10. TRADE AND OTHER RECEIVABLES (Continued)**(a) Trade receivables (Continued)****(ii) Ageing analysis of trade receivables (Continued)**Receivables that are past due but not impaired

The Group has trade receivables amounting to RM312,996/- (2014: RM259,000/-) that are past due at the end of the reporting period but not impaired.

Receivables that are impaired

In determining the extent of impairment of receivables, the directors have given due consideration to all information available to assess the likelihood of bad debts arising. Although uncertainty generally exists with regard to the recovery of debts, the directors are of the opinion that sufficient impairment has been made and the amount receivable net of the impairment of receivables are expected to be substantially recovered.

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

| | Group | |
|------------------------------|--------------|----------|
| | 2015 | 2014 |
| | RM | RM |
| Individually impaired | | |
| Trade receivables | | |
| - nominal value | 113,400 | - |
| Less: Impairment losses | (113,400) | - |
| | <u>-</u> | <u>-</u> |

Movement in allowance accounts:

| | Group | |
|-------------------------------|----------------|----------|
| | 2015 | 2014 |
| | RM | RM |
| As at 1st July | - | 50,400 |
| Charge for the financial year | 113,400 | - |
| Written off | - | (50,400) |
| As at 30th June | <u>113,400</u> | <u>-</u> |

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are long outstanding with no collection received during the financial year. These receivables are not secured by any collateral or credit enhancements.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
10. TRADE AND OTHER RECEIVABLES (Continued)
(a) Trade receivables (Continued)

- (iii) Approximately 85% (2014: 66%) of the Group's third parties' trade receivables arise from 1 customer. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

(b) Other receivables and prepayments

The foreign currency profile of other receivables and prepayments are as follows:-

| | Group | |
|------------------|------------------|----------------|
| | 2015 RM | 2014 RM |
| China Renminbi | 658,965 | - |
| Hong Kong Dollar | - | 56,817 |
| Ringgit Malaysia | 712,289 | 3,126 |
| Singapore Dollar | 11,364 | 10,397 |
| US Dollar | - | 350,845 |
| | <u>1,382,618</u> | <u>421,185</u> |

11. AMOUNTS OWING BY SUBSIDIARIES

The amounts owing by subsidiaries are non-trade in nature, unsecured, interest free, repayable on demand and is to be settled in cash.

12. FIXED DEPOSITS PLACED WITH LICENSED BANKS

The deposits placed with licensed banks amounting to RM31,842/- (2014: RM5,117,750/-) are pledged to certain banks to secure banking facilities granted to the Group, as disclosed in Note 18 to the financial statements.

The fixed deposits bear interest at the rate of 3.00% (2014: 3.00%) per annum and have maturity period of 1 month.

13. CASH AND BANK BALANCES

The foreign currency profile of cash and bank balances are as follows:-

| | Group | | Company | |
|------------------|------------------|----------------|----------------|----------------|
| | 2015 RM | 2014 RM | 2015 RM | 2014 RM |
| China Renminbi | 4,032,548 | - | - | - |
| Hong Kong Dollar | - | 4,324 | - | - |
| Ringgit Malaysia | 31,696 | 357,173 | 26,993 | 346,522 |
| Singapore Dollar | 197 | 41 | - | - |
| | <u>4,064,441</u> | <u>361,538</u> | <u>26,993</u> | <u>346,522</u> |

APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 2015 (CONT'D)

14. SHARE CAPITAL

| | Group and Company | | | |
|-------------------------------------------------|-----------------------------|------------|-----------------------------|------------|
| | 2015 | | 2014 | |
| | Number of shares Unit | RM | Number of shares Unit | RM |
| Ordinary shares of RM0.10/- each Authorised: | | | | |
| At 1st July/30th June | 51,800,000 | 51,800,000 | 51,800,000 | 51,800,000 |
| Issued and fully paid: | | | | |
| At 1st July | 213,489,600 | 21,348,960 | 177,908,000 | 17,790,800 |
| Issuance of ordinary shares via: | | | | |
| - private placement | - | - | 35,581,600 | 3,558,160 |
| At 30th June | 213,489,600 | 21,348,960 | 213,489,600 | 21,348,960 |

- (i) In the previous financial year, the issued and paid-up ordinary share capital of the Company increased from RM17,790,800/- to RM21,348,960/- by way of allotment via private placement of 35,581,600 ordinary shares of RM0.10/- each for working capital purposes.

The new ordinary shares issued rank pari passu in all respect with the existing ordinary shares of the Company.

- (ii) The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

15. SHARE PREMIUM

| | Group and Company | |
|----------------------------------|--------------------------|-------------|
| | 2015 | 2014 |
| | RM | RM |
| At 1st July | 5,220,460 | 3,640,397 |
| Issuance of ordinary shares via: | | |
| - private placement | - | 1,580,063 |
| At 30th June | 5,220,460 | 5,220,460 |

16. TRANSLATION RESERVE

Translation reserve comprises of all foreign currency differences arising from the translation of the financial statements of foreign operations.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
17. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|-----------------|--------------|-----------|----------------|---------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| Trade payables | 229,853 | 880,820 | 229,853 | 229,853 |
| Other payables | 192,367 | 278,565 | 186,846 | 176,609 |
| Accruals | 124,180 | 98,470 | 54,000 | 54,000 |
| Deferred income | 760,338 | - | - | - |
| | 1,076,885 | 377,035 | 240,846 | 230,609 |
| | 1,306,738 | 1,257,855 | 470,699 | 460,462 |

- (a) Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company ranges from 30 to 60 days (2014: 30 to 60 days).

The foreign currency profile of trade payables are as follows:

| | Group | | Company | |
|------------------|--------------|---------|----------------|---------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| Hong Kong Dollar | - | 147,967 | - | - |
| Ringgit Malaysia | 229,853 | 732,853 | 229,853 | 229,853 |
| | 229,853 | 880,820 | 229,853 | 229,853 |

- (b) The foreign currency profile of other payables and accruals are as follows:

| | Group | | Company | |
|------------------|--------------|---------|----------------|---------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| China Renminbi | 793,876 | - | - | - |
| Hong Kong Dollar | - | 101,755 | - | - |
| Ringgit Malaysia | 256,430 | 250,965 | 240,846 | 230,609 |
| Singapore Dollar | 26,579 | 24,315 | - | - |
| | 1,076,885 | 377,035 | 240,846 | 230,609 |

Included in other payables of the Group is an amount of RM48,394/- (2014: RM55,847/-) due to companies in which certain Directors have interest in.

- (c) Deferred income represents contract work agreed and secured from customers, but work has yet to perform.

APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 2015 (CONT'D)

18. BANK OVERDRAFT

The secured bank overdraft is secured by the way of:

- (a) The pledge of fixed deposits as disclosed in Note 12 to the financial statements; and
- (b) Joint and several guarantees by Directors of the Company.

The bank overdrafts bear interest rate at Nil (2014: 8.60%) per annum.

19. GOVERNMENT GRANT

| | Group and Company | |
|--------------------------------------|--------------------------|---------|
| | 2015 | 2014 |
| | RM | RM |
| At 1st July | - | 3,000 |
| Recognised during the financial year | - | (3,000) |
| At 30th June | - | - |

20. REVENUE

| | Group and Company | |
|---------------------------------------------|--------------------------|------------------|
| | 2015 | 2014 |
| | RM | RM |
| Income from: | | |
| - sales of products | 1,513,812 | 1,109,680 |
| - provision of electronic commerce services | 231,363 | - |
| | <u>1,745,175</u> | <u>1,109,680</u> |

21. OPERATING LOSS

Operating loss for the financial year has been arrived at:

| | Group | | Company | |
|--------------------------------------------|--------------|---------|----------------|---------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| After charging: | | | | |
| Amortisation of: | | | | |
| - development expenditure | - | 340,851 | - | - |
| - intellectual property and licence rights | - | 268,344 | | 141,981 |

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
21. OPERATING LOSS (Continued)

| | Group | | Company | |
|--------------------------------------------|--------------|-----------|----------------|-----------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| After charging: | | | | |
| Audit fee: | | | | |
| - current year | 59,444 | 54,500 | 45,000 | 45,000 |
| - prior year | 4,000 | 6,900 | 4,000 | 5,000 |
| Depreciation | 351,497 | 450,878 | 341,029 | 347,050 |
| Directors' remuneration (Note 26) | | | | |
| - fees | 90,460 | 76,300 | 66,600 | 54,300 |
| Loss on disposal of subsidiaries | 922,653 | - | 102,836 | 1,045,516 |
| Interest expense | - | - | - | 4,863 |
| Impairment loss on: | | | | |
| - investment in subsidiaries | - | - | 941,486 | - |
| - other investments | - | 336,182 | - | 336,182 |
| - development expenditure | - | 937,342 | - | - |
| - intellectual property and license rights | - | 1,028,904 | - | 638,651 |
| - goodwill | 4,342 | - | - | - |
| - trade receivable | 113,400 | - | 113,400 | - |
| And crediting:- | | | | |
| Gain on disposal of subsidiaries | - | 1,109,876 | - | - |
| Government grant | - | 3,000 | - | 3,000 |
| Interest income | 114,953 | 12,510 | 114,953 | 12,510 |
| Waiver of debts | - | - | 47,220 | 973,642 |

22. FINANCE COSTS

| | Group | | Company | |
|----------------------|--------------|-------|----------------|-------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| Interest expense on: | | | | |
| - Bank overdraft | - | 5,329 | - | 4,863 |

23. TAXATION

The income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated taxable profit for the fiscal year.

Income tax for subsidiaries in Malaysia is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The statutory tax rate will be reduced to 24% from the current year's rate of 25% effective year of assessment 2016.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
23. TAXATION (Continued)

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 of the Group and of the Company is as follows:-

| | Group | | Company | |
|--------------------------------------------------------------------------------|--------------|-------------|----------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| Loss before taxation | (1,191,283) | (3,685,172) | (1,546,864) | (1,790,770) |
| Tax at applicable tax rate of 25% (2014: 25%) | 297,822 | 921,293 | 386,716 | 447,692 |
| Tax effects arising from: | | | | |
| - non-deductible expenses | (64,659) | (109,127) | (36,792) | (72,054) |
| - different tax rates in other countries | (2,961) | 10,394 | - | - |
| - origination of deferred tax assets not recognised in the financial statement | (230,202) | (822,560) | (349,924) | (375,638) |
| Tax expenses for the financial year | - | - | - | - |

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

| | Group | | Company | |
|--------------------------------------------------|--------------|-------------|----------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| Unutilised tax losses | (1,030,264) | (1,030,404) | (2,201,875) | (1,079,484) |
| Excess of capital allowances over depreciation | (5,626,931) | (4,705,985) | (4,380,097) | (4,102,791) |
| | (6,657,195) | (5,736,389) | (6,581,972) | (5,182,275) |
| Potential deferred tax assets at 25% (2014: 25%) | (1,664,299) | (1,434,097) | (1,645,493) | (1,295,569) |

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

24. EARNING PER ORDINARY SHARE

Basic earnings per share is calculated by dividing the net loss for the financial year from continuing operation attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

| | Group | |
|------------------------------------------------------|-------------------------|-------------|
| | 2015 | 2014 |
| | RM | RM |
| Loss net of tax attributable to owners of the parent | (1,191,283) | (3,685,172) |
| | <hr/> | |
| | Number of shares | |
| Weighted average number of ordinary shares in issue | 213,489,600 | 178,882,838 |
| | <hr/> | |
| Basic loss per share for the financial year (sen) | (0.56) | (2.06) |

The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any potential ordinary shares outstanding at the end of the reporting period.

25. OPERATING SEGMENTS**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 industry (business segments) and operational location (geographical segments) of the Group.

Measurement of Reportable Segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transactions between reportable segments are measured on the basis that is similar to those external customers.

Segment statements of profit or loss and other comprehensive income are profit earned or loss incurred by each segment without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment statements of comprehensive income.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

25. OPERATING SEGMENTS (Continued)

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

(a) Geographical Segments

The Group operates mainly in the information technology and e-commerce business and in one principal geographical regions apart from Malaysia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

(b) Business Segments

The Group operates predominantly in the information technology and e-commerce industry as mentioned in Note 8 to the financial statements. Accordingly, the information by business segments of the Group's operations is not presented.

(c) Major Customers

Four (2014: Three) major customers from Malaysia contribute approximately 100% (2014: 100%) of the Group's total revenue.

APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 2015 (CONT'D)

25. OPERATING SEGMENTS (Continued)

Geographical segments

| | Malaysia | | China | | Others | | Eliminations | | Consolidated | |
|-----------------------------------------------|--------------------|--------------------|------------------|-----------------|-----------------|------------------|------------------|------------------|--------------------|--------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM |
| Revenue from external customers | 1,513,812 | 1,109,680 | 231,363 | - | - | - | - | - | 1,745,175 | 1,109,680 |
| Inter-segment revenue | - | - | - | - | - | - | - | - | - | - |
| Total segment revenue | 1,513,812 | 1,109,680 | 231,363 | - | - | - | - | - | 1,745,175 | 1,109,680 |
| Segment results | (1,053,799) | (3,610,697) | (6,507) | (18,386) | (25,762) | (129,461) | (105,215) | 78,701 | (1,191,283) | (3,679,843) |
| Results from operating activities | | | | | | | | | (1,191,283) | (3,679,843) |
| Finance cost | | | | | | | | | - | (5,329) |
| Loss after taxation | | | | | | | | | (1,191,283) | (3,685,172) |
| Non-controlling interests | | | | | | | | | (11,655) | 5,478 |
| Net loss attributable to owners of the parent | | | | | | | | | (1,202,938) | (3,679,694) |
| Segments assets | 2,276,769 | 8,325,675 | 4,798,142 | 28,991 | 16,711 | 10,438 | (11,614) | (48,770) | 7,080,008 | 8,316,334 |
| Total assets | | | | | | | | | 7,080,008 | 8,316,334 |
| Segment liabilities | 483,550 | 707,835 | 793,882 | 102,177 | 26,579 | 947,363 | 2,727 | (498,448) | 1,306,738 | 1,258,927 |
| Capital expenditure | 342,053 | 965,187 | 9,444 | - | - | 94,886 | - | - | 351,497 | 1,060,073 |
| Depreciation | 342,053 | 384,791 | 9,444 | - | - | 66,087 | - | - | 351,497 | 450,878 |
| Amortisation | - | 580,396 | - | - | - | 28,799 | - | - | - | 609,195 |

APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 2015 (CONT'D)

26. 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 operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

Related parties of the Group include:-

- (i) Direct subsidiaries; and
- (ii) 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

Information regarding outstanding balances arising from related party transaction as at reporting date is disclosed in Note 11 of the financial statements.

(c) Key management personnel remuneration

The remuneration of Directors and other members of key management during the financial year are as follows:-

| | Group | | Company | |
|------------------------------------------------------|--------|--------|---------|--------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| Included in the total key management personnel are:- | | | | |
| Directors' remuneration (Note 21) | 90,460 | 76,300 | 66,600 | 54,300 |

The number of Directors of the Company whose total remuneration during the year fell within the following bands is analysed below:-

| | Number of directors | |
|----------------------|---------------------|------|
| | 2015 | 2014 |
| Executive directors: | | |
| RM1 - RM50,000 | 5 | 5 |

Other member of key management personnel comprise persons other than Directors of the Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
27. FINANCIAL INSTRUMENTS
(a) Classification of Financial Instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2.3 to the financial statements describe how classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

| | Loans and receivables | Financial liabilities at amortised cost | Carrying amount |
|----------------------------------------------|----------------------------------|--------------------------------------------------------|----------------------------|
| | RM | RM | RM |
| Group | | | |
| 2015 | | | |
| Financial assets | | | |
| Trade and other receivables * | 1,226,123 | - | 1,226,123 |
| Fixed deposits placed with licensed banks | 31,842 | - | 31,842 |
| Cash and bank balances | 4,064,441 | - | 4,064,441 |
| | <u>5,322,406</u> | <u>-</u> | <u>5,322,406</u> |
| Financial liabilities | | | |
| Trade and other payables | - | 1,306,738 | 1,306,738 |
| | | | |
| 2014 | | | |
| Financial assets | | | |
| Trade and other receivables * | 1,180,185 | - | 1,180,185 |
| Fixed deposits placed with licensed banks | 5,117,750 | - | 5,117,750 |
| Cash and bank balances | 361,538 | - | 361,538 |
| | <u>6,659,473</u> | <u>-</u> | <u>6,659,473</u> |
| Financial liabilities | | | |
| Trade and other payables | - | 1,257,855 | 1,257,855 |
| Bank overdraft | - | 1,072 | 1,072 |
| | <u>-</u> | <u>1,258,927</u> | <u>1,258,927</u> |

* *Exclude prepayments*

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
27. FINANCIAL INSTRUMENTS (Continued)
(a) Classification of Financial Instruments (Continued)

| | Loans and receivables RM | Financial liabilities at amortised cost RM | Carrying amount RM |
|----------------------------------------------|-----------------------------------------|---------------------------------------------------------------|-----------------------------------|
| Company | | | |
| 2015 | | | |
| Financial assets | | | |
| Amount owing by subsidiaries | 7,146,065 | - | 7,146,065 |
| Fixed deposits placed with licensed banks | 31,842 | - | 31,842 |
| Cash and bank balances | 26,993 | - | 26,993 |
| | <u>7,204,900</u> | <u>-</u> | <u>7,204,900</u> |
| Financial liabilities | | | |
| Trade and other payables | - | 470,699 | 470,699 |
| | <u>-</u> | <u>470,699</u> | <u>470,699</u> |
| 2014 | | | |
| Financial assets | | | |
| Amount owing by subsidiaries | 3,548,428 | - | 3,548,428 |
| Fixed deposits placed with licensed banks | 5,117,750 | - | 5,117,750 |
| Cash and bank balances | 346,522 | - | 346,522 |
| | <u>9,012,700</u> | <u>-</u> | <u>9,012,700</u> |
| Financial liabilities | | | |
| Trade and other payables | - | 460,462 | 460,462 |
| Bank overdraft | - | 21 | 21 |
| | <u>-</u> | <u>460,483</u> | <u>460,483</u> |

(b) Fair Value Information
(i) Fair values

Except for other investments, the fair values of financial assets and financial liabilities of the Group and the Company approximate their carrying amounts on the statement of financial position due to their short term nature.

There were no unrecognised financial instruments as at 30th June 2015.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

27. FINANCIAL INSTRUMENTS (Continued)**(b) Fair Value Information (Continued)****(ii) Fair Value Hierarchy**

The Group and the Company classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As the financial assets and financial liabilities of the Group and the Company is not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group and of the Company are subject to a variety of financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company does not hold any collateral as security and other credit enhancements for the above financial assets.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure. The management has a credit policy in place to monitor and minimise the exposure of default. The Group trades only with recognised and credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivables are monitored on an on-going basis.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**(a) Credit Risk (Continued)****(i) Exposure to credit risk**

At the reporting date, the Group's and Company's maximum exposure to credit risk is represented by the carrying amount of trade and other receivables recognised in the statements of financial position.

Information regarding credit enhancements for trade receivables is disclosed in Note 10 to the financial statements.

The Group determines concentrations of credit risk by monitoring the ageing profile of its trade receivables on an on-going basis. The Group's trade receivables credit risk is concentrated in Malaysia.

The significant concentration of credit risk of the Group is disclosed in Note 10(a)(iii) to the financial statements. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the statements of financial position.

(ii) Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 10 to the financial statements.

Deposits with banks and other financial institutions are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

(iii) Financial assets that are either past due or impaired

Information regarding financial assets that are past due or impaired is disclosed in Note 10 to the financial statements.

(iv) Inter-company balances

The Company provides advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

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.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)
(b) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institution and balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

Maturity analysis

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

| | Carrying amount RM | Undiscounted contractual cash flow RM | On demand or within one year RM |
|------------------------------|--------------------------|------------------------------------------------|------------------------------------------|
| Group | | | |
| 2015 | | | |
| Financial liabilities | | | |
| Trade and other payables | 1,306,738 | 1,306,738 | 1,306,738 |
| 2014 | | | |
| Financial liabilities | | | |
| Trade and other payables | 1,257,855 | 1,257,855 | 1,257,855 |
| Bank overdraft | 1,072 | 1,072 | 1,072 |
| | 1,258,927 | 1,258,927 | 1,258,927 |
| Company | | | |
| 2015 | | | |
| Financial liabilities | | | |
| Trade and other payables | 470,699 | 470,699 | 470,699 |
| 2014 | | | |
| Financial liabilities | | | |
| Trade and other payables | 460,462 | 460,462 | 460,462 |
| Bank overdraft | 21 | 21 | 21 |
| | 460,483 | 460,483 | 460,483 |

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)
(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from bank overdraft.

The Group and the Company manage 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 on-going basis. Management does not enter into interest rate hedging transactions since it considers that the cost of such instruments outweigh the potential risk of interest rate fluctuation.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as the end of the reporting period was:

| | Group | | Company | |
|----------------------------------|--------------|-------|----------------|------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| <i>Floating rate instruments</i> | | | | |
| Financial liability | | | | |
| Bank overdraft | - | 1,072 | - | 21 |

The information on maturity dates and interest rate of financial assets and liabilities are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

A 1% strengthening/weakening of the interest rate as at the end of the reporting period would have immaterial impact on profit after tax.

(d) Foreign Currency Risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Hongkong Dollar ("HKD") and Singapore Dollar ("SGD"). In the management of foreign currency risk, the Group does not hedge these exposures by purchasing forward currency contracts.

The Company is also exposed to foreign currency risk in respect of its investment in foreign subsidiaries. The Company does not hedge this exposure by having foreign currency borrowings in view of the insignificant amount of investment in the foreign subsidiaries.

Sensitivity analysis for foreign currency risk

A 1% strengthening/weakening of the Ringgit Malaysia against the respective foreign currencies as at the end of the reporting period would have immaterial impact on profit after tax.

APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 2015 (CONT'D)

29. CAPITAL MANAGEMENT

The primary objective 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 maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, 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 years ended 30th June 2015 and 30th June 2014.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, term loan, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent.

| | 2015 RM | 2014 RM |
|-------------------------------------------------|------------|------------|
| Group | | |
| Total borrowings | - | 1,072 |
| Equity attributable to the owners of the parent | 5,773,270 | 7,006,617 |
| Gearing ratio | * | * |

* Ratio below 1%

The Group is also required to comply with the disclosure and necessary capital requirements as prescribed in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**
ORIENTED MEDIA GROUP BERHAD
(Incorporated in Malaysia)

**SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND
UNREALISED PROFITS OR LOSSES**

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.07 and 2.23 of Bursa Malaysia ACE Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits or losses of the Group and of the Company as at 30th June are as follows:-

| | Group | | Company | |
|--------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| Total accumulated losses of the Company and its subsidiaries: | | | | |
| - Realised | (22,118,761) | (22,392,347) | (18,259,099) | (16,712,235) |
| Less: Consolidated adjustments | 1,334,620 | 3,013,932 | - | - |
| Total accumulated losses | (20,784,141) | (19,378,415) | (18,259,099) | (16,712,235) |

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

ORIENTED MEDIA GROUP BERHAD
(Incorporated in Malaysia)

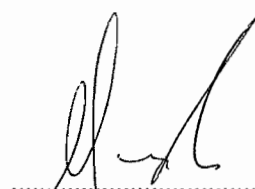
STATEMENT BY DIRECTORS

We, **ZHU GUOHE** and **YEE YIT YANG**, being two of the Directors of Oriented Media Group Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 6 to 66 give a true and fair view of the financial position of the Group and of the Company as at 30th June 2015 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The supplementary information set out on page 67 has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

On behalf of the Board,


.....
ZHU GUOHE
Director


.....
YEE YIT YANG
Director

Kuala Lumpur


Date: **20 OCT 2015**

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**

ORIENTED MEDIA GROUP BERHAD
(Incorporated in Malaysia)

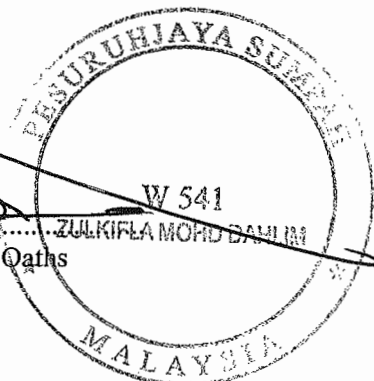
STATUTORY DECLARATION

I, **ZHU GUOHE**, being the Director primarily responsible for the financial management of Oriented Media Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 6 to 66, and the supplementary information set out on page 67 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, 1960.


.....
ZHU GUOHE

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory
on **20 OCT 2015**

Before me,


.....
Commissioner for Oaths

NO: 17, JALAN PETALING
50000 KUALA LUMPUR

APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 2015 (CONT'D)


BAKER TILLY

Baker Tilly Monteiro Heng
Chartered Accountants (AF0117)
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Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia

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

Report on the Financial Statements

We have audited the financial statements of Oriented Media Group Berhad, which comprise the statements of financial position as at 30th June 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 66.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Baker Tilly is a trading name of Baker Tilly Monteiro Heng, Baker Tilly AC and its related entities
An independent member of Baker Tilly International

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**


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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30th June 2015 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 8 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in a form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comments made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 67 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

**APPENDIX V - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE
FYE 2015 (CONT'D)**



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

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

A handwritten signature in black ink, appearing to read "Heng Fu Joe".

Heng Fu Joe
No. 2966/11/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 20th October 2015

APPENDIX VI - UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE THREE (3)-MONTH FPE 30 SEPTEMBER 2015

Financial Results
Reference No.

Submitting Merchant Bank
(If applicable)

Company Name **ORIENTED MEDIA GROUP BERHAD ("OMEDIA")**

Stock Name **OMEDIA**

Contact Person

Designation **DIRECTOR**

Part A1: QUARTERLY REPORT

Financial Year End **30 JUNE 2016**

Quarter **1**

Quarterly report for the financial period ended **30 SEPTEMBER 2015**

The figures **Have not been audited**

Part A2: SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the financial period ended

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------------|-------------------------------------|
| | | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | | 2015 | 2014 | 2015 | 2014 |
| | | 30.09.2015 RM '000 | 30.09.2014 RM '000 | 30.09.2015 RM '000 | 30.09.2014 RM '000 |
| 1 | Revenue | 342 | 527 | 342 | 527 |
| 2 | Profit/(loss) before tax | 3 | (13) | 3 | (13) |
| 3 | Profit/(loss) for the period | 3 | (13) | 3 | (13) |
| 4 | Net profit/(loss) attributable to ordinary equity holders of the parent | 3 | (13) | 3 | (13) |
| 5 | Basic earnings/(loss) per share (sen) | 0.00 | (0.01) | 0.00 | (0.01) |
| 6 | Proposed/Declared Dividend per share (sen) | Nil | Nil | Nil | Nil |
| | | AS AT END OF CURRENT QUARTER* | | AS AT PRECEDING FINANCIAL YEAR ENDED | |
| 7 | Net assets per share attributable to ordinary equity holders of the parent (RM) | 0.0298 | | 0.0270 | |

PART A3: ADDITIONAL INFORMATION

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|------------------------|-----------------------|--------------------------------------|-----------------------|-------------------------------------|
| | | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | | 2015 | 2014 | 2015 | 2014 |
| | | 30.09.2015 RM '000 | 30.09.2014 RM '000 | 30.09.2015 RM '000 | 30.09.2014 RM '000 |
| 1 | Gross interest income | 7 | 39 | 7 | 39 |
| 2 | Gross interest expense | 0 | 0 | 0 | 0 |

APPENDIX VI - UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE THREE (3)-MONTH FPE 30 SEPTEMBER 2015 (CONT'D)

ORIENTED MEDIA GROUP BERHAD (517487-A)

(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

| | 3 Months Ended | | Cumulative | |
|----------------------------------------------------------------------|----------------|-----------------|----------------|-----------------|
| | 1st Quarter | 1st Quarter | Quarter Ended | |
| | 30 Sept | 30 Sept | 30 Sept | |
| | 2015 | 2014 | 2015 | 2014 |
| | RM | RM | RM | RM |
| Revenue | 342,055 | 527,071 | 342,055 | 527,071 |
| Cost of sales | (87,937) | (501,050) | (87,937) | (501,050) |
| GROSS PROFIT | 254,118 | 26,021 | 254,118 | 26,021 |
| Other operating income | 7,221 | 112,150 | 7,221 | 112,150 |
| Administrative expenses | (258,602) | (151,240) | (258,602) | (151,240) |
| OPERATING PROFIT/(LOSS) | 2,737 | (13,069) | 2,737 | (13,069) |
| Finance costs | 0 | 0 | 0 | - |
| PROFIT/(LOSS) BEFORE TAXATION | 2,737 | (13,069) | 2,737 | (13,069) |
| Taxation | - | - | - | - |
| PROFIT/(LOSS) NET OF TAX | 2,737 | (13,069) | 2,737 | (13,069) |
| Other comprehensive income | | | | |
| Foreign currency translation | 595,857 | - | 595,857 | - |
| Other comprehensive income for the quarter, net of tax | 595,857 | - | 595,857 | - |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE QUARTER | 598,594 | (13,069) | 598,594 | (13,069) |
| Profit/(Loss) attributable to: | | | | |
| Owners of the parent | 2,737 | (13,069) | 2,737 | (13,069) |
| Non-controlling interests | - | - | - | - |
| | 2,737 | (13,069) | 2,737 | (13,069) |
| Total comprehensive income/(loss) attributable to: | | | | |
| Owners of the parent | 598,594 | (13,069) | 598,594 | (13,069) |
| Non-controlling interests | - | - | - | - |
| | 598,594 | (13,069) | 598,594 | (13,069) |
| Loss per share attributable to equity holders of the Company: | | | | |
| Basic (sen) | 0.00 | (0.01) | 0.00 | (0.01) |
| Diluted (sen) | N/A | N/A | N/A | N/A |

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.)

**APPENDIX VI - UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR
THE THREE (3)-MONTH FPE 30 SEPTEMBER 2015 (CONT'D)**

ORIENTED MEDIA GROUP BERHAD (517487-A)

(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015
STATEMENT OF FINANCIAL POSITION**

| | 2015 30 SEPTEMBER RM | AUDITED 2015 30 JUNE RM |
|------------------------------------------------------------------|-------------------------------------|--------------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 853,409 | 927,334 |
| Total Non-current assets | 853,409 | 927,334 |
| Current assets | | |
| Trade and other receivables | 2,066,098 | 2,024,071 |
| Tax recoverable | 32,900 | 32,320 |
| Fixed deposits placed with licensed banks | 5,953 | 31,842 |
| Cash and bank balances | 5,000,218 | 4,064,441 |
| Total Current Assets | 7,105,169 | 6,152,674 |
| TOTAL ASSETS | 7,958,578 | 7,080,008 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company: | | |
| Share capital | 21,348,960 | 21,348,960 |
| Share premium | 5,220,461 | 5,220,460 |
| Retained profits | (20,781,404) | (20,784,141) |
| Foreign exchange translation reserve | 583,848 | (12,009) |
| Reserves | (14,977,095) | (15,575,690) |
| Shareholders' funds | 6,371,865 | 5,773,270 |
| Non-controlling interests | - | - |
| Total equity | 6,371,865 | 5,773,270 |
| Current liabilities | | |
| Trade and other payables | 1,586,713 | 1,306,738 |
| Bank overdraft | - | - |
| Total Current Liabilities | 1,586,713 | 1,306,738 |
| TOTAL LIABILITIES | 1,586,713 | 1,306,738 |
| TOTAL EQUITY AND LIABILITIES | 7,958,578 | 7,080,008 |

Notes:

i. The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements

(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

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**APPENDIX VI - UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR
THE THREE (3)-MONTH FPE 30 SEPTEMBER 2015 (CONT'D)**

ORIENTED MEDIA GROUP BERHAD (517487-A)

(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015
STATEMENT OF CASH FLOW (UNAUDITED)**

| | 3 months ended 30.09.2015 (RM) | 12 months ended 30.06.2015 (RM) |
|-------------------------------------------------------------|--------------------------------------|---------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | 2,737 | (1,191,283) |
| Adjustments for : | | |
| Depreciation | 91,660 | 351,497 |
| Interest income | (7,221) | (114,953) |
| Loss on disposal of the subsidiaries | - | 922,653 |
| Impairment loss on trade receivable | - | 113,400 |
| Impairment loss on goodwill | - | 4,342 |
| Operating profit before working capital changes | 87,176 | 85,656 |
| Changes in Working Capital: | | |
| Receivables | (42,027) | (1,458,161) |
| Payables | 279,975 | 1,933 |
| Cash generated from operations | 325,124 | (1,370,572) |
| Tax paid | (580) | (2,733) |
| Net Operating Cash Flows | 324,544 | (1,373,305) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 7,221 | 114,953 |
| Purchase of property, plant & equipment | (1,749) | (121,571) |
| Sale of subsidiaries, net of cash disposed | - | (2,010) |
| Net Investing Cash Flows | 5,472 | (8,628) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 330,016 | (1,381,933) |
| EFFECTS OF EXCHANGE RATE CHANGES | 579,872 | - |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 4,096,283 | 5,478,216 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 5,006,171 | 4,096,283 |

Note: Cash and cash equivalents

| | 30.09.2015 | 30.06.2015 |
|------------------------------------------|-------------------|-------------------|
| Cash and bank balance | 5,000,218 | 4,064,441 |
| Fixed deposit placed with licensed banks | 5,953 | 31,842 |
| | 5,006,171 | 4,096,283 |
| Less: Bank overdraft | - | - |
| Cash and cash equivalents | 5,006,171 | 4,096,283 |

(The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.)

APPENDIX VI - UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE THREE (3)-MONTH FPE 30 SEPTEMBER 2015 (CONT'D)

ORIENTED MEDIA GROUP BERHAD (517487-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

A Explanatory Notes Pursuant to Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting

A1. Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting, and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (for the ACE Market), and should be read in conjunction with the Group's audited financial statements for the year ended 30 June 2015.

The Group has adopted the MFRS framework issued by Malaysian Accounting Standards board ("MASB") with effect from 1st July 2012. In this condensed consolidated interim financial statements, MFRS 1: First time Adoption of Malaysian Financial Reporting Standards, has been adopted in the transition to MFRS framework. The transition from FRS framework to MFRS framework does not have any significant financial impact to the financial statements of the Group as the accounting policies adopted under the previous FRS framework were already in line with the requirements of the MFRS framework.

A2. Audit Report of the Preceding Annual Financial Statements

The auditors' report of the preceding annual financial statements was not subject to any qualification.

A3. Seasonal or Cyclical Factors of Interim Operations

There were no seasonal or cyclical factors affecting the results of the Group for the current interim period.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income, or Cash

There were no items affecting assets, liabilities, equity, net income, or cash that are unusual in nature, size or incidence for the current interim period.

A5. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

A6. Debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares during the current quarter under review.

A7. Dividend paid

The Board does not recommend any dividend for the current interim period.

A8. Segmental Information

The Group is primarily operated in digital media industries, therefore segmental analysis is not presented and operations are conducted predominantly in Malaysia.

A9. Valuations of Property, Plant and Equipment

The property, plant and equipment were acquired at cost during the current interim period.

A10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the current quarter under review up to the date of this quarterly report

A11. Changes in the Composition of the Group

There were no other material changes to the composition of the Group for the current quarter under review.

A12. Contingent Liabilities/Contingent Assets

The Group does not have any contingent liabilities and contingent assets as at the date of this quarterly report.

A13. Capital commitments

The Group has no material capital commitments in respect of property, plant and equipment in the current quarter under review.

A14. Significant related party transactions

During the current quarter under review, the Directors are of the opinion that the Group has no related party transactions which would have a significant impact on the financial position and business of the Group.

APPENDIX VI - UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE THREE (3)-MONTH FPE 30 SEPTEMBER 2015 (CONT'D)

ORIENTED MEDIA GROUP BERHAD (517487-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (for ACE Market)

B1. Review of Performance

The Group recorded revenue of RM342,000 for the first quarter ended 30 September 2015 compared to the revenue RM527,000 recorded in the preceeding year of the corresponding quarter.

The Group has recorded a net profit after taxation of RM 3,000 for the first quarter ended 30 September 2015 represents an increase compared to the net loss after taxation of RM 13,000 in the preceeding year of the corresponding quarter. The improved performance is due to its e-commerce business in China.

The main activities during the period are the provision of e-commerce business in developing, managing online trading platform and trading of equipment.

B2. Material changes in profit/(loss) before taxation for the current quarter as compared with the immediate

For the quarter ended 30 September 2015, the Group reported a lower revenue of RM0.34 million as compared to RM0.54 million achieved in the previous quarter ended 30 June 2015. The net profit recorded in this quarter is RM3,000 as compared to last quarter net loss of RM960,000 due to its e-commerce business in China for the current quarter under review.

The comparison between the current quarter and the immediate preceding quarter are as follows:-

| | Current Quarter 30.09.2015 | Previous Quarter 30.06.2015 |
|-------------------------------|-------------------------------|--------------------------------|
| | RM | RM |
| Revenue | 342,055 | 541,288 |
| Profit/(Loss) before taxation | 2,737 | (963,351) |

B3. Current Year Prospects

The Group will continue to derive its income from its trading activities and the development of internet based e-commerce platform. Nonetheless, the prospects revolving main challenging in light of the evolving IT industry as a whole.

B4. Forecasts of Profit After Tax

Not applicable as no forecast was disclosed in any public document.

B5. Tax Expenses

No tax expenses were provided during this quarter

B6. Unquoted Securities and/or Properties

There were no purchases or disposal of unquoted securities and/or properties for the current quarter and financial year-to-date under review.

B7. Quoted Securities

There were no purchases or disposals of quoted securities for the current quarter and financial year-to-date under review. The Group does not have any material investment in quoted securities as at the reporting date.

B8. Status of Corporate Proposals

Multiple Proposals

On 27 February 2015, the Company (or "Omedia") announced the following proposals:

(i) Proposed Rights Issue With Warrants

Renounceable rights issue of up to 426,979,200 new ordinary shares of RM0.10 each in Omedia together with up to 320,234,400 free detachable warrants in the Company on the basis of four (4) Right Shares together with three (3) free warrants for every two (2) existing shares held by entitled shareholders of Omedia on an entitlement date to be determined later;

(ii) Proposed ESOS Termination

Termination of the Company's existing employees' share option schedule which was established in 2009 and will expire in 2019;

APPENDIX VI - UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE THREE (3)-MONTH FPE 30 SEPTEMBER 2015 (CONT'D)

B8. Status of Corporate Proposals (Cont'd)

Multiple Proposals (Cont'd)

(iii) Proposed New ESOS

Establishment of a new employees' share option schedule involving up to 30% of the issued and paid-up share capital of Omedia for the eligible directors and employees of the Company and its subsidiary;

(iv) Proposed Increase in Authorised Share Capital

Increase in the authorised share capital of the Company from RM50,000,000 comprising 500,000,000 shares to RM200,000,000 comprising 2,000,000,000 Omedia shares.

(v) Proposed Amendment

Amendment to the Memorandum of Association of the Company.

The abovementioned multiple proposals have been approved by Bursa Malaysia Securities Berhad ("Bursa Securities") on 29 May 2015 and EGM-Shareholders on 2 July 2015 respectively.

The Company has obtained approval of Bursa Securities vide its letter dated 17 November 2015 for an extension of time of approximately three (3) months from 29 November 2015 up to 26 February 2016, for the Company to implement and complete the Rights Issue with Warrants.

B9. Group Borrowings and Debt Securities

The Group has no bank borrowings as at 30 September 2015.

B10. Profit/(Loss) Before Tax

Profit/(Loss) for the period is arrived after crediting/(charging) the following:

| | Individual Quarter | | Cumulative Quarter | |
|-------------------------------------------|------------------------------|--------------------------------------|----------------------------------|----------------------------------|
| | Current Quarter | Comparative | Current | Comparative |
| | Ended 30/9/2015 RM'000 | Quarter Ended 30/9/2014 RM'000 | 12-months 30/9/2015 RM'000 | 12-months 30/9/2014 RM'000 |
| Interest income | 7 | 39 | 7 | 39 |
| Depreciation and amortisation | (92) | (86) | (92) | (86) |
| Impairment of investment | - | (336) | - | (336) |
| Reversal of impairment loss on investment | - | 73 | - | 73 |

B11. Realised and unrealised profit/ losses disclosure

Breakdown of the accumulated losses of the Group as at 30 September 2015, into realised and unrealised profits or losses is as follows:

| | 3 months ended 30.09.2015 RM | Audited 12 months ended 30.06.2015 RM |
|---------------------------------------------------------------|------------------------------------|------------------------------------------------|
| | | |
| Total accumulated losses of the Company and its subsidiaries: | | |
| - Realised | (22,229,422) | (22,118,761) |
| - Unrealised | - | - |
| | (22,229,422) | (22,118,761) |
| Less: Consolidation adjustments | 1,448,018 | 1,334,620 |
| Total group accumulated losses | (20,781,404) | (20,784,141) |

B12. Changes In Material Litigation

There was no material litigation pending as at the date of this report.

B13. Dividend

The Board does not recommend any dividend for the first quarter financial period under review.

APPENDIX VI - UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE THREE (3)-MONTH FPE 30 SEPTEMBER 2015 (CONT'D)

B14. Status of Utilisation of Proceeds

On 20th June 2014, the Private Placement funds amounting to RM5,337,240 has been raised by issuing 35,581,600 new ordinary shares of the Group at an issue price of RM0.15 each.

The details of the utilisation of the proceeds from the Private Placement up to 30 September 2015 are as follows:

| Description | Proposed Utilisation RM'000 | Actual Utilisation RM'000 | Balance to be Utilised RM'000 | Intended Timeframe for Utilisation |
|-------------------------------------------------|--------------------------------|------------------------------|----------------------------------|------------------------------------|
| Setting up mobile application studio | 1,300 | - | 1,300 | Within 12 months |
| Purchase of virtualisation software source code | 1,000 | - | 1,000 | Within 12 months |
| Working Capital | 2,887 | (1,739) | 1,148 | Within 12 months |
| Expenses in relation to the Proposal | 150 | (150) | - | Within 1 month |
| Total | 5,337 | (1,889) | 3,448 | |

B15. Earnings Per Share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

| | 3 months ended | | Cumulative | |
|----------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------|---------------------------------------------|---------------------------------------------------------------|
| | Current Year Quarter 30.09.2015 RM | Preceding Year Corresponding Quarter 30.09.2014 RM | Current Year To Date 30.09.2015 RM | Preceding Year Corresponding period 30.09.2014 RM |
| Net profit/(loss) for the period attributable to ordinary equity holders of the parent | 2,737 | (13,069) | 2,737 | (13,069) |
| Weighted average number of ordinary shares of RM0.10 each | 213,489,600 | 213,489,600 | 213,489,600 | 213,489,600 |
| EPS (sen) - Basic | 0.00 | (0.01) | 0.00 | (0.01) |
| - Diluted | N/A | N/A | N/A | N/A |

Oriented Media Group Berhad
20 November 2015

APPENDIX VII - DIRECTORS' REPORT



ORIENTED MEDIA GROUP BHD (517487-A)

Formerly known as Portrade Delcom Bhd

Unit No. A3-3-05, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia.

Tel: +(60)3 6207 9124 Fax: +(60)3 6207 8124

MESDAQ: OMEDIA, 0018

Date: 10 DEC 2015

To: The Entitled Shareholders of Oriented Media Group Berhad ("OMEDIA" or the "Company")

Dear Sir / Madam,

On behalf of the Board of Directors of OMEDIA ("Board"), I wish to report that after due enquiry by us in relation to the interval between the period from 30 June 2015 (being the date to which the last audited consolidated financial statements of the Company and its subsidiaries ("Group") have been made up) to the date hereof (being a date not earlier than 14 days before the date of issuance of this Abridged Prospectus), that:-

- (i) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;
- (ii) in the opinion of the Board, since the last audited consolidated financial statements of the Group, no circumstances that has adversely affected the trading or the value of the assets of the Group has arisen;
- (iii) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) save as disclosed in this Abridged Prospectus, there are no contingent liabilities that has arisen by reason of any guarantee or indemnities given by the Group;
- (v) there has not been, since the last audited consolidated financial statements of the Group, any default or known event that could give rise to a default situation, on payments of either interest and/or principal sums in relation to any borrowings of the Group;
- (vi) save as disclosed in the unaudited consolidated financial statements of the Group for the three (3)-month financial period ended 30 September 2015 as set out in Appendix VI of this Abridged Prospectus, there has not been, since the last audited consolidated financial statements of the Group, any material changes in the published reserves or unusual factors affecting the profits of the Group; and
- (vii) as disclosed above and up the date of this letter, no other reports are required in relation to items (i) to (vi) above.

Yours faithfully
For and behalf of the Board of
ORIENTED MEDIA GROUP BERHAD

YEE YIT YANG
Independent Non-Executive Chairman